



First Quarter Ended Report

September 30, 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	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	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 quarter ended September 30, 2020.

Review of Operations:

During the quarter, income from operations improved by 29% from Rs. 8.83 million to Rs. 11.36 million. Operating expenses increased by 16% from Rs. 7.93 million to Rs. 9.21 million. Operating profit of the Modaraba improved to Rs. 2.08 million from Rs. 0.69 million.

Net profit of the Modaraba was Rs. 1.84 million as compared to Rs. 0.49 million in the same period of last year. Had it not been for IFRS 9, due to which capital gains of long term investment in shares is transferred to comprehensive income and disclosed in statement of changes in equity through un-appropriated account, profit would have further improved by Rs. 1.92 million to Rs. 3.76 million

Future Outlook:

As is evident by the accounts, the cash flow of the Modaraba has started improving due to liquidation of its long and short term investments. Also as disclosed earlier, that the management is in negotiating with a potential buyer to liquidate its Land, Building and other tangible assets located at Port Qasim, Karachi, which if materialized, would result in capital gains and improve the Modaraba's cash flow. The cash generated would be used to invest in its core business of Islamic Financing which would lead to a steady increase in revenues and profitability, 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

Date: 28th October' 2020.

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2020**

	(Un-audited) September 30, 2020	Audited June 30, 2020
Note	' Rupees in "000"	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2020: 50,000,000) modaraba certificates of Rupees 10 each	500,000	500,000
Issued, subscribed and paid up certificate capital	5. 319,278	319,278
Statutory reserve	203,626	203,626
Revenue reserves		
Unappropriated (loss)	(59,349)	(63,113)
Total equity	463,554	459,790
Surplus on revaluation of Investments	78,019	22,715
Non-current liabilities		
Long term security deposits	7,059	7,059
Diminishing musharaka	-	-
Current liabilities		
Current portion of security deposits	6,012	6,573
Current portion of diminishing musharaka	-	1,568
Payable to management company	208	-
Accrued and other liabilities	13,607	9,599
Unclaimed profit distributions	25,009	25,239
	44,836	42,979
Contingencies and commitments	6. -	-
Total liabilities and equity	593,467	532,543
ASSETS		
Non-current assets		
Fixed assets - tangible	7. 99,026	103,238
Investment property	69,813	70,697
Intangibles assets	3,562	3,809
Long term investments	8. 257,445	214,848
Diminishing Musharaka financing	20,106	41,963
Long term deposits	1,354	1,354
	451,306	435,908
Current assets		
Ijarah rental receivables	643	1,143
Diminishing musharaka financing - current protion	25,675	3,277
Diminishing musharaka financing - Receivable	1,075	926
Investments	9. 4,231	9,680
Advances	11,375	10,437
Prepayments and other receivables	1,232	4,171
Cash and bank balances	10 97,929	67,001
	142,161	96,634
Total assets	593,467	532,543

The annexed notes from 1 to 14 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
Farah Qureshi**

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

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	Quarter Ended	
		September 2020	September 2019
		----- Rupees "000" -----	
		<i>Restated</i>	
Revenue from:			
- Ijarah Operations - net off depreciation		406	1,363
- Diminishing Musharakah		1,169	2,484
- Investments		3,193	1,885
- Other sources		3,395	53
- Rental Property		<u>3,203</u>	<u>3,050</u>
		11,366	8,836
Expenses			
Operating expenses		<u>9,214</u>	<u>7,931</u>
Financial charges		<u>72</u>	<u>206</u>
		9,286	8,137
Operating profit		<u>2,080</u>	<u>699</u>
Unrealised (loss) on re-measurement of investment at fair value through profit or loss		(4)	(147)
		<u>2,076</u>	<u>552</u>
Less :			
Modaraba company's management fee		<u>208</u>	<u>55</u>
Sales Tax on Management Fee		<u>27</u>	<u>7</u>
		235	62
		1,841	490
Profit for the period		<u>1,841</u>	<u>490</u>
Earning per certificate - basic and diluted	11	<u>0.06</u>	<i>Restated</i> <u>0.02</u>

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Quarter Ended	
	September 2020	September 2019
	----- Rupees "000" -----	
Profit for the period	1,841	490
Other comprehensive Income / (Loss)		
Unrealised gain / (loss) on re-measurement of available for sale investments	55,304	(23,819)
Total comprehensive Income / (loss)	<u>57,145</u>	<u>(23,329)</u>

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FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Certificate Capital	*Statutory Reserve	Unappropriated Profit / (Loss)	Total Certificate Holders' Equity
----- Rupees "000" -----				
Balance as at June 30, 2019	290,252	232,651	(61,048)	461,856
Other comprehensive income for the year ended June 30, 2020	-	-	(2,801)	(2,801)
Transferred from other comprehensive income	-	-	736	736
<i>Transactions with certificate holders of the modaraba</i>				
Bonus shares issued for the year ended June 30, 2019 (10%)	29,025	(29,025)		
Balance as at June 30, 2020	319,278	203,626	(63,113)	459,790
Other comprehensive income for the quarter ended september 30, 2020	-	-	1,841	1,841
Transferred from other comprehensive income	-	-	1,922	1,922
Balance as at September 30, 2020	319,278	203,626	(59,349)	463,554

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

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FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 2020	September 2019
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,841	490
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	2,398	2,246
Amortization on intangible assets	247	-
Depreciation on assets leased out under Ijarah	1,344	3,131
Financial charges	72	206
(Gain) on sale of leased assets	-	(37)
(Gain) on sale of own assets	(2,966)	(20)
(Gain) on sale of investment	(3,183)	22
Dividend income	(9)	(207)
Unrealised gain on re-measurement of investments at fair value through profit or loss	4	147
	<u>(2,094)</u>	<u>5,487</u>
	(253)	5,977
Changes in working capital:		
(Increase) / decrease in current assets		
Ijarah rental receivables	500	(341)
Debtors	-	197
Diminishing Musaharakah Financing	(22,547)	3,052
Advances - considered good	(938)	(2,310)
Prepayments and other receivables	2,938	(2,725)
	(20,047)	(2,127)
Increase in current liabilities		
Current maturity of security deposits	(561)	419
Trade creditors	-	-
Payable to management company	208	62
Accrued and other liabilities	3,778	3,954
	(16,874)	8,285
Financial charges paid	(72)	(206)
	(72)	(206)
<i>Net cash flows generated/(used in) from operating activities</i>	(16,946)	8,079
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	-	-
Purchase of fixed assets - own	(241)	(292)
Purchase of fixed assets - intangibles	-	-
Proceeds from sale of fixed assets - own	4,000	-
Proceeds from sale of fixed assets - Leased out	561	562
Dividend Income received	9	207
Sale of Investment - Net	23,257	(23,929)
Purchase of Investment	-	24,033
<i>Net cash flows (used in)/generated from investing activities</i>	27,585	581
CASH FLOWS FROM FINANCING ACTIVITIES		
Diminishing Muharakah financing	21,857	(1,238)
Long term deposits	-	(647)
Diminishing musharaka	(1,568)	(672)
Long term deposits	-	13
<i>Net cash flows (used in)/generated from financing activities</i>	<u>20,289</u>	<u>(2,544)</u>
Net change in cash and cash equivalents during the period	30,929	6,117
Cash and cash equivalents at the beginning of the period	67,001	34,817
Cash and cash equivalents at the end of the period	97,929	40,934

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

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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, 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

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, 2020 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2020 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, 2019 have been extracted from the condensed interim financial information for quarter ended period ended September 30, 2019.

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, 2020.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited September 30, 2020 -----Number of certificates-----	Audited June 30, 2020		Un-audited September 30, 2020 ----- Rupees "000" -----	Audited June 30, 2020
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	176,689	176,689
14,258,886	14,258,886	Modaraba certificates issued as fully paid bonus certificates	142,589	142,589
<u>31,927,771</u>	<u>31,927,771</u>		<u>319,278</u>	<u>319,278</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, 2020.

	Note	Un-audited September 30, 2020 ----- Rupees "000" -----	Audited June 30, 2020
7. FIXED ASSETS - tangible			
Assets in own use		88,819	85,802
Diminishing Musharakah		-	5,324
Assets leased out		10,207	12,112
		<u>99,026</u>	<u>103,238</u>
8. LONG TERM INVESTMENTS			
Available for sale			
Listed companies		257,445	214,848
		<u>257,445</u>	<u>214,848</u>
9. FINANCIAL ASSETS - INVESTMENTS at fair value through profit or loss			
Listed companies		731	6,180
TDR Account		3,500	3,500
		<u>4,231</u>	<u>9,680</u>
10 CASH AND BANK BALANCES			
Cash in hand		56	56
Cash at banks			
- PLS saving accounts	10.1	83,265	15,381
- Current accounts		14,609	51,564
		<u>97,874</u>	<u>66,945</u>
		<u>97,929</u>	<u>67,001</u>

10.1 Rate of return on these accounts range from 5% to 10.5% per annum (June 2020: 5% to 10.5%)

Un-audited	
Quarter ended	
September 30, 2020	September 30, 2019
----- Rupees "000" -----	

11 (LOSS) / EARNING PER CERTIFICATE

	<i>Restated</i>
Profit for the period	490
Weighted average number of certificates	31,927,771
Earnings per certificate - basic	0.02

12 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, 2020

13 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 28th October, 2020 by the Board of Directors of the Modaraba company.

14 GENERAL

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

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

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