



Nine Months Period Ended

March 31, 2015

(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	Majid Hasan Ather Naqi Shuja Malik S.M.Nasir Raza A.Rahim Suriya	Chairman (Non Executive Director) Chief Executive Officer Executive Director Executive Director Non Executive Director
Company Secretary & CFO	Syed Aamir Hussain	
Audit Committee	Majid Hasan Shuja Malik A.Rahim Suriya	Chairman Member Member
Human Resource & Remuneration Committee	A.Rahim Suriya 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	092 - 21 - 34315591-5	
Fax	092 - 21 - 34315596	
E-Mail	info@udlmodaraba.com	
Web	www.udl.com.pk	

DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management (Private) Limited present the un-audited accounts of First UDL Modaraba for the nine months period ended March 31, 2015.

Review of Operations:

The Modaraba had a net loss of Rs. 10.81 million in the current quarter as compared with a net profit of Rs. 12.26 million in the corresponding period of last year. The main reason for a loss is due to slightly lower income from ijarah and income from investments. There is also an unrealized loss on investments in the current quarter. The operating expenses are in line with the corresponding period of the quarter.

Pharma sales have been unsatisfactory in the current quarter but are expected to improve slightly in the subsequent quarter.

During the nine months there has been a sizeable maturity in the Modaraba's Ijarah portfolio. Since we believe in leasing quality assets, re-ploughing of funds has been a little slow, which has affected the Ijarah income slightly. However, as the portfolio size increases the income would increase to the historical levels.

Efforts are also being made to boost Pharma sales by increased monitoring of the sales team and hiring of quality professionals to monitor sales more efficiently. We are hopeful that a significant improvement would be seen by December 2015.

For the nine months the net profit of the Modaraba stands at Rs. 138.78 million, which translates into an EPS of Rs. 5.26 as compared with Rs. 1.06 in the corresponding period of FY 14.

Acknowledgement:

The Board places on record its appreciation for guidance and support received from the Registrar Modarabas, Securities & Exchange Commission of Pakistan and the 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

Ather Naqi
Chief Executive

April 28, 2015

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2015**

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
Note	----- Rupees in "000" -----	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2014: 50,000,000) modaraba certificates of Rupees 10 each	500,000	500,000
Issued, subscribed and paid up certificate capital	5. 263,866	263,866
Statutory reserve	215,716	215,716
Revenue reserves		
Unrealized gain on re-measurement of available for sale investments	23,008	69,337
Unappropriated profit	141,368	28,972
Total equity	164,376	98,309
	643,958	577,891
Non-current liabilities		
Long term security deposits	44,508	60,838
Deferred liabilities	104,016	104,016
	148,524	164,854
Current liabilities		
Current maturity of security deposits	37,969	50,208
Payable to management company	12,833	5,150
Accrued and other liabilities	31,809	30,645
	82,611	86,003
Contingencies and commitments	6. -	-
Total liabilities and equity	875,093	828,748
ASSETS		
Non-current assets		
Fixed assets - tangible	7. 385,660	464,269
Fixed assets - intangible	2,689	2,689
Long term investments	8. 187,029	136,780
Long term advances and deposits	142	142
	575,520	603,880
Current assets		
Ijarah rental receivables	1,829	866
Stock	13,054	10,396
Debtors	6,822	9,319
Diminishing musharika receivables - secured	2,343	8,747
Financial assets - investments at fair value through profit or loss	9. 22,400	48,504
Advances - considered good	25,928	18,889
Prepayments and other receivables	20,974	5,270
Cash and bank balances	10. 206,224	122,877
	299,573	224,868
Total assets	875,093	828,748

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2015

	Note	Quarter ended		Nine month ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
----- Rupees"000" -----					
Income from modaraba business	11	40,054	51,045	170,900	155,112
Sales - Pharma business		5,732	7,125	16,697	9,200
		<u>45,786</u>	<u>58,170</u>	<u>187,597</u>	<u>164,312</u>
Cost of goods sold	12	11,206	10,941	30,340	21,032
Operating expenses		15,750	13,127	59,290	41,065
Depreciation on assets leased out under Ijarah		25,727	30,995	82,582	93,256
Financial charges		-	2	2	14
		<u>52,684</u>	<u>55,065</u>	<u>172,214</u>	<u>155,366</u>
Operating profit		(6,897)	3,105	15,383	8,946
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss		(3,919)	7,208	(3,105)	12,022
Share of profit from associates		-	3,845	10,228	11,363
Extra-ordinary item		-	-	137,692	-
		<u>(10,817)</u>	<u>14,158</u>	<u>160,198</u>	<u>32,331</u>
Less :					
Modaraba company's management fee		-	1,416	16,020	3,233
Sales Tax on Management Fee		-	227	2,563	517
		<u>-</u>	<u>1,642</u>	<u>18,583</u>	<u>3,750</u>
		(10,817)	12,515	141,615	28,580
Less :					
Workers Welfare Fund		-	250	2,832	572
Profit for the period		(10,817)	12,265	138,783	28,009
Earnings per certificate - basic and diluted	13	-0.41	0.46	5.26	1.06

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2015**

	Quarter ended		Nine month ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	----- Rupees"000" -----			
Profit for the period	- 10,817	12,265	138,783	28,009
Other comprehensive income				
Unrealised (loss) / gain on re-measurement of available for sale investments	- 12,456	26,842	- 46,329	7,564
				-
Total comprehensive income	<u>(23,273)</u>	<u>39,107</u>	<u>92,453</u>	<u>35,573</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2015**

	March 31, 2015	March 31, 2014
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	138,783	28,009
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	8,469	13,258
Amortization on intangible assets	150	-
Amortization of assets leased out	84,582	93,256
Financial charges	2	14
Loss on sale of leased assets	625	
Share of profit from associates	(10,228)	(11,363)
Dividend income	(235)	(919)
(Gain) on sale of investment	(57,471)	(39,194)
Loss/(gain) on sale of assets - own	62	(571)
Profit on bank deposits	(6,982)	-
Extra ordinary item	(137,692)	-
Unrealised gain on re-measurement of investments at fair value through profit or loss	3,105	(12,022)
	<u>(115,613)</u>	<u>42,459</u>
	23,170	70,468
Changes in working capital: (Increase) / decrease in current assets		
Stock	(2,658)	(6,318)
Ijarah rental receivables	(963)	365
Debtors	2,497	(3,880)
Musharika receivables - secured	6,404	9,840
Advances - considered good	(7,039)	-
Financial assets	-	(34,410)
Prepayments and other receivables	(15,704)	(16,594)
	(17,463)	(50,998)
Increase in current liabilities		
Current maturity of security deposits	(12,239)	34,779
Payable to management company	7,683	(1,370)
Accrued and other liabilities	1,164	(2,682)
	2,316	50,197
Financial charges paid	(2)	(14)
Profit distributed to certificate holders	(26,386)	(26,386)
	(26,388)	(26,400)
<i>Net cash flows generated from operating activities</i>	(24,072)	23,797
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	(46,316)	(29,456)
Purchase of fixed assets - own	(5,464)	(24,692)
Proceeds from sale of fixed assets - own	133	46,001
Dividends received	235	919
Profit received on bank deposits	6,982	-
Proceeds from sale of investments - net	285,036	(4,311)
Purchase of investments	(116,857)	4,302
<i>Net cash flows (used in) investing activities</i>	123,749	(7,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term security deposits	(16,330)	(25,699)
<i>Net cash flows (used in) / generated from financing activities</i>	(16,330)	(25,699)
Net change in cash and cash equivalents during the period	83,347	(9,139)
Cash and cash equivalents at the beginning of the period	122,877	95,851
Cash and cash equivalents at the end of the period	206,224	86,712

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2015**

	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" -----				
Balance as at July 01, 2013	263,866	202,028	57,884	29,631	553,409
Profit distribution in cash	-	-		(69,100)	(69,100)
Total comprehensive income for the period ended June 30, 2014	-	-	11,452	68,441	79,894
Transfer to statutory reserves	-	13,688			13,688
Balance as at June 30, 2014	263,866	215,716	69,337	28,972	577,891
Profit distribution in cash	-	-	-	(26,386)	(26,386)
Total comprehensive income for the period ended March 31, 2015	-	-	(46,329)	138,783	92,453
Profit distribution in cash	-	-	-	-	-
Balance as at March 31, 2015	263,866	215,716	23,008	141,368	643,958

*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 17 form an integral part of these condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

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

This financial statements comprise balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity and the notes forming part thereof for the Nine months period ended March 31, 2015 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.

3. STATEMENT OF COMPLIANCE

The condensed interim financial information for the nine months period ended March 31, 2015 have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba and directives issued by Security and Exchange Commission of Pakistan (the Modaraba regulations). In case where requirements differ, the provisions of or directives issued under Companies Ordinance, 1984 have been followed. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Modaraba's annual Financial Statements for the year ended June 30, 2014.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2014 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2014 whereas the comparative interim profit and loss account, interim statement of comprehensive income, cash flow statement and statement of changes in equity for the nine months period ended March 31, 2014 have been extracted from the condensed interim financial information for the nine months period ended March 31, 2014.

The Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 10 of 2004 dated 13 February has deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on Modarabas with effect from 1st July 2003 and advised the management companies of Modarabas that they may continue to prepare the financial statements of the Modarabas without applying the requirements of said IAS to the Modarabas. However, the requirements of above IAS have been considered for the purpose of preparations of the condensed interim financial information.

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 30,2014.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited March 31, 2015 -----Number of certificates-----	Audited June 30, 2014		Un-audited March 31, 2015 ----- Rupees "000" -----	Audited June 30, 2014
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	176,689	176,689
8,717,704	8,717,704	Modaraba certificates issued as fully paid bonus certificates	87,177	87,177
<u>26,386,589</u>	<u>26,386,589</u>		<u>263,866</u>	<u>263,866</u>

6. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2014.

	Note	Un-audited March 31, 2015 ----- Rupees "000" -----	Audited June 30, 2014
7. FIXED ASSETS - tangible			
Assets in own use		182,072	190,556
Assets leased out		203,589	273,713
		<u>385,660</u>	<u>464,269</u>

8. LONG TERM INVESTMENTS

Associated companies		-	54,123
Available for sale			
Listed companies	8.1	187,029	82,657
		<u>187,029</u>	<u>136,780</u>

8.1 Listed companies

	Un-audited March 31, 2015 -----No. of shares-----	Audited June 2014	Un-audited March 31, 2015 -----Rupees'000'-----	Audited June 2014
Food & personal care products				
Gillette Pakistan Limited	196,385	175,285	65,789	77,126
Chemical				
Nimir Industries Chemicals Limited	-	75,000	-	1,880
United Distributors (Pakistan) limited	875,063	-	27,897	-
Pharma & Bio Tech				
IBL HealthCare Limited	153,100	-	16,189	-
Searle Company Limited	288,200	-	60,793	-
Textile Composite				
International Knitware Limited	510,602	255,301	6,383	3,651
United Brands Limited	71,560	-	5,914	-
Industrial Transportation				
Pakistan International Bulk Terminal	145,500	-	4,064	-
	<u>2,240,410</u>	<u>505,586</u>	<u>187,029</u>	<u>82,657</u>

	Note	Un-audited March 31, 2015	Audited June 2014
-----Rupees'000'-----			
9. FINANCIAL ASSETS - INVESTMENTS			
at fair value through profit or loss			
Other listed companies	9.1	22,400	48,504
		<u>22,400</u>	<u>48,504</u>

	Un-audited March 31, 2015	Audited June 30, 2014	Un-audited March 31, 2015	Audited June 30, 2014
	No. of Shares / Certificates		----- Rupees "000" -----	
9.1 Other listed companies				
Chemical				
Nimir Industrial Chemicals	-	17,500	-	439
Arif Habib Corporation Limited	22,500	121,000	709	3,369
Equity Investment Instruments				
First Fidelity Leasing Modaraba	20,630	20,630	56	63
First Equity Modaraba	167,000	-	785	-
Unicap Modaraba	36,500	36,500	37	80
Construction & Materials				
Fauji Cement Company Limited	200,000	-	5,694	-
Gammon Pakistan	114,500	-	1,282	-
Lafarge Pakistan Cement Limited	384,074	1,500,000	5,865	23,970
D.G khan Cement	10,000	-	1,118	-
Maple Leaf Cement	10,000	-	480	-
Fixed Line Telecommunication				
Worldcall Telecom Limited	200,000	200,000	234	418
Oil & Gas				
Pakistan Petroleum Limited	-	25,000	-	5,608
Attock Refinery Limited	-	45,000	-	9,553
Pakistan State Oil Company Limited	-	3,000	-	1,167
Shell (Pakistan) Limited	-	2,500	-	691
Pharma and Biotech				
Glaxo Smithkline Limited	-	11,000	-	1,826
Highnoon (Lab)	10,000	-	2,424	-
Ferozsons (Lab)	5,600	-	2,762	-
ICI Pakistan Ltd	1,000	-	385	-
Automobile				
Ghani Automobile Industries	113,000	-	523	-
Fertilizer				
Fauji Fertilizer Bin Qasim Limited	1,000	-	46	-
Personal goods				
Gillette Pakistan Limited	-	3,000	-	1,320
	<u>1,295,804</u>	<u>1,985,130</u>	<u>22,400</u>	<u>48,504</u>

10 CASH AND BANK BALANCES

Cash in hand

94

-

Cash at banks

- PLS saving accounts
- Current accounts

10.1

195,177	112,642
10,953	10,235
<u>206,130</u>	<u>122,877</u>
<u>206,224</u>	<u>122,877</u>

10.1 Rate of return on these accounts range from 5% to 8.50% per annum (June 2014: 5% to 8.50%)

	Quarter ended		Nine month ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
11 INCOME FROM MODARABA BUSINESS	----- Rupees "000" -----			
Income from ijarah operations	30,053	38,644	103,574	115,159
Income from diminishing musharika receivables	15	1,000	2,934	2,533
Income from investments	7,123	10,458	57,471	32,548
Income from other sources	2,863	943	6,922	4,871
	<u>40,054</u>	<u>51,045</u>	<u>170,900</u>	<u>155,112</u>
12 OPERATING EXPENSES				
Modaraba Business	2,559	4,527	16,920	21,890
Pharma Business	13,192	8,600	42,370	19,175
	<u>15,750</u>	<u>13,127</u>	<u>59,290</u>	<u>41,065</u>
13 EARNINGS PER CERTIFICATE				
Profit for the period (Rupees in "000")	<u>(10,817)</u>	<u>12,265</u>	<u>138,783</u>	<u>28,009</u>
Weighted average number of certificates	<u>26,386,589</u>	<u>26,386,589</u>	<u>26,386,589</u>	<u>26,386,589</u>
Earning per certificate - basic	<u>- 0.41</u>	<u>0.46</u>	<u>5.26</u>	<u>1.06</u>

14 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, 2014.

15 DATE OF AUTHORIZATION FOR ISSUE

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

16 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors have proposed interim dividend for the nine months year ended March 31, 2015 of Rs. _____ per certificate (March 31, 2014: Re. 0.50), amounting to Rs. _____ (March 31, 2014: Rs. 13,193,295) at their meeting held on _____. The financial statements for the nine months period March 31, 2015 do not include the effect of the above which will be accounted for in the period in which it is declared.

17 GENERAL

17.1 The corresponding figures have been re-arranged and reclassified where ver neccessaary for comaprison.

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR