



Quarterly Accounts
Nine Months Period Ended
March 31, 2020
(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 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	

DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management Private Limited takes pleasure in presenting the un-audited accounts of First UDL Modaraba for the Nine Months ending March 31, 2020.

Review of Operations:

During the nine month period, income from operations declined slightly from Rs. 28.86 million to Rs. 28.54 million. Since the focus is on Diminishing Musharika (DM) financing, Ijarah income has declined considerably which was compensated by a proportionate increase in income from DM financing. Total income also comprised of Rental income and income from Investments. Due to the current economic situation coupled with the additional effects of lockdown, income from investments has not been as per expectations.

During the nine months, loss from operations was Rs. 3.19 million as compared to a loss of Rs. 48.33 million in the corresponding period.

At the start of the third quarter, Pakistan's economy seemed to be improving, but unfortunately due to the Covid-19 pandemic; the situation has become even more uncertain. However, as the situation improves and the Modaraba is able to liquidate some of its investments, it would be in a position to increase its financing activities which would result in better 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) 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

Shuja Malik
Chief Executive

May 14, 2020

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

	(Un-audited) March 31, 2020	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. <u>319,278</u>	290,252
Statutory reserve	203,626	232,651
Revenue reserves		
Unappropriated profit	<u>(61,260)</u>	<u>(58,396)</u>
Total equity	461,644	464,507
Unrealized gain on re-measurement of available for sale investments	(16,887)	(24,432)
Non-current liabilities		
Long term security deposits	7,052	9,525
Diminishing Musharakah	-	1,568
Current liabilities		
Current maturity of security deposits	7,073	5,494
Current portion of diminishing musharakah	2,240	2,687
Trade Creditors	-	92
Accrued and other liabilities	13,331	7,844
Unclaimed profit distributions	25,239	26,271
	47,881	42,389
Contingencies and commitments	6. -	-
Total liabilities and equity	499,690	493,558
ASSETS		
Non-current assets		
Fixed assets - tangible	7. 110,701	125,391
Fixed assets - intangible	4,056	4,797
Investment property	71,150	73,923
Long term investments	8. 177,883	168,842
Diminishing Musaharakah Financing	9. 31,624	39,460
Long term advances and deposits	1,354	1,367
	396,768	413,780
Current assets		
Ijarah rental receivables	636	602
Trade Debts- unsecured but considered good	659	1,694
Diminishing Musaharakah Financing - current portion	18,738	23,382
Diminishing Musaharakah Financing - Recievable	680	902
Financial assets - Investments	10. 5,174	6,498
Advances - considered good	9,392	8,949
Prepayments and other receivables	5,623	2,933
Cash and bank balances	11. 62,019	34,817
	102,922	79,777
Total assets	499,690	493,558

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)

-----Sd-----
CHIEF FINANCIAL OFFICER
Syed Aamir Hussain

-----Sd-----
CHIEF EXECUTIVE
Shuja Malik

-----Sd-----
DIRECTOR
A.Rahim Suriya

-----Sd-----
DIRECTOR
Farah Qureshi

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2020**

	Note	Quarter ended		Nine month ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
----- Rupees"000" -----					
Revenue from:					
- Ijarah Operations - net off depreciation		194	1,137	2,308	5,641
- Diminishing Musharakah		2,587	2,455	7,826	5,765
- Investments		273	1,450	4,026	6,075
- Rental Income		3,150	3,000	9,350	7,000
- Others		635	282	5,035	4,383
		<u>6,839</u>	<u>8,324</u>	<u>28,545</u>	<u>28,864</u>
Administrative expenses		10,569	12,103	30,734	41,637
Financial charges		178	66	541	1,561
		<u>10,746</u>	<u>12,169</u>	<u>31,276</u>	<u>43,198</u>
Operating (loss)/profit		<u>(3,908)</u>	<u>(3,845)</u>	<u>(2,731)</u>	<u>(14,335)</u>
Unrealised (loss) on re-measurement of investment at fair value through profit or loss		(3,175)	(1,021)	(463)	(2,855)
(Loss)/profit from operations		<u>(7,083)</u>	<u>(4,866)</u>	<u>(3,194)</u>	<u>(17,190)</u>
Less:					
Loss from discontinued operation	12	-	(12,521)	-	(31,146)
		<u>(7,083)</u>	<u>(17,387)</u>	<u>(3,194)</u>	<u>(48,336)</u>
Less :					
Modaraba company's management fee		-	-	-	-
Sales Tax on Management Fee		-	-	-	-
		<u>(7,083)</u>	<u>(17,387)</u>	<u>(3,194)</u>	<u>(48,336)</u>
Less :					
Workers Welfare Fund		-	-	-	-
Loss for the period		<u>(7,083)</u>	<u>(17,387)</u>	<u>(3,194)</u>	<u>(48,336)</u>
Loss per certificate - basic and diluted	13	<u>(0.22)</u>	<i>Restated</i> <u>(0.54)</u>	<u>(0.10)</u>	<i>Restated</i> <u>(1.51)</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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CHIEF FINANCIAL OFFICER
Syed Aamir Hussain

-----Sd-----
CHIEF EXECUTIVE
Shuja Malik

-----Sd-----
DIRECTOR
A.Rahim Suriya

-----Sd-----
DIRECTOR
Farah Qureshi

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2020**

	Quarter ended		Nine month ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
----- Rupees "000" -----				
Loss for the period	(7,083)	(17,387)	(3,194)	(48,336)
Items that will not be reclassified subsequently to profit and loss account	-	-	-	-
Items that will be reclassified subsequently to profit and loss account				
Unrealised (loss)/gain on re-measurement of available for sale investments	(22,559)	(6,978)	7,545	(49,388)
Total comprehensive (loss)/ income	(29,642)	(24,365)	4,351	(97,724)

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2020**

	March 31, 2020	March 31, 2019
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	(3,194)	(48,336)
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	8,766	16,818
Unrealized loss / (gain) on re-measurement of investments at fair value through profit or loss	463	2,855
Amortization of assets leased out	6,746	18,789
Financial charges	541	1,561
(Gain)/loss on sale of leased assets	(160)	(465)
Loss/(gain) on sale of assets - own	(1,263)	(3,802)
Dividend income	(2,631)	(2,822)
(Gain) on sale of investment	(1,395)	(3,254)
Profit on bank deposits	(1,158)	(447)
	<u>9,911</u>	<u>29,234</u>
	6,717	(19,102)
Changes in working capital: (Increase) / decrease in current assets		
Stock	-	36,657
Ijarah rental receivables	(34)	637
Debtors	1,035	23,116
Diminishing Musaharakah Financing - Recievable	223	(243)
Diminishing Musaharakah Financing - current portion	4,643	(5,718)
Advances - considered good	(443)	2,810
Financial assets	1,324	29,569
Prepayments and other receivables	(2,689)	(169)
	<u>4,058</u>	<u>86,658</u>
Increase in current liabilities		
Current maturity of security deposits	1,579	(6,266)
Current portion of diminishing musharakah	(448)	-
Trade creditors	(92)	(2,392)
Tijarah financing	-	(30,000)
Accrued and other liabilities	4,454	(3,278)
	<u>16,268</u>	<u>25,622</u>
Financial charges paid	(541)	(1,561)
Profit distributed to certificate holders	-	-
	<u>(541)</u>	<u>(1,561)</u>
<i>Net cash flows generated from operating activities</i>	15,726	24,061
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	-	(4,528)
Purchase of fixed assets - own	(939)	(7,147)
Proceeds from sale of fixed assets - own	4,346	10,397
Proceeds from sale of fixed assets - Leased out	8,898	17,791
Dividends received	2,631	2,822
Profit received on bank deposits	1,158	447
Proceeds from sale of investments - net	(11,362)	(4,651)
Purchase of Investments	2,194	(48,989)
<i>Net cash flows (used in) investing activities</i>	6,926	(33,860)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed assets - intangible	741	-
Diminishing Musaharakah Financing	7,836	(8,515)
Long term advances and deposits	13	(204)
capital work in process	-	300
Long term security deposits	(4,041)	(1,602)
	<u>4,549</u>	<u>(10,021)</u>
<i>Net cash flows (used in) / generated from financing activities</i>	4,549	(10,021)
Net change in cash and cash equivalents during the period	27,201	(19,821)
Cash and cash equivalents at the beginning of the period	34,817	55,860
Cash and cash equivalents at the end of the period	62,019	36,040

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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-----Sd-----
CHIEF EXECUTIVE
Shuja Malik

-----Sd-----
DIRECTOR
A.Rahim Suriya

-----Sd-----
DIRECTOR
Farah Qureshi

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2020**

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	Revenue reserve Unappropriated Profit	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)	-	-
Loss for the period March 31, 2019	-	-	(48,336)	(48,336)
Balance as at March 31, 2019	290,252	232,651	(53,850)	469,053
Balance as at July 01, 2019	290,252	232,651	(58,396)	464,507
Loss for the period March 31, 2020	-	-	(3,194)	(3,194)
Transfer to statutory reserve	-	-	330	330
Bonus shares issued for the year ended June 30, 2019 (10%)	29,025	(29,025)	-	-
Balance as at March 31, 2020	319,278	203,626	(61,260)	461,644

*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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CHIEF FINANCIAL OFFICER
Syed Aamir Hussain

-----Sd-----
CHIEF EXECUTIVE
Shuja Malik

-----Sd-----
DIRECTOR
A.Rahim Suriya

-----Sd-----
DIRECTOR
Farah Qureshi

FIRST UDL MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 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 and Musharaka arrangements, Ijarah, commodity trading 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, 2020 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, 2020 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, 2019.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2019 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2019 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, 2019 have been extracted from the condensed interim financial information for the nine months period ended March 31, 2019.

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 30,2019.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited March 31, 2020	Audited June 30, 2019		Un-audited March 31, 2020	Audited June 30, 2019
-----Number of certificates-----			----- Rupees "000" -----	
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	176,689	176,689
14,258,887	11,356,362	Modaraba certificates issued as fully paid bonus certificates	142,589	113,564
<u>31,927,772</u>	<u>29,025,247</u>		<u>319,278</u>	<u>290,252</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 There is no change in the status of contingencies as disclosed in annual financial statements for the year ended June 30, 2019.

	Note	Un-audited March 31, 2020	Audited June 30, 2019
----- Rupees "000" -----			
6.2 COMMITMENTS			
Lease rentals - within one year		2,240	3,262
Lease rentals - 1-5 years		-	1,472
		<u>2,240</u>	<u>4,733</u>
7. FIXED ASSETS - tangible			
Assets in own use		92,843	98,814
Assets leased out		17,858	26,577
		<u>110,701</u>	<u>125,391</u>
8 LONG TERM INVESTMENTS			
Available for sale			
Listed companies		177,883	168,842
		<u>177,883</u>	<u>168,842</u>
9 DIMINISHING MUSHARIKA FINANCING			
Secured			
Diminishing Musharakah financing		50,362	62,842
Less: Current Portion		(18,738)	(23,382)
		<u>31,624</u>	<u>39,460</u>
Add: Advance against diminishing musharikah financing		-	-
		<u>31,624</u>	<u>39,460</u>
10. FINANCIAL ASSETS - INVESTMENTS			
at fair value through profit or loss			
Other listed companies		5,174	6,498
		<u>5,174</u>	<u>6,498</u>
11. CASH AND BANK BALANCES			
Cash in hand		56	106
Cash at banks			
- PLS saving accounts	11.1	46,304	18,594
- Current accounts		15,259	16,117
		<u>61,563</u>	<u>34,711</u>
		<u>61,619</u>	<u>34,817</u>

11.1 These accounts carry profit rate ranging from 6.5 % to 12 % (30 June, 2019: 5.5 % to 10.5%)

12 LOSS FROM DISCONTINUED OPERATION

The management has 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		Nine months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees "000" -----			
Revenue from pharma business	-	2,152	-	66,226
Less:				
Cost of goods sold	-	(1,375)	-	(53,137)
Distribution & claims	-	(9,052)	-	(38,453)
Damaged stock	-	(3,432)	-	(3,432)
Operating expenses - pharma	-	(813)	-	(2,349)
Loss from discontinued operation for the period	-	(12,521)	-	(31,146)
Loss per certificate - basic	-	(0.39)	-	(0.98)

13 Loss per certificate

		<i>Restated</i>	<i>Restated</i>
Loss for the period (Rupees in "000")	(7,083)	(17,387)	(48,336)
Weighted average number of certificates	31,927,772	31,927,772	31,927,772
Loss per certificate - basic	(0.22)	(0.54)	(1.51)

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, 2019.

15 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on May 14, 2020 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)

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