



First Quarter Ended Report

September 30, 2019

(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	Chairman (Non Executive Director)
Shuja Malik	Chief Executive Officer
Farah Qureshi	Non Executive Director
A.Rahim Suriya	Non Executive Director

Company Secretary

Syed Aamir Hussain

Audit Committee

A.Rahim Suriya	Chairman
Majid Hasan	Member
Farah Qureshi	Member

Human Resource & Remuneration Committee

Majid Hasan	Chairman
Farah Qureshi	Member
A.Rahim Suriya	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

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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 quarter ended September 30, 2019.

Review of Operations:

During the quarter, income from operations improved by 2% from Rs. 8.71 million to Rs. 8.84 million. There was an overall decline in income from Ijarah operations and investments; however that was compensated by rental income from property.

As compared to the same period last year, operating profit of the Modaraba declined by 88% from Rs. 5.44 million to Rs. 0.70 million as a result of increase in operating expenses from Rs. 3.25 million to Rs. 7.93 million. Increase is mainly due to re-classification of expenses (depreciation and salaries of a few retained employees') after discontinuation of pharma business. In reality operating expenses have reduced from the previous year.

The Modaraba managed to post an operating profit of Rs. 0.49 million as compared to Rs. 1.09 million in the same period last year.

Future Outlook:

It is anticipated that with improvement in the economic conditions of the country, resulting in a bullish stock market, the Modaraba would be able to cash in on investments, which would enable diversion of funds towards Ijarah and Diminishing Musharika activities. Moreover, as the situation improves, the Modaraba may liquidate its fixed assets, which can result in capital gains and further improve cash flow which would also be diverted in financial activities.

This is a temporary phase for the country and going forward, we expect things to improve, resulting in better performance from the Modaraba, 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), 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 October' 2019.

FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2019

	(Un-audited) September 30, 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	500,000	500,000
Issued, subscribed and paid up certificate capital	5. 290,252	290,252
Statutory reserve	232,651	232,651
Revenue reserves		
Unappropriated (loss)	(57,904)	(58,396)
Total equity	464,999	464,507
(Deficit) on revaluation of Investments	(48,252)	(24,432)
Non-current liabilities		
Long term security deposits	8,879	9,525
Diminishing musharaka	896	1,588
Current liabilities		
Current portion of security deposits	5,913	5,494
Current portion of diminishing musharaka	2,687	2,687
Payable to management company	62	-
Trade creditors	92	92
Accrued and other liabilities	11,799	7,844
Unclaimed profit distributions	26,270	26,271
	46,825	42,389
Contingencies and commitments	6. -	-
Total liabilities and equity	473,346	493,558
ASSETS		
Non-current assets		
Fixed assets - tangible	7. 120,725	125,391
Investment property	72,942	73,923
Intangibles assets	4,797	4,797
Long term Investments	8. 145,560	168,842
Diminishing Musharaka financing	40,698	39,460
Long term deposits	1,354	1,367
	386,077	413,780
Current assets		
Ijarah rental receivables	943	602
Trade debts	1,498	1,694
Diminishing musharaka financing - current portion	20,189	23,382
Diminishing musharaka financing - Receivable	1,043	902
Investments	9. 5,747	6,498
Advances	11,259	8,949
Prepayments and other receivables	5,658	2,933
Cash and bank balances	10. 40,934	34,817
	87,270	79,777
Total assets	473,346	493,558

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

-Sd-
C.F.O
Syed Aamir Hussain

-Sd-
CHIEF EXECUTIVE
Shuja Malik

-Sd-
DIRECTOR
Majid Hassan

-Sd-
DIRECTOR
A.Rahim Suriya

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Note	Quarter Ended	
		September 2019	September 2018
		----- Rupees"000" -----	
		<i>Restated</i>	
Revenue from:			
- Ijarah Operations - net off depreciation		1,363	2,622
- Diminishing Musharakah		2,484	2,322
- Investments		1,885	2,019
- Other sources		53	751
- Rent		3050	1,000
		<u>8,836</u>	<u>8,713</u>
Expenses			
Operating expenses		<u>7,931</u>	<u>3,252</u>
Financial charges		<u>206</u>	<u>13</u>
		<u>8,137</u>	<u>3,265</u>
Operating profit		<u>699</u>	<u>5,447</u>
Unrealised (loss) on re-measurement of investment at fair value through profit or loss		(147)	(3,098)
		<u>552</u>	<u>2,349</u>
Less :			
Loss after taxation from discontinued operation	11	-	(885)
Less :			
Modaraba company's management fee		<u>55</u>	<u>-</u>
Sales Tax on Management Fee		<u>7</u>	<u>-</u>
Provision for taxation		<u>-</u>	<u>370</u>
		<u>62</u>	<u>370</u>
		<u>490</u>	<u>1,095</u>
Profit for the period		<u>490</u>	<u>1,095</u>
Earning per certificate - basic and diluted	12	<u>0.02</u>	<u>0.04</u>
		<i>Restated</i>	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Quarter Ended	
	September 2019	September 2018
	----- Rupees"000" -----	
Profit for the period	490	1,095
Other comprehensive loss		
Unrealised(loss) on re-measurement of available for sale investments	(23,819)	(3,486)
Total comprehensive (loss)	<u>(23,329)</u>	<u>(2,392)</u>

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FIRST UDL MODARABA
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Certificate Capital	*Statutory Reserve	Unappropriated Profit	Total Certificate Holders' Equity
	----- Rupees "000" -----			
Balance as at July 1, 2018	263,866	259,037	(5,515)	517,389
Other comprehensive income for the year ended June 30, 2018	-	-	(54,090)	(54,090)
Transferred from other comprehensive income	-	-	1,209	1,209
<i>Transactions with certificate holders of the modaraba</i>				
Bonus shares issued for the year ended June 30, 2018 (10%)	26,387	(26,387)		
Balance as at June 30, 2019	290,252	232,651	(58,396)	464,507
Other comprehensive income for the quarter ended september 30, 2019	-	-	490	490
Transferred from other comprehensive income	-	-	2	2
Balance as at September 30, 2019	290,252	232,651	(57,904)	464,999

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

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 DIRECTOR
 A.Rahim Suriy

FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 2019	September 2018
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	490	1,095
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	2,246	5,727
Amortization on intangible assets	-	-
Depreciation on assets leased out under Ijarah	3,131	7,527
Financial charges	206	13
(Gain) on sale of leased assets	(37)	(14)
(Gain) on sale of own assets	(20)	(724)
(Gain) on sale of Investment	22	(1,905)
Dividend income	(207)	(114)
Unrealised gain on re-measurement of investments at fair value through profit or loss	147	3,098
	<u>5,487</u>	<u>13,608</u>
	5,977	14,702
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	-	10,590
Ijarah rental receivables	(341)	(790)
Debtors	197	(5,533)
Diminishing Musaharakah Financing	3,052	(2,378)
Advances - considered good	(2,310)	2,041
Prepayments and other receivables	(2,725)	(1,010)
	(2,127)	2,920
Increase in current liabilities		
Current maturity of security deposits	419	(1,260)
Trade creditors	-	(1,605)
Payable to management company	62	-
Accrued and other liabilities	3,954	(10,383)
	<u>8,285</u>	<u>4,376</u>
Financial charges paid	(206)	(13)
	<u>(206)</u>	<u>(13)</u>
<i>Net cash flows generated/(used in) from operating activities</i>	<u>8,079</u>	<u>4,362</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	-	(1,500)
Purchase of fixed assets - own	(292)	-
Purchase of fixed assets - intangibles	-	-
Proceeds from sale of fixed assets - own	-	6,788
Proceeds from sale of fixed assets - Leased out	562	10,057
Dividend Income received	207	114
Purchase of Investment	(23,929)	-
sale of Investments - net	24,033	(41,007)
<i>Net cash flows (used in)/generated from investing activities</i>	<u>581</u>	<u>(25,548)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Diminishing Muharakah financing	(1,238)	(5,064)
Long term deposits	(647)	(406)
Diminishing musharaka	(672)	-
Long term deposits	13	(116)
	<u>(2,544)</u>	<u>(5,586)</u>
<i>Net cash flows (used in)/generated from financing activities</i>	<u>(2,544)</u>	<u>(5,586)</u>
Net change in cash and cash equivalents during the period	<u>6,117</u>	<u>(26,771)</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>40,934</u>	<u>29,089</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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DIRECTOR
A.Rahim Suriya

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. D.H.A, 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, manufacturing and trading of pharmaceutical products, and trading in listed and non-interest bearing securities. The Modaraba is listed on Pakistan Stock Exchange.

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 Quarter ended September 30, 2019 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

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws). Approved accounting standards comprise such International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS) as notified under the provisions of the Companies Act, 2017. Wherever, the requirements of relevant laws or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the relevant laws and the said directives take precedence.

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 quarter ended period ended September 30, 2018 have been extracted from the condensed interim financial information for quarter ended period ended September 30, 2018.

The SECP has issued directive (vide SRO 431 (I) / 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statement by Companies and Modarabas while accounting for Ijarah (Lease) transactions as defined by said Standard. The Modaraba has adopted the above said Standard.

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 September 30, 2019	Audited June 30, 2019		Un-audited September 30, 2019	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
11,356,362	11,356,362	Modaraba certificates issued as fully paid bonus certificates	113,564	113,564
<u>29,025,247</u>	<u>29,025,247</u>		<u>290,252</u>	<u>290,252</u>

6. CONTINGENCIES AND COMMITMENTS

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

	Note	Un-audited September 30, 2019	Audited June 30, 2019
----- Rupees "000" -----			
7. FIXED ASSETS - tangible			
Assets in own use		97,840	173,407
Assets leased out		22,885	63,245
		<u>120,725</u>	<u>236,652</u>
8. LONG TERM INVESTMENTS			
Available for sale			
Listed companies		145,560	227,781
		<u>145,560</u>	<u>227,781</u>
9. FINANCIAL ASSETS - INVESTMENTS at fair value through profit or loss			
Listed companies		5,747	35,659
		<u>5,747</u>	<u>35,659</u>
10 CASH AND BANK BALANCES			
Cash in hand		106	56
Cash at banks			
- PLS saving accounts	10.1	26,137	6,524
- Current accounts		14,692	22,509
		<u>40,828</u>	<u>29,033</u>
		<u>40,934</u>	<u>29,089</u>

10.1 Rate of return on these accounts range from 4% to 5.5% per annum (June 2019: 5% to 10.5%)

Un-audited	
Quarter ended	
September 30, 2019	September 30, 2018
----- Rupees "000" -----	

11 LOSS AFTER TAXATION FROM DISCONTINUED OPERATION

Revenue from pharma business	-	37,016
Less:		
Cost of goods sold	-	(17,626)
Selling & distribution	-	(16,329)
Operating expenses - pharma	-	(3,945)
	-	(885)

12 EARNING PER CERTIFICATE

		<i>Restated</i>
Profit for the period	490	1,095
Weighted average number of certificates	29,025,247	29,025,247
Earnings per certificate - basic	0.02	0.04

13 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

14 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 24th October, 2019 by the Board of Directors of the Modaraba company.

15 GENERAL

15.1 The corresponding figures have been re-arranged and reclassified where ever necessary for better comparison.

15.2 The figures have been rounded off to the nearest thousand rupees.

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

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