



Third Quarter & Nine Months  
Period Ended Report

March 31, 2013  
(Un-audited)

# FIRST UDL MODARABA

Managed By:

UDL Modaraba Management (Pvt) Limited

## **Directors' Review:**

The Board of Directors of UDL Modaraba Management Private Ltd., the Management Company has pleasure in presenting the un-audited accounts of First UDL Modaraba for the third quarter and nine months period ended March 31, 2013.

## **Review of Operations:**

During the period nine months under review your Modaraba's profits are in-line with previous years. The current year profit is Rs. 39.04 million as against Rs. 40.40 million during the comparative period last year. This level of profitability is considered satisfactory by the management. However, in the pharma division we are still awaiting certain approvals from the MOH which has put the company's profitability from business activities under pressure.

By the grace of God, despite the stalled Pharma division operations, we have been able to maintain the profits owing to buoyancy in the stock markets due to unrealized gain in the investment portfolio and increase in earnings of associated companies. There has been an improvement in the Ijarah activity contributing towards better profitability, while expenses of the Modaraba have been kept under strict control.

## **Acknowledgement:**

Firstly, with deep sorrow and regret we would like to inform you that the MD of your company Mr. A.W.Rahi passed away on April 1, 2013, after a brief illness. He was a guiding force for all us and would be deeply missed. (May his soul rest in peace, Ameen).

The Board appreciates the continued support received from regulatory authorities, certificate holders and customers. The trust and confidence demonstrated by investors in the Modaraba is also gratefully acknowledged.

The Board also recognizes the commendable efforts of Mr. A W Rahi (Late) and the staff members of First UDL Modaraba without which the Modaraba's success could not have been possible.

On Behalf of the Board

**Shuja Malik**  
Director  
29th April 2013

**FIRST UDL MODARABA  
BALANCE SHEET - (Un-audited)  
AS AT MARCH 31, 2013**

	(Un-audited) March 31, 2013	(Audited) June 30, 2012
Note	----- Rupees in "000" -----	
<b>LIABILITIES AND EQUITY</b>		
<b>Certificate holders' equity</b>		
<b>Certificate capital:</b>		
Authorized capital 50,000,000 (June 30, 2012: 50,000,000) modaraba certificates of Rupees 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up certificate capital	<u>263,866</u>	263,866
<b>Statutory reserve</b>	<u>193,329</u>	193,329
<b>Revenue reserves</b>		
Unrealized gain on remeasurement of available for sale investments	<u>11,529</u>	(115)
Unappropriated profit	<u>60,262</u>	47,608
	<u>71,791</u>	47,493
<b>Total equity</b>	<u>528,986</u>	504,688
<b>Non-current liabilities</b>		
Long term security deposits	<u>90,481</u>	60,728
Deferred liabilities	<u>105,825</u>	105,825
	<u>196,306</u>	166,553
<b>Current liabilities</b>		
Current maturity of security deposits	<u>8,992</u>	10,832
Payable to management company	<u>4,440</u>	5,384
Accrued and other liabilities	<u>43,287</u>	28,472
5	<u>56,718</u>	44,688
<b>Contingencies and commitments</b>		
<b>Total liabilities and equity</b>	<u>782,011</u>	<u>715,929</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets - tangible	<u>347,450</u>	290,301
Fixed assets - intangible	<u>1,650</u>	1,500
Capital work in progress	<u>166,805</u>	-
Long term investments	<u>89,887</u>	69,475
Long term advances and deposits	<u>842</u>	74
6	<u>606,634</u>	361,350
<b>Current assets</b>		
Ijarah rental receivables	<u>1,175</u>	1,023
Stock	<u>411</u>	-
Musharika receivables - secured	<u>50,863</u>	140,356
Financial assets - investments at fair value through profit or loss	<u>17,342</u>	12,385
Advances - considered good	<u>2,544</u>	18,813
Prepayments and other receivables	<u>4,384</u>	9,536
Cash and bank balances	<u>98,658</u>	172,466
7	<u>175,377</u>	354,579
<b>Total assets</b>	<u>782,011</u>	<u>715,929</u>

The annexed notes from 1 to 11 form an integral part of the condensed interim financial information.

For UDL Modaraba Management (Private) Limited  
(Management Company)

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**FIRST UDL MODARABA**  
**PROFIT AND LOSS ACCOUNT - (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	Quarter ended		Nine Months Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees"000" -----				
Income from Ijarah operations	35,690	31,420	100,724	84,031
Income from Musharika receivables	3,463	1,655	12,555	15,923
Income from investments	1,989	(154)	3,809	2,363
Income from other sources	1,156	3,424	5,126	12,903
	<b>42,299</b>	<b>36,345</b>	<b>122,215</b>	<b>115,220</b>
Operating expenses	<b>8,397</b>	5,088	<b>22,428</b>	17,926
Amortization on assets leased out under Ijarah	<b>27,890</b>	24,869	<b>78,088</b>	64,484
Financial charges	<b>5</b>	1	<b>32</b>	18
	<b>36,291</b>	<b>29,958</b>	<b>100,547</b>	<b>82,428</b>
<b>Operating profit</b>	<b>6,008</b>	<b>6,387</b>	<b>21,668</b>	<b>32,792</b>
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss	<b>4,201</b>	11,093	<b>5,083</b>	4,895
Share of profit / (loss) from associates (unrealized)	<b>9,690</b>	7,849	<b>16,628</b>	7,202
	<b>19,899</b>	<b>25,329</b>	<b>43,379</b>	<b>44,889</b>
Modaraba company's management fee	<b>1,990</b>	2,533	<b>4,338</b>	4,489
	<b>17,909</b>	<b>22,796</b>	<b>39,041</b>	<b>40,400</b>
<b>Profit for the period</b>	<b>17,909</b>	<b>22,796</b>	<b>39,041</b>	<b>40,400</b>
<b>Earnings per certificate - basic and diluted</b>	<b>0.68</b>	<b>0.86</b>	<b>1.48</b>	<b>1.53</b>

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For UDL Modaraba Management (Private) Limited  
(Management Company)

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**FIRST UDL MODARABA**  
**STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	Quarter ended		Nine Months Ended	
	31-Mar 2013	31-Mar 2012	31-Mar 2013	31-Mar 2012
	----- Rupees"000" -----			
<b>Profit for the period</b>	<b>17,909</b>	22,796	<b>39,041</b>	40,400
<b>Other comprehensive income</b>				
Unrealised gain / (loss) on re-measurement of available for sale investments	<b>3,386</b>	(3)	<b>11,644</b>	122
Taxation relating to components of other comprehensive income	-	-	-	-
Other comprehensive income after income tax	<b>3,386</b>	(3)	<b>11,644</b>	122
<b>Total comprehensive income</b>	<b>21,295</b>	22,793	<b>50,685</b>	40,522

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For UDL Modaraba Management (Private) Limited  
(Management Company)

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**FIRST UDL MODARABA**  
**CASH FLOW STATEMENT - (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	March 31, 2013	March 31, 2012
	----- Rupees "000" -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit for the period</b>	<b>39,041</b>	40,400
Adjustment of non cash/non operating items:		
Depreciation on owned assets	2,144	1,380
Amortization of assets leased out	78,088	64,484
Financial charges	32	18
Gain on sale of fixed assets	(900)	520
Share of profit from associates	(16,628)	(7,202)
Dividend income	(742)	(270)
Gain on sale of investment	(3,067)	(2,092)
Impairment gain on available for sale investment	(11,644)	122
Unrealised gain on re-measurement on investments	(5,083)	(4,895)
	<u>42,199</u>	<u>52,065</u>
	<b>81,241</b>	92,465
<b>Changes in working capital:</b>		
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade	(411)	-
Ijarah rental receivables	(152)	(1,353)
Musharika receivables	89,493	(17,306)
Financial Assets	(4,957)	31,541
Advances, Prepayments and other receivables	21,421	12,034
	<u>105,394</u>	<u>27,149</u>
<b>Increase / (decrease) in current liabilities</b>		
Current maturity of security deposits	(1,840)	29,058
Payable to management company	(944)	156
Accrued and other liabilities	14,815	3,926
	<u>198,665</u>	<u>152,754</u>
Financial charges paid	(32)	(18)
Profit distributed to certificate holders	(26,386)	(26,386)
	<u>(26,418)</u>	<u>(26,404)</u>
<i>Net cash flows generated from/(used in) operating activities</i>	<b>172,247</b>	126,350
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets - leased out	(87,810)	(219,083)
Purchase of fixed assets - Own CWIP	(6,649)	(2,015)
Long term investments	(166,805)	-
Proceeds from sale of fixed assets	(20,412)	(23,418)
Dividends received	900	5,832
Profit received on bank deposits	742	270
	<u>4,226</u>	<u>12,336</u>
<i>Net cash flows (used in) investing activities</i>	<b>(275,808)</b>	(226,078)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term security deposits	29,753	9,356
<i>Net cash flows (used in) /generated from financing activities</i>	<u>29,753</u>	<u>9,356</u>
<b>Net change in cash and cash equivalents during the period</b>	<b>(73,808)</b>	(100,129)
Cash and cash equivalents at the beginning of the period	172,466	250,848
<b>Cash and cash equivalents at the end of the period</b>	<u><b>98,658</b></u>	<u>150,719</u>

The annexed notes from 1 to 11 form an integral part of the condensed interim financial information.

For UDL Modaraba Management (Private) Limited  
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA  
STATEMENT OF CHANGES IN EQUITY - (Un-audited)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	----- Revenue reserve ----- Unrealized (loss)/Gain on remeasurement of available for sale investment	Unappropriated Profit	Certificate holder's equity
	----- Rupees "000" -----				
<b>Balance as at July 1, 2011</b>	263,866	183,426	(203)	47,573	494,662
Profit distribution in cash in June 30, 2011	-	-	-	(26,387)	(26,387)
Interim Profit distribution in cash in December 31, 2011	-	-	-	(13,193)	(13,193)
Total comprehensive income for the period ended June 30, 2012	-	-	88	49,518	49,606
Transfer to statutory reserves	-	9,904	-	(9,904)	-
<b>Balance as at June 30, 2012</b>	<b>263,866</b>	<b>193,330</b>	<b>(115)</b>	<b>47,607</b>	<b>504,688</b>
Profit distribution in cash in June 30, 2012	-	-	-	(26,386)	(26,386)
Total comprehensive income for the period ended March 31, 2013	-	-	11,644	39,041	50,685
<b>Balance as at March 31, 2013</b>	<b>263,866</b>	<b>193,330</b>	<b>11,529</b>	<b>60,262</b>	<b>528,987</b>

\*The statutory reserve represents profit set-aside as required under Prudential Regulations for Modaraba and is transferred annually at year end.

The annexed notes from 1 to 11 form an integral part of the condensed interim financial information.

For UDL Modaraba Management (Private) Limited  
(Management Company)

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**FIRST UDL MODARABA**  
**SELECTED NOTES TO THE FINANCIAL STATEMENTS - (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

**1. LEGAL STATUS AND NATURE OF THE BUSINESS**

First UDL Modaraba (the Modaraba) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under, having its registered office at C-117/1, K.D.A Scheme No. 1, Tipu Sultan Road, Karachi and is managed by UDL Modaraba Management (Private) Limited, a company incorporated in Pakistan. It is a perpetual, multipurpose and multidimensional Modaraba and is engaged in providing finance on Murabaha and Musharaka arrangements, Ijarah, commodity trading and trading in listed and non-interest bearing securities. The Modaraba is listed on Karachi, Islamabad and Lahore Stock Exchanges.

**2. BASIS OF PREPARATION**

These financial statements comprise balance sheet, profit and loss, statement of comprehensive income, statement of cash flows, statement of changes in equity and explanatory notes and have been prepared under the historical cost convention except for: investments - available for sale and investment - at fair value through profit or loss have been recognised at fair value and staff benefit have been recognised at value determined by the actuary.

**3. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws). Approved accounting standards comprise such International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS) as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of relevant laws or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the relevant laws and the said directives take precedence.

The SECP has issued directive (vide SRO 431 (I) / 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statement by Companies and Modarabas while accounting for Ijarah (Lease) transactions as defined by said Standard. The Modaraba has adopted the above said Standard.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2012.

	Note	<b>Un-audited March 31, 2013</b>	Audited June 30, 2012
----- Rupees "000" -----			
<b>5. ACCRUED &amp; OTHER LIABILITIES</b>			
<b>Accrued Liabilities</b>		<b>1,665</b>	2,046
<b>Other Liabilities</b>			
Provision for taxation		<b>4,658</b>	4,676
Unclaimed profit distribution		<b>11,436</b>	10,045
WWF		<b>3,450</b>	3,450
Others		<b>22,078</b>	8,255
		<b>43,287</b>	28,472

**6. LONG TERM INVESTMENTS**

**Available for sale**

Associated companies	6.1	<b>65,357</b>	54,050
Listed companies	6.2	<b>24,530</b>	15,424
		<b>89,887</b>	69,474



<b>Un-audited</b> <b>March 31,</b> <b>2013</b>	Audited June 30, 2012	<b>Un-audited</b> <b>March 31,</b> <b>2013</b>	Audited June 30, 2012
-----No. of shares-----		----- Rupees "000" -----	

#### 6.1 Associated companies

##### Pharma & Bio Tech

Searle Pakistan Limited	1,085,451	839,608	43,149	37,984
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##### Personal Goods

United Brands Limited	69,060	69,060	3,262	3,141
IBL Healthcare Limited	223,383	240,000	5,111	5,363

##### Chemical

United Distributors Pakistan Ltd.	211,500	211,500	13,835	7,562
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<b>65,357</b>	<b>54,050</b>
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6.1.1 The latest available financial results of associate as of March 31, 2013 have been used for the purpose of application of equity method

#### 6.2 Listed companies

##### Food & personal care products

Gillette Pakistan Limited	150,000	192,285	19,950	12,012
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##### Chemical

Nimir Industries Chemicals Limited	150,000	150,000	483	516
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##### Leasing

Security Leasing Corporation Limited	858,935	858,935	3,255	1,718
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##### Textile Composite

International Knitware Limited	168,301	168,301	842	1,178
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<b>24,530</b>	<b>15,424</b>
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The nominal value of all shares is Rs. 10 each.

#### 7. FINANCIAL ASSETS - INVESTMENTS

at fair value through profit or loss

Associated company

Other listed companies

Note

7.1

7.2

2,795	-
14,547	12,384
<b>17,342</b>	<b>12,384</b>

	Un-audited March 31, 2013	Audited June 30, 2012	Un-audited March 31, 2013	Audited June 30, 2012
	No. of Shares / Certificates		----- Rupees "000" -----	
<b>7.1 Associated companies</b>				
<b>Chemicals</b>				
United Distributors Pakistan Limited	180,000	-	2,795	-
	<b>180,000</b>	<b>-</b>	<b>2,795</b>	<b>-</b>
<b>7.2 Other listed companies</b>				
<b>Food &amp; personal care products</b>				
Gillette Pakistan Limited	42,785	-	5,690	-
<b>Oil &amp; Gas</b>				
Pakistan Petroleum Limited	6,250	5,000	1,095	941
<b>Modaraba</b>				
First Fidelity Leasing Modaraba	20,630	20,630	60	54
Unicap Modaraba	36,500	36,500	5	5
<b>Chemical</b>				
Arif Habib Corporation Limited	121,000	110,000	2,934	3,402
Aisha Steel Mills Limited	-	11,000	-	-
Lotte Pakistan PTA Limited	200,000	200,000	1,456	1,406
<b>Construction &amp; Materials</b>				
Maple Leaf Cement Company	-	200,000	-	926
Attock Cement Company	23,000	20,000	2,602	1,629
<b>Industrial Metals &amp; Mining</b>				
Crescent Steel & Allied Products Ltd	2,750	2,750	91	64
<b>Fixed Line Telecommunication</b>				
Worldcall Telecom Ltd	200,000	200,000	614	410
<b>Real Estate Investment</b>				
Pace Pakistan Limited	-	200,000	-	408
<b>Electricity</b>				
Nishat Power Company	-	213,566	-	3,139
			<b>14,547</b>	<b>12,384</b>

The nominal value of all shares & certificates is Rs. 10 each.

## 8. FINANCIAL RISK MANAGEMENT

The Modarabas' financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2012.

## 9. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on April 29, 2013 by the Board of Directors of the Modaraba company.

## 10. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have proposed interim dividend for the nine months period ended March 31, 2013 of Rs. 1.00 per certificate, amounting to Rs. 26,386,589/- in their meeting held on April 29, 2013. The condensed interim financial statement do not include the effect of the above which will be accounted for in the period in which it is declared.

## 11. GENERAL

The figures have been rounded off to the nearest thousand rupees.

For UDL Modaraba Management (Private) Limited  
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR