

**FIRST UDL MODARABA  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b>Revenue from:</b>			
- Ijarah operations	24	18,766,112	23,233,137
- Musharaka finance		-	3,500,000
-Diminishing Musharaka		7,534,269	2,768,980
- Investments	25	47,843,143	34,485,062
- Pharma business	26	157,790,868	145,421,249
- Other sources	27	1,469,398	15,753,581
		<b>233,403,790</b>	<b>225,162,009</b>
<b>Expenses</b>			
Cost of goods sold- pharma	28	115,804,231	100,463,528
Selling & distribution	29	71,130,553	77,210,480
Operating	30	46,094,086	53,302,350
Financial charges	31	2,650,594	117,695
		<b>235,679,463</b>	<b>231,094,053</b>
<b>Operating loss</b>		<b>(2,275,673)</b>	<b>(5,932,044)</b>
Unrealized loss on re-measurement of investments at fair value through profit or loss		<b>(2,622,368)</b>	(5,357,154)
Gain on settlement of liability	20.1	-	51,582,539
		<b>(4,898,041)</b>	<b>40,293,341</b>
<b>Less:</b>			
Modaraba management company's remuneration		-	(4,029,334)
Services sales tax on management company's remuneration	32	-	(3,070,423)
		<b>(4,898,041)</b>	<b>33,193,584</b>
<b>Less:</b>			
Workers Welfare Fund			(663,872)
<b>(Loss)/Profit before tax</b>		<b>(4,898,041)</b>	<b>32,529,712</b>
Provision for taxation	33	<b>(2,334,038)</b>	-
<b>(Loss)/Profit after taxation</b>		<b>(7,232,079)</b>	<b>32,529,712</b>
Earnings per certificate - basic and diluted	34	<b>(0.27)</b>	1.23

The annexed notes from 1 to 45 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Director





**FIRST UDL MODARABA**



September 27, 2018

The General Manager  
**Pakistan Stock Exchange Ltd**  
Stock Exchange Road  
Karachi.

**SUB: Certificate on Free Reserves for the Issue of Bonus Certificates**

Dear Sir,

With reference to our today's announcement regarding the financial results of the Modaraba for the year ended June 30, 2018, please find enclosed herewith the 'Certificate of Free Reserves' received from our External Auditor BKR International Muniff Ziauddin & Co. Chartered Accountants having reference # MZ/FUDLM/2609/2018 dated September 27, 2018 for the issue of Bonus Certificates.

Thanking you

Yours truly,

**Syed Aamir Hussain**  
Company Secretary

REF.MZ/FUDLM/2609/2018

26 September 2018

The Chief Executive  
M/s. UDL Modaraba Management Company  
1st Floor, Business Enclave,  
77-C, 12th Commercial Street,  
D.H.A, Phase II (Extension), Karachi

Dear Sir

As requested, we have ascertained from the financial statements of First UDL Modaraba (the Modaraba) for the year ended June 30, 2018, which have been approved by the Board of Directors and on which the auditors' report remains to be signed, that the residual 'free reserves' in terms of the meaning given to 'free reserves' in the Companies (Issue of Capital) Rules, 1996, after the proposed issue of bonus shares of Rs 225,040,947 would be higher than fifteen percent of the increased paid up capital of the Company i.e. Rs 290,252,479.

We have reviewed the contingent liabilities outstanding as at June 30, 2018 as referred to in the aforementioned financial statements on June 30, 2018 to determine the contingent loss, if any, falling within the scope of paragraph 14 of the International Accounting Standard 37 'Provisions, Contingent Liabilities and Contingent Assets' and confirm that such contingent liabilities are not deductible from the aforementioned 'free reserves' of the Company.

The Company's 'free reserves' retained after the issue of bonus shares do not include any reserves created as a result of revaluation of fixed assets or any intangible or fictitious assets such as preliminary expenses, goodwill, brokerage or commission.

Yours truly,

