

**FINANCIAL STATEMENTS**  
**OF**  
**FIRST UDL MODARABA**  
**HALF YEAR ENDED DECEMBER 31, 2018**



## **DIRECTORS' REPORT**

The Board of Directors of UDL Modaraba Management (Private) Limited present the unaudited accounts of First UDL Modaraba for the half year ended December 31, 2018.

### **Review of Operations:**

#### **CONTINUED OPERATIONS**

During the half year under review, income of the Modaraba has increased by 21% from Rs. 17.00 million to Rs. 20.54 million. The Modaraba posted an operating profit of Rs. 2.47 million as compared to a profit of Rs. 4.00 million in the corresponding period, a decline of 39%. Main reason for a decline in operating profit was due to higher administrative expenses as a percentage of revenue. Reason being reduction in financing through Ijarah and Diminishing Musharika, modes of financing as the funds were invested in the pharmaceutical operations, which have since been discontinued.

Profit from continued operations has reduced from Rs. 17.67 million to Rs. 0.64 million. Main reason being an unrealized loss of Rs. 1.8 million as compared to an unrealized profit of Rs. 17.6 million in the corresponding period.

#### **DISCONTINUED OPERATIONS**

Loss from discontinued operations was Rs. 30.94 million as compared to a loss of Rs. 6.97 million in the corresponding period, mainly due to additional costs incurred while discontinuing operations, like higher discounts, staff settlements, etc. Most of the costs associated with discontinuation have been incorporated in this quarter and the product returns, claims, etc. are expected to be much lower in the subsequent quarters.

### **Acknowledgement:**

The Board places on record its appreciation for guidance and support received from the Registrar Modarabas, Securities & Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

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

A handwritten signature in blue ink, appearing to read 'Ather Naqi', is positioned above the printed name.

**Ather Naqi**  
Chief Executive  
27-02-2019.

