



Half Year Ended Report

December 31, 2018

(Un - audited)

FIRST UDL MODARABA

Managed By:

UDL Modaraba Management (Pvt) Limited



DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management (Private) Limited present the un-audited 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

Ather Naqi
Chief Executive

Muniff Ziauddin & Co.

Chartered Accountants

An independent member firm of BKR International

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INTERNATIONAL

**INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON
REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First UDL Modaraba** as at December 31, 2018, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months ended December 31, 2018. The Management Company is responsible for the preparation and presentation of this condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures for the quarters ended December 31, 2018 and December 31, 2017 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The engagement partner on the audit resulting in this independent auditor's report is Muhammad Moin Khan.

Karachi:

Muniff Ziauddin & Co.
Chartered Accountants



Corporate Information

MODARABA MANAGEMENT COMPANY

Board of Directors

UDL Modaraba Management (Private) Limited

Majid Hasan
Ather Naqi
Shuja Malik
Farah Qureshi
A.Rahim Suriya

Chairman (Non Executive Director)
Chief Executive Officer
Executive Director
Non Executive Director
Non Executive Director

Company Secretary & CFO

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

Share Registrar Department
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.

Factory

E-44/45 North Western Industrial Zone, Port Qasim,
Karachi

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**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2018**

		Un - Audited December 31, 2018	Audited June 30,
	Note	----- Rupees in "000" -----	
LIABILITIES AND EQUITY			
Certificate holders' equity			
Certificate capital:			
Authorized capital 50,000,000 (June 30, 2018: 50,000,000) modaraba certificates of Rupees 10 each		500,000	500,000
Issued, subscribed and paid up certificate capital	6	290,252	263,866
Statutory reserve		232,651	259,037
Revenue reserves			
Unappropriated profit		(36,463)	(5,515)
Total equity		486,440	517,389
Unrealized gain on re-measurement of available for sale investments		28,404	70,814
Non-current liabilities			
Long term security deposits		9,845	10,310
Current liabilities			
Current maturity of security deposits - Ijarah		11,641	14,391
Trade Creditors		896	3,037
Tijarah financing		-	30,000
Accrued and other liabilities		18,573	23,395
Unclaimed profit distribution		27,085	27,104
		58,195	97,927
Contingencies and commitments	7	6,740	-
Total liabilities and equity		582,885	696,439
ASSETS			
Non-current assets			
Fixed assets - tangible	8	142,166	249,293
Fixed assets - intangible		2,058	2,095
Investment property	8.1.2	75,478	-
capital work in process		-	300
Long term investments	9	218,542	202,366
Diminishing Musaharakah Financing	10	41,502	32,843
Long term advances and deposits		2,730	2,526
		482,476	489,424
Current assets			
Ijarah rental receivables		295	722
Stock		7,146	42,599
Trade Debts- unsecured but considered good		14,145	25,013
Diminishing Musaharakah Financing - current portion	10	18,646	19,719
Diminishing Musaharakah Financing - Receivable		202	357
Financial assets - Investments	11	6,115	39,967
Advances - considered good		11,295	17,138
Prepayments and other receivables		7,907	5,642
Cash and bank balances	12	34,656	55,860
		100,408	207,016
Total assets		582,885	696,439

The annexed notes form an integral part of these condensed interim financial statements.

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

-Sd-
CHIEF FINANCIAL OFFICER
Syed Amir Hussain

-Sd-
CHIEF EXECUTIVE
Ather Naqi

-Sd-
DIRECTOR
Shuja Malik

-Sd-
DIRECTOR
A.Rahim Suriya

FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Note	Quarter ended		Half year ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- Rupees "000" -----			
Revenue from:				
- Ijarah Operations - net off depreciation	1,882	4,541	4,504	9,064
- Diminishing Musharakah	988	1,330	3,310	3,288
- Investments	2,607	3,370	4,625	3,756
- Rental Income	3,000	-	4,000	-
- Others	3,349	893	4,100	893
	<u>11,827</u>	<u>10,133</u>	<u>20,539</u>	<u>17,001</u>
Less:				
Administrative expenses	13,314	5,944	16,566	11,777
Financial charges	1,482	231	1,495	1,214
	<u>14,796</u>	<u>6,175</u>	<u>18,061</u>	<u>12,991</u>
Operating (loss)	<u>(2,969)</u>	<u>3,958</u>	<u>2,478</u>	<u>4,009</u>
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss	1,264	14,008	(1,834)	13,661
(Loss)/profit from operations	<u>(1,705)</u>	<u>17,966</u>	<u>644</u>	<u>17,670</u>
Less:				
Loss from discontinued operation	13 (30,709)	(14,029)	(31,593)	(24,650)
(Loss) / profit for the period	<u>(32,415)</u>	<u>3,937</u>	<u>(30,949)</u>	<u>(6,979)</u>
(Loss)/profit per certificate - basic and diluted	14 <u>(1.13)</u>	<i>Restated</i> <u>0.13</u>	<u>(1.07)</u>	<i>Restated</i> <u>(0.24)</u>

The annexed notes form an integral part of these condensed interim financial statements.

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

-Sd-
CHIEF FINANCIAL OFFICER
Syed Aamir Hussain

-Sd-
CHIEF EXECUTIVE
Ather Naqi

-Sd-
DIRECTOR
Shuja Malik

-Sd-
DIRECTOR
A.Rahim Suriya

FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Quarter ended		Half year ended	
	December 31	December 31	December 31	December 31
	2018	2017	2018	2017
	Rupees"000"			
(Loss) / profit for the period	(32,415)	3,937	(30,949)	(6,979)
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 on re-measurement of available for sale investments	(38,923)	(28,326)	(42,409)	(70,989)
Total comprehensive loss	(71,338)	(24,389)	(73,358)	(77,968)

The annexed notes form an integral part of these condensed interim financial statements.

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

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-Sd-
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Ather Naqi

-Sd-
DIRECTOR
Shuja Malik

-Sd-
DIRECTOR
A.Rahim Suriya

FIRST UDL MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	December 31, 2018	December 31, 2017
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(30,949)	(6,979)
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	11,334	11,604
Amortization on intangible assets	38	-
Amortization of assets leased out	13,755	28,368
Financial charges	1,495	1,214
Unrealized loss on re-measurement of investments at fair value through profit or loss	1,834	13,661
Gain on sale of leased assets	(231)	-
Dividend income	(2,314)	(2,491)
Gain on sale of investment	(2,311)	(1,265)
Gain on sale of assets - own	(3,666)	(162)
	19,934	50,930
	(11,015)	43,951
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	35,452	(5,798)
Ijarah rental receivables	427	(751)
Debtors	10,868	(4,481)
Diminishing musharaka financing	155	72
Diminishing musharaka financing - current portion	1,072	(3,522)
Advances	5,842	10,298
Prepayments and other receivables	(2,006)	2,409
	51,811	(1,773)
Increase / (decrease) in current liabilities		
Current maturity of security deposits	(2,749)	6,398
Payable to International Finance Corporation	-	(52,434)
Tijarah financing	(30,000)	30,000
Payable to management company	-	(3,708)
Trade Creditors	(2,141)	-
Accrued and other liabilities	(4,841)	31,130
	1,065	53,563
Financial charges paid	(1,495)	(1,214)
Profit distributed to certificate holders	-	(29,025)
	(1,495)	(30,239)
<i>Net cash flows (used in)/generated from operating activities</i>	(431)	23,324
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	(4,528)	-
Purchase of fixed assets - own	(7,087)	(10,578)
Purchase of intangible assets	38	-
Proceeds from sale of fixed assets - leased out	12,229	15,872
Proceeds from sale of fixed assets - own	9,847	869
Purchase of diminishing musharakah units	(8,659)	2,781
Dividends received	2,314	2,491
Purchase of investments	17,675	(83,386)
long term advances	(204)	(452)
Proceeds from sale of investments	(41,933)	33,371
<i>Net cash flows used in investing activities</i>	(20,309)	(39,031)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term security deposits	(465)	(9,580)
<i>Net cash flows used in financing activities</i>	(465)	(9,580)
Net change in cash and cash equivalents during the period	(21,205)	(25,287)
Cash and cash equivalents at the beginning of the period	55,860	91,589
Cash and cash equivalents at the end of the period	34,655	66,303

The annexed notes form an integral part of these condensed interim financial statements.

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

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Shuja Malik

-Sd-
DIRECTOR
A.Rahim Suriya

FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	Revenue reserve Unappropriated Profit	Certificate holder's equity
----- Rupees "000" -----				
Balance as at July 01, 2017	263,866	259,037	30,743	553,646
Profit distribution in cash	-	-	(29,025)	(29,025)
Total comprehensive income for the period ended December 31, 2017	-	-	(6,979)	(6,979)
Balance as at December 31, 2017	<u>263,866</u>	<u>259,037</u>	<u>(5,262)</u>	<u>517,642</u>
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)	-	-
Total comprehensive income for the period ended December 31, 2018	-	-	(30,949)	(30,949)
Balance as at December 31, 2018	<u>290,252</u>	<u>232,651</u>	<u>(36,464)</u>	<u>486,440</u>

*The statutory reserve represents profit set-aside as required under Prudential Regulations for Modaraba and is transferred annually at year end.
The annexed notes form an integral part of these condensed interim financial statements.

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

Sd-
CHIEF FINANCIAL OFFICER
Syed Aamir Hussain

Sd-
CHIEF EXECUTIVE
Ather Naqi

Sd-
DIRECTOR
Shuja Malik

Sd-
DIRECTOR
A.Rahim Surrya

FIRST UDL MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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

2. BASIS OF PREPARATION

This condensed interim financial information comprises of the condensed interim balance sheet as at December 31, 2018 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the six months period ended December 31, 2018 which have been subjected to a review but not audited and 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 condensed interim financial statements are unaudited but subject to limited scope review by the external auditors as required by the Code of Corporate Governance and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.

The condensed interim financial statements of the Modaraba for the six months ended on 31 December 2018 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standard as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 and

- Provisions of and directives issued under the Companies Act 2017, Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

Where requirements, provisions and directives as given under the Companies Act, 2017, Modaraba Companies and Modarabas (Floating and Control) Ordinance 1980, Modaraba Companies and Modarabas Rules, 1981, Prudential Regulations for Modaraba and Islamic Financial Reporting Standards differ from IAS 34, the requirements, provisions and directives given under the Companies Act, 2017, Modaraba Companies and Modarabas (Floating and Control) Ordinance 1980, Modaraba Companies and Modarabas Rules, 1981, Prudential Regulations for Modaraba and Islamic Financial Reporting Standards (IFRS) have been followed.

The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Modaraba as at and for the year ended June 30, 2018.

4. SIGNIFICANT ACCOUNTING POLICIES

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 the financial statements for the year ended June 30, 2018, except for the adaptation of IFRS 15 "Revenue from contracts with customers". The revised accounting policy adopted by the management are as follows:

4.1 IFRS 15 – Revenue from Contracts with Customers

IFRS 15 'Revenue from contracts with customers' superseded IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and its applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

5 CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company for the year ended 30 June 2018.

6 ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited December 31, 2018	Audited June 30, 2018		Un-audited December 31, 2018	Audited June 30, 2018
-----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
11,356,363	8,717,704	Modaraba certificates issued as fully paid bonus certificates	113,564	87,177
<u>29,025,248</u>	<u>26,386,589</u>		<u>290,252</u>	<u>263,866</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 There is no change in the status of contingencies as disclosed in annual financial statements for the year ended June 30, 2018.

7.2 COMMITMENTS

Lease rentals - within one year	1,776	-
Lease rentals - 1-5 years	4,964	-
	<u>6,740</u>	<u>-</u>

8 FIXED ASSETS - tangible

	Note	Un-audited December 31, 2018	Audited June 30, 2018
Assets in own use	8.1	92,250	178,155
Assets leased out	8.2	49,916	71,138
		<u>142,166</u>	<u>249,293</u>

8.1 Assets in own use

Book value at the beginning of the period/year		178,155	174,874
Additions during the period/year	8.1.1	7,087	26,899
		<u>185,243</u>	<u>201,773</u>
Deletions during the period/year	8.1.1	(15,443)	(1,806)
Adjustment of accumulated depreciton on disposal		<u>9,262</u>	<u>1,288</u>
		(6,181)	(517)
Depreciation charge during the period/year		(11,334)	(23,100)
Transfer from Fixed Asset			
-Investment property	8.1.2	(75,478)	-
Book value at the end of the period/year		<u>92,250</u>	<u>178,155</u>

8.1.1 Additions/(deletions) during the period / year

Following is the cost of assets that have been acquired/disposed-off during the period ended December 31, 2018.

	Un-audited December 31, 2018	Un-audited December 31, 2018	Audited June 30, 2018	Audited June 30, 2018
	----- Rupees "000" -----			
	Additions	Disposals	Additions	Disposals
Vehicle	93	15,292	7,668	204
Furniture & Fixture	-	-	509	-
Computer Equipments	130	151	1,717	-
Office Equipments & appliances	-	-	1,109	-
Plant and machinery	6,064	-	15,897	314
Building	800	-	-	-
	<u>7,087</u>	<u>15,443</u>	<u>26,899</u>	<u>517</u>

- 8.1.2 During the six months ended 31st December, 2018, a building with a carrying amount of Rs 75,478 thousand was transferred to investment property, because it was no longer used by the Modaraba and was rented out to the third party.

8.2 Assets leased out

		Un-audited December 31, 2018	Audited June 30, 2018
		----- Rupees "000" -----	
Book value at the beginning of the period/year		71,138	136,057
Additions during the period/year	8.2.1	<u>4,528</u>	<u>8,550</u>
		75,666	144,607
Deletions during the period/year	8.2.1	<u>(51,638)</u>	<u>(99,850)</u>
Adjustment of accumulated depreciation on disposal		<u>39,643</u>	<u>75,898</u>
		(11,995)	(23,952)
Depreciation charge during the period/year		<u>(13,756)</u>	<u>(49,518)</u>
		<u>49,916</u>	<u>71,138</u>

8.2.1 Additions/(deletions) during the period / year

Following is the cost of assets that have been acquired / disposed-off during the period ended December 31, 2018.

	Un-audited December 31, 2018	Un-audited December 31, 2018	Audited June 30, 2018	Audited June 30, 2018
	----- Rupees "000" -----			
	Additions	Disposals	Additions	Disposals
Plant Machinery and equipments	-	5,000	-	-
Vehicles	4,528	46,638	8,550	99,850
	<u>4,528</u>	<u>51,638</u>	<u>8,550</u>	<u>99,850</u>

9 LONG TERM INVESTMENTS

	Un-audited December 31, 2018	Audited June 30, 2018
	----- Rupees "000" -----	
Available for sale		
Other listed companies	218,542	202,366
	<u>218,542</u>	<u>202,366</u>

10 DIMINISHING MUSHARIKA FINANCING

	Un-audited December 31, 2018	Audited June 30, 2018
Secured		
Diminishing Musharakah financing	50,706	48,962
Less: Current Portion	<u>(18,646)</u>	<u>(19,719)</u>
	32,060	29,243
Add: Advance against diminishing musharikah financing	9,443	3,600
	<u>41,502</u>	<u>32,843</u>

	Note	Un-audited December 31, 2018	Audited June 30, 2018
		----- Rupees "000" -----	
11 FINANCIAL ASSETS - INVESTMENTS			
at fair value through profit or loss			
Listed companies		6,115	39,967
		<u>6,115</u>	<u>39,967</u>
12 CASH AND BANK BALANCES			
Cash on hand		106	156
Cash at banks			
- PLS saving accounts	12.1	15,379	19,257
- Current accounts		19,171	36,447
		<u>34,550</u>	<u>55,705</u>
		<u>34,656</u>	<u>55,860</u>

12.1 These accounts carry profit rate ranging from 5.5 % to 6.5 % (30 June, 2018: 5.5 % to 6.5 %)

13 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		Half year ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- Rupees "000" -----			
Revenue from pharma business	27,058	41,768	64,074	82,038
Less:				
Cost of goods sold	(42,003)	(28,141)	(59,629)	(55,781)
Distribution expenses	(13,072)	(21,809)	(29,401)	(38,851)
Operating expenses - pharma	(2,692)	(5,847)	(6,637)	(12,056)
Loss from discontinued operation for the period	<u>(30,709)</u>	<u>(14,029)</u>	<u>(31,593)</u>	<u>(24,650)</u>
Loss per certificate - basic	<u>(1.06)</u>	<u>(0.48)</u>	<u>(1.09)</u>	<u>(0.85)</u>

	Half year ended	
	December 31, 2018	December 31, 2017
	----- Rupees "000" -----	
Cash flows from discontinued operations		
Cashflow generated from operating activities	34,752	(10,279)
Cashflow used in investing activities	(8,356)	7,582
Net cash flows generated/(used in) for the period	<u>26,396</u>	<u>(2,697)</u>

	Quarter ended		Half year ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- Rupees "000" -----			
13.1 Distribution Expenses				
Selling expense	1,377	21,809	4,568	38,851
Claims	11,695	-	24,833	-
	<u>13,072</u>	<u>21,809</u>	<u>29,401</u>	<u>38,851</u>

14 (LOSS)/PROFIT PER CERTIFICATE - BASIC

		Restated 3,937		Restated (6,979)
(Loss) / profit for the period	(32,415)		(30,949)	
Weighted average number of certificates	29,025,248	29,025,248	29,025,248	29,025,248
(Loss) / profit per certificate - basic	<u>(1.13)</u>	<u>0.13</u>	<u>(1.07)</u>	<u>(0.24)</u>

15 SEGMENT INFORMATION

Segment revenue, segment result, cost, assets and liabilities for the six months are as follows:

	December 31, 2018					Total
	Ijarah Operations	Diminishing Musharikah	Investments	Others	Pharma (Discontinued)*	
	Rupees "000"					
Segment revenue	4,504	3,310	4,625	4,100	68,074	84,613
RESULT						
Segment result	-	-	-	16,566	-	16,566
Unallocated operating expenses	-	-	-	1,495	-	1,495
Financial and other charges	-	-	-	-	36,038	36,038
Cost related to pharma	-	-	-	-	59,629	59,629
Cost of goods sold	-	-	-	-	-	-
Operating Profit	4,504	3,310	4,625	18,061	95,667	113,728
Unrealized loss on re-measurement of Inv. at fair value through P / L	-	-	(1,834)	-	-	(1,834)
Loss for the period						(30,949)
Other information						
Segment assets	49,916	60,149	224,657	144,806	103,358	582,885
Total assets	49,916	60,149	224,657	144,806	103,358	582,885
Segment liabilities	21,487	-	-	-	-	21,487
Unallocated liabilities	-	-	-	45,442	1,111	46,553
Total liabilities	21,487	-	-	45,442	1,111	68,040
Net assets						514,846
Capital expenditure	4,528	-	-	-	7,087	11,615

*refer note 13

December 31, 2017					
Ijarah operations	Diminishing Musharakah	Investments	Others	Pharma (Discontinued)*	Total
Rupees "000"					

Segment revenue	9,064	3,288	3,756	893	82,038	99,039
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RESULT

Segment result

Unallocated operating expenses	-	-	-	11,777	-	11,777
Financial and other charges	-	-	-	999	215	1,214
Cost related to pharma	-	-	-	-	50,907	50,907
Cost of goods sold	-	-	-	-	55,781	55,781

Operating Profit	9,064	3,288	3,756	(11,883)	106,903	(20,640)
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Unrealized gain on re-measurement of Inv. at fair value through P / L	-	-	13,661	-	-	13,661
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Loss for the period	-	-	-	-	-	(6,979)
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Other information

Segment assets	104,507	51,974	287,125	97,527	210,863	751,995
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Total assets	104,507	51,974	287,125	97,527	210,863	751,995
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Segment liabilities	39,248	-	-	-	12,176	51,424
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Unallocated liabilities	-	-	-	86,776	-	86,776
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Total liabilities	39,248	-	-	86,776	12,176	138,200
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Net assets	-	-	-	39	9,833	613,795
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Capital expenditure	-	-	-	39	9,833	9,871
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15.1 Segment revenue represents revenue generated from external customers. There are no intersegment sales.

15.2 Others represents the assets and liabilities of Modaraba Business.

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise related group companies, directors and close family members, executives, major shareholders and staff retirement funds of the company. These are the associated companies as they are either under the same management and / or with common directors. The company has a policy whereby all transactions with related parties are entered into arm's length prices using the comparable uncontrollable method. The significant transactions with these associated companies are as follows:

Relationship	Nature of transaction	Un-audited December 31, 2018	Un-audited December 31, 2017
		----- Rupees "000" -----	----- Rupees "000" -----
Modaraba management company	Dividend paid	-	5,433
	Bonus shares issued	<u>4,939</u>	<u>-</u>

17 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, 2018.

18 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 27th February, 2018 by the Board of Directors of the Management Company.

19 GENERAL

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

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

-Sd-
CHIEF FINANCIAL OFFICER
Syed Aamir Hussain

-Sd-
CHIEF EXECUTIVE
Ather Naqi

-Sd-
DIRECTOR
Shuja Malik

-Sd-
DIRECTOR
A.Rahim Suriya