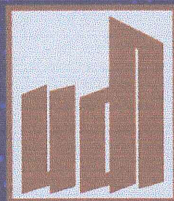


QUARTERLY REPORT

SEPTEMBER 30, 2022



First UDL Modaraba

Corporate Information

	UDL Modaraba Management (Private) Limited	
Modaraba Management Company Board of Directors	Majid Hasan Shuja Malik Farah Qureshi Abdul Rahim Suriya	Chairman (Non Executive Director) Chief Executive Officer Non Executive Director Non Executive Director
Company Secretary	Syed Aamir Hussain	
Audit Committee	Abdul Rahim Suriya Majid Hasan Farah Qureshi	Chairman Member Member
Human Resource & Remuneration Committee	Farah Qureshi Abdul Rahim Suriya Majid Hasan	Chairman Member Member
Auditors	Grant Thornton Anjum Rahman & Co. Chartered Accountants	
Bankers	Albaraka Bank Limited Askari Bank Limited Habib Bank Limited Dubai Islamic Bank Limited	
Registrar	CDC Share Registrar Services 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	Baker Tilly Mehmood Idrees Qamar Chartered Accountants 4th Floor, Central Hotel Building, Civil Lines, Mereweather Road, Karachi	
Associated Company	UDL Pharmaceuticals Pakistan (Pvt) Limited. UDL International 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, 2022.

REVIEW OF OPERATIONS :

During the quarter under review, income improved by 3.2% to Rs. 12.97 million from Rs. 12.56 million in the same period last year. Income from Diminishing Musharika (DM) Financing and other income, which consists mostly of Bank / Islamic Fund Profits, were the main contributors which improved by 51.87% and 106.52% respectively. Income from Investments reduced considerably due to a sluggish Stock Market which did not enable the management to realize gains. Overall, Income remained in line with the previous period.

Operating Expenses increased by 29% to Rs. 10.66 million from Rs. 8.24 million, mainly due to an increase in salaries, higher utility charges, etc.

Net Profit for the period improved to Rs. 1.77 million as compared to Rs. 0.05 million.

FUTURE OUTLOOK :

The high prices of vehicles due to weakening of Pak Rupee along with high Kibor rates, has discouraged customers to avail DM financing. Moreover, the management is also cautious due to the high risk of default in the current political and economic scenario. Therefore, significant growth in the DM portfolio is unlikely in the near future. The management is however, confident that as soon as there is an improvement in the political and economic indicators, income from Investments may improve, resulting in a stronger bottom line.

In order to maximize returns for its Certificate Holders, the management is also exploring possibilities to diversify into other businesses, such as import and export of commodities, consumer items, etc.

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 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

26th October- 2022

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2022**

	Note	(Un-audited) September 30, 2022	Audited June 30, 2022
Rupees in "000"			
LIABILITIES AND EQUITY			
Certificate holders' equity			
Certificate capital:			
Authorized capital 50,000,000 (June 30, 2022: 50,000,000) modaraba certificates of Rupees 10 each		500,000	500,000
Issued, subscribed and paid up certificate capital	5.	351,205	351,205
Statutory reserve		192,812	192,812
Revenue reserves			
Unappropriated profit		34,163	32,391
Total equity		578,180	576,408
(Deficit)/ Surplus on revaluation of Investments		(24,354)	(23,701)
Current liabilities			
Accrued and other liabilities		17,568	26,989
Unclaimed profit distributions		28,296	28,299
		45,864	55,288
Contingencies and commitments	6.	-	-
Total liabilities and equity		599,690	607,995
ASSETS			
Non-current assets			
Fixed assets - tangible-Own		26,209	26,413
Fixed assets - intangible		1,585	1,833
Long term investments	7	105,176	105,826
Diminishing Musharakah Financing	8	77,875	93,201
Long term advances and deposits		1,384	1,384
		212,229	228,657
Current assets			
Investments	9	240,861	247,694
Diminishing Musharakah Financing - current portion		49,970	44,251
Diminishing Musharakah Financing - Recievable		1,086	806
Advances - considered good		4,534	4,584
Taxation - net		16,651	15,495
Prepayments and other receivables		5,245	29,281
Cash and bank balances	10	69,114	37,227
		387,461	379,338
Total assets		599,690	607,995

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-----
CHIEF FINANCIAL OFFICER
Sved Aamir Hussain

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

-----Sd-----
DIRECTOR
A.Rahim Suriva

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

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Quarter ended	
	September 2022	September 2021
	Note ----- Rupees"000" -----	
Income/Revenue from:		
- Ijarah Operations	-	57
- Diminishing Musharakah	5,914	3,894
- Rental Property	-	1,394
-Dividend	67	3,834
- Others	6,991	3,385
	<u>12,972</u>	<u>12,564</u>
Unrealized gain/ (loss) on re-measurement of investments at FVTPL	167	(3,409)
Operating expenses	(10,662)	(8,242)
Financial charges	(7)	(3)
	<u>(10,502)</u>	<u>(11,654)</u>
Operating Profit	2,470	910
Management Company's remuneration	(247)	(91)
Sales tax on Management Company's remuneration	(32)	(12)
Provision for Sindh Workers' Welfare Fund	(44)	(14)
Profit before taxation	2,147	793
Less :		
Taxation	(375)	(736)
Pofit after taxation	<u>1,772</u>	<u>57</u>
Earning per certificate - basic and diluted	11	<u>0.05</u>
		<u>0.00</u>

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-----
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 ENDED SEPTEMBER 30, 2022**

	Quarter ended	
	September 2022	September 2021
	----- Rupees"000" -----	
Pofit for the period	1,772	57
Unrealised (loss) on re-measurement of available for sale investments	(653)	(25,525)
Total comprehensive Income/ (loss)	1,119	(25,468)

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-----	-----Sd-----	-----Sd-----	-----Sd-----
CHIEF FINANCIAL OFFICER Syed Aamir Hussain	CHIEF EXECUTIVE Shuja Malik	DIRECTOR A.Rahim Suriya	DIRECTOR Farah Qureshi

FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,772	57
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	1,224	778
Depreciation on assets leased out under Ijarah	-	214
Unrealized loss / (gain) on re-measurement of investments at fair value through profit or loss	(167)	3,409
Amortization of assets leased out	248	247
Financial charges	(7)	3
Dividend income	(67)	(3,889)
(Gain) on sale of investment	-	55
	<u>1,230</u>	<u>817</u>
	3,002	874
Changes in working capital:		
(Increase) / decrease in current assets		
Investments	6,833	-
Diminishing Musharakah Financing - current portion	(5,719)	(3,795)
Diminishing Musharakah Financing - Recievable	(280)	-
Ijarah rental receivables	-	24
Advances - considered good	50	204
Prepayments and other receivables	24,065	(7,062)
	<u>24,949</u>	<u>(10,629)</u>
Increase in current liabilities		
Accrued and other liabilities	(9,255)	32,599
Unclaimed profit distributions	(3)	-
	<u>18,692</u>	<u>22,845</u>
Financial charges paid	7	(3)
Income tax paid	(1,432)	-
	<u>(1,425)</u>	<u>(3)</u>
<i>Net cash flows generated from operating activities</i>	<u>17,268</u>	<u>22,841</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - own	(772)	-
Dividends received	67	(498)
Sale of Investment -Net	-	3,889
Purchase of Investment	-	805
<i>Net cash flows (used in) investing activities</i>	<u>(705)</u>	<u>4,196</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Diminishing Musaharakah Financing	15,326	-
<i>Net cash flows (used in) / generated from financing activities</i>	<u>15,326</u>	<u>-</u>
Net change in cash and cash equivalents during the period	31,888	27,037
Cash and cash equivalents at the beginning of the period	37,227	109,772
Cash and cash equivalents at the end of the period	69,114	136,809

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.
For UDL Modaraba Management (Private) Limited

-----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 STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	Revenue reserve Unappropriated Profit	Certificate holder's equity
----- Rupees "000" -----				
Balance as at July 01, 2021	351,205	177,628	38,774	567,607
Total comprehensive income for the year ended June 30,2022	-	-	75,924	75,924
Surplus transferred to un-appropriated profit	-	-	6,631	6,631
Transferred to statutory reserves at 20%	-	15,184	(15,184)	-
Transactions with certificate holders of the Modaraba				
Dividend for the year ended June 30,2021(11%)			(38,633)	(38,633)
Dividend for the half year ended December 31,2021(10%)			(35,121)	(35,121)
Balance as at June 30, 2022	351,205	192,812	32,391	576,408
Total comprehensive income for the quarter ended September 30,2022	-	-	1,772	1,772
Balance as at September 30, 2022	351,205	192,812	34,163	578,180

*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 14 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
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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 three months period ended September 30, 2022 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 three months period ended September 30, 2022 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, 2022.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2022 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2022 whereas the comparative interim profit and loss account, interim statement of comprehensive income, cash flow statement and statement of changes in equity for the three months period ended September 30, 2021 have been extracted from the condensed interim financial information for the three months period ended Sepebmer 30, 2021.

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 30,2022.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited SEPTEMBER 30, 2022	Audited June 30, 2022		Un-audited SEPTEMBER 30, 2022	Audited June 30, 2022
-----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
17,451,664	17,451,664	Modaraba certificates issued as fully paid bonus certificates	174,517	174,517
<u>35,120,549</u>	<u>35,120,549</u>		<u>351,205</u>	<u>351,206</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 There is no change in the status of contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2022.

	Un-audited SEPTEMBER 30 2022	Audited June 30, 2022
	----- Rupees "000" -----	
7 LONG TERM INVESTMENTS		
Available for sale		
Listed companies	105,176	105,826
	<u>105,176</u>	<u>105,826</u>
8 DIMINISHING MUSHARIKA FINANCING		
Secured		
Diminishing Musharakah financing	127,845	138,818
Less: Provision of expected credits	-	(1,365)
	<u>127,845</u>	<u>137,453</u>
Less: Current portion shown	(49,970)	(44,251)
	<u>77,875</u>	<u>93,201</u>
9 FINANCIAL ASSETS - INVESTMENTS		
at fair value through profit or loss		
Listed Securities	15,861	15,693
Term Deposit Receipts (TDRs)	9.1 50,000	232,000
Mutual Funds	9.1 175,000	-
	<u>240,861</u>	<u>247,693</u>

This amount represents investment in term deposit receipts and mutual funds with islamic banks with profit ranging from 14.5% to 16% (2021: 9.1 3.5% to 6.5%)

10 CASH AND BANK BALANCES

Cash in hand

- 1

Cash at banks

- Profit bearing accounts
- Current accounts

10.1

51,146	19,288
17,968	17,938
<u>69,114</u>	<u>37,226</u>
<u>69,114</u>	<u>37,227</u>

10.1 These accounts carry profit rate ranging from 4 % to 7 % (30 June, 2021: 3 % to 6%)

11 Earnings / (Loss) per certificate

Earning / (loss) for the period (Rupees in "000")

1,772 57

Weighted average number of certificates

35,120,549 35,120,549

Earning / (loss) per certificate - basic

0.05 0.00

Quarter ended
SEPTEMBER SEPTEMBER
2022 2021
----- Rupees "000" -----

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, 2022.

13 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 26th October, 2022 by the Board of Directors of the Modaraba company.

14 GENERAL

- 14.1 The corresponding figures have been re-arranged and reclassified where ever necessary for better comparison.
- 14.2 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
Shuja Malik

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

-----Sd-----
DIRECTOR
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First UDL Modaraba

1st Floor, Business Enclave, 77-C, 12th Commercial Street,
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Email: info@udl.com.pk Web: www.udl.com.pk