



First Quarter Ended Report

September 30, 2013

(Un - audited)

FIRST UDL MODARABA

Managed By:

UDL Modaraba Management (Pvt) Limited

Corporate Information

MODARABA MANAGEMENT COMPANY	UDL Modaraba Management (Private) Limited	
Board of Directors	Asad Abdulla Ather Naqi Shuja Malik S.M.Nasir Raza	Chairman (Non Executive Director) Chief Executive Officer Executive Director Executive Director
Company Secretary & CFO	Syed Aamir Hussain	
Audit Committee	S.M.Nasir Raza Shuja Malik Asad Abdulla	Chairman Member Member
Human Resource & Remuneration Committee	Asad Abdulla S.M.Nasir Raza Shuja Malik	Chairman Member Member
Auditors	Avais Hyder Liaquat Nauman Chartered Accountants	
Bankers	Habib Metropolitan Bank Limited Habib Bank Limited Silk Bank Limited (Islamic Banking) Dubai Islamic Bank Limited	
Registrar	Share Registrar Department Central Depository Company of Pakistan Ltd. CDC House Shahra -e-Faisal, Karachi	
Shariah Advisor	Mufti Abdul Qadir	
Legal Advisor	Mohsin Tayebaly & Co. 2nd Floor Dime Centre,BC-4,Block -9, Kehkashan, Clifton, Karachi-75600	
Tax Advisor	Ford Rhodes Sidat Hyder & Co. Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi-75530.	
Head Office & Registered Office	C-117/1 KDA Scheme No.1,Tipu Sultan Road, Karachi.	
Factory	E-44/45 North Western Industrial Zone, Port Qasim, Karachi	
Phone	(92-21) 34315591-5	
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E-Mail	info@udlmodaraba.com	
Web	www.udlmodaraba.com	

DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management Private Limited has pleasure in presenting the un-audited accounts of First UDL Modaraba for the quarter ended September 30, 2013.

Review of Operations:

The Modaraba's income from Ijarah operations has increased by 19% to Rs. 38.0 million from Rs. 31.9 million in the corresponding period. The realized gain on investments has increased to Rs. 7.7 million from Rs. 0.081 million. Despite the increase in income the Modaraba has posted an operating loss of Rs. 1.17 million during the period under review, as against a profit of Rs. 7.9 million in the corresponding period. The main reason for the loss is due to high administrative expenses, like increase in staff, higher electricity bills, etc for the pharmaceutical project and also a depreciation charge of the pharmaceutical plant. The loss, however, has been compensated by unrealized gains in the investment portfolio, which has resulted in a net profit of Rs. 5.3 million, a decline of 59% when compared with the corresponding period last year.

Since, the Pharma division has just started operations; the decline in profits was expected. However, after the formal launch, which has not taken place as yet, the sales would pick up and the loss in the Pharma division would be minimized. The management feels that eventually, the Pharma division would be the most profitable division of the Modaraba.

The management is satisfied with the overall operations of the Modaraba, especially the ijarah operations. As for the Pharma division, the management of your Modaraba is very hopeful and feels that the certificate holders would benefit greatly with the diversification.

Acknowledgement:

The Board places on record its appreciation for guidance and support received from Securities & Exchange Commission of Pakistan and State Bank of Pakistan.

The Directors also acknowledge with thanks the support of the certificate holders for their continued confidence and to the members of staff for their untiring efforts and dedication.

For and on behalf of the Board

Chief Executive

30-Oct-13

FIRST UDL MODARABA
BALANCE SHEET (Un-audited)
AS AT SEPTEMBER 30, 2013

	Note	Sept. 2013	June 2013
Rupees in '000'			
Capital and reserves			
Authorised 50,000,000 Modaraba			
Certificates of Rs.10/- each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up		263,866	263,866
Statutory reserves		201,638	201,638
Unrealized gain on re-measurement of available for sale investments		28,664	57,884
Accumulated profit		33,416	28,072
		527,584	551,460
Non - Current liabilities			
Long term security deposits		85,933	97,326
Deferred liabilities		104,016	104,016
		189,949	201,342
Current liabilities			
Current portion of long term liabilities		25,164	6,862
Payable to management company		-	2,433
Accrued & other liabilities	5	26,005	32,136
		51,169	41,431
		<u>768,702</u>	<u>794,233</u>
Non - Current assets			
Fixed Assets - Tangible			
Assets in own use		187,541	180,711
Assets leased out		322,337	324,967
Fixed Assets - Intangible		2,500	2,500
Diminishing Musharika Financing		5,885	7,653
Long term advances and deposits		911	911
Long term investments	6	94,808	126,953
		613,983	643,695
Current assets			
Ijarah rental receivable		409	551
Stock		3,860	2,968
Current portion of Diminishing Musharika financing		12,423	13,120
Financial assets	7	39,424	27,683
Advances		11,257	7,389
Prepayments & other receivable		4,200	2,976
Cash and bank balances		83,146	95,851
		154,719	150,538
		<u>768,702</u>	<u>794,233</u>

Chief Executive

Director

Director

**FIRST UDL MODARABA
PROFIT AND LOSS ACCOUNT(Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Sept. 2013	Sept. 2012
	Rupees in '000'	
REVENUES		
- Ijarah Operation	38,063	31,980
- Diminishing Musharika	805	5,040
- Investments	7,772	81
- Sales - Pharma	1,512	-
- Other sources	1,563	1,385
	49,715	38,486
EXPENSES		
- Administrative expenses	19,924	5,828
- Amortization on assets leased out	30,961	24,717
	50,885	30,545
OPERATING (LOSS) / PROFIT	(1,170)	7,942
Unrealized gain on re-measurement of investments at fair value through profit or loss	1,136	1,296
Share of profit from associates (Unrealized)	5,378	3,929
	6,514	5,225
Profit for the quarter	5,344	13,167
Earnings per certificate - basic & diluted	0.20	0.50

Chief Executive

Director

Director

FIRST UDL MODARABA
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Sept. 2013	Sept. 2012
	Rupees in '000'	
	<hr/>	
Other comprehensive income	5,344	13,167
Unrealised (loss) / gain on remeasurement of available for sale investment	(29,220)	141
Taxation relating to component of other comprehensive income	-	-
Other comprehensive income	<hr/> (29,220)	<hr/> 141
Total comprehensive income	<hr/> (23,876) <hr/>	<hr/> 13,308 <hr/>

Chief Executive

Director

Director

FIRST UDL MODARABA
CASH FLOW STATEMENT (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Sept. 2013	September 2012
	Rupees '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,344	13,167
Adjustment for :-		
Depreciation on own assets	3,992	481
Amortization on assets leased out	30,961	24,717
(Gain) / Loss on sale of investments	(7,772)	(81)
Unrealized (gain) / loss on investments -held for trading	(1,136)	(1,296)
Unrealized (gain) / loss on investments-held to maturity	29,220	(141)
Share of profit from associates	(5,378)	(3,929)
	<u>49,887</u>	<u>19,751</u>
Operating profit before working capital changes	55,231	32,918
(Increase) / decrease in current assets		
Ijarah rental receivable	142	(260)
Musharika receivable	697	17,722
Stock	(892)	-
Financial assets	(11,741)	433
Advances, deposits, prepayments & other receivables	(5,093)	(118,280)
	<u>(16,887)</u>	<u>(100,385)</u>
Increase in current liabilities		
Current portion on long term liabilities	18,302	(4,820)
Creditors, accrued charges & other liabilities	(8,564)	377
	<u>9,738</u>	<u>(4,443)</u>
Net Cash flow from Operating Activities	48,082	(71,910)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets leased out	(34,484)	(8,815)
Purchase of fixed assets - own	(10,869)	(1,896)
Purchase / Proceed from sale of securities	(37,954)	2,745
Long-term investment - net	32,145	(5,149)
Net cash flow from investing activities	(51,162)	(13,115)
CASH FLOW FROM FINANCING ACTIVITIES		
Diminishing Musharika Financing	1,768	-
Long term security deposits	(11,393)	462
Net cash flow from financing activities	<u>(9,625)</u>	<u>462</u>
Net cash flow for the period	<u>(12,705)</u>	<u>(84,563)</u>
Bank balance at the beginning of the period	95,851	172,466
	<u><u>83,146</u></u>	<u><u>87,903</u></u>

Chief Executive

Director

Director

FIRST UDL MODARABA
STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

PARTICULARS	Certificate	Statutory	Unrealized gain/ (loss)	Accumulated	TOTAL
	Capital	Reserves	on remeasurement of available for sale investment	Profit / (Loss)	
	RUPEES in ('000')				
Balance as at July 01, 2012	263,866	193,329	(115)	47,608	504,688
Other comprehensive income for the year ended June 30, 2013	-	-	57,999	41,547	99,546
Profit distribution in cash - Final	-	-	-	(26,387)	(26,387)
Profit distribution in cash - Interim	-	-	-	(26,387)	(26,387)
Transferred to statutory reserve	-	8,309	-	(8,309)	-
Balance as at June 30, 2013	263,866	201,638	57,884	28,072	551,460
Profit for the period	-	-	-	5,344	5,344
Other comprehensive income for the year ended September 30, 2013	-	-	(29,220)	-	(29,220)
Balance as at September 30, 2013	263,866	201,638	28,664	33,416	527,584

Chief Executive

Director

Director

**FIRST UDL MODARABA
NOTES TO THE ACCOUNTS
AS AT SEPTEMBER 30, 2013 (Un-audited)**

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, KDA 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, manufacturing and trading of pharmaceutical products and trading in listed and non-interest bearing securities. The Modaraba is listed on Karachi, Islamabad and Lahore Stock Exchanges.

2 BASIS OF PREPARATION

2.1 These financial statements comprising balance sheet, profit and loss, statement of comprehensive income, statement of cash flows, statement of changes in equity and explanatory notes 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 recognized at fair value.

2.2 These financial statements have been prepared using the accrual basis of accounting except for the cash flow information.

3 STATEMENT OF COMPLIANCE

3.1 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.

3.2 The SECP has issued directive (vide SRO 431 (1) / 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

All the accounting policies applied are in consistent with those of the annual financial statements for the year ended June 30, 2013, as described in those annual financial statements.

	Note	Sept. 2013	June 2013
Rupees in '000'			
5 CREDITORS, ACCRUED & OTHER LIABILITIES			
Accrued expenses		255	255
Other liabilities			
Provision for taxation		4,675	4,675
Unclaimed profit distribution		14,575	14,639
Others		6,500	12,567
		26,005	32,136

6 LONG TERM INVESTMENTS

Unless otherwise stated, holdings are in ordinary certificates / shares of Rupees 10 each.

Associated Undertaking	6.1	53,128	54,009
Listed companies	6.2	41,680	72,944
		94,808	126,953

6.1 Associated undertakings

	30-Sep-13				
	Rupees in '000'				
	Searle Company Limited	United Distributor s Pakistan Limited	United Brands Limited	IBL Healthcare Limited	Total
Opening balance	40,218	7,761	2,952	3,078	54,009
Shares purchased / (sold / transfer) during the period	(3,207)	26	-	(3,078)	(6,259)
Share of profit / (loss) from associates	2,433	2,950	(5)	-	5,378
	39,444	10,737	2,947	-	53,128

30-Jun-13
Rupees in '000'

	Searle Company Limited	United Distributors Pakistan Limited	United Brands Limited	IBL Healthcare Limited	Total
Opening balance	37,984	7,562	3,141	5,363	54,050
Shares Sold during the year	(9,407)	-	-	(2,158)	(11,565)
Share of profit / (loss) from associates	12,481	199	(189)	454	12,945
Dividend Income	(840)	-	-	(581)	(1,421)
	<u>40,218</u>	<u>7,761</u>	<u>2,952</u>	<u>3,078</u>	<u>54,009</u>

	No. of shares		Rupees in '000'	
	30-Sep-13	30-Jun-13	30-Sep-13	30-Jun-13
6.2 Listed companies				
Gillette Pakistan Limited	174,285	174,285	38,683	67,954
Nimir Industrial Chemicals	150,000	150,000	1,107	621
Security Leasing Corp. Ltd	-	858,935	-	2,671
International Knitware Ltd	240,801	240,801	1,890	1,698
			<u>41,680</u>	<u>72,944</u>

	No. of shares / Certificates		Note	Rupees in '000'	
	30-Sep-13	30-Jun-13		30-Sep-13	30-Jun-13
7 FINANCIAL ASSETS - INVESTMENTS					
'- at fair value through profit or loss					
Associated Company			7.1	10,387	2,790
Listed companies			7.2	29,037	24,893
				<u>39,424</u>	<u>27,683</u>
7.1 Associated Company					
United Distributors Pak. Ltd	180,000	180,000		3,879	2,790
IBL Healthcare Limited	44,883	-		1,964	-
Searle Company Limited	100,000	-		4,544	-
				<u>10,387</u>	<u>2,790</u>

	No. of shares / Certificates		Note	30-Sep-13	30-Jun-13
	30-Sep-13	30-Jun-13		Rupees in '000'	
7.2 Listed companies					
Crescent Steel & Allied Prod.	2,750	2,750		134	124
Hub Power Company	25,000	-		1,593	-
Maple Leaf Cement Co	50,000	50,000		1,069	1,097
Lafarge Pak. Cement Ltd	200,000	200,000		1,420	1,698
Attock Cement Company	7,000	20,000		922	2,640
Attock Refinery Limited	25,000	-		5,060	-
Abbot Laboratories Pak. Ltd	-	3,000		-	984
Arif Habib Corp. Limited	121,000	121,000		2,466	2,681
Unicap Modaraba	36,500	36,500		5	5
Fidelity Leasing Modaraba	20,630	20,630		68	69
WorldCall Telecom Limited	200,000	200,000		520	600
Pakistan Petroleum Limited	26,250	26,250		5,003	5,554
Pakistan State Oils Limited	35,000	25,000		9,174	8,009
Nimir Industrial Chemicals	35,000	-		258	-
Shell Pakistan Limited	10,000	10,000		1,345	1,432
				29,037	24,893

The values of all shares / certificates are of the nominal value of Rs. 10 each.

8 GENERAL

- The figures have been rounded off to the nearest thousand rupee.

Chief Executive

Director

Director