

**FINANCIAL STATEMENTS
OF
FIRST UDL MODARABA
FOR THE PERIOD ENDED
DECEMBER 31, 2019**

Corporate Information

MODARABA MANAGEMENT COMPANY	UDL Modaraba Management (Private) Limited	
Board of Directors	Majid Hasan Shuja Malik Farah Qureshi A.Rahim Suriya	Chairman (Non Executive Director) Chief Executive Officer Non Executive Director Non Executive Director
Company Secretary	Syed Aamir Hussain	
Audit Committee	Farah Qureshi Majid Hasan A.Rahim Suriya	Chairman Member Member
Human Resource & Remuneration Committee	A.Rahim Suriya Farah Qureshi Majid Hasan	Chairman Member Member
Auditors	Muniff Ziauddin & Co. Chartered Accountants	
Bankers	Albaraka Bank Limited Habib Bank Limited Dubai Islamic Bank Limited	
Registrar	CDC Share Registrar Services Ltd 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.	
Associated Company	UDL Pharmaceuticals Pakistan (Pvt) Limited.	
Head Office & Registered Office	1st Floor, Business Enclave. 77-C, 12th Commercial Street, Off: Kh-e-Ittehad, DHA Phase II (Ext.) Karachi.	
Phone	092 - 21 - 35310561-5	
Fax	092 - 21 - 35310566	
E-Mail	info@udl.com.pk	
Web	www.udl.com.pk	



FIRST UDL MODARABA

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, 2019.

Review of Operations:

During the half year, income from operations improved by 5.68% from Rs. 20.53 million to Rs. 21.70 million. There was an overall decline in income from Ijarah operations as funds were diverted towards Diminishing Musharika financing. Total income also comprised of Rental income and income from Investments.

The Modaraba managed to post a net profit of Rs. 3.44 million as compared to a loss of Rs. 30.95 million in the corresponding period.

After discontinuing pharmaceutical operations, the Modaraba during the half year has managed to stabilize its finances and is expecting better performance in future which can be achieved by ploughing additional funds in the Ijarah and Diminishing Musharika financing. However, to improve cash flow, divestment of assets is necessary but in this low demand and low price environment it does not seem prudent. Moreover, due to economic slowdown and high markup rates, there is very little requirement for financing at the moment. As soon as the economy improves and the Modaraba is able to divest some of its assets to plough back in the main stream business, more stability would be achieved along with a consistent stream of profits.

Despite, the economic slowdown, the management expects a better performance in the second half of the financial year, In Sha Allah!

Acknowledgement:

The Board would like to take this opportunity to thank the Registrar Modarabas and other officials of the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) for their continuous guidance and support.

The Board would also like to thank its valued customers and certificate-holders for reposing trust and confidence in the Modaraba, and to the members of Management and Staff for their commitment and dedication.

For and on Behalf of the Board

-----Sd-----

Shuja Malik
Chief Executive

25th February' 2020.

**TO THE CERTIFICATE HOLDERS OF FIRST UDL MODARABA
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First UDL Modaraba** as at December 31, 2019, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes to the financial statements for the six-months then ended (here-in-after referred to as the 'interim financial statements'). Management Company is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for the condensed interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures for the quarters ended December 31, 2019 and December 31, 2018 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 Statements 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 interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Moin Khan.



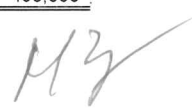
Muniff Ziauddin & Co.
Chartered Accountants
Karachi:

FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2019

	Un - Audited December 31, 2019	Audited June 30, 2019
Note	----- Rupees in "000" -----	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2019: 50,000,000) modaraba certificates of Rupees 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up certificate capital	5 319,278	290,252
Statutory reserve	203,626	232,651
Revenue reserves		
Accumulated loss	<u>(54,928)</u>	<u>(58,396)</u>
Total equity	<u>467,975</u>	<u>464,507</u>
Unrealized gain/(loss) on re-measurement of available for sale investments	5,671	(24,432)
Non-current liabilities		
Long term security deposits	7,527	9,525
Diminishing musharaka	233	1,568
Current liabilities		
Current portion of security deposits	6,597	5,494
Current portion of diminishing musharaka	2,649	2,687
Payable to management company	389	-
Trade creditors	-	92
Accrued and other liabilities	8,797	7,844
Unclaimed profit distribution	25,239	26,271
	43,671	42,389
Contingencies and commitments	6 -	-
Total liabilities and equity	<u>525,079</u>	<u>493,558</u>
ASSETS		
Non-current assets		
Fixed assets - tangible	7 114,475	125,391
Investment property	71,962	73,923
Intangibles assets	4,797	4,797
Long term investments	8 198,406	168,842
Diminishing Musharaka financing	9 32,958	39,460
Long term deposits	1,354	1,367
	423,951	413,780
Current assets		
Ijarah rental receivables	631	602
Trade debts	725	1,694
Diminishing musharaka financing - current portion	9 22,967	23,382
Diminishing musharaka financing - Receivable	852	902
Investments	10 8,928	6,498
Advances	7,563	8,949
Prepayments and other receivables	6,401	2,933
Cash and bank balances	11 53,061	34,817
	101,128	79,777
Total assets	<u>525,079</u>	<u>493,558</u>

The annexed notes form an integral part of these interim financial statements.

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



-sd-
Syed Aamir Hussain
Chief Financial Officer

-sd-
Shuja Malik
CHIEF EXECUTIVE

-sd-
Farah Qureshi
DIRECTOR

-sd-
A.Rahim Suriya
DIRECTOR

FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Note	Quarter ended		Half year ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
----- Rupees "000" -----					
Revenue from:					
- Ijarah Operations - net of deprecation		750	1,882	2,114	4,504
- Diminishing Musharakah		2,756	988	5,240	3,310
- Investments		1,868	2,607	3,753	4,625
- Rental Income		3,150	3,000	6,200	4,000
- Others		4,346	3,349	4,400	4,100
		<u>12,870</u>	<u>11,827</u>	<u>21,706</u>	<u>20,539</u>
Less:					
Administrative expenses		12,234	21,114	20,166	24,366
Financial charges		158	1,482	363	1,495
		<u>12,392</u>	<u>22,596</u>	<u>20,529</u>	<u>25,861</u>
Operating profit/ (loss)		<u>478</u>	<u>(10,769)</u>	<u>1,177</u>	<u>(5,322)</u>
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss		2,858	1,264	2,712	(1,834)
Profit / (loss) from continuing operations		<u>3,337</u>	<u>(9,506)</u>	<u>3,889</u>	<u>(7,156)</u>
Less:					
Loss from discontinued operation	12	-	(22,908)	-	(23,793)
Less :					
Modaraba company's management fee		334	-	389	-
Sales Tax on Management Fee		43	-	51	-
Provision for taxation		-	-	-	-
		<u>377</u>	<u>-</u>	<u>439</u>	<u>-</u>
Profit / (loss) for the period		<u>2,960</u>	<u>(32,415)</u>	<u>3,449</u>	<u>(30,949)</u>
Profit / (loss) per certificate - basic and diluted	13				
Profit / (loss) per certificate - from continuing operations		0.10	<i>Restated</i> (0.30)	0.12	<i>Restated</i> (0.22)
Loss per certificate - from discontinued operations		-	(0.72)	-	(0.75)
		<u>0.10</u>	<u>(1.02)</u>	<u>0.12</u>	<u>(0.97)</u>

The annexed notes form an integral part of these interim financial statements.

For UDL Modaraba Management (Private) Limited
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Farah Qureshi
DIRECTOR

-sd-
A. Rahim Suriya
DIRECTOR

FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Quarter ended		Half year ended	
	December 31 2019	December 31 2018	December 31 2019	December 31 2018
	----- Rupees"000" -----			
Profit / (loss) for the period	2,960	(32,415)	3,449	(30,949)
Items that will not be reclassified subsequently to profit and loss account				
Unrealized income/(loss) on remeasurement of equity instrument at fair value through other comprehensive income	53,923	(38,923)	30,104	(42,409)
Total comprehensive income/(loss)	56,883	(71,338)	33,553	(73,359)

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



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Farah Qureshi
DIRECTOR

-sd-
A.Rahim Suriya
DIRECTOR

FIRST UDL MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT - (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	December 31, 2019	December 31, 2018
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	3,449	(30,949)
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	3,522	11,334
Amortization on intangible assets	-	38
Amortization on investment property	1,961	-
Amortization of assets leased out	4,823	13,755
Financial charges	363	1,495
Unrealized loss on re-measurement of investments at fair value through profit or loss	(2,712)	1,834
Gain on sale of leased assets	(280)	(231)
Dividend income	(2,594)	(2,314)
Gain on sale of investment	(1,159)	(2,311)
Gain on sale of assets - own	(1,263)	(3,666)
	<u>2,662</u>	<u>19,934</u>
	6,112	(11,015)
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	-	35,452
Ijarah rental receivables	(29)	427
Debtors	969	10,868
Diminishing musharaka financing	51	155
Diminishing musharaka financing - current portion	415	1,072
Advances	1,386	5,842
Prepayments and other receivables	(3,467)	(2,006)
	<u>(676)</u>	<u>51,811</u>
Increase / (decrease) in current liabilities		
Current maturity of security deposits	1,103	(2,749)
Tijarah financing	-	(30,000)
Payable to management company	389	-
Current portion of diminishing musharaka	(38)	-
Trade Creditors	(92)	(2,141)
Accrued and other liabilities	(80)	(4,841)
	<u>6,718</u>	<u>1,064</u>
Financial charges paid	(363)	(1,495)
<i>Net cash generated from/(used in) operating activities</i>	<u>6,354</u>	<u>(431)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	-	(4,528)
Purchase of fixed assets - own	(939)	(7,087)
Purchase of intangible assets	-	38
Proceeds from sale of fixed assets - leased out	2,133	12,229
Proceeds from sale of fixed assets - own	2,920	9,847
Purchase of diminishing musharakah units	6,502	(8,659)
Dividends received	2,594	2,314
Purchase/sale of investments	2,000	(24,257)
long term advances	13	(204)
<i>Net cash generated from/(used in) investing activities</i>	<u>15,222</u>	<u>(20,309)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Diminishing musharaka	(1,334)	-
Long term security deposits	(1,998)	(465)
<i>Net cash flows used in financing activities</i>	<u>(3,332)</u>	<u>(465)</u>
Net change in cash and cash equivalents during the period	<u>18,244</u>	<u>(21,205)</u>
Cash and cash equivalents at the beginning of the period	34,817	55,860
Cash and cash equivalents at the end of the period	<u>53,061</u>	<u>34,656</u>

The annexed notes form an integral part of these interim financial statements.

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

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Chief Financial Officer

-sd-
Shuja Malik
CHIEF EXECUTIVE

-sd-
Farah Qureshi
DIRECTOR

-sd-
A.Rahim Suriya
DIRECTOR

FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Certificate Capital	* Statutory Reserve	Unappropriated loss	Total Certificate holder's equity
----- Rupees "000" -----				
Balance as at July 01, 2018	263,866	259,037	(5,515)	517,389
Bonus shares issued for the year ended June 30, 2018 (10%)	26,386	(26,386)	-	-
Total comprehensive loss for the period ended December 31, 2018	-	-	(30,949)	(30,949)
Balance as at December 31, 2018	290,252	232,651	(36,464)	486,440
Balance as at July 01, 2019	290,252	232,651	(58,396)	464,507
Bonus shares issued for the year ended June 30, 2019 (10%)	29,025	(29,025)	-	-
Total comprehensive income for the period ended December 31, 2019	-	-	3,449	3,449
Transferred from other comprehensive income	-	-	18	18
Balance as at December 31, 2019	319,278	203,626	(54,928)	467,975

*The statutory reserve represents profit set-aside as required under Prudential Regulations for Modaraba and is transferred annually at year end.

The annexed notes form an integral part of these interim financial statements.

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



-sd-
Syed Aamir Hussain
Chief Financial Officer

-sd-
Shuja Malik
CHIEF EXECUTIVE

-sd-
Farah Qureshi
DIRECTOR

-sd-
A.Rahim Suriya
DIRECTOR

FIRST UDL MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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 Modaraba incorporated in Pakistan. It is a perpetual, multipurpose and multidimensional Modaraba and is engaged in providing finance on Murabaha and Musharaka arrangements, Ijarah, and trading in listed and non-interest bearing securities. The Modaraba is listed on Pakistan Stock Exchange Limited.

2. BASIS OF PREPARATION

2.1 These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws).
- Where provisions and directives issued under Companies Act, 2017 and the relevant laws differ from IFRS Standards, the provisions and directives issued under Companies Act, 2017 and the relevant laws have been followed

2.2 The 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, 2019.

2.3 These 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.

2.4 These interim financial statements have been presented in Pak Rupee, which is the functional currency of the Modaraba.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019 except those that stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

(a) Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2019

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Modaraba's books of account.

The amendments that were mandatory for the half year ended December 31, 2019 are considered not to be relevant for the Modaraba's financial reporting process and hence have not been disclosed here.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Modaraba's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Modaraba and, therefore, have not been disclosed in these condensed interim financial statements.



4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these interim financial statements are same as those applied in the Modaraba's annual audited financial statements for the year ended June 30, 2019.

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the Modaraba's annual audited financial statements for the year ended June 30, 2019.

5 ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited December 31, 2019 -----Number of certificates-----	Audited June 30, 2019	Note	Un-audited December 31, 2019 ----- Rupees "000" -----	Audited June 30, 2019
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	176,689	176,689
14,258,887	11,356,363	Modaraba certificates issued as fully paid bonus certificates	142,589	113,563
<u>31,927,772</u>	<u>29,025,248</u>		<u>319,278</u>	<u>290,252</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 CONTINGENCIES

There are no significant changes in the status of contingencies as disclosed in annual financial statements for the year ended June 30, 2019.

6.2 COMMITMENTS

Lease rentals --within one year	2,240	3,262
Lease rentals - 1-5 years	672	1,471
	<u>2,911</u>	<u>4,733</u>

7 FIXED ASSETS - tangible

Assets in own use	7.1	94,573	98,814
Assets leased out	7.2	19,901	26,577
		<u>114,475</u>	<u>125,391</u>

7.1 Assets in own use

Book value at the beginning of the period/year		98,814	178,155
Additions during the period/year	8.1.1	939	17,103
		<u>99,753</u>	<u>195,258</u>
Deletions during the period/year	8.1.1	(3,084)	(119,155)
Adjustment of accumulated depreciton on disposal		1,426	35,164
		(1,657)	(83,991)
Depreciation charge during the period/year		(3,522)	(12,453)
Book value at the end of the period/year		<u>94,573</u>	<u>98,814</u>

8.1.1 Additions/(deletions) during the period / year

Following is the cost of assets that have been acquired/disposed-off during the period ended December 31, 2019.

	Un-audited December 31, 2019	Un-audited December 31, 2019	Audited June 30, 2018	Audited June 30, 2018
	----- Rupees "000" -----			
	Additions	Disposals	Additions	Disposals
Vehicle	-	(3,013)	9,181	(16,751)
Furniture & Fixture	132	-	-	-
Building	-	-	-	(102,056)
Computer Equipments	230	-	160	(151)
Office Equipments & appliances	577	(71)	351	(197)
Plant and machinery	-	-	7,410	-
	<u>939</u>	<u>(3,084)</u>	<u>17,103</u>	<u>(119,155)</u>

7.2 Assets leased out

		Un-audited December 31, 2019	Audited June 30, 2019
		----- Rupees "000" -----	
Book value at the beginning of the period/year		26,577	71,138
Additions during the period/year	8.2.1	-	4,528
		<u>26,577</u>	<u>75,666</u>
Deletions during the period/year	8.2.1	(8,738)	(137,297)
Adjustment of accumulated depreciton on disposal		6,885	110,396
		<u>(1,853)</u>	<u>(26,902)</u>
Depreciation charge during the period/year		<u>(4,823)</u>	<u>(22,188)</u>
		<u>19,901</u>	<u>26,577</u>

8.2.1 Additions/(deletions) during the period / year

Following is the cost of assets that have been acquired / disposed-off during the period ended December 31, 2019.

	Un-audited December 31, 2019	Un-audited December 31, 2019	Audited June 30, 2018	Audited June 30, 2018
	----- Rupees "000" -----			
	Additions	Disposals	Additions	Disposals
Plant Machinery and equipments	-	(2,000)	-	(11,500)
Vehicles	-	(6,738)	4,528	(125,797)
	<u>-</u>	<u>(8,738)</u>	<u>4,528</u>	<u>(137,297)</u>

8 LONG TERM INVESTMENTS

	Un-audited December 31, 2019	Audited June 30, 2019
	----- Rupees "000" -----	
Fair value through other comprehensive income		
Listed companies	198,406	168,842
	<u>198,406</u>	<u>168,842</u>

9 DIMINISHING MUSHARIKA FINANCING

	Un-audited December 31, 2019	Audited June 30, 2019
	----- Rupees "000" -----	
Secured		
Diminishing Musharakah financing	55,925	62,842
Less: Current Portion	(22,967)	(23,382)
	<u>32,958</u>	<u>39,460</u>
Add: Advance against diminishing musharikah financing	-	-
	<u>32,958</u>	<u>39,460</u>

	Note	Un-audited December 31, 2019 ----- Rupees "000" -----	Audited June 30, 2019
10 FINANCIAL ASSETS - INVESTMENTS at fair value through profit or loss			
Listed companies		8,928	6,498
		<u>8,928</u>	<u>6,498</u>
11 CASH AND BANK BALANCES			
Cash on hand		106	106
Cash at banks			
- PLS saving accounts	11.1	36,402	18,594
- Current accounts		16,553	16,117
		<u>52,956</u>	<u>34,711</u>
		<u>53,061</u>	<u>34,817</u>

11.1 These accounts carry profit rate ranging from 6.5 % to 8.5 % (30 June, 2019: 5.5 % to 10.5%)

12 LOSS FROM DISCONTINUED OPERATION

The management decided to discontinue pharmaceutical operations due to continuous Pak rupee devaluation and increasing in price of raw material with effect from July 10, 2018. The modaraba has informed to the SECP, Pakistan stock exchange and certificate holders accordingly.

	Quarter ended		Half year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- Rupees "000" -----			
Revenue from pharma business	-	27,058	-	64,074
Less:				
Cost of goods sold	-	(34,202)	-	(51,828)
Distribution expenses	-	(13,072)	-	(29,401)
Operating expenses - pharma	-	(2,692)	-	(6,637)
Loss from discontinued operation for the period	<u>-</u>	<u>(22,908)</u>	<u>-</u>	<u>(23,793)</u>
Loss per certificate - basic	<u>-</u>	<u>(0.72)</u>	<u>-</u>	<u>(0.75)</u>

13 PROFIT / (LOSS) PER CERTIFICATE - BASIC AND DILUTED

Profit / (loss) from continuing operations	<u>3,337</u>	<u>(9,506)</u>	<u>3,889</u>	<u>(7,156)</u>
Loss from discontinued operations	<u>-</u>	<u>(22,908)</u>	<u>-</u>	<u>(23,793)</u>
Weighted average number of certificates	<u>31,927,772</u>	<u>31,927,772</u>	<u>31,927,772</u>	<u>31,927,772</u>
Profit / (loss) per certificate from continuing operations- basic	<u>0.10</u>	<u>(0.30)</u>	<u>0.12</u>	<u>(0.22)</u>
		<i>Restated</i>		<i>Restated</i>
Loss per certificate from discontinued operations -basic	<u>-</u>	<u>(0.72)</u>	<u>-</u>	<u>(0.75)</u>

There is no dilution effect on the basic earnings/(loss) per certificate of the Modaraba as the Modaraba has no such commitments.

14 SEGMENT INFORMATION

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

	December 31, 2019				
	Ijarah Operations	Diminishing Musharikah	Investments	Others	Total
Segment revenue	2,114	5,240	3,753	10,600	21,706
RESULT					
Segment result					
Unallocated operating expenses	-	-	-	20,166	20,166
Financial and other charges	-	-	-	363	363
Operating Profit				20,529	20,529
Unrealized loss on re-measurement of Inv. at fair value through P / L	-	-	2,712	-	2,712
Profit from continuing operations					3,889
Other information					
Segment assets	19,901	55,925	207,333	241,919	525,079
Total assets	19,901	55,925	207,333	241,919	525,079
Segment liabilities	14,125	-	-	-	14,125
Unallocated liabilities	-	-	-	37,307	37,307
Total liabilities	14,124.84	-	-	37,307	51,432
Net assets					473,647
Capital expenditure				939	939

PLZ

	December 31, 2018				Total
	Ijarah operations	Diminishing Musharikah	Investments	Others	
	Rupees "000"				
Segment revenue	4,504	3,310	4,625	8,100	64,074
RESULT					
Segment result					
Unallocated operating expenses	-	-	-	24,366	-
Financial and other charges	-	-	-	1,495	-
Cost related to pharma	-	-	-	-	36,038
Cost of goods sold	-	-	-	-	51,828
Operating Profit	4,504	3,310	4,625	(17,761)	(23,793)
Unrealized gain on re-measurement of Inv. at fair value through P / L	-	-	(1,834)	-	(1,834)
Loss for the period					(30,949)
Other information					
Segment assets	49,916	60,149	224,657	144,806	103,358
Total assets	49,916	60,149	224,657	144,806	103,358
Segment liabilities	21,487	-	-	-	-
Unallocated liabilities	-	-	-	45,442	1,111
Total liabilities	21,487	-	-	45,442	1,111
Net assets					514,846
Capital expenditure	4,528	-	-	-	7,087

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, 2019	December 31, 2018
		----- Rupees "000" -----	
Modaraba management company	Dividend paid	-	-
	Bonus shares issued	5,433	4,939

16 DATE OF AUTHORIZATION FOR ISSUE

The interim financial statements were approved and authorized for issue on _____ by the Board of Directors of the Management Company.

17 GENERAL

Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current period. However, there are no material reclassification / re-arrangement to report.

17.2 Figures for the quarters ended December 31, 2019 and December 31, 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

17.3 Figures have been rounded off to the nearest thousand rupee.



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

-sd
Syed Aamir Hussain
Chief Financial Officer

-sd-
Shuja Malik
CHIEF EXECUTIVE

-sd-
Farah Qureshi
DIRECTOR

-sd-
A.Rahim Suriya
DIRECTOR