



Half Year Ended Report

December 31, 2020

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 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	A.Rahim Suriya Majid Hasan Farah Qureshi	Chairman Member Member
Human Resource & Remuneration Committee	Majid Hasan Farah Qureshi A.Rahim Suriya	Chairman Member Member
Auditors	Grant Thornton Anjum Rahman 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

Review of Operations

During the half year under review total income was Rs. 23.86 million, a slight decline of 2.30% from Rs. 24.41 million. Operating expenses slightly increased by 3% from Rs. 20.16 million to Rs. 20.80 million.

Net profit of the Modaraba declined from Rs. 3.44 million to Rs. 2.64 million. The decline in the net profit does not give a true picture as due to the implementation of IFRS 9, realized gain of Rs. 4.48 million has been disclosed in the balance sheet through other comprehensive income. Had it not been for the accounting treatment, the Modaraba would have reported a profit of Rs. 7.12 million.

The management has been continuously, disposing of its long term investments, which has improved its cash flow significantly. The cash flow is expected to improve further on account of sale of property and also the planned sale of its investment portfolio in the subsequent quarters.

The Modaraba expects reasonable capital gains in the last two quarters of the financial year, which however, may not reflect in the profit and loss account due to the implementation of IFRS 9 but would reflect in the balance sheet through other comprehensive income.

The improved cash flow would be utilized for the core activity of Ijarah and Diminishing Musharika which would result in stabilizing the profitability of the Modaraba, ultimately resulting in regular returns for the certificate holders.

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), the State Bank of Pakistan (SBP) for their continuous guidance and support.

The Board would also like to thank 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

24th Feb-2021

Head Office: 1st Floor, Business Enclave, 77-C, 12th Commercial Street, Off Kh-e-Ittehad, DHA Phase II Ext.
Karachi-75500. Tel: 021-35310561-5 Fax: 021-35310566
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MANAGED BY: UDL MODARABA MANAGEMENT (PVT.) LTD.



Grant Thornton

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**Independent auditor's review report
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** (the Modaraba) as at December 31, 2020, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement, and notes to the interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). The Management Company is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The financial statements of the Modaraba for the six months period ended December 31, 2019 and for the year ended June 30, 2020 were reviewed and audited by another firm of auditors who expressed an unmodified conclusion and opinion on those statements dated February 25, 2020 and September 29, 2020 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.

Chartered Accountants
Karachi

Dated: February 24, 2021

GRANT THORNTON ANJUM RAHMAN

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Modern Motors House
Beaumont Road,
Karachi 75530

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FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	Rupees	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets - tangible	4	99,196,006	103,237,879
Intangibles assets		3,314,687	3,808,750
Investment property		68,929,419	70,696,842
Diminishing musharaka financing	5	30,472,826	41,962,847
Long term investments	6	337,467,956	214,847,570
Long term deposits		1,384,350	1,354,350
		540,765,244	435,908,240
CURRENT ASSETS			
Short term investments	7	1,393,075	9,679,886
Diminishing musharaka financing - current portion	5	22,739,619	3,277,233
Diminishing musharaka financing installments receivable		389,611	926,161
Ijarah rental receivables		651,945	1,143,002
Advances		12,161,452	10,436,859
Prepayments, deposits and other receivables		2,065,819	4,170,528
Cash and bank balances	8	101,183,833	67,000,659
		140,585,355	96,634,328
TOTAL ASSETS		681,350,599	532,542,568
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital 50,000,000 certificates of Rupees 10 each		500,000,000	500,000,000
Issued, subscribed and paid up certificate capital	9	351,205,481	319,277,710
Reserves		115,717,529	140,512,702
Certificate holders' equity		466,923,010	459,790,412
Surplus on revaluation of investments	10	165,066,344	22,715,042
NON-CURRENT LIABILITIES			
Long term security deposits		-	7,058,520
CURRENT LIABILITIES			
Current portion of security deposits		12,850,770	6,572,950
Current portion of diminishing musharaka		-	1,567,704
Accrued and other liabilities		11,501,105	9,599,249
Unclaimed profit distribution		25,009,370	25,238,691
		49,361,245	42,978,594
TOTAL EQUITY AND LIABILITIES		681,350,599	532,542,568
CONTINGENCIES AND COMMITMENTS			

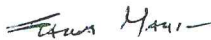
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The annexed notes from 1 to 19 form an integral part of these financial statements.

FOR UDL MODARABA MANAGEMENT (PRIVATE) LIMITED
(MANAGEMENT COMPANY)


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR


FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

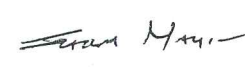
	Note	Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- Rupees -----					
Revenue					
Income from operations	12	12,553,188	13,818,093	7,779,459	10,618,732
Other income	13	11,308,814	10,599,669	4,720,837	5,109,926
		<u>23,862,002</u>	<u>24,417,762</u>	<u>12,500,296</u>	<u>15,728,658</u>
Operating and administrative expenses		<u>(20,801,295)</u>	<u>(20,165,601)</u>	<u>(11,587,168)</u>	<u>(12,234,114)</u>
		<u>3,060,707</u>	<u>4,252,161</u>	<u>913,128</u>	<u>3,494,543</u>
Financial charges		<u>(74,895)</u>	<u>(363,484)</u>	<u>(3,382)</u>	<u>(157,854)</u>
		<u>2,985,812</u>	<u>3,888,677</u>	<u>909,746</u>	<u>3,336,689</u>
Management Company's remuneration		<u>298,581</u>	<u>388,868</u>	<u>90,975</u>	<u>333,669</u>
Sales tax on Management Company's remuneration		<u>38,816</u>	<u>50,553</u>	<u>11,827</u>	<u>43,377</u>
		<u>(337,397)</u>	<u>(439,420)</u>	<u>(102,801)</u>	<u>(377,046)</u>
Profit before taxation		<u>2,648,415</u>	<u>3,449,256</u>	<u>806,945</u>	<u>2,959,643</u>
Taxation	14	-	-	-	-
Net profit for the period		<u>2,648,415</u>	<u>3,449,256</u>	<u>806,945</u>	<u>2,959,643</u>
Earning per certificate - basic and diluted		<u>0.08</u>	<u>(Restated) 0.10</u>	<u>0.02</u>	<u>(Restated) 0.08</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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FOR UDL MODARABA MANAGEMENT (PRIVATE) LIMITED
(MANAGEMENT COMPANY)


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

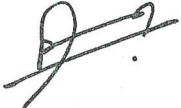
FIRST UDL MODARABA
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

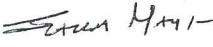
	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees -----			
Net profit for the period	2,648,415	3,449,256	806,945	2,959,643
Items that will not be reclassified subsequently to profit and loss account				
Surplus on revaluation of investments classified as FVTOCI	142,351,302	30,103,885	136,820,925	53,922,957
Total comprehensive income for the period	144,999,717	33,553,142	137,627,870	56,882,601

The annexed notes from 1 to 19 form an integral part of these financial statements.

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FOR UDL MODARABA MANAGEMENT (PRIVATE) LIMITED
 (MANAGEMENT COMPANY)


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

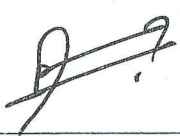




 DIRECTOR

FIRST UDL MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	December 31, 2020	December 31, 2019
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,648,415	3,449,256
Adjustment for:		
Unrealized gain on revaluation of investments classified as FVTPL	(195,130)	(2,711,811)
Gain on sale of fixed assets	(2,966,057)	(1,542,446)
Dividend income	(1,238,007)	(2,593,626)
Gain on sale of investments	(5,370,373)	(1,159,198)
Depreciation and amortization	7,548,095	10,305,905
Financial charges	74,895	363,484
	(2,146,578)	2,662,308
Decrease / (increase) in current assets		
Diminishing musharaka financing installments receivable	536,550	50,528
Diminishing musharaka financing - current portion	(19,462,386)	414,616
Ijarah rental receivables	491,057	(28,536)
Trade debts	-	969,035
Advances	(1,724,593)	1,386,176
Prepayments and other receivables	2,104,709	(3,467,447)
	(18,054,662)	(675,627)
(Decrease) / increase in current liabilities		
Security deposits	6,277,820	1,103,350
Current portion of diminishing musharaka	(1,567,704)	(37,964)
Trade creditors	-	(92,434)
Accrued and other liabilities	1,672,535	308,820
	6,382,651	1,281,772
Financial charges paid	(74,895)	(363,484)
Long term deposits	(30,000)	13,000
Net cash (used in)/generated from operating activities	(11,275,069)	6,367,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,553,444)	(939,320)
Proceeds from sale of fixed assets	4,780,700	5,052,943
Sale of diminishing musharakah units	11,490,021	6,501,951
Dividends received	1,238,007	2,593,626
Purchase of investments	(113,350,856)	(31,993,153)
Proceeds from sale of investments	151,912,334	33,993,366
Net cash generated from investing activities	52,516,762	15,209,413
CASH FLOWS FROM FINANCING ACTIVITIES		
Diminishing musharaka	-	(1,334,251)
Long term security deposits	(7,058,520)	(1,997,950)
Net cash used in investing activities	(7,058,520)	(3,332,201)
Net increase in cash and cash equivalents during the period	34,183,173	18,244,437
Cash and cash equivalents at the beginning of the period	67,000,659	34,816,921
Cash and cash equivalents at the end of the period	101,183,832	53,061,359

The annexed notes from 1 to 19 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
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Certificate capital	Capital reserve Statutory reserve	Revenue reserve Accumulated loss	Total Certificate
----- Rupees -----				
Balance as at July 01, 2019	290,252,470	232,650,806	(61,047,754)	461,855,522
Bonus shares issued for the year ended June 30, 2019 (10%)	29,025,247	(29,025,247)	-	-
Total comprehensive income for the period	-	-	3,449,256	3,449,256
Transferred from other comprehensive income	-	-	18,472	18,472
Balance as at December 31, 2019	<u>319,277,717</u>	<u>203,625,559</u>	<u>(57,580,026)</u>	<u>465,323,250</u>
Balance as at July 01, 2020	319,277,710	203,625,566	(63,112,864)	459,790,412
Bonus shares issued for the year ended June 30, 2020 (10%)	31,927,771	(31,927,771)	-	-
Total comprehensive income for the period	-	-	2,648,415	2,648,415
Transferred from other comprehensive income	-	-	4,484,183	4,484,183
Balance as at December 31, 2020	<u>351,205,481</u>	<u>171,697,795</u>	<u>(55,980,266)</u>	<u>466,923,010</u>


The annexed notes from 1 to 19 form an integral part of these financial statements.

GTA

FOR UDL MODARABA MANAGEMENT (PRIVATE) LIMITED
(MANAGEMENT COMPANY)



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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, musharaka and ijarah arrangements 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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, interim financial reporting issued by the International Accounting Standards Boards (IASB) as notified under the Companies Act, 2017;
- Provisions of and directions issued under the Companies Act, 2017;
- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017.

Where the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas and IFAS differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas and IFAS have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2020.
- 2.3 The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended December 31, 2020 and December 31, 2019 and notes forming part thereof have not been reviewed by the auditors of the Modaraba, as they have reviewed the cumulative figures for the six months ended December 31, 2020 and December 31, 2019.

3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2020 except for the adoption of the following new and amended standards, which became effective for the current period:

Standards	Effective date (Annual periods beginning on or after)
IFRS 3 Definition of a Business (Amendment to IFRS 3)	January 1, 2020
IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)	January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9 IAS 39 and IFRS 7)	January 1, 2020
IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)	June 1, 2020

The adoption of the above standards and amendments are not expected to have any material impact on the Modaraba's condensed interim financial statements.

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2020.

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FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

		Un-audited December 31, 2020	Audited June 30, 2020		
4. FIXED ASSETS - tangible	Note	----- Rupees -----			
Assets					
- in own use	4.1	90,553,248	91,125,720		
- leased out	4.2	8,642,758	12,112,159		
		<u>99,196,006</u>	<u>103,237,879</u>		
4.1 Owned assets					
Opening WDV		91,125,720	98,813,596		
Additions	4.1.1	3,553,444	939,320		
		<u>94,679,164</u>	<u>99,752,916</u>		
Deletions	4.1.1	(5,287,700)	(3,083,500)		
Accumulated depreciation		4,253,757	1,426,353		
		<u>(1,033,943)</u>	<u>(1,657,147)</u>		
Depreciation charge during the period/year		(3,091,973)	(6,970,049)		
Closing WDV		<u>90,553,248</u>	<u>91,125,720</u>		
4.1.1 Additions / (deletions)					
		Un-audited December 31, 2020	Un-audited December 31, 2020	Audited June 30, 2020	Audited June 30, 2020
		----- Rupees -----			
		Additions	Disposals	Additions	Disposals
Vehicles		3,061,505	(5,287,700)	-	(3,013,000)
Furniture & fixture		160,440	-	132,000	-
Computer equipments		223,799	-	230,000	-
Office equipments & appliances		107,700	-	577,320	(70,500)
		<u>3,553,444</u>	<u>(5,287,700)</u>	<u>939,320</u>	<u>(3,083,500)</u>
				Un-audited December 31, 2020	Audited June 30, 2020
4.2 Leased out	Note	----- Rupees -----			
Opening WDV				12,112,159	23,925,178
Deletions	4.2.1			(4,202,500)	(20,738,000)
Accumulated depreciation				3,421,800	17,549,929
				<u>(780,700)</u>	<u>(3,188,071)</u>
Depreciation charge for the period				(2,688,701)	(8,624,948)
				<u>8,642,758</u>	<u>12,112,159</u>
4.2.1 Deletions					
		Un-audited December 31, 2020	Audited June 30, 2020		
		----- Rupees -----			
Plant, machinery and equipments		(2,200,000)	(2,000,000)		
Vehicles		(2,002,500)	(18,738,000)		
		<u>(4,202,500)</u>	<u>(20,738,000)</u>		

FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Un-audited December 31, 2020	Audited June 30, 2020			
5. DIMINISHING MUSHARAKA FINANCING	----- Rupees -----				
<i>Secured</i>					
Diminishing musharaka financing	46,876,445	45,240,080			
Less: Current portion	(22,739,619)	(3,277,233)			
	<u>24,136,826</u>	<u>41,962,847</u>			
Advance against diminishing musharaka financing	6,336,000	-			
	<u>30,472,826</u>	<u>41,962,847</u>			
6. LONG TERM INVESTMENTS					
Fair value through other comprehensive income					
Listed companies	<u>337,467,956</u>	<u>214,847,570</u>			
7. SHORT TERM INVESTMENTS					
Fair value through profit or loss					
Listed companies	<u>1,393,075</u>	<u>9,679,886</u>			
8. CASH AND BANK BALANCES					
Cash in hand	55,695	55,695			
Cash at bank					
- Current accounts	8.1 14,608,505	15,381,211			
- Saving accounts	86,519,633	51,563,753			
	<u>101,183,833</u>	<u>67,000,659</u>			
8.1 These carry profit rates ranging from 3 % to 5.5 % (June 30, 2020: 5.5 % to 10.5%) per annum.					
9. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL					
	Un-audited December 31, 2020	Audited June 30, 2020		Un-audited December 31, 2020	Audited June 30, 2020
----- Certificates -----			----- Rupees -----		
	17,668,885	17,668,885	Modaraba certificates of Rs. 10 each	176,688,850	176,688,850
	17,451,663	14,258,886	Issued as fully paid bonus certificates	174,516,631	142,588,860
	<u>35,120,548</u>	<u>31,927,771</u>		<u>351,205,481</u>	<u>319,277,710</u>
10. SURPLUS / (DEFICIT) ON REVALUATION OF INVESTMENTS					
Fair value through other comprehensive income					
Market value of investments	337,467,956	214,847,570		337,467,956	214,847,570
Less: Cost of investments	(172,401,612)	(192,132,528)		(172,401,612)	(192,132,528)
	<u>165,066,344</u>	<u>(24,432,463)</u>		<u>165,066,344</u>	<u>(24,432,463)</u>
Balance at beginning of the period / year	22,715,042	(24,432,463)		22,715,042	(24,432,463)
Transfers during the period / year	(4,484,183)	(735,516)		(4,484,183)	(735,516)
Surplus on revaluation during the period / year	146,835,485	47,883,022		146,835,485	47,883,022
Balance at end of the period / year	<u>165,066,344</u>	<u>22,715,042</u>		<u>165,066,344</u>	<u>22,715,042</u>

FIRST UDL MODARABA
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

11. CONTINGENCIES AND COMMITMENTS

There are no significant changes in the status of contingencies and commitments as disclosed in the annual financial statements for the year ended June 30, 2020.

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	June 30, 2020	December 31, 2019
12. INCOME FROM OPERATIONS	----- Rupees -----			
Diminishing musharaka	3,442,722	5,239,661	2,273,573	2,755,698
Ijarah operations	2,306,955	2,113,797	1,900,744	750,348
Dividend income	1,238,007	2,593,626	1,228,581	2,386,311
Gain on sale of investments	5,370,373	1,159,198	2,177,465	1,867,962
Unrealized gain on revaluation of investments classified as FVTPL	195,130	2,711,811	199,096	2,858,413
	<u>12,553,188</u>	<u>13,818,093</u>	<u>7,779,459</u>	<u>10,618,732</u>
13. OTHER INCOME				
Rental income	6,510,000	6,200,000	3,307,500	3,150,000
Gain on sale of fixed assets	2,966,057	1,262,853	-	1,242,853
Profit on bank accounts	1,832,757	922,942	1,413,337	717,073
Others	-	2,213,874	-	-
	<u>11,308,814</u>	<u>10,599,669</u>	<u>4,720,837</u>	<u>5,109,926</u>
14. TAXATION				

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes at least 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to continue to avail this exemption by distributing 90% of its profits to its certificate holders. Accordingly, no provision in respect of current and deferred taxation has been made in these condensed interim financial statements.

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FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

15. SEGMENT INFORMATION

	December 31, 2020 (Un-audited)					Total
	Diminishing Musharaka	Ijarah operations	Investments	Rental Property	Others	
<u>Segment results</u>	----- Rupees -----					
Income	3,442,722	2,306,955	6,803,511	6,510,000	4,798,814	23,862,002
Unallocated operating, administrative and other expenses	-	-	-	-	(21,213,587)	(21,213,587)
Net profit for the period						<u>2,648,415</u>
Capital expenditure	-	-	-	-	3,553,444	<u>3,553,444</u>
<u>Segment assets and liabilities</u>						
Assets	53,602,056	9,294,703	338,861,031	68,929,419	210,663,389	681,350,599
	<u>53,602,056</u>	<u>9,294,703</u>	<u>338,861,031</u>	<u>68,929,419</u>	<u>210,663,389</u>	<u>681,350,599</u>
Liabilities	-	6,850,770	-	2,205,000	-	9,055,770
Unallocated liabilities	-	-	-	-	40,305,475	40,305,475
	-	<u>6,850,770</u>	-	<u>2,205,000</u>	<u>40,305,475</u>	<u>49,361,245</u>
Net assets						<u>631,989,354</u>

	December 31, 2019 (Un-audited)					Total
	Diminishing Musharaka	Ijarah operations	Investments	Rental Property	Others	
<u>Segment results</u>	----- Rupees -----					
Income	5,239,661	2,113,797	6,464,635	6,200,000	4,399,669	24,417,761
Unallocated operating, administrative and other expenses	-	-	-	-	(20,968,505)	(20,968,505)
Net profit for the period						<u>3,449,256</u>
Capital expenditure	-	-	-	-	939,320	<u>939,320</u>
<u>Segment assets and liabilities</u>						
Assets	55,925,140	19,901,223	207,333,462	70,696,842	171,222,026	525,078,693
	<u>55,925,140</u>	<u>19,901,223</u>	<u>207,333,462</u>	<u>70,696,842</u>	<u>171,222,026</u>	<u>525,078,693</u>
Liabilities	-	14,124,844	-	-	-	14,124,844
Unallocated liabilities	-	-	-	-	37,307,208	37,307,208
	-	<u>14,124,844</u>	-	-	<u>37,307,208</u>	<u>51,432,052</u>
Net assets						<u>473,646,641</u>

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**FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Management Company, associates, directors and close family members, executives, major certificate holders and staff retirement fund.

Transactions during the period		Un-audited December 31, 2020	Un - audited December 31, 2019
		----- Rupees -----	
Relationship	Nature		
Management Company	Management remuneration	298,581	-
Provident fund	Contribution by the Modaraba	687,732	792,156
Balances as at period / year end		Un-audited December 31, 2020	Audited June 30, 2020
		----- Rupees -----	
Relationship	Nature		
Management Company	Management fees payable	298,581	-
	Other receivables	735,000	735,000
Provident fund	Payable to the provident fund	140,622	156,718

17. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Modaraba's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosure which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba as at June 30, 2020. There has been no change in any risk management policies since the year end.

18. FAIR VALUE OF ASSETS AND LIABILITIES


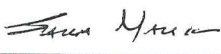
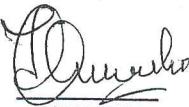

The carrying value of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on 24 FEB 2021 by the Board of Directors of the Management Company.

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**FOR UDL MODARABA MANAGEMENT (PRIVATE) LIMITED
(MANAGEMENT COMPANY)**

			
_____ CHIEF FINANCIAL OFFICER	_____ CHIEF EXECUTIVE OFFICER	_____ DIRECTOR	_____ DIRECTOR