



Half Year Ended Report

December 31, 2016

(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  
Abdul Rahim Suriya

Chairman ( Non Executive Director)  
Chief Executive Officer  
Executive Director  
Non Executive Director  
Non Executive Director

#### Company Secretary & CFO

Syed Aamir Hussain

#### Audit Committee

S.M.Nasir Raza  
Majid Hasan  
Abdul Rahim Suriya

Chairman  
Member  
Member

#### Human Resource & Remuneration Committee

Abdul Rahim Suriya  
S.M.Nasir Raza  
Shuja Malik

Chairman  
Member  
Member

#### Auditors

Muniff Ziauddin & Co.  
Chartered Accountants

#### Bankers

Habib Bank Limited  
Albaraka Bank  
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

1st Floor, Business Enclave, 77-C, 12th Commercial Street,  
Off: Kh-e-ittehad, DHA Phase II (Ext.) Karachi.

#### Factory

E-44/45 North Western Industrial Zone, Port Qasim,  
Karachi

#### Phone

092 - 21 - 35310561-5

#### Fax

092 - 21 - 35310566

#### E-Mail

[info@udl.com.pk](mailto:info@udl.com.pk)

#### Web

[www.udl.com.pk](http://www.udl.com.pk)

**INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON  
REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **First UDL Modaraba** as at December 31, 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months ended December 31, 2016. The Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures for the quarters ended December 31, 2016 and December 31, 2015 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months period ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

----- Sd -----

27<sup>th</sup> February 2017.

Karachi:

Muniff Ziauddin & Co.  
Chartered Accountants  
(Muhammad Moin Khan)





## **DIRECTORS' REPORT**

The Board of Directors of UDL Modaraba Management Private Limited takes pleasure in presenting the un-audited (reviewed) accounts of First UDL Modaraba for the half year ended December 31, 2016.

### **Review of Operations:**

During the quarter, the modaraba posted an operating profit of Rs. 3.96 million and a net profit of Rs. 6.73 million as compared with losses of Rs. 6.95 million and 2.92 million respectively in the corresponding period. The main reason was due to increase in income from investments to Rs. 11.20 million from Rs. 0.72 million and increase in pharmaceutical sales by 320% to Rs. 34.58 million during the period.

During the first half, the Modaraba incurred a net operating loss of Rs. 5 million as compared to an operating loss of Rs. 12.24 million in the corresponding period. However, due to an unrealized gain of Rs. 6.24 million, the Modaraba managed to post a net profit of Rs. 1.07 million against a net loss of Rs. 12.81 million in the last HY.

Despite a minimal profit in half year, the management is satisfied with the overall performance of the company as is evident by the quarterly performance. The income in the financial division is in line with the previous HY. The major encouraging factor has been the jump in pharmaceutical sales by 422% from Rs. 11.10 million to Rs. 57.94 million. Main reason for the sales growth is increased acceptability of the products and new product launches.

We are also currently working on entering a few export markets and expect a breakthrough by the year end. In addition, application is underway for registration of new molecules with the Drug Regulatory Authority of Pakistan (DRAP).

The management is hopeful that the certificate holders would benefit from the growth in the pharmaceutical division in the years to come.

### **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

----- Sd -----

**Ather Naqi**

Chief Executive

27<sup>th</sup> February 2017.

FIRST UDL MODARABA  
CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2016

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
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, 2016: 50,000,000) modaraba certificates of Rupees 10 each	500,000	500,000
Issued, subscribed and paid up certificate capital	263,866	263,866
<b>Statutory reserve</b>	252,531	252,531
<b>Revenue reserves</b>		
Unrealized gain on re-measurement of available for sale investments	198,346	95,524
Unappropriated profit	5,793	31,106
<b>Total equity</b>	204,138	126,629
	720,535	643,027
<b>Non-current liabilities</b>		
Long term security deposits - Ijarah	24,666	33,705
Deferred liabilities	104,016	104,016
	128,682	137,721
<b>Current liabilities</b>		
Current maturity of security deposits	30,944	44,254
Payable to management company	302	6,679
Accrued and other liabilities	50,250	48,692
	81,497	99,625
<b>Contingencies and commitments</b>	-	-
<b>Total liabilities and equity</b>	930,714	880,373
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets - tangible	349,061	390,243
Capital work in process	-	5,960
Fixed assets - intangible	2,014	2,089
Long term investments	335,184	224,351
Diminishing musharaka financing	11,949	-
Long term advances and deposits	902	877
	699,109	623,520
<b>Current assets</b>		
Ijarah rental receivables	4,440	3,075
Stock	29,060	21,985
Debtors	9,758	12,255
Musharaka receivables - secured	-	500
Diminishing musharaka financing - current portion	8,409	-
Financial assets - investments at fair value through profit or loss	49,591	42,859
Advances - considered good	17,440	13,522
Prepayments and other receivables	17,667	14,267
Cash and bank balances	95,238	148,389
	231,605	256,853
<b>Total assets</b>	930,714	880,373

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

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

---Sd---  
CHIEF EXECUTIVE  
Ather Naqi

---Sd---  
DIRECTOR  
Shuja Malik

---Sd---  
DIRECTOR  
Nasir Raza

**FIRST UDL MODARABA  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Note	Quarter ended		Half year ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
----- Rupees "000" -----					
Income from ijarah operations - net off depreciation		7,191	5,934	11,376	11,137
Income from musharika financing		1,250	3,000	2,500	3,000
Income from diminishing musharika		216	-	216	-
Income from investments		11,207	726	13,741	13,553
Income from other sources		2,032	2,362	2,585	3,587
Sales - Pharma business		34,582	8,229	57,943	11,108
		<u>56,477</u>	<u>20,250</u>	<u>88,360</u>	<u>42,384</u>
Cost of goods sold		24,720	14,616	42,902	24,279
Operating expenses	12	11,872	11,256	21,830	25,785
Selling and distribution		15,890	1,239	28,603	4,468
Financial charges		34	92	34	92
		<u>52,517</u>	<u>27,203</u>	<u>93,370</u>	<u>54,624</u>
<b>Operating loss/profit</b>		<b>3,960</b>	<b>(6,953)</b>	<b>(5,010)</b>	<b>(12,241)</b>
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss		3,790	3,964	6,245	(565)
		<u>7,750</u>	<u>(2,989)</u>	<u>1,235</u>	<u>(12,806)</u>
<b>Less:</b>					
Modaraba company's management fee		(775)	-	(123)	-
Sales Tax on Management Fee		(101)	-	(16)	-
		<u>(876)</u>	<u>-</u>	<u>(140)</u>	<u>-</u>
<b>Less:</b>		<b>6,874</b>	<b>(2,989)</b>	<b>1,095</b>	<b>(12,806)</b>
Workers Welfare Fund		(137)	-	(22)	-
<b>Profit/(loss) for the period</b>		<b>6,737</b>	<b>(2,989)</b>	<b>1,073</b>	<b>(12,806)</b>
<b>Profit/(loss) per certificate - basic and diluted</b>	13	<b>0.26</b>	<b>(0.11)</b>	<b>0.04</b>	<b>(0.49)</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

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

---Sd---  
**CHIEF EXECUTIVE**  
Ather Naqi

---Sd---  
**DIRECTOR**  
Shuja Malik

---Sd---  
**DIRECTOR**  
Nasir Raza



**FIRST UDL MODARABA**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Quarter ended		Half year ended	
	December 31 2016	December 31 2015	December 31 2016	December 31 2015
	----- Rupees "000" -----			
Profit/(loss) for the period	6,737	(2,989)	1,073	(12,806)
<b>Other comprehensive income</b>				
Unrealised gain on re-measurement of available for sale investments	70,679	17,814	102,822	48,016
<b>Total comprehensive income</b>	<u>77,415</u>	<u>14,825</u>	<u>103,895</u>	<u>35,210</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

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

---Sd---  
**CHIEF EXECUTIVE**  
Ather Naqi

---Sd---  
**DIRECTOR**  
Shuja Malik

---Sd---  
**DIRECTOR**  
Nasir Raza

**FIRST UDL MODARABA**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	December 31, 2016	December 31, 2015
	----- Rupees "000" -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the period	1,073	(12,806)
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	10,023	11,096
Amortization on intangible assets	75	150
Amortization of assets leased out	(43,774)	44,017
Financial charges	34	92
Gain on sale of leased assets	(112)	953
Dividend income	(2,319)	(3,479)
(Gain) on sale of investment	(11,421)	(13,553)
(Gain) / loss on sale of assets - own	-	(1,467)
Profit on bank deposits	(2,585)	(2,114)
Unrealised gain on re-measurement of investments at fair value through profit or loss	(6,245)	565
	<u>(56,325)</u>	<u>36,262</u>
	(55,251)	23,456
<b>Changes in working capital:</b>		
<b>(Increase) / decrease in current assets</b>		
Stock	(7,075)	2,759
Ijarah rental receivables	(1,365)	635
Debtors	2,497	(2,922)
Musharika receivables - secured	500	500
Diminishing musharika financing	(8,409)	-
Advances - considered good	(3,918)	25,125
Prepayments and other receivables	(3,400)	27,414
	<u>(21,170)</u>	<u>53,511</u>
<b>Increase / (decrease) in current liabilities</b>		
Current maturity of security deposits	(13,310)	6,816
Payable to management company	(6,377)	(11,083)
Accrued and other liabilities	1,558	19,419
	<u>(94,550)</u>	<u>92,118</u>
Financial charges paid	(34)	92
Profit distributed to certificate holders	(26,386)	(65,966)
	<u>(26,420)</u>	<u>(65,874)</u>
<i>Net cash flows (used in)/generated from operating activities</i>	<u>(120,970)</u>	<u>26,245</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets - leased out	(17,943)	(96,585)
Purchase of fixed assets - own	(17,943)	(10,617)
Proceeds from sale of fixed assets - leased out	110,931	20,063
Proceeds from sale of fixed assets - own	-	5,992
Purchase of diminishing musharakah units	(11,949)	-
Dividends received	2,319	3,479
Profit received on bank deposits	2,585	2,114
Proceeds from sale of long term investments	182,914	62,010
Purchase of investments	(174,057)	(64,976)
<i>Net cash flows generated from/(used in) investing activities</i>	<u>76,858</u>	<u>(78,519)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
long term advances	(25)	-
Long term security deposits - Ijarah	(9,039)	7,313
<i>Net cash flows (used in) / generated from financing activities</i>	<u>(9,039)</u>	<u>7,313</u>
<b>Net change in cash and cash equivalents during the period</b>	<u>(53,151)</u>	<u>(44,961)</u>
Cash and cash equivalents at the beginning of the period	148,389	93,392
<b>Cash and cash equivalents at the end of the period</b>	<u>95,238</u>	<u>48,431</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

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

---Sd---  
**CHIEF EXECUTIVE**  
Ather Naqi

---Sd---  
**DIRECTOR**  
Shuja Malik

---Sd---  
**DIRECTOR**  
Nasir Raza



FIRST UDL MODARABA  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	Revenue reserve		Certificate holder's equity
			Unrealized (loss)/Gain on remeasurement of available for sale investment	Unappropriated Profit	
<b>Balance as at July 01, 2015</b>	263,866	245,665	51,595	69,605	630,730
Profit distribution in cash	-	-	-	(65,966)	(65,966)
Total comprehensive income for the period ended December 31, 2015	-	-	48,016	(12,806)	35,210
<b>Balance as at December 31, 2015</b>	<b>263,866</b>	<b>245,665</b>	<b>99,611</b>	<b>(9,167)</b>	<b>599,974</b>
<b>Balance as at July 01, 2016</b>	263,866	252,531	95,524	31,106	643,027
Profit distribution in cash	-	-	-	(26,386)	(26,386)
Total comprehensive income for the period ended December 31, 2016	-	-	102,822	1,073	103,895
<b>Balance as at December 31, 2016</b>	<b>263,866</b>	<b>252,531</b>	<b>198,346</b>	<b>5,793</b>	<b>720,535</b>

Rupees "000"

\*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 18 form an integral part of these condensed interim financial information.

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

---Sd---  
CHIEF EXECUTIVE  
Ather Naqi

---Sd---  
DIRECTOR  
Shuja Malik

---Sd---  
DIRECTOR  
Nasir Raza

**FIRST UDL MODARABA**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

**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 Business Enclave, 77-C, 1st Floor, 12th Commercial street, phase II, Ext. DHA, 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 Pakistan Stock Exchange Limited.

**2. BASIS OF PREPARATION**

This condensed interim financial information comprises of the condensed interim balance sheet as at December 31, 2016 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the six months period ended December 31, 2016 which have been subjected to a review but not audited 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 retirement (gratuity) benefits have been recognised at value determined by the actuary.

**3. STATEMENT OF COMPLIANCE**

These condensed interim financial statements are unaudited but subject to limited scope review by the external auditors as required by the Code of Corporate Governance and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.

This condensed interim financial report of the Modaraba for the six months period ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34- Interim Financial Reporting and provisions of and directives issued under the Modaraba Companies and Modarabas (Flotation and Control Ordinance, 1980 Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas. In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance 1980, Modaraba Companies and Modarabas Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Modaraba as at and for the year ended June 30, 2016.

**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, 2016.

**5 ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL**

Un-audited December 31, 2016	Audited June 30, 2016		Un-audited December 31, 2016	Audited June 30, 2016
-----Number of certificates-----			----- Rupees "000" -----	
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, 2016.

	Note	Un-audited December 31, 2016	Audited June 30, 2016
		----- Rupees "000" -----	
<b>7 FIXED ASSETS - tangible</b>			
Assets in own use	7.1	178,349	170,430
Assets leased out	7.2	170,711	219,813
		<u>349,061</u>	<u>390,243</u>

### 7.1 Assets in own use

Book value at the beginning of the period/year		170,430	184,795
Additions during the period/year	7.1.1	17,943	12,503
		<u>188,372</u>	<u>197,299</u>
Deletions during the period/year	7.1.1	-	(11,029)
Depreciation charge during the period/year		(10,023)	(15,840)
Book value at the end of the period/year		<u>178,349</u>	<u>170,430</u>

#### 7.1.1 Additions/(deletions) during the period

Following is the cost of assets that have been acquired/disposed-off during the period ended December 31, 2016.

	Un-audited December 31, 2016	Un-audited December 31, 2016	Audited June 30, 2016	Audited June 30, 2016
		----- Rupees "000" -----		
	Additions	Disposals	Additions	Disposals
Vehicle	2,911	-	1,993	11,029
Furniture & Fixture	12,060	-	-	-
Computer Equipments	48	-	11	-
Office Equipments & appliances	304	-	1,249	-
Plant and machinery	2,259	-	4,236	-
Building	360	-	5,014	-
Lease hold land	-	-	-	-
	<u>17,943</u>	<u>-</u>	<u>12,503</u>	<u>11,029</u>

### 7.2 Assets leased out

		Un-audited December 31, 2016	Audited June 30, 2016
		----- Rupees "000" -----	
Book value at the beginning of the period/year		219,813	208,847
Additions during the period/year	7.2.1	17,943	127,588
		<u>237,756</u>	<u>574,190</u>
Deletions during the period/year	7.2.1	(110,819)	(114,865)
Depreciation charge during the period/year - net of disposal adjustments		43,774	(1,756)
Book value at the end of the period/year		<u>170,711</u>	<u>219,813</u>

#### 7.2.1 Additions/(deletions) during the period

Following is the cost of assets that have been acquired / disposed-off during the period ended December 31, 2016.

	Un-audited December 31, 2016	Un-audited December 31, 2016	Audited June 30, 2016	Audited June 30, 2016
		----- Rupees "000" -----		
	Additions	Disposals	Additions	Disposals
Machinery and equipments	-	75,422	13,525	(43,181)
Vehicles	17,943	35,397	114,063	(71,684)
	<u>17,943</u>	<u>110,819</u>	<u>127,588</u>	<u>(114,865)</u>



**8 LONG TERM INVESTMENTS**

	Note	Un-audited December 31, 2016	Audited June 30, 2016
		----- Rupees "000" -----	
<b>Available for sale</b>			
Listed companies		335,184	224,351
		<u>335,184</u>	<u>224,351</u>

**9 DIMINISHING MUSHARIKA FINANCING**

Secured			
Diminishing Musharakah financing		25,228	-
Less: Current Portion		(8,409)	-
		<u>16,819</u>	<u>-</u>
Less: Customer contribution		6,070	-
		<u>10,749</u>	<u>-</u>
Add: Advance against diminishing musharikah financing		1,200	-
		<u>11,949</u>	<u>-</u>

**10 FINANCIAL ASSETS - INVESTMENTS  
at fair value through profit or loss**

Other listed companies		49,591	42,859
		<u>49,591</u>	<u>42,859</u>

**11 CASH AND BANK BALANCES**

Cash in hand		104	104
<b>Cash at banks</b>			
- PLS saving accounts	11.1	79,668	134,469
- Current accounts		15,467	13,816
		<u>95,135</u>	<u>148,285</u>
		<u>95,238</u>	<u>148,389</u>

11.1 These accounts carry profit rate ranging from 4.5 % to 6 % (30 June, 2016: 5.5 % to 6.5 %)

	Quarter ended		Half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
----- Rupees "000" -----				
<b>12 OPERATING EXPENSES</b>				
Modaraba Business	5,654	6,417	11,029	12,408
Pharma Business	6,218	9,993	10,801	13,377
	<u>11,872</u>	<u>16,410</u>	<u>21,830</u>	<u>25,785</u>
<b>13 PROFIT/(LOSS) PER CERTIFICATE</b>				
Profit/(Loss) for the period	6,737	(2,989)	1,073	(12,806)
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>
Loss per certificate - basic	<u>0.25</u>	<u>(0.11)</u>	<u>0.04</u>	<u>(0.49)</u>

14 SEGMENT INFORMATION

Segment revenue, segment result, cost, assets and liabilities for the six months are as follows:

	December 31, 2016					Total	
	Ijarah operations	Musharika Financing	Diminishing Musharikah	Investments	Others		Pharma
	Rupees "000"						
Segment revenue	11,376	2,500	216	13,741	2,585	57,943	88,360
<b>RESULT</b>							
Segment result							
Unallocated operating expenses	-	-	-	-	11,051	-	11,051
Financial and other charges	-	-	-	-	16	17	34
Cost related to pharma	-	-	-	-	-	39,405	39,405
Cost of goods sold	-	-	-	-	-	42,902	42,902
Modaraba Co.'s management. fee	-	-	-	-	140	-	140
<b>Operating Profit</b>	11,376	2,500	216	13,741	(8,622)	82,324	93,531
Unrealized gain on re-measurement of Inv. at fair value through P / L	-	-	-	6,245	-	-	6,245
<b>Profit for the period</b>							1,073
<b>Other information</b>							
Segment assets	170,711	-	20,358	384,775	120,262	234,608	930,714
<b>Total assets</b>	170,711	-	20,358	384,775	120,262	234,608	930,714
Segment liabilities	55,610	-	-	-	104,319	8,301	168,230
Unallocated liabilities	-	-	-	-	41,949	-	41,949
<b>Total liabilities</b>	55,610	-	-	-	146,268	8,301	210,179
<b>Net assets</b>							720,535
<b>Capital expenditure</b>	17,943	-	-	-	-	17,943	35,885

	December 31, 2015					
	Ijarah operations	Musharika	Investments	Others	Pharma	Total
	----- Rupees "000" -----					
Segment revenue	55,154	3,000	13,553	3,587	11,108	86,401
<b>RESULT</b>						
Segment result	44,017	-	-	-	-	44,017
Amortization of Ijarah assets	-	-	-	12,408	-	12,408
Unallocated operating expenses	-	-	-	92	-	92
Financial and other charges	-	-	-	-	17,845	17,845
Cost related to pharma	-	-	-	-	24,279	24,279
Cost of goods sold	-	-	-	-	-	-
Modaraba Co.'s management fee	-	-	-	-	-	-
	44,017	-	-	12,500	42,124	98,641
<b>Operating Profit</b>	11,136	3,000	13,553	(8,914)	(31,016)	(12,240)
Unrealized gain on re-measurement of Inv. at fair value through P / L	-	-	(565)	-	-	(565)
Share of profit from associates	-	-	-	-	-	-
Extra-ordinary item	-	-	-	-	-	-
<b>Profit for the period</b>						(12,805)
<b>Other information</b>						
Segment assets	252,498	-	317,140	57,719	224,993	852,351
<b>Total assets</b>	252,498	-	317,140	57,719	224,993	852,351
Segment liabilities	86,095	-	-	106,660	416	193,171
Unallocated liabilities	-	-	-	59,206	-	59,206
<b>Total liabilities</b>	86,095	-	-	165,866	416	252,377
<b>Net assets</b>						599,975
<b>Capital expenditure</b>	96,585	-	-	-	10,617	107,201

14.1 Segment revenue represents revenue generated from external customers. There are no intersegment sales.

14.2 Others represents the assets and liabilities of Modaraba Business.



## 15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise related group companies, directors and close family members, executives, major shareholders and staff retirement funds of the company. These are the associated companies as they are either under the same management and / or with common directors. The company has a policy whereby all transactions with related parties are entered into arm's length prices using the comparable uncontrollable method. The significant transactions with these associated companies are as follows:

Relationship	Nature of transaction	Un-audited	Un-audited
		December 31, 2016	December 31, 2015
		----- Rupees "000" -----	
<b>Payments made during</b>			
Modaraba company's management	Dividend paid	<u>4,939</u>	<u>12,347</u>
	Management fees paid	<u>6,377</u>	<u>11,083</u>

## 16 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, 2016

## 17 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 27th February 2017, by the Board of Directors of the Management Company.t

## 18 GENERAL

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

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

---Sd---  
CHIEF EXECUTIVE  
Ather Naqi

---Sd---  
DIRECTOR  
Shuja Malik

---Sd---  
DIRECTOR  
Nasir Raza