



First Quarter Ended Report

September 30, 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 Non Executive Director Non Executive Director
Company Secretary & CFO	Syed Aamir Hussain	
Audit Committee	Majid Hasan S.M.Nasir Raza 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 & Co. Chartered Accountants	
Bankers	Habib Metropolitan Bank Limited Faysal bank 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 takes pleasure in presenting the un-audited accounts of First UDL Modaraba for the quarter ended September 30, 2015.

Review of Operations:

During the quarter the Modaraba incurred an operating loss of Rs. 5.28 million as compared to Rs. 15.51 million in the corresponding quarter of 2014, an improvement of 66%.

The Modaraba incurred a net loss of Rs. 9.81 million as compared to a net profit of Rs. 7.55 million in the corresponding period of 2014. The loss is attributable to the pharmaceutical division which is still in its infancy stage and having teething problems. Main reason is due to lower sales and high operating expenses of the Pharma division. Also discontinuation of share of profits from associated companies and unrealized loss of Rs. 4.5 million as compared with an unrealized profit of Rs. 18.3 million in the corresponding period.

The stand alone Ijarah operations of the Modaraba are profitable and in line with the past trends.

The Modaraba has taken effective measures to curtail the operating costs of the Pharma division. Efforts are also underway to seek new avenues to boost sales

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

29th October'2015.

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	(Un-audited) September 2015	Audited June 30, 2015
Note	Rupees in "000"	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2015: 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	245,665	245,665
Revenue reserves		
Unrealized gain on re-measurement of available for sale investments	81,797	51,595
Unappropriated profit	59,788	69,605
	141,585	121,200
Total equity	651,116	630,730
Non-current liabilities		
Long term security deposits	46,250	42,311
Deferred liabilities	104,016	104,016
	150,266	146,327
Current liabilities		
Current maturity of security deposits	39,265	36,472
Payable to management company	7,840	13,727
Accrued and other liabilities	52,820	40,203
	99,925	90,401
Contingencies and commitments	6. -	-
Total liabilities and equity	901,307	867,458
ASSETS		
Non-current assets		
Fixed assets - tangible	7. 404,455	392,091
Fixed assets - intangible	2,389	2,389
Long term investments	8. 246,568	233,636
Long term advances and deposits	142	142
	653,555	628,258
Current assets		
Ijarah rental receivables	887	2,377
Stock	16,708	18,952
Trade Debts- unsecured but considered good	2,979	4,661
Current portion of diminishing musharaka financing	500	500
Financial assets - Investments	9. 45,212	40,245
Advances - considered good	43,289	42,371
Prepayments and other receivables	45,375	36,702
Cash and bank balances	10. 92,802	93,392
	247,752	239,200
Total assets	901,307	867,458

The annexed notes from 1 to 16 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
Syed Nasir Raza

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Note	Quarter Ended	
		September 2015	September 2014
		----- Rupees"000" -----	
Income from modaraba business	11	40,534	41,302
Sales - Pharma business		2,879	7,107
		<u>43,412</u>	<u>48,409</u>
Cost of goods sold	12	9,663	11,792
Operating expenses		14,529	12,129
Selling & distribution		3,229	9,514
Depreciation on assets leased out under Ijarah		21,279	30,492
		<u>48,700</u>	<u>63,927</u>
Operating loss		(5,288)	(15,518)
Unrealised (loss)/gain on re-measurement of investment at fair value through profit or loss		(4,529)	18,352
Share of profit from associates		-	5,888
		<u>(9,816)</u>	<u>8,722</u>
Less :			
Modaraba company's management fee		-	872
Sales Tax on Management Fee		-	140
		<u>-</u>	<u>1,012</u>
		(9,816)	7,710
Less :			
Workers Welfare Fund		-	154
(Loss) / profit for the period		(9,816)	7,556
(Loss) / earnings per certificate - basic and diluted	13	(0.37)	0.29

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	<u>Quarter Ended</u>	
	<u>September 2015</u>	<u>September 2014</u>
	----- Rupees"000" -----	
(Loss) / profit for the period	(9,816)	7,556
Other comprehensive income		
Unrealised gain/(loss) on re-measurement of available for sale investments	30,202	(3,788)
		-
Total comprehensive income	<u>20,386</u>	<u>3,768</u>

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	September 2015	September 2014
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	(9,816)	7,556
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	48,281	4,906
Amortization on intangible assets	900	-
Amortization of assets leased out	19,956	30,492
Financial charges	13	-
Loss on sale of leased assets	961	-
Share of profit from associates	-	(5,888)
(Gain) on sale of investment	(12,827)	409
Profit on bank deposits	(1,225)	-
Unrealised gain on re-measurement of investments at fair value through profit or loss	4,529	(14,564)
	<u>60,588</u>	<u>15,355</u>
	50,772	22,911
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	2,245	2,089
Ijarah rental receivables	1,490	(1,064)
Debtors	1,682	(1,637)
Musharika receivables - secured	-	2,187
Advances - considered good	(919)	(11,948)
Financial assets	(4,967)	(43,554)
Prepayments and other receivables	(8,673)	-
	<u>(9,142)</u>	<u>(53,927)</u>
Increase in current liabilities		
Current maturity of security deposits	2,793	2,882
Payable to management company	(5,887)	-
Accrued and other liabilities	12,617	20
	<u>51,155</u>	<u>(28,114)</u>
Financial charges paid	(13)	-
	<u>(13)</u>	<u>-</u>
<i>Net cash flows generated/(used in) from operating activities</i>	51,142	(28,114)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	(37,809)	(6,783)
Purchase of fixed assets - own	(948)	(2,970)
Proceeds from sale of fixed assets - own	1,552	-
Profit received on bank deposits	1,225	-
Proceeds from sale of investments - net	17,374	-
Purchase of investments	(37,065)	16,847
<i>Net cash flows (used in)/generated from investing activities</i>	(55,671)	7,094
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term security deposits	3,939	(11,071)
<i>Net cash flows (used in)/generated from financing activities</i>	<u>3,939</u>	<u>(11,071)</u>
Net change in cash and cash equivalents during the period	(590)	(32,091)
Cash and cash equivalents at the beginning of the period	93,392	122,877
Cash and cash equivalents at the end of the period	92,802	90,786

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Certificate Capital	*Statutory Reserve	Unrealized gain /(loss) on re-measurement of available for sale investment	Unappropriated Profit	Total Certificate Holders' Equity
----- Rupees"000" -----					
Balance as at July 1, 2014	263,866	215,716	69,337	28,972	577,891
Other comprehensive income for the year ended June 30, 2015	-	-	(17,742)	149,741	131,999
Profit distribution - 30 June 2014 at 10%	-	-	-	(26,387)	(26,387)
Interim Profit distribution at 20%	-	-	-	(52,773)	(52,773)
Transfer to statutory reserve at 20%	-	29,948	-	(29,948)	-
Balance as at June 30, 2015	<u>263,866</u>	<u>245,665</u>	<u>51,595</u>	<u>69,605</u>	<u>630,730</u>
Other comprehensive income for the quarter ended september 30, 2015	-	-	30,202	(9,816)	20,386
Balance as at September 30, 2015	<u>263,866</u>	<u>245,665</u>	<u>81,797</u>	<u>59,788</u>	<u>651,116</u>

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

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DIRECTOR
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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 Quarter ended September 30, 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

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 comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2015 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2015 whereas the comparative interim profit and loss account, interim statement of comprehensive income, cash flow statement and statement of changes in equity for the quarter ended period ended September 30, 2014 have been extracted from the condensed interim financial information for quarter ended period ended September 30, 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, 2015.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited September 30, 2015	Audited June 30, 2015		Un-audited September 30, 2015	Audited June 30, 2015
-----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
26,386,589	26,386,589		263,866	263,866

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, 2015.

	Note	Un-audited September 30, 2015	Audited June 30, 2015
		----- Rupees "000" -----	
7. FIXED ASSETS - tangible			
Assets in own use		179,308	184,796
Assets leased out		225,148	207,295
		404,455	392,091

8. LONG TERM INVESTMENTS

Available for sale

	Note	Un-audited September 30, 2015	Audited June 30, 2015
		----- Rupees '000' -----	
Listed companies	8.1	246,568	233,636
		246,568	233,636

8.1 Listed companies

	Un-audited September 30, 2015	Audited June 30, 2015	Un-audited September 30, 2015	Audited June 30, 2015
	-----No. of shares-----		-----Rupees'000'-----	
Pharma & Bio Tech				
IBL HealthCare Limited	110,468	168,268	17,872.62	19,183
Searle Company Limited	299,192	334,192	119,772.54	107,172
Food and Personal Care Products				
Gillette Pakistan Limited	193,385	193,385	52,213.95	59,949
Chemicals				
United Distributors (Pakistan) limited	875,063	875,063	32,421.08	25,674
Textile Composite				
International Knitwear Limited	549,102	510,602	10,037.59	5,361
United Brands Limited	71,560	71,560	5,778.47	6,193
Power Generation & distribution				
K-Electric Ltd	1,200,000	1,200,000	8,472.00	10,104
	3,298,770	3,353,070	246,568	233,636

	Un-audited September 30, 2015	Audited June 30, 2015
	-----Rupees'000'-----	
10 CASH AND BANK BALANCES		
Cash in hand	94	94
Cash at banks		
- PLS saving accounts	10.1	78,181
- Current accounts		14,527
		92,708
		<u>92,802</u>
		<u>78,731</u>
		<u>14,567</u>
		<u>93,298</u>
		<u>93,392</u>

10.1 Rate of return on these accounts range from 5% to 6.45% per annum (June 2015: 5% to 6.45%)

	Quarter ended	
	September 30, 2015	September 30, 2014
11 INCOME FROM MODARABA BUSINESS	----- Rupees "000" -----	
Income from ijarah operations	26,482	39,180
Income from musharaka finance	-	279
Income from investments	12,827	(409)
Income from other sources	1,225	2,252
	<u>40,534</u>	<u>41,302</u>
12 OPERATING EXPENSES		
Modaraba Business	5,991	4,615
Pharma Business	8,538	7,514
	<u>14,529</u>	<u>12,129</u>
13 (LOSS) / EARNINGS PER CERTIFICATE		
(Loss) / profit for the period	<u>(9,816)</u>	<u>7,556</u>
Weighted average number of certificates	<u>26,386,589</u>	<u>26,386,589</u>
Earning per certificate - basic	<u>(0.37)</u>	<u>0.29</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, 2015

15 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on October 29, 2015 by the Board of Directors of the Modaraba company.

16 GENERAL

16.1 The corresponding figures have been re-arranged and reclassified where ever neccessaary for better comaprison.

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

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

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