



Nine Months Period Ended

March 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 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	Muniff Ziauddin & Co. Chartered Accountants	
Bankers	Habib Metropolitan Bank Limited Habib Bank Limited Silk Bank Limited (Islamic Banking) Dubai Islamic Bank Limited Al Baraka Bank	
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	
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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, 2016.

Review of Operations:

During the nine months under review, the Modaraba has incurred a gross loss of Rs. 23.7 million as compared to a gross profit of Rs. 15.3 million in the same period of 2015. The main reason for a loss was due to several factors, mainly, far greater maturities in Ijarah business than re-ploughment during the year, lower kibor rate and reduction in income from investments. However, during the period pharmaceutical business sales have doubled from Rs. 16.6 million to Rs. 31.8 million, out of which Rs. 20 million was in the current quarter.

During the nine month period the Modaraba has posted a net loss of Rs. 5.5 million (EPS: Rs. (0.21) for reasons mentioned above, as compared with a net profit of Rs. 138.7 million (EPS: 5.26) in the same period last year. The bumper profit last year was due to an extraordinary item of Rs. 137.69 million which was recorded due to re-classification of shares as per the requirements of IAS-28.

If we look at the quarter alone, the Modaraba has posted a net profit of Rs. 7.2 million (EPS: Rs. 0.28). The main reason being an unrealized gain of Rs. 18.7 million in the quarter. We are also satisfied with the pharmaceutical division's performance in the current quarter and feel that the business is now on track and expect the sales to continue its upward trend in future, which would result in lower COGS and positively impact the bottom line.

Acknowledgement:

The Board places on record its appreciation for guidance and support received from the Registrar Modarabas, Securities & Exchange Commission 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, 2016

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET - (Un-audited)
AS AT MARCH 31, 2016**

		(Un-audited) March 31, 2016	(Audited) June 30, 2015
	Note	----- Rupees in "000" -----	
LIABILITIES AND EQUITY			
Certificate holders' equity			
Certificate capital:			
Authorized capital		500,000	500,000
50,000,000 (June 30, 2015: 50,000,000) modaraba certificates of Rupees 10 each			
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		94,949	51,595
Unappropriated profit		(1,957)	69,605
		92,992	121,200
Total equity		602,523	630,730
Non-current liabilities			
Long term security deposits		38,258	42,311
Deferred liabilities		104,016	104,016
		142,274	146,327
Current liabilities			
Current maturity of security deposits		44,991	36,472
Payable to management company		2,729	13,727
Accrued and other liabilities		50,406	40,203
		98,126	90,401
Contingencies and commitments	6.	-	-
Total liabilities and equity		842,923	867,458
ASSETS			
Non-current assets			
Fixed assets - tangible	7.	412,427	392,091
Fixed assets - intangible		2,164	2,389
Long term investments	8.	237,031	233,636
Long term advances and deposits		877	142
		652,499	628,258
Current assets			
Ijarah rental receivables		167	2,377
Stock		13,344	18,952
Debtors		8,191	4,661
Diminishing musharika receivables - secured		500	500
Financial assets - investments at fair value through profit or loss	9.	89,882	40,245
Advances - considered good		26,346	53,150
Prepayments and other receivables		8,034	25,923
Cash and bank balances	10	43,960	93,392
		190,424	239,200
Total assets		842,923	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)


CHIEF EXECUTIVE
Ather Naqi


DIRECTOR
Shuja Malik


DIRECTOR
Nasir Raza

FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2016

		Quarter ended		Nine month ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		Rupees"000"			
	Note				
Income from modaraba business	11	32,421	40,054	107,715	170,900
Sales - Pharma business		20,765	5,732	31,873	16,697
		<u>53,186</u>	<u>45,786</u>	<u>139,588</u>	<u>187,597</u>
Cost of goods sold	12	23,473	11,206	47,752	30,340
Operating expenses		16,244	15,750	46,497	59,290
Depreciation on assets leased out under Ijarah		24,949	25,727	68,966	82,582
Financial charges		10	-	102	2
		<u>64,676</u>	<u>52,684</u>	<u>163,317</u>	<u>172,214</u>
Operating (loss)/profit		(11,490)	(6,897)	(23,729)	15,383
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss		18,698	(3,919)	18,133	(3,105)
Share of profit from associates		-	-	-	10,228
Extra-ordinary item		-	-	-	137,692
		<u>7,208</u>	<u>(10,817)</u>	<u>(5,596)</u>	<u>160,198</u>
Less :					
Modaraba company's management fee		-	-	-	16,020
Sales Tax on Management Fee		-	-	-	2,563
		<u>7,208</u>	<u>(10,817)</u>	<u>(5,596)</u>	<u>18,583</u>
					<u>141,615</u>
Less :					
Workers Welfare Fund		-	-	-	2,832
		<u>7,208</u>	<u>(10,817)</u>	<u>(5,596)</u>	<u>138,783</u>
(Loss)/profit for the period		7,208	(10,817)	(5,596)	138,783
(Loss)/earnings per certificate - basic and diluted	13	0.28	(0.41)	(0.21)	5.26

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

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FIRST UDL MODARABA

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2016**


	Quarter ended		Nine month ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees"000" -----			
(Loss)/profit for the period	7,208	(10,817)	(5,596)	138,783
Other comprehensive income				
Unrealised (loss) / gain on re-measurement of available for sale investments	(4,662)	(12,456)	43,354	(46,329)
Total comprehensive income	<u>2,546</u>	<u>(23,273)</u>	<u>37,758</u>	<u>92,454</u>

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)


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FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 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	
Rupees "000"					
Balance as at July 01, 2014	263,866	215,716	69,337	28,972	577,891
Profit distribution in cash	-	-		(79,160)	(79,160)
Total comprehensive income for the period ended June 30, 2014	-	-	(17,742)	149,741	131,999
Transfer to statutory reserves	-	29,948		(29,948)	-
Balance as at June 30, 2015	263,866	245,664	51,595	69,605	630,730
Profit distribution in cash	-	-	-	(65,966)	(65,966)
Total comprehensive income for the period ended March 31, 2016	-	-	43,354	(5,596)	37,758
Transfer to statutory reserves	-	-	-	-	-
Balance as at March 31, 2016	263,866	245,664	94,950	(1,957)	602,522


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

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


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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2016**

	March 31, 2016	March 31, 2015
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	(5,596)	138,783
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	16,351	8,469
Amortization on intangible assets	225	150
Amortization of assets leased out	68,966	84,582
Financial charges	102	2
Loss on sale of leased assets	934	625
Share of profit from associates	-	(10,228)
Dividend income	(3,623)	(235)
(Gain) on sale of investment	(15,401)	(57,471)
Loss/(gain) on sale of assets - own	(3,116)	62
Profit on bank deposits	(2,314)	(6,982)
Extra ordinary item	-	(137,692)
Unrealised (gain)/loss on re-measurement of investments at fair value through profit or loss	(18,133)	3,105
	43,990	(115,613)
	38,395	23,170
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	5,608	(2,658)
Ijarah rental receivables	2,210	(963)
Debtors	(3,530)	2,497
Musharika receivables - secured	-	6,404
Advances - considered good	26,804	(7,039)
Financial assets	(49,637)	-
Prepayments and other receivables	17,889	(15,704)
	(657)	(17,463)
Increase in current liabilities		
Current maturity of security deposits	8,519	(12,239)
Payable to management company	(10,998)	7,683
Accrued and other liabilities	10,203	1,164
	45,463	2,316
Financial charges paid	(102)	(2)
Profit distributed to certificate holders	(65,966)	(26,386)
	(66,068)	(26,388)
<i>Net cash flows generated from operating activities</i>	(20,605)	(24,072)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	(75,428)	(46,316)
Purchase of fixed assets - own	(11,112)	(5,464)
Proceeds from sale of fixed assets - own	13,382	133
Dividends received	3,623	235
Profit received on bank deposits	2,314	6,982
Proceeds from sale of investments - net	112,435	285,036
Purchase of investments	(69,987)	(116,857)
<i>Net cash flows (used in) investing activities</i>	(24,774)	123,749
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term security deposits	(4,053)	(16,330)
<i>Net cash flows (used in) / generated from financing activities</i>	(4,053)	(16,330)
Net change in cash and cash equivalents during the period	(49,432)	83,347
Cash and cash equivalents at the beginning of the period	93,392	122,877
Cash and cash equivalents at the end of the period	43,960	206,224

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)


CHIEF EXECUTIVE
Ather Naqi


DIRECTOR
Shuja Malik


DIRECTOR
Nasir Raza

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 Pakistan 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, 2016 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, 2016 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, 2015.

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 nine months period ended March 31, 2015 have been extracted from the condensed interim financial information for the nine months period ended March 31, 2015.

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 March 31, 2016	-----Number of certificates-----	Audited June 30, 2015		Un-audited March 31, 2016	Audited June 30, 2015
				----- 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, 2015.

	Note	Un-audited March 31, 2016	Audited June 30, 2015
		----- Rupees "000" -----	
7. FIXED ASSETS - tangible			
Assets in own use		174,293	184,796
Assets leased out		238,135	207,295
		<u>412,427</u>	<u>392,091</u>

8. LONG TERM INVESTMENTS

Available for sale			
Listed companies	8.1	237,031	233,636
		<u>237,031</u>	<u>233,636</u>

8.1 Listed companies

	Un-audited March 31, 2016	Audited June 2015	Un-audited March 31, 2016	Audited June 2015
	-----No. of shares-----		-----Rupees'000'-----	
Food & personal care products				
Gillette Pakistan Limited	193,385	193,385	56,468	59,949
Chemical				
United Distributors (Pakistan) limited	962,569	875,063	23,756	25,674
Pharma & Bio Tech				
IBL HealthCare Limited	129,669	168,268	17,010	19,183
The Searle Company Limited	278,019	334,192	122,187	107,172
Textile Composite				
International Knitware Limited	549,102	510,602	9,741	5,361
United Brands Limited	71,560	71,560	3,399	6,193
Power Generation & Distribution				
K-Electric Ltd	629,500	1,200,000	4,469	10,104.00
			<u>237,031</u>	<u>233,636</u>

[illegible]

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
11 INCOME FROM MODARABA BUSINESS	----- Rupees "000" -----		----- Rupees "000" -----	
Income from ijarah operations	28,724	30,053	83,878	103,574
Income from diminishing musharika receivables	-	15	3,000	2,934
Income from investments	1,848	7,123	15,401	57,471
Income from other sources	1,849	2,863	5,436	6,922
	<u>32,421</u>	<u>40,054</u>	<u>107,715</u>	<u>170,900</u>
12 OPERATING EXPENSES				
Modaraba Business	5,608	2,559	18,016	16,920
Pharma Business	10,637	13,192	28,482	42,370
	<u>16,244</u>	<u>15,750</u>	<u>46,497</u>	<u>59,290</u>
13 (LOSS)/EARNINGS PER CERTIFICATE				
Profit for the period (Rupees in "000")	<u>7,208</u>	<u>(10,817)</u>	<u>(5,596)</u>	<u>138,783</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>
(Loss)/earning per certificate - basic	<u>0.28</u>	<u>(0.41)</u>	<u>(0.21)</u>	<u>5.26</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 28th April, 2016 by the Board of Directors of the Modaraba company.

16 GENERAL

- 16.1 The corresponding figures have been re-arranged and reclassified where ever necessary for better comparison.
- 16.2 The figures have been rounded off to the nearest thousand rupees.

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

CHIEF EXECUTIVE
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