

2021

ANNUAL REPORT



First UDL Modaraba

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Vision

To be a leading Modaraba institution providing a range of diversified and Shariah compliant products and services.



Mission

To add value for all the stake holders including investors management, staff and the society at large; through creative, innovative and Shariah compliant products and services aimed at eradicating Riba from the society, employing the highest standards of ethics and fair play.

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 Abdul Rahim Suriya Non-Executive Director
Company Secretary	Syed Aamir Hussain
Audit Committee	Abdul Rahim Suriya Chairman Majid Hasan Member Farah Qureshi Member
Human Resource & Remuneration Committee	Majid Hasan Chairman Farah Qureshi Member Abdul Rahim Suriya Member
Auditors	Grant Thornton Anjum Rehman & Co. Chartered Accountants
Bankers	Albarka Bank Limited Habib Bank Limited Dubai Islamic Bank Limited
Registrar	CDC Share Registrar Service Ltd. Central Depository Company of Pakistan Ltd. CDC House Shahrah-e-Faisal, Karachi.
Shariah Advisor	Mufti Abdul Qadir
Legal Advisor	Mohsin Tayebaly & Co. 2nd Floor Dime Centre, BC - 4, Block - 9, Kehkashan, Clifton, Karachi.
Tax Advisor	EY Ford Rohdes Sidat Hyder & Co. Chartered Accountants Progressive Plaza, Beaumont Road Karachi.
Associated Company	UDL Pharmaceuticals Pakistan (Pvt.) Ltd.
Head Office & Registered Office	1st Floor, Business Enclave, 77-C, 12th Commercial Street, Off: Kh-e-Ittehad, DHA Phase II (Ext.) Karachi.
Phone	(92-21) 35310561-5
Fax	(92-21) 35310566
Email	info@udl.com.pk
Web	www.udl.com.pk



Chairmans' Review

In the name of Allah, the Most Gracious, the Most Merciful!

I thank Almighty Allah for the blessings He has bestowed upon us and for giving the strength and wisdom to take meaningful business decisions during this difficult period.

Alhamdulillah, considerable recoveries have been observed in business activities across the country and the economy has started showing signs of improvement subsequent to the fall out of the Covid 19 pandemic. We continue to draw hope from the progress our nation has made overcoming many obstacles and look to the future with confidence that we too can meet the tests of time. The future as always remains volatile and not without challenges, the current geopolitical tension and uncertainty on macro level may hamper continuous improvement.

Despite the country facing an era of spiraling inflation, resulting in substantial cost increases in all areas coupled with various other economic challenges being faced due to Covid 19, the Modaraba demonstrated its resilience in the trying circumstances and successfully achieved its targets. The Modaraba managed to cash in due to a buoyant stock market resulting in considerable improvement in cash flow and realized capital gains aggregating Rs. 96 million, substantial part of which has been routed through other comprehensive income being credited to equity; which may not be evident on the face of income statement. The Modarabas performance this year is owed truly to the commitment and selfless dedication of its staff. I wish to acknowledge each and every one of our dedicated staff members, who worked with admirable determination in achieving their goals.

I am confident that despite the low kibar and sudden withdrawal of tax exemptions, the management would do its best to maximize returns for all the stakeholders.

Finally, I would like to take this opportunity to extend my sincere gratitude to all stakeholders and the management of the Modaraba for their contributions towards its road to success. The support and guidance from the SECP remained invaluable during this difficult period.

-Sd-

Majid Hasan
Chairman

Date: 29th September'2021.

چیرمین کا جائزہ

اللہ کے نام سے جو نہایت مہربان، نہایت رحم کرنے والا ہے!

میں اللہ تعالیٰ کا ہم پر مہربانیوں اور برکتوں اور قوتوں اور صلاحیتوں کیلئے اور بامعنی کاروباری فیصلوں کی حکمتوں کیلئے جو اس نے ہمیں اس مشکل وقت کے دوران بخشی ہیں شکر بجالاتا ہوں۔

الحمد للہ، پورے ملک کے اندر کاروباری سرگرمیوں میں معقول بحالیوں کا مشاہدہ کیا جا رہا ہے اور معیشت نے کووڈ 19 کی وباء کی تباہیوں کے بعد بہتری کی علامات ظاہر کرنا شروع کر دی ہیں۔ ہم اپنی قوم کی طرف سے کئی رکاوٹوں پر قابو پاتے ہوئے ترقی کیلئے مسلسل پرامید ہیں اور مستقبل کی جانب اعتماد کے ساتھ دیکھتے ہیں کہ ہم اس وقت کی آزمائشوں پر پورا اتریں گے۔ مستقبل تو ہمیشہ ہی غیر یقینی ہوتا ہے اور چیلنجز سے مبرا نہیں ہوتا، عالمی سطح پر جاری سیاسی جغرافیائی تناؤ اور غیر یقینی صورتحال لگاتار بہتری و ترقی میں حائل ہو سکتا ہے۔

اس کے باوجود کہ ملک کو بڑھتے ہوئے افراط زر کے دور کا سامنا ہے، کووڈ 19 کی وجہ سے کئی دیگر معاشی چیلنجز کے سامنے کے ساتھ ساتھ تمام شعبوں میں لاگتوں کے اچھے خاصے اضافہ بھی نتیجتاً دیکھا جا رہا ہے، مضاربہ نے ان کشمکش کے حالات میں بھی اپنی قوت و طاقت کا مظاہرہ کیا ہے اور اپنے اہداف کامیابی سے حاصل کر لئے ہیں۔ مضاربے نے نقد بہاؤ میں معقول بہتری کے نتیجے میں پرجوش اسٹاک مارکیٹ کے سبب نقد رقوم کو منظم کیا اور مجموعی طور پر 96 ملین روپے کے سرمائے کے حصول کو حقیقت بنایا، جس کا کچھ حصہ آمدن کے دیگر جامع ذرائع پر لگا کر حصص میں جمع کیا جا رہا ہے، جو کہ آمدن کے گوشوارے کے اوپر عیاں نہیں ہو سکتا ہے۔ اس برس مضاربوں کی کارکردگی حقیقی روپ سے اس کے عملے کے عزم اور بے لوث لگن کے مرہون منت ہے۔ میں اپنے عملے کے سرشار ارکان میں سے ہر ایک کو سراہتا ہوں جنہوں نے ان کے اہداف کے حصول میں قابل تحسین عزم و ہمت کے ساتھ خدمات انجام دیں۔

میں پر اعتماد ہوں کہ کمتر کائی بور اور ٹیکس چھوٹ کو اچانک واپس لینے کے باوجود، مینجمنٹ نے تمام اسٹیک ہولڈرز کیلئے زیادہ سے زیادہ منافع کیلئے بہترین کام کریں گے۔

آخر میں اس موقع کو غنیمت جانتے ہوئے میں مضاربہ کے تمام متعلقین اور انتظامیہ کو اس شاہراہ کامیابی کی طرف لے جانے کے لئے انکے کردار پر دل کی گہرائیوں سے شکریہ ادا کرنا چاہتا ہوں۔ اس مشکل گھڑی میں ایس ای سی پی کی مدد اور رہنمائی گراں انمول ہی رہے گی!

ماجد حسن

چیرمین

29 ستمبر 2021



Directors' Report

The Board of Directors of UDL Modaraba Management (Private) Ltd., (the management company of the Modaraba), has pleasure in presenting to the certificate holders, the Annual Report of the Modaraba together with Audited Accounts for the year ended June 30, 2021.

Financial Results

	Year ended 30.06.21	Year ended 30.06.20
	(Rupees)	
Un-appropriate (Loss) brought forward	(63,112,863)	(61,047,754)
Add : Net Profit/(loss) after tax for the year	29,649,785	(2,800,625)
Transfer from Comprehensive Income	78,167,123	735,516
Balance available for appropriation	<u>44,704,045</u>	<u>(63,112,863)</u>
Less : Transferred to Statutory Reserves	<u>(5,929,957)</u>	<u>-</u>
Balance as at 30th June	<u>38,774,088</u>	<u>(63,112,863)</u>
Earnings/(loss) per certificate	<u>0.84</u>	<u>(0.08)</u>

REVIEW OF OPERATIONS:

During the year, Modaraba's income increased by 39% from Rs. 38.29 million to Rs. 52.90 million. Main reason for an increase was due to an increase in realized gains on investments from Rs. 1.39 million to Rs. 17.97 million.

The unrealized gains have also improved from Rs. 0.55 million to Rs. 19.67 million. The expenses reduced by 7% from Rs. 41.00 million to Rs. 38.39 million. The Modaraba posted a net profit of Rs. 29.65 million as compared to a net loss of Rs. (2.80) million in the same period of last year.

EPS of the Modaraba was Rs. 0.84.

In addition to the net profit of Rs. 29.65 million, the modaraba realized significant capital gains of Rs. 78.16 million, which is not reflected in the Profit and Loss Account due to the accounting treatment as per IFRS 9 and is routed through other comprehensive income to equity. Due to the capital gains, accumulated losses of Rs. 63.11 million have been fully settled leaving the Modaraba with an accumulated profit of Rs. 38.77 million.

FUTURE OUTLOOK :

With no accumulated losses and significant cash inflows, the Modaraba is expected to perform better in future; however, the withdrawal of tax exemption will have a negative impact on the profitability of the Modaraba.

Despite withdrawal of tax exemptions, the management is committed to taking all possible steps in order to maximize the returns for its certificate holders.

Directors' Report

Profit Distribution

The Board of Directors has approved the cash dividend of 11% (i.e. Rs. 1.10 per certificate of Rs. 10/- each) amounting to Rs. 38,632,603/- for the year ended June 30, 2021.

Shariah Compliance and Audit Mechanism

Under the laws, rules and regulations governing the Modaraba and further as stipulated in the Prospectus, your Modaraba, has complied with the Shariah guidelines and audit mechanism which have been confirmed by our Shariah Advisor in his report

Corporate Governance:

The Modaraba has implemented all aspects of Code of Corporate Governance introduced by the SECP.

- The financial statements prepared by the Management of the Modaraba present fairly its state of affairs, the result of its operations, cash flows and changes in the equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable to Modarabas, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts about the Modaraba's ability to continue as a going concern.
- There has been no material departure from the best practices and Corporate Governance as detailed in the listing regulations.
- The trading in company shares by the Directors, Chief Executive, Chief Financial Officer, Company Secretary and their spouses and minor children during the year, if occurred, timely communicated to the Pakistan Stock Exchange

Audit Committee:

During the year four meetings were held and attended by the following members of the Committee. The committee comprises as follows;

- 1) Mr. A. Rahim Suriya -Chairman
- 2) Mr. Majid Hasan -Member
- 3) Ms. Farah Qureshi -Member
- 4) Mr. Iqbal Ahmed -Secretary

The Chief Financial Officer and Internal Auditor also attended the meetings as per requirement of the Code of Corporate Governance.



Directors' Report

Attendance of Board Meetings:

During the year under review four meetings of the Board of Directors were held which were attended by the directors as under:-

	Name of Director	Meetings Eligibility	Meetings Attended	Absence
1)	Mr.Majid Hasan	4	4	-
2)	Ms. Farah Queshi	4	4	-
3)	Mr. Shuja Malik	4	4	-
4)	Mr.Abdul Rahim Suriya	4	4	-

Pattern of Certificate holding:

A Statement showing Pattern of Certificate Holding of the Modaraba and additional information as at June 30, 2021 is included in this report.

Statement of Compliance with best practices:

The Board feels pleasure in stating that provisions of the Code relevant for the year ended June 30, 2021, have been duly complied except as mentioned in the statement of compliance with code of corporate governance. The auditors review report is and annexed herewith.

Corporate Social Responsibility

First UDL Modaraba believes that it is a socially responsible entity. We regularly contribute to people and organizations in need. To ensure transparency, all donations to other than government approved charities are made after obtaining our Shariah Advisors approval.

Auditors

The present auditors M/s Grant Thornton Anjum Rahman & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Modaraba for the financial year ending June 30, 2022 at a fee mutually agreed with the auditors and subject to approval by the Registrar of Modaraba Companies and Modarabas.

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 to our 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: 29th September'2021.



First UDL Modaraba

ڈائریکٹرز رپورٹ

یوڈی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ، (مئنجمنٹ کمپنی آف مضاربہ) کے بورڈ آف ڈائریکٹرز کو 30 جون، 2021 کو سرٹیفکیٹ ہولڈرز کو ختم شدہ برس کے لئے آڈٹڈ اکاؤنٹس کے ساتھ مضاربہ کی سالانہ رپورٹ پیش کر کے مسرت ہوئی ہے 30 جون، 2021

مالی نتائج

اختتام سال	اختتام سال	
30-6-2020	30-6-2021	(روپیہ)
(61,047,754)	(63,112,863)	آگے لایا گیا غیر مختص (نقصان)
(2,800,625)	29,649,785	جمع: سال کے لئے بعد از ٹیکس خالص منافع / (نقصان)
735,516	78,167,123	جامع آمدن سے منتقلی
(63,112,863)	44,704,045	بقایا
-	(5,929,957)	نفی: قانونی ذخائر کو منتقل کردہ
(63,112,863)	38,774,088	مطابق 30 جون پر بقایا
(0.08)	0.84	فی سرٹیفکیٹ نفع / (نقصان)

آپریشنز کا جائزہ

دوران سال، مضاربہ کی آمدن 38.29 ملین روپے سے بڑھ کر 52.90 ملین روپے ہو گئی جو کہ 39 فی صد زیادہ ہے۔ اس اضافے کی بنیادی وجہ سرمایہ کاریوں پر اصل منافع جات میں اضافہ تھا جو کہ 1.39 ملین روپے سے بڑھ کر 17.97 ملین روپے ہو گئے تھے

غیر حقیقی آمدن بھی 0.55 ملین روپے سے بڑھ کر 19.67 ملین روپے ہو گئے۔ اخراجات 7 فی صد کی کمی کے ساتھ 41.00 ملین روپے سے گھٹ کر 38.39 ملین روپے ہو گئے۔ مضاربہ نے پچھلے سال کے اسی عرصے میں 2.80 ملین روپے کا خالص خسارہ کیا تھا جس کے مقابلے میں اس سال 29.65 ملین روپے کا خالص نفع درج کیا ہے۔ مضاربہ کا ای پی ایس 0.84 روپے تھا۔

ملین روپے کے خالص نفع کے علاوہ، مضاربہ نے 78.16 ملین روپے کا اچھا خاصا سرمایہ حاصل کر لیا ہے، جو کہ نفع و 29.65 نقصان کھاتے میں ظاہر نہیں کیا گیا ہے جس کی وجہ آئی ایف آر ایس 9 کے مطابق اکاؤنٹنگ برتاؤ ہے اور اسے دیگر جامع آمدن کیلئے حصص کے ذریعے پیچھے ہٹا دیا گیا ہے۔ سرمائے کے حصول کی وجہ سے، 63.11 ملین روپے کے جمع شدہ خسارے مکمل طور پر صاف ہو گئے جس سے مضاربہ کے پاس 38.77 ملین روپے کے جمع شدہ منافع جات رہ گئے۔

مستقبل کی توقع

بنا کسی جمع شدہ خساروں اور اچھے خاصے نقد بہاؤ کے ساتھ، مضاربہ توقع رکھتا ہے کہ مستقبل میں بہتر کارکردگی کا مظاہرہ کرے گا، تاہم ٹیکس استثناء کے واپس ہوجانے سے مضاربہ کے منافع پر منفی اثرات مرتب ہوں گے۔

ٹیکس استثناء کے خاتمے کے باوجود، مینجمنٹ اس کے سرٹیفکیٹ ہولڈرز کیلئے زیادہ سے زیادہ منافع کی غرض سے تمام ممکنہ اقدامات کے لئے پرعزم ہے۔

ڈائریکٹرز رپورٹ

نافع کی تقسیم

بورڈ آف ڈائریکٹرز نے 30 جون، 2021 کو ختم شدہ سال کیلئے 11 فی صد کے منافع منقسمہ (یعنی 10 روپے والے ہر سٹیفکیٹ پر 1.10 روپے) کی منظوری دے دی ہے جس کی کل مالیت 38,632,603 روپے بنتی ہے۔

شریعہ کی پاسداری اور آڈٹ کا طریقہ کار

مضاربہ کا احاطہ کرنے والے قوانین، قواعد اور ضوابط کے تحت اور مزید پروسپیکنگس میں بیان کردہ کے مطابق، آپ کے مضاربے نے شرعی اصول ہائے رہنما اور آڈٹ کے طریقہ کار تالیف و مرتب کر لئے ہیں جس کی ہمارے شریعہ ایڈوائزر نے اپنی رپورٹ میں توثیق کردی ہے۔

ادارہ جاتی نظم و نسق

مضاربہ نے ایس ای سی پی کی جانب سے متعارف کرائے گئے ادارہ جاتی نظم و نسق کے ضابطے کے تمام پہلوؤں کا نفاذ کر دیا ہے۔ مضاربہ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے انکے معاملات کار، آپریشنز کے نتائج، نقد بہاؤ اور حصص میں تبدیلی کو منصفانہ طور پر پیش کرتے ہیں۔

مضاربہ کے مناسب بھی کھاتے برقرار رکھے گئے ہیں۔

مناسب اکاؤنٹنگ پالیسیز مالیاتی گوشواروں کی تیاری میں بروئے کار لائے گئے ہیں اور اکاؤنٹنگ تخمینہ جات معقول اور محتاط رائے پر مبنی ہیں۔

انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز جیسے مضاربوں پر لاگو ہیں، کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے۔

انٹرنل کنٹرول کا نظام با لحاظ ڈیزائن درست ہے اور اسے موثر طور پر نافذ کیا گیا ہے اور نگرانی کیا جاتا ہے۔

جاری و ساری ادارے کے طور پر مضاربہ کی صلاحیت و قابلیت کے تسلسل کے بارے میں کوئی شک و شبہ نہیں ہے۔

قواعد کے درج کرنے میں تفصیلات کے مطابق بہترین طور طریقوں اور ادارہ جاتی نظم و نسق سے کوئی مادی انحراف نہیں ہے۔

ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ان کے ازواج اور نابالغ بچوں کی طرف سے سال کے دوران کمپنی کے شیئرز میں کوئی تجارت اگر کی گئی ہے تو اسے بروقت پاکستان اسٹاک ایکسچینج کو مطلع کر دیا گیا ہے۔

آڈٹ کمیٹی

اس سال کے دوران منعقدہ 4 اجلاس میں درج ذیل کمیٹی کے ارکان شریک ہوئے۔ کمیٹی درج ذیل پر مشتمل ہے۔

- (1) جناب اے. رحیم سوریہ - چیئرمین
- (2) جناب ماجد حسن - رکن
- (3) جنابہ فرح قریشی - رکن
- (4) جناب اقبال احمد - سیکرٹری

ضابطہ ادارہ جاتی نظم و نسق کی شرائط کے مطابق چیف فنانشل آفیسر اور انٹرنل آڈٹر نے بھی اجلاس میں شرکت کی۔

ڈائریکٹرز رپورٹ

بورڈ اجلاس کی حاضری

زیرِ جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے 4 اجلاس منعقد ہوئے جس میں درج ذیل کے مطابق ڈائریکٹرز حاضر ہوئے۔

ڈائریکٹر نام	منعقدہ اجلاس	شرکت اجلاس	غیر حاضری
(1) ماجد حسن	4	4	-
(2) فرح قریشی	4	4	-
(3) شجاع مالک	4	4	-
(4) عبدالرحیم سوریہ	4	4	-

سرٹیفکیٹ رکھنے کا اسلوب

30 جون، 2021 کو ختم شدہ سال کے مطابق مضاربہ کے سرٹیفک

ادارہ جاتی سماجی ذمہ داری

فرسٹ یو ڈی ایل مضاربہ کمپنی اپنے آپ پر ایک سماجی ذمہ دار ادارے ہونے پر یقین رکھتی ہے۔ ہم ان افراد اور اداروں پر جو ضرورت مند تواتر کے ساتھ خرچ کرتے ہیں۔ شفافیت کو یقینی بنانے کیلئے، حکومت کے تسلیم شدہ رفاہی اداروں کے علاوہ تمام عطیات ہمارے شریعہ ایڈوائزرز کی منظوری کے بعد دئیے جاتے ہیں۔

آڈٹرز

موجودہ آڈٹرز میسرز گرانٹ تھورنٹن انجم رحمان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سبکدوش بورے ہیں اور اہل ہیں، اس لئے خود کو دوبارہ تقرری کیلئے پیش کر دیا ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون، 2022 کو ختم ہونے والے مالی سال کیلئے مضاربہ کے آڈٹرز کے طور پر آڈٹرز کے ساتھ باہمی اتفاق کے ساتھ ایک مشاہیرے پر ان کی دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارشات کی توثیق کردی ہے۔ (رجسٹرار مضاربہ کی جانب سے منظوری کا اطلاق ہوگا)

شجاع مالک

چیف ایگزیکٹو

29 ستمبر 2021



Six Years Financials

Balance Sheet Summary

(Rs. in million)

Year Ended June 30,	2016	2017	2018	2019	2020	2021
	— Restated —					
EQUITY						
Issued, subscribed & paid up capital	263.87	263.87	263.87	290.25	319.28	351.205
Statutory Reserve	252.53	259.03	259.03	232.65	203.63	177.627
Revenue Reserve and unappropriate profit	126.63	30.74	(7.63)	(61.05)	(63.11)	38.774
Total Equity	643.03	466.507	515.28	461.86	459.79	567.607
(Deficit) / surplus on revaluation of investments	-	167.14	70.81	(24.43)	22.72	46.824
LIABILITIES						
Customer Security Deposit	33.704	19.221	10.310	11.09	10.31	1.406
Other Deferred Liabilities	104.01	-	-	-	-	-
Current Liabilities						
Current maturity of Long term Security Deposit	44.254	23.208	14.390	5.494	6.57	-
Other Current Liabilities	55.371	93.964	83.535	37.927	36.405	180.134
Total Liabilities	237.339	136.394	108.237	54.51	50.04	181.540
Total Equity & Liabilities	880.369	857.182	694.327	491.937	532.543	795.971
ASSETS						
Investment property	-	-	-	73.92	70.697	-
Intangible Assets	2.089	1.79	2.10	4.80	3.81	2.820
Assets Leased Out	219.812	136.057	69.027	23.925	12.112	1.781
Assets in own use - Tangible	170.430	174.874	178.155	98.813	91.125	23.441
Long Term Investment	224.35	300.97	202.366	168.84	214.847	186.506
Other Long Term Assets	0.877	0.90	2.83	1.37	1.35	1.384
Capital Work in Progress	5.960	-	-	-	-	-
Diminishing Musharka Financing	-	39.280	32.843	39.46	41.962	101.04
	623.526	653.873	487.311	411.128	435.908	316.984
Current Assets						
Stock	21.952	26.438	42.598	-	-	-
Musharka	0.500	-	-	-	-	-
Short Term Investments	42.858	33.179	39.966	15.497	9.679	180.728
Other Current Assets	43.12	52.103	68.591	38.46	19.954	54.167
Cash & Bank Balances	148.389	91.589	55.860	25.81	67.000	109.771
Total Current Assets	256.852	203.309	207.015	80.809	96.634	344.66
Total Assets	880.369	857.182	694.327	491.937	532.543	795.971



Income Statement Highlights

(Rs. in million)

Year Ended June 30,	2016	2017	2018	2019	2020	2021
		— Restated —				
Lease	20.15	23.23	18.766	8.12	2.83	3.84
Musharika	4.00	3.50	-	-	-	-
Diminishing Musharaka	-	2.77	7.534	9.08	9.87	7.665
Capital Gain on Investment	82.89	34.49	47.843	4.42	4.32	17.971
Sales - Pharma	61.91	145.42	-	-	-	-
Rental property	-	-	-	10.00	12.50	10.99
Other	6.17	15.75	1.469	2.85	8.76	12.44
Total Income	175.13	225.16	75.612	34.46	38.29	52.906
EXPENSES						
Operating	48.15	53.30	22.57	44.00	41.001	38.390
Cost of goods sold - Pharma	71.05	100.46	-	-	-	-
Selling & distribution	22.72	77.21	-	-	-	-
Financial	0.13	0.11	2.65	2.47	0.65	0.084
Total Expenses	142.08	231.09	25.22	46.47	41.65	38.474
Unrealized gain on investments	6.44	(5.36)	(2.622)	(3.35)	0.56	19.677
Gain on settlement of liability	-	51.58	-	-	-	-
Profit / (Loss) before Management Fee	39.49	40.29	47.77	(15.356)	(2.80)	34.109
Less:- Management Fee & Other	5.16	7.76	-	-	-	4.46
Profit before Taxation	34.33	32.53	47.77	(15.356)	(2.80)	29.650
Less:- Taxation	-	-	(0.76)	(0.38)	-	-
Loss after taxation from discontinued operation	-	-	(54.24)	(38.89)	-	-
Net Profit / (Loss)	34.33	32.53	(7.232)	(54.63)	(2.80)	29.649
APPROPRIATIONS						
Cash Dividend	26.38	29.03	-	-	-	38.632
Stock Dividend	-	-	10%	10%	10%	-
Statutory Reserve	6.87	6.51	-	(26.39)	(29.03)	25.998
Break-up value per Certificates (Rs.)	24.36	20.98	19.53	14.47	14.40	16.16
Market Price on 30th June (Rs.)	19.50	37.70	18.65	6.24	6.99	10.00
Dividend per Certificate (Rs.)	1.00	1.10	-	-	-	1.10
Earning Per Certificate (Rs.)	1.30	1.23	(0.25)	(1.71)	(0.09)	0.84
Current Ratio (X)	2.50	1.74	2.11	1.88	2.25	1.89
Net Profit margin (%)	19.60	14.45	(3.10)	(158.51)	(7.31%)	56.04
Return on Equity (%)	5.40	4.51	(1)	(11.83)	(0.61%)	5.22
Return on Investment (%)	33.43	8.72	18.66	0.61	2.2	53
Dividend Payout (%)	76.85	89.22	-	-	-	130.95



Statement of Compliance with the Code of Corporate Governance

The UDL Modaraba Management (Private) Limited (hereafter referred to as the Company), the Management Company of First UDL Modaraba has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 4 as per the following:

- a. Male : 3
- b. Female : 1

2. The Composition of board is as follows:

<u>CATEGORY</u>	<u>NAMES</u>
Independent Non Executive Director	Mr. Majid Hasan - Chairman
Non Executive Directors	Ms. Farah Qureshi Mr. Abdul Rahim Suriya
Executive Director	Mr. Shuja Malik – Chief Executive

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ certificate holders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All directors are compliant with necessary requirements of Directors Training Certification.
10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Chief Financial Officer and the Company Secretary is the same person, however, duties of both positions are distinct and clearly spelled out. Further, it has less financial burden on the Company.

11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

Audit Committee Composition:

<u>NAME</u>	<u>DESIGNATION</u>
Abdul Rahim Suriya	Chairman
Majid Hassan	Member
Farah Qureshi	Member

HR and Remuneration Committee Composition:

<u>NAME</u>	<u>DESIGNATION</u>
Majid Hassan	Chairman
Abdul Rahim Suriya	Member
Farah Qureshi	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

- | | |
|----------------------------------|------------------------|
| a) Audit Committee | Four Quarterly Meeting |
| b) HR and Remuneration Committee | One Annual Meeting |

15. The board has set up an effective internal audit function, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouses, parents, dependents and minor children) of the CEO, CFO, head of internal audit, company secretary or directors of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide to the services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with, except as referred in paragraph 10.

-Sd-

Shuja Malik
Chief Executive
Date: 29th September'2021.





**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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**To the certificate holder of First UDL Modaraba
Review Report on the Statement of Compliance contained in
Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of UDL Modaraba Management (Private) Limited, the Management Company of the Modaraba for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of the Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Regulations in respect of the Modaraba and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, the Modaraba's related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended 30 June 2021.

A handwritten signature in black ink, appearing to read "Anjum Rahman".

Chartered Accountants
Place: Karachi
Date: 29 September 2021



**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of First UDL Modaraba (the Modaraba) as at 30 June 2021 and the related profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

These financial statements are the Modaraba Company's [UDL Modaraba Management Company (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI OF 1980) and Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;



- ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
- iii) the business conducted, investments made, and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- c) in our opinion and to the best of our information and according to explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof confirm with the approved accounting standards as applicable in Pakistan and give the information required by the Modaraba companies and the Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and the Modaraba Rules, 1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at 30 June 2021 and of the profit, its comprehensive income, changes in equity and cash flows for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The financial statements of the Modaraba for the year ended 30 June 2020 were audited by another firm of chartered accountants, whose report dated 29 September 2020 expressed an unmodified opinion on those financial statements.

Date: 29 September 2021
Karachi

A handwritten signature in black ink, appearing to read "Khurram Jameel".

Chartered Accountants
Audit Engagement Partner: Khurram Jameel

Mufti Abdul Qadir

Shariah Advisor

Shahadatu Tahfeez-ul-Quran
Shahadat-ul-Aalamiyyah
Shahadat-ul-Takhassus fil Fiqh wal Ifta

MA (Islamic Studies), MA (Arabic)
PGD (Islamic Banking & Finance)
MIBF (Masters in Islamic Banking & Finance)

Ref: ASRR-21

Date: 29-09-2021

Annual Shari'ah Review Report of
First UDL Modaraba (FUDLM)
For the year ended June 30, 2021

In the name of Allah, The Most Beneficent, The Most Merciful,

All praise is due to Allah, and Allah's Peace and Blessings be upon His Final Messenger, his pure family, his noble Companions, and all those who follow them with righteousness until the Day of Judgment.

I have conducted the Shari'ah review of First UDL Modaraba managed by UDL Modaraba Management (Private) Limited, the Modaraba Management Company for the year ended June 30, 2021 in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas and report that,

- i. The Modaraba has introduced a mechanism which has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles;
- i. Following were the major developments that took place during the year:

Training and Development:

The key staff of the FUDLM is fully equipped with Islamic finance tools and industry requirements through training and workshops. Further, the staff attended the following training programs;

- a) AML/CFT Program from Institute of Capital Market.
- b) Anti-Money Regime & Global Challenges from NBF1 & Modaraba Association of Pakistan.
- ii. The agreements entered into by the Modaraba are Shar'iah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Regulations for Modarabas
- v. The earnings that have been realized from the sources or by means prohibited by Shari'ah have been credited to charity accounts.

Mufti Abdul Qadir

Charity:

An amount collected and duly paid on account of charity with the approval of concerned Shari'ah Advisor. Details are as follows;

	2021	2020
	<u>Rs.</u>	<u>Rs.</u>
Opening Balance	284,438	436,738
Additions during the year	625,331	713,100
Payments made during the year	<u>(702,000)</u>	<u>(865,400)</u>
Closing Balance	<u>207,726</u>	<u>284,438</u>

Observations:

I have inquired and checked the systems and business transactions of Modaraba and found them in line with the guidelines issued by SECP vide Circular No. 8 of 2012 dated 03-02-2012, whereby Shari'ah Compliance and Shari'ah Audit Mechanism (SCSAM) was introduced.

1. As regards to the investment in shares and securities, it has been confirmed that First UDL Modaraba has only Shari'ah Compliant Shares in its portfolio.
2. It has been noticed that all the surplus funds in the Modaraba are always and invariably placed with Islamic Banking Institutions.
3. As regards insurance coverage facility, it has been noticed that the Modaraba has availed entire insurance coverage from renowned Takaful companies or from Islamic Windows of conventional insurance companies.

Recommendations:

1. It is recommended that the charity amount should be fully distributed to the approved charitable organizations with the specific time period as specified in SCSAM for Modarabas.
2. The management should continue its endeavor to comply with the rulings of Shari'ah in its business operations and future transactions.

Conclusion:

Based on the above mentioned facts, I am of the view that the business operations of First UDL Modaraba are Shar'iah Compliant, to the best of my knowledge.

May Allah make us successful in this world and hereafter and forgive our mistakes.

Signature


Mufti Abdul Qadir
Shari'ah Advisor
Dated: 29th September, 2021.





FINANCIAL STATEMENTS

for the year ended June 30, 2021

Balance Sheet

as at June 30, 2021

	Note	2021	2020
		← Rupees →	
ASSETS			
Non-current assets			
Fixed assets - tangible	6	25,222,491	103,237,878
Investment property	7	-	70,696,842
Intangibles Asset	8	2,820,624	3,808,750
Long term investments	9	186,506,737	214,847,570
Diminishing Musharakah financing	10	101,049,848	41,962,848
Long term deposits	11	1,384,350	1,354,350
		<u>316,984,050</u>	<u>435,908,239</u>
Current assets			
Investments	12	180,728,871	9,679,886
Current portion of Diminishing Musharakah financing	10	32,884,169	3,277,233
Ijarah rental receivables	13	28,210	1,143,002
Diminishing Musharakah financing installments receivable		599,488	926,161
Advances	14	17,648,863	10,436,859
Prepayments and other receivables	15	3,005,191	4,170,528
Cash and bank balances	16	109,771,934	67,000,659
		<u>344,666,725</u>	<u>96,634,329</u>
Non current assets held for sale	17	134,321,080	-
		<u>795,971,855</u>	<u>532,542,568</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized certificate capital 50,000,000 (June 30, 2020: 50,000,000) certificates of Rs.10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up certificate capital	18	351,205,480	319,277,710
Statutory reserves		177,627,753	203,625,566
Accumulated profit/(loss)		38,774,088	(63,112,864)
Certificate holders' equity		567,607,321	459,790,412
SURPLUS ON REVALUATION OF INVESTMENTS	19	46,824,198	22,715,042
Non-current Liabilities			
Long term security deposits	20	-	7,058,520
Current Liabilities			
Current portion of security deposits	20	1,406,020	6,572,950
Current portion of Diminishing Musharakah		-	1,567,704
Accrued and other liabilities	21	155,168,244	9,599,249
Unclaimed profit distributions	22	24,966,072	25,238,691
		<u>181,540,336</u>	<u>42,978,594</u>
		<u>795,971,855</u>	<u>532,542,568</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes from 1 to 38 form an integral part of these financial statements.

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

-Sd-

Chief Financial Officer
S. Aamir Hussain

-Sd-

Chief Executive
Shuja Malik

-Sd-

Director
Farah Qureshi

-Sd-

Director
Majid Hasan



First UDL Modaraba

Profit & Loss Account

for the year ended June 30, 2021

	Note	← 2021	2020 →
		Rupees	
Income / gain from:			
- Ijarah operations	24	3,840,916	2,838,261
- Diminishing Musharakah		7,665,645	9,873,293
- Sale of investments		17,971,274	1,397,483
- Rental property		10,999,892	12,500,000
- Dividend		1,366,337	2,922,707
- Other sources	25	11,062,166	8,763,897
		<u>52,906,230</u>	<u>38,295,641</u>
Unrealized gain on re-measurement of investments at FVTPL		<u>19,677,567</u>	<u>557,519</u>
		<u>72,583,797</u>	<u>38,853,160</u>
Operating expenses	26	(38,390,094)	(41,000,359)
Financial charges	27	(84,478)	(653,426)
		<u>34,109,255</u>	<u>(2,800,625)</u>
Provision for Sindh Workers' Welfare Fund	21.3	(605,098)	-
Management Company's remuneration	21.4	(3,410,923)	-
Sales tax on Management Company's remuneration	21.4	(443,420)	-
		<u>(4,459,441)</u>	<u>-</u>
Profit / (loss) before taxation		<u>29,649,784</u>	<u>(2,800,625)</u>
Taxation		-	-
Profit / (loss) after taxation		<u>29,649,784</u>	<u>(2,800,625)</u>
			Restated
Earning/(loss) per certificate -basic and diluted	28	<u>0.84</u>	<u>(0.08)</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

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

-Sd-
Chief Financial Officer
S. Aamir Hussain

-Sd-
Chief Executive
Shuja Malik

-Sd-
Director
Farah Qureshi

-Sd-
Director
Majid Hasan

 **First UDL Modaraba**


Statement of Comprehensive Income

for the year ended June 30, 2021

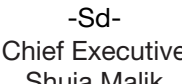
	← 2021	2020 →
	Rupees	
Profit / (loss) after taxation	29,649,784	(2,800,625)
Items that will not be reclassified subsequently to profit and loss account		
Unrealized gain on re-measurement of equity investment classified as FVOCI - net	24,109,155	47,147,506
Other comprehensive income	-	-
Total comprehensive income for the year	53,758,939	44,346,881

The annexed notes from 1 to 38 form an integral part of these financial statements.

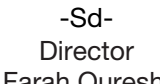
For UDL Modaraba Management (Private) Limited
(Management Company)



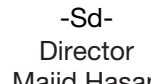
 -Sd-
 Chief Financial Officer
 S. Aamir Hussain



 -Sd-
 Chief Executive
 Shuja Malik



 -Sd-
 Director
 Farah Qureshi



 -Sd-
 Director
 Majid Hasan

Cash Flow Statement

for the year ended June 30, 2021

	← 2021	2020 →
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	29,649,784	(2,800,625)
Adjustment of non cash items:		
Depreciation - fixed assets	7,480,892	15,594,997
- Investment property	1,767,422	3,702,082
Amortization of intangible assets	988,126	988,125
Unrealized gain on re-measurement of Investments at FVTPL	(19,677,567)	(557,519)
Gain on sale of investments	(17,971,274)	(1,397,483)
Gain on sale of fixed assets	(3,826,170)	(1,407,365)
Dividend income	(1,366,337)	(2,922,707)
Financial charges	84,478	653,426
Operating (loss) / profit before working capital changes	(2,870,644)	11,852,931
Changes in working capital:		
(Increase) / decrease in current assets		
Ijarah rental receivables	1,114,792	(541,025)
Trade debts	-	1,694,374
Diminishing Musharakah financing	(88,367,262)	17,577,761
Advances	1,249,378	3,042,527
Prepayments and other receivables	1,165,337	(204,949)
	(84,837,755)	21,568,687
Increase / (decrease) in current liabilities		
Accrued and other liabilities	145,568,995	630,249
Security deposits	(5,166,930)	1,078,826
Unclaimed profit distributions	(272,619)	(1,032,466)
	140,129,446	676,609
Tax paid	(8,461,382)	(4,530,274)
Financial charges paid	(84,478)	(653,426)
Net cash generated from operating activities	43,875,186	28,914,527



Cash Flow Statement

for the year ended June 30, 2021

← 2021 2020 →
← Rupees →

CASH FLOW FROM INVESTING ACTIVITIES

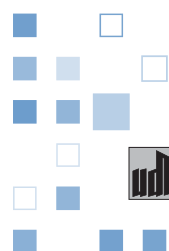
Purchase of fixed assets	(3,777,444)	(939,320)
Investment property acquired	-	(476,385)
Investments made during the year	306,894	4,275,976
Proceeds from sale of fixed assets	6,521,118	6,252,583
Dividends received	1,366,337	2,922,707
Net cash generated from investing activities	4,416,905	12,035,562

CASH FLOW FROM FINANCING ACTIVITIES

Diminishing Musharakah financing	1,567,704	2,687,448
Long term deposits	(30,000)	13,000
Long-term security deposits	(7,058,520)	(2,466,800)
Net cash generated from financing activities	(5,520,816)	233,648
Net increase in cash and cash equivalents	42,771,275	41,183,737
Cash and cash equivalents at the beginning of the year	67,000,659	25,816,921
Cash and cash equivalents at the end of the year	109,771,934	67,000,659

The annexed notes from 1 to 38 form an integral part of these financial statements.

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



-Sd-
Chief Financial Officer
S. Aamir Hussain

-Sd-
Chief Executive
Shuja Malik

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Director
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-Sd-
Director
Majid Hasan



First UDL Modaraba

Statement of Changes in Equity

for the year ended June 30, 2021

	Certificate Capital	Capital Reserve *Statutory Reserve	Revenue Reserve Accumulated (Loss) / Profit	Total Certificate Holders' Equity
	← Rupees →			
Balance as at July 01, 2019	290,252,470	232,650,807	(61,047,754)	461,855,522
Total comprehensive loss for the year	-	-	(2,800,625)	(2,800,625)
Surplus transferred to unappropriated (loss) / profit	-	-	735,516	735,516
Transactions with certificate holders of the Modaraba				
Bonus shares issued (10%)	29,025,240	(29,025,240)	-	-
Balance as at June 30, 2020	319,277,710	203,625,566	(63,112,863)	459,790,414
Total comprehensive income for the year	-	-	29,649,784	29,649,784
Surplus transferred to unappropriated profit	-	-	78,167,123	78,167,123
Transferred to statutory reserve at 20%	-	5,929,957	(5,929,957)	-
Transactions with certificate holders of the Modaraba				
Bonus shares issued (10%)	31,927,770	(31,927,770)	-	-
Balance as at June 30, 2021	351,205,480	177,627,753	38,774,088	567,607,322

*The statutory reserve represents profit set aside as required under the Modaraba Regulation 2021 for Modarabas as issued by the Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 38 form an integral part of these financial statements.

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

-Sd-
Chief Financial Officer
S. Aamir Hussain

-Sd-
Chief Executive
Shuja Malik

-Sd-
Director
Farah Qureshi

-Sd-
Director
Majid Hasan



First UDL Modaraba

Notes to the Financial Statements

for the year ended June 30, 2021

1. LEGAL STATUS AND NATURE OF THE BUSINESS

- 1.1 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 1st Floor, Business Enclave, 77-C, 12th Commercial Street, Off: Khayaban-e-Ittehad, DHA (Ext), Karachi and is managed by UDL Modaraba Management (Private) Limited (the Management Company), a company incorporated in Pakistan. It is a perpetual, multipurpose and multidimensional Modaraba engaged in providing finance under Murabaha and Musharakah arrangements, Ijarah, commodity trading, and trading in listed and non-interest bearing securities. The Modaraba is listed on Pakistan Stock Exchange.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017;

Provisions of and directions issued under the Companies Act 2017;

Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas; and

Where the provisions of and directives issued under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas differ from IFRS Standards and IFAS, the provision of and directives issued under the Companies Act, 2017 the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The SECP has issued directive (vide SRO 431(1)/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS - 2) shall be followed in the preparation of the financial statements by Companies and Modarabas while accounting for lease financing transaction as defined by the said standard. The Modaraba has adopted the said standard.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IFRS - 9 "Financial Instruments", wherever applicable.

Permissible Islamic financial products including Murabaha (as a liability) and Musharakah have been used by the Modaraba, in line with similar industry practices. The accounting and presentation of the same are in line with the substance of the transaction and are limited to the extent of actual amount of facility utilized and mutually agreed mark-up / profit thereon. Accordingly, purchases, sales and Musharakah profits / reserves are not reflected in these financial statements except for Murabaha facility (as an asset) which has been accounted for in line with Islamic Financial Accounting Standard - 1.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Modaraba.

3. NEW STANDARDS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING STANDARDS



Notes to the Financial Statements

for the year ended June 30, 2021

3.1 Standards and amendments adopted during the current year

There are certain other new standards, interpretations and amendments that are mandatory for the Modaraba's accounting period beginning on July 1, 2020, but are considered either to be not relevant or to not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements.

3.2 Standards not yet effective

The following standards and amendments are only effective for accounting period, beginning on or after the date mentioned against each of them.

Standard	Effective Date (Annual periods beginning on or after)
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2023
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2023
IAS 12 - 'Income taxes' (amendment)	January 1, 2023
IFRS 16 - 'Leases' (amendment)	April 1, 2021

These amendments may impact the financial statements of the Modaraba on adoption. The Management Company is in the process of assessing the impact of these amendments on the financial statements of the Modaraba .

IFRS 9 'Financial Instruments' was applicable effective from July 01, 2018. However, the SECP deferred the applicability of IFRS 9 for provision against Islamic financings made by Modaraba in the financial statements for the year ended June 30, 2019 and required the Modaraba to follow all other requirements of IFRS 9. Accordingly, the Modaraba adopted all requirements of IFRS 9 but determined the provision in respect of financings as per the requirements of the Prudential Regulations in June 30, 2019. During the year, the SECP has deferred the applicability of IFRS-9 for Modarabas upto June 30, 2022. However, as mentioned above, the Modaraba had already adopted all other requirements of IFRS 9 except for provision against Islamic financings. Therefore, the Modaraba has continued same practice during the current year as well.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected. In the process of applying the Modaraba's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Note
- Useful lives, pattern of flow of economic benefits and impairment of fixed assets	5.1
- Classification and valuation of investments	5.4
- Provisions against non-performing financing	5.13
- Provision for taxation	5.14

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Fixed assets - tangible

Assets in own use

These are stated at cost less accumulated depreciation. Depreciation is charged to profit and loss account applying the reducing balance method. In respect of depreciation on additions is charged from the month during which the asset is put to use. For disposals during the year, depreciation is charged up to the month preceding the month of disposal. Maintenance and normal repairs are



Notes to the Financial Statements

for the year ended June 30, 2021

charged to income as and when incurred. Major renewals and improvements are capitalized if the recognition criteria are met. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each year end.

Assets leased out under Ijarah

Ijarah financing assets are stated at cost less accumulated depreciation. Depreciation is charged to profit and loss account applying the straight line method whereby the cost of an asset less salvage value is written off over the lease financing period, which is considered to be the estimated useful life of the asset. In respect of additions and disposals during the year, depreciation is charged proportionately from the date of delivery of assets to the date of its maturity / termination. At the end of the lease financing period, asset is transferred to the customer.

Gain or loss on disposal

Gain or loss on disposal of assets, if any, is recognized as and when incurred.

Impairment

The Modaraba assesses at each balance sheet date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where the carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the difference is charged to the profit and loss account.

5.2 Intangible assets

These are stated at cost less accumulated amortization and impairment, if any.

Amortization is charged to profit and loss account applying the straight line method whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the year, amortization is charged proportionately for the period of use.

Impairment

The Modaraba assesses at each balance sheet date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where the carrying value exceeds the recoverable amount, intangible assets are written down to the recoverable amount and the difference is charged to the profit and loss account.

5.3 Assets held for sale

Assets held for sale are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Investment property and fixed assets once classified as held for sale are not depreciated.

5.4 Financial instruments

5.4.1 Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees are initially recognised on the trade date, i.e., the date that the Modaraba becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees are recognised when funds are transferred to the banks / employees.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.



Notes to the Financial Statements

for the year ended June 30, 2021

The Modaraba classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Modarabas business model for managing them.

i) Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

ii) Financial assets measured at FVTPL

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

iii) Financial assets measured at FVOCI

Debt instrument

The Modaraba measures debt instruments at FVOCI if both of the following conditions are met:

- (a) The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

For debt instruments at FVOCI, profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit and loss account and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in Other Comprehensive Income. Upon derecognition, the cumulative fair value change recognised in Other Comprehensive Income is recycled to profit and loss account.

Equity instrument

Upon initial recognition, the Modaraba can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 - 'Financial Instruments: Presentation and are not held for trading'. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit and loss account. Dividends are recognised as other income in the statement of profit and loss account when the right of payment has been established, except when the Modaraba benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in Other Comprehensive Income.



Notes to the Financial Statements

for the year ended June 30, 2021

Impairment of financial assets

Provision for non-performing Islamic financing is made in accordance with the Modaraba Regulation 2021 for modarabas issued by SECP vide SRO 284 (I) / 2021 dated March 05, 2021 and is charged to profit and loss account. The management also evaluates the Islamic financing receivable subjectively to further down-grade if required. Furthermore, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than financing assets and concluded that impact is not material to the financial statements.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

5.4.2 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Modaraba has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Modaraba has:

- (a) transferred substantially all of the risks and rewards of the asset; or
- (b) neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Modaraba has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Modaraba's continuing involvement in the asset. In that case, the Modaraba also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Modaraba has retained. The Modaraba derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Any gain or loss on arising on derecognition is charged to Profit and Loss Account.

5.4.3 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and the Modaraba intends to either settle on a net basis, or to recognize the asset and settle the liability simultaneously.

5.5 Diminishing musharaka financing and ijarah rental receivables

These are stated net of provision and suspense income. Provision is recognized in accordance with the Modaraba Regulations, 2021 for Modarabas. Bad debts are written-off when identified.

5.6 Deposits, advances, prepayments and other receivables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

5.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash at bank and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.



Notes to the Financial Statements

for the year ended June 30, 2021

5.8 Certificate capital and earning per certificate

The Modaraba presents basic and diluted earnings per certificate data for its ordinary certificates. Basic earning per certificate is calculated by dividing the profit or loss attributable to ordinary certificate holders of the Modaraba by the weighted average number of certificates outstanding during the year. Diluted earning per certificate is determined by adjusting the profit or loss attributable to ordinary certificate holders and the weighted average number of ordinary certificates outstanding for the effects of all dilutive potential ordinary certificates.

Ordinary certificates are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new certificates or options are shown in equity as a deduction, net of tax, from the proceeds.

5.9 Retirement benefits

The Modaraba also operates an approved funded contributory provident fund scheme for all its employees who are eligible under the scheme. Equal monthly contributions at the rate of 10 percent of basic salary are made by both Modaraba and its employees.

5.10 Accrued and other payables

Liabilities for accrued and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.11 Contingencies

Contingencies are disclosed when Modaraba has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

5.12 Revenue recognition

- Ijarah income is recognized on an accrual basis.
- Profit on Diminishing Musharakah is recognised as and when profits become due on a systematic basis over the term of Diminishing Musharakah period.
- Rental income from is recognized on a straight line basis over the term of the lease.
- Dividend income is recognized when the right to receive the payment is established.
- Gains or losses arising on sale of investments are taken to income in the period in which they arise.
- Return on investment and deposits with banks are recognized on an accrual basis.

5.13 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

The amount recognised as provision is the best estimate of consideration required to settle the present obligation at end of reporting date, taking into account the risk and uncertainties surrounding the obligation.

5.14 Taxation

Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The income of non-trading modarabas is exempt from tax provided that not less than 90% of their profits for the year as reduced by amount transferred to amandatory reserve as required under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed to the certificate holders. As the mobarba intends to distribute 90% of its profits, no provision for current tax is made in these financial statements.

The tax exemption by virtue of Clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 has been withdrawn through an amendment dated March 21, 2021 which is subsequently adopted in Finance Act, 2021. But a new section 242 has been added in the Income Tax Ordinance, 2001 through Finance Act, 2021 by virtue of which, the Modaraba may avail the exemption till June 30, 2021 subject to the fulfillment of condition that not less than 90 percent of its total profits,



Notes to the Financial Statements

for the year ended June 30, 2021

as reduced by the amount transferred to the mandatory reserve, as required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, are distributed amongst the certificate holders.

Deferred

Deferred tax is recognised, using the balance sheet liability method, on all major temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences.

As referred above, tax exemption for modarabas has been withdrawn from July 01, 2021. Accordingly, the modaraba is also subject to deferred tax. However, the management company believes that the temporary differences arising on assets and liabilities are not material to the overall context of the financial statements. Therefore, no provision in respect of deferred tax is required as of June 30, 2021.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position.

5.15 Profit distribution and other appropriations of profit

Profit distribution and other appropriations of profit are recognized in the year in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.

5.16 Segment reporting

Segment reporting is based on the operating (business) segments of the Modaraba. An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are reviewed regularly by the Board Committee of the Modaraba to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements

for the year ended June 30, 2021

6.1 Disposal of Assets in own use - Vehicles

	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain on disposal	Mode Of Disposal	Particulars of Purchasers
	Rupees						
Toyota Fortuner	5,287,700	(4,253,757)	1,033,943	4,000,000	2,966,057	Insurance	Jubilee Insurance
Union Star CD-70 Bike	55,500	(40,440)	15,060	16,000	940	Negotiation	Employee
Suzuki Cultus	1,019,000	(1,019,000)	-	550,000	550,000	Negotiation	Employee
Suzuki Mehran	724,449	(597,436)	127,013	300,000	172,987	Negotiation	Employee
Union Star CD-70 Bike	55,500	(36,674)	18,826	16,000	(2,826)	Negotiation	Employee
	<u>7,142,149</u>	<u>(5,947,307)</u>	<u>1,194,842</u>	<u>4,882,000</u>	<u>3,687,158</u>		

FIXED ASSETS - tangible

	2020		As at July 1, 2020		As at June 30, 2020		As at July 1, 2020		As at June 30, 2020		Depreciation rate per annum %
	As at July 1, 2020	Additions Transfer	Cost (Deletions) / (Transfer)	Reclassification	As at June 30, 2020	Charge for the year	As at July 1, 2020	Disposal / adjustments	Reclassification	As at June 30, 2020	
	Rupees										
Assets own use											
Lease hold land	10,450,350	-	-	-	10,450,350	-	-	-	-	-	10,450,350
Plant & Machinery	104,902,305	-	-	-	104,902,305	2,965,793	45,586,451	2,965,793	-	48,552,244	56,350,061
Furniture and fittings	19,719,796	132,000	-	-	19,851,796	576,770	8,305,388	576,770	-	8,882,158	10,969,638
Books	83,000	-	-	-	83,000	3,667	64,674	3,667	-	68,341	14,659
Vehicles	22,263,316	-	(3,013,000)	-	19,250,316	1,155,840	15,429,562	1,155,840	(1,355,853)	15,229,550	4,020,766
Computer equipment	6,239,171	230,000	-	-	6,469,171	363,753	4,554,570	363,753	-	4,918,323	1,550,848
Office equipment and appliances	9,677,515	577,320	(70,500)	-	10,184,335	573,281	7,235,932	573,281	(70,500)	7,738,713	2,445,622
Sub total	<u>173,335,453</u>	<u>939,320</u>	<u>(3,083,500)</u>	<u>-</u>	<u>171,191,273</u>	<u>5,639,105</u>	<u>81,176,577</u>	<u>5,639,105</u>	<u>(1,426,353)</u>	<u>85,389,330</u>	<u>85,801,942</u>
Diminishing Musharakah Assets											
Vehicles	8,318,400	-	-	-	8,318,400	1,330,944	1,663,680	1,330,944	-	2,994,624	5,323,776
Assets leased out under Ijarah											
Machinery and equipments	9,918,000	-	(2,000,000)	-	7,918,000	1,715,400	6,450,804	1,715,400	(1,040,000)	7,126,204	791,796
Vehicles	59,373,400	-	(18,738,000)	-	40,635,400	6,909,548	38,915,418	6,909,548	(16,509,929)	29,315,037	11,320,363
Sub total	<u>69,291,400</u>	<u>-</u>	<u>(20,738,000)</u>	<u>-</u>	<u>48,553,400</u>	<u>8,624,948</u>	<u>45,366,222</u>	<u>8,624,948</u>	<u>(17,549,929)</u>	<u>36,441,241</u>	<u>12,112,159</u>
Total	<u>250,945,253</u>	<u>939,320</u>	<u>(23,821,500)</u>	<u>-</u>	<u>228,063,073</u>	<u>15,594,997</u>	<u>128,206,478</u>	<u>15,594,997</u>	<u>(18,976,280)</u>	<u>124,825,196</u>	<u>103,237,878</u>

Notes to the Financial Statements

for the year ended June 30, 2021

7. INVESTMENT PROPERTY

2021	Cost			ACCUMULATED DEPRECIATION		Book value As at June 30, 2021	Depreciation rate per annum %
	As at July 1, 2020	Additions	Reclassification Note 17	As at June 30, 2021	Charge for the Year		
	Rupees						
Building on lease hold land	103,332,431	-	(103,332,431)	-	1,767,422	(34,403,011)	5
Total	103,332,431	-	(103,332,431)	-	1,767,422	(34,403,011)	
	Rupees						
2020	Cost			ACCUMULATED DEPRECIATION		Book value As at June 30, 2020	Depreciation rate per annum %
	As at July 1, 2019	Additions	Reclassification Note 17	As at June 30, 2020	Charge for the Year		
	Rupees						
Building on lease hold land	102,856,046	476,385	-	103,332,431	28,933,507	3,702,082	5
Total	102,856,046	476,385	-	103,332,431	28,933,507	3,702,082	

7.1 This represents building on lease hold land owned by the Modaraba. The property is not occupied by the Modaraba and is held for earning rental income. The estimated fair value of the building is highly likely i.e Rs.100 million to Rs.130 million.

* During the year, the Modaraba has reclassified asset to non-current assets held for sale (refer note 17).

8. INTANGIBLE ASSETS

2021	Cost			ACCUMULATED DEPRECIATION		Book value As at June 30, 2021	Amortization rate per annum %
	As at July 1, 2020	Addition / (deletion)	Reclassification As at June 30, 2021	As at July 1, 2020	Charge for the year		
	Rupees						
Computer Software	6,440,625	-	-	6,440,625	2,631,875	988,126	20
Total	6,440,625	-	-	6,440,625	2,631,875	988,126	
	Rupees						
2020	Cost			ACCUMULATED DEPRECIATION		Book value As at June 30, 2020	Amortization rate per annum %
	As at July 1, 2019	Addition / (deletion)	Reclassification As at June 30, 2020	As at July 1, 2019	Charge for the year		
	Rupees						
Computer Software	6,440,625	-	-	6,440,625	1,643,750	988,125	20
Total	6,440,625	-	-	6,440,625	1,643,750	988,125	



Notes to the Financial Statements

for the year ended June 30, 2021

9. LONG TERM INVESTMENTS	Note	← 2021 Rupees →		← 2020 Rupees →	
		2021	2020	2021	2020
At FVOCI	9.1	<u>186,506,737</u>		<u>214,847,570</u>	
9.1 At FVOCI		2021	2020	2021	2020
		Number of Shares / Certificates		← Rupees →	
Pharma & Bio Tech					
The Searle Company Limited		275,355	241,277	66,806,630	48,069,617
AGP Limited		40,000	95,500	4,693,200	10,480,170
Ferozsons Laboratories Limited		-	200	-	60,086
Highnoon Laboratories Limited		-	381	-	190,988
IBL HealthCare Limited		15,419	113,419	1,713,513	8,784,302
Automobile					
Gandhara Industries Limited		-	100	-	6,275
Food and Personal Care Products					
Gillette Pakistan Limited		187,185	200,385	41,545,711	44,018,573
Al Shaheer Corporation		97,333	64,889	1,939,847	742,330
Fauji Foods Limited		-	260,000	-	2,457,000
At-Tahur Ltd (PREMA)		17,545	15,950	408,799	274,819
Treet Corporation Limited		-	12,592	-	224,893
Engineering					
Crescent Steel and Allied Products		-	4,000	-	182,000
Dost Steels Limited		-	365,000	-	1,113,250
Fertilizer					
Engro Fertilizers Limited		200,000	-	14,054,000	-
Cement					
Lucky Cement		-	1,462	-	674,830
DG Khan Cement Limited		-	17,000	-	1,450,610
Maple leaf Cement Limited		-	60,000	-	1,558,800
Power Cement Limited		404,826	479,826	3,890,378	2,974,921
Fauji Cement		250,000		5,750,000	
Oil & Gas					
Hascol Petroleum Limited		-	1,427	-	19,407
Sui Northern Gas Pipelines Limited		4,713	4,713	228,958	257,330
Sui Southern Gas Pipelines Limited		6,000	6,000	79,800	80,040
Modaraba					
First Equity Modaraba		-	75,000	-	198,750
Unicap Modaraba		-	36,000	-	18,000
Real Estate Investment					
Dolmen City Reit		105,500	105,500	1,162,610	1,148,895



Notes to the Financial Statements

for the year ended June 30, 2021

	2021	2020	2021	2020
	Number of Shares / Certificates		Rupees	
Chemicals				
United Distributors (Pakistan) limited	396,303	1,864,864	19,914,226	62,006,727
Ghani Global Holdings Limited	-	250,268	-	3,936,716
Nimir Resins Limited	-	76,355	-	471,874
Sitara Peroxide Limited	34,500	34,500	976,005	704,145
Textile Composite				
International Knitwear Limited	832,153	832,153	11,949,717	13,730,525
United Brands Limited	219,570	219,570	6,723,233	5,805,431
Chakwal Spinning Mills Limited	-	130,000	-	213,200
Nishat Mills	25,000	-	2,332,500	-
Power Generation & distribution				
K-Electric Limited	374,500	374,500	1,565,410	1,127,245
Miscellaneous				
Macter International Limited	-	2,900	-	269,903
Technology & Communication				
Netsol Technologies Limited	-	5,000	-	248,550
Investment Banks/Securities				
Pakistan Stock Exchange Limited	-	99,117	-	981,258
Cable & Electrical Goods				
TPL Trakker Limited	-	38,000	-	196,460
Fixed Line Telecommunication				
Worldcall Telecom Limited	195,000	195,000	772,200	169,650
	<u>3,680,902</u>	<u>6,282,848</u>	<u>186,506,737</u>	<u>214,847,570</u>

	Note	2021	2020
		Rupees	
10. DIMINISHING MUSHARAKAH FINANCING			
Secured			
Diminishing Musharakah Financing	10.1	113,123,792	45,355,365
Less: Provision in respect of Diminishing Musharakah Financing	10.2	(354,270)	(115,285)
		<u>112,769,522</u>	<u>45,240,080</u>
Less: Current portion shown		(32,884,169)	(3,277,233)
		<u>79,885,353</u>	<u>41,962,848</u>
Add: Advance against Diminishing Musharakah Financing		21,164,495	-
	10.3	<u>101,049,848</u>	<u>41,962,848</u>

10.1 This represents Musharakah finance for a term of 1 to 3 years. The profit rates on the financing ranges from 9% and 15% (2020: 10% and 15%) per annum. All diminishing Musharakah arrangements are secured against hypothecation of assets, personal guarantees and promissory notes.



Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021	2020		
		Rupees			
10.2 Movement of provision in respect of diminishing musharaka					
Opening balance		115,285	-		
Charge for the year		238,985	115,285		
Closing balance		<u>354,270</u>	<u>115,285</u>		
10.3 Aging of diminishing Musharakah financing					
Classification					
Considered good		100,695,578	41,847,563		
Portfolio classified as non-performing					
Substandard		354,270	115,285		
		<u>101,049,848</u>	<u>41,962,848</u>		
11 LONG TERM DEPOSITS					
Against:					
Related party		735,000	735,000		
Others	11.1	649,350	619,350		
		<u>1,384,350</u>	<u>1,354,350</u>		
11.1 Represents security deposits paid by the Modaraba on behalf of the Management Company for head office rental property					
12 INVESTMENTS					
-At amortized cost	12.1	150,000,000	3,500,000		
-At FVTPL	12.2	30,728,871	6,179,886		
		<u>180,728,871</u>	<u>9,679,886</u>		
12.1 This amount represents investments in term deposit receipts with Islamic banks with expected profit ranging from 3.5% to 6.5% (2020: 9.5% to 12.75%) per annum having maturity in November 2021.					
12.2 At FVTPL					
		2021	2020	2021	2020
		Number of Shares / Certificates (face value Rs 10/-)		Rupees	
Oil & Gas Exploration/Marketing					
Oil And Gas Development Company Limited		28,000	3,000	2,660,840	327,000
Pakistan Oilfields Ltd.		10,000	-	3,938,600	-
Pakistan State Oil		10,000	-	2,242,500	-
Engineering					
Huffaz Seamless Pipe Industries Limited		23500	23,500	340,515	340,515
Pharma & Bio Tech					
Abbott Laboratories (Pakistan) Limited		100	1,100	79,236	729,300
Fertilizer					
Engro Corporation Limited		-	27	-	7,909



Notes to the Financial Statements

for the year ended June 30, 2021

	2021	2020	2021	2020
	Number of Shares / Certificates (face value Rs 10/-)		← Rupees →	
Construction And Material				
Fauji Cement Limited	-	3,000	-	50,640
Power Cement Ltd. Preference Shares	110,359	-	1,269,129	-
Food and Personal Care Products				
Gillette Pakistan Limited	91,000	-	20,198,051	-
Vanaspati & Allied Industries				
Unity Foods Limited	-	423,609	-	4,723,240
Miscellaneous				
Siddiqsons Tin Plate Limited	-	139	-	1,282
	<u>272,959</u>	<u>454,375</u>	<u>30,728,871</u>	<u>6,179,886</u>
			2021	2020
			← Rupees →	
13 IJARAH RENTAL RECEIVABLES		Note		
Secured - considered good				
Ijarah rental receivables		13.1	28,210	3,051,200
Less: Provision against lease receivables			-	(1,908,198)
			<u>28,210</u>	<u>1,143,002</u>
13.1 Classification				
Considered good			28,210	1,143,002
Portfolio classified as non-performing:				
Loss			-	1,908,198
			<u>28,210</u>	<u>3,051,200</u>
14 ADVANCES				
- Employees			2,112,535	3,222,035
- Income tax			15,003,501	6,542,119
- Others			532,827	672,705
			<u>17,648,863</u>	<u>10,436,859</u>
15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES				
Prepayments			1,230,575	889,672
Security deposits			13,000	13,000
Accrued profit			1,629,415	53,388
Others			132,201	3,214,468
			<u>3,005,191</u>	<u>4,170,528</u>



Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021	2020
		← Rupees →	→
16 CASH AND BANK BALANCES			
Cash in hand		55,695	55,695
Cash at bank			
- in current accounts		14,584,499	15,381,211
- Profit bearing accounts	16.1	<u>95,131,740</u>	<u>51,563,753</u>
		<u>109,771,934</u>	<u>67,000,659</u>

16.1 These carry profit ranging between 3 % to 6 % (2020: 5.5% to 10.5%) per annum.

17 NON CURRENT ASSETS HELD FOR SALE

17.1 During the year, the Board of directors of the Management Company, has decided to dispose off certain fixed assets and investment property to an independent buyer against consideration of Rs. 230 million. The said transfer is expected to be completed by december 2021. The carrying amounts of such assets as at June 30, 2021 are as follows:

	Note	2021	2020
		← Rupees →	→
Carrying amount			
Fixed assets - tangible			
Leasehold land	6	10,450,350	-
Plant and machinery	6	54,941,310	-
Investment property	7	<u>68,929,420</u>	<u>-</u>
		<u>134,321,080</u>	<u>-</u>

In accordance with the requirements of IFRS 05 "Non-current Assets Held for Sale and Discontinued Operations", the Modaraba has reclassified the above assets from the respective categories to non current assets held for sale.

17.2 As per latest valuation carried out by Pee Dee & Associates, as at June 30, 2021 the fair value of the aforementioned assets was Rs. 229.248 million. The valuation was carried out in accordance with the commercial rates for sale of factory premises prevailing in the market. However, as per IFRS-05 the property is kept at lower of cost or fair value less cost to sell. The rental income during the year from the investment property amounted to Rs.10.999 (2020: Rs.12.5) million.



Notes to the Financial Statements

for the year ended June 30, 2021

18 CERTIFICATE CAPITAL

2021	2020		2021	2020
Number of certificates	Number of certificates		← Rupees →	
<u>50,000,000</u>	<u>50,000,000</u>	Authorized certificate capital Modaraba certificates of Rupees 10 each	<u>500,000,000</u>	<u>500,000,000</u>
		Issued, subscribed and paid-up capital		
17,668,885	17,668,885	Modaraba certificates of Rupees 10 each fully paid-up in cash	176,688,850	176,688,850
17,451,663	14,258,886	Modaraba certificates issued as fully paid-up bonus certificates	174,516,630	142,588,860
<u>35,120,548</u>	<u>31,927,771</u>		<u>351,205,480</u>	<u>319,277,710</u>

18.1 As at 30 June, 2021 the Management Company held 6,573,781 (2020: 5,976,166) certificates of Rs. 10 each.

19 SURPLUS ON REVALUATION OF INVESTMENTS

	2021	2020
	← Rupees →	
Market value of investments	186,506,737	214,847,570
Less: Cost of investments	<u>(139,682,539)</u>	<u>(192,132,528)</u>
	<u>46,824,198</u>	<u>22,715,042</u>
Opening balance	22,715,043	(24,432,463)
Surplus transferred to unappropriated profit	<u>(78,167,123)</u>	<u>(735,516)</u>
Surplus on revaluation during the year	<u>102,276,278</u>	<u>47,883,021</u>
	24,109,155	47,147,505
Closing balance	<u>46,824,198</u>	<u>22,715,042</u>

19.1 Surplus on revaluation of investments is presented under a separate head below equity as 'surplus on revaluation of investments' in accordance with the requirements of Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017.

20 LONG TERM SECURITY DEPOSITS

	2021	2020
	← Rupees →	
Deposit against Ijarah	1,406,020	7,631,470
Less: current portion	<u>(1,406,020)</u>	<u>(6,572,950)</u>
	-	1,058,520
Security deposits for property	-	6,000,000
	-	<u>7,058,520</u>



Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021	2020
		← Rupees →	
21 ACCRUED AND OTHER LIABILITIES			
Advance against assets held for sale		126,142,445	-
Charity payable	21.1	207,769	284,438
Provident fund	21.2	154,574	156,718
Sindh Worker's Welfare Fund	21.3	1,268,970	663,872
Management company's remuneration payable	21.4	3,410,923	
Sales tax on the Management Company fee payable	21.4	6,216,009	5,772,589
Security deposits for property		6,000,000	-
Others		11,767,554	2,721,632
		<u>155,168,244</u>	<u>9,599,249</u>
21.1			
Opening balance		284,438	436,738
Addition during the year		625,331	713,100
Less: Payments as approved by shariah advisor		(702,000)	(865,400)
Closing balance		<u>207,769</u>	<u>284,438</u>

The Directors of the Management Company do not have any interest in donations made during the year.

21.2 Provident fund	<u>154,574</u>	<u>156,718</u>
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21.2.1 All investments out of the funds of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules for this purpose.

	2021	2020
	← Rupees →	
21.2.2 Provident fund related disclosures		
Size of the fund- total assets	<u>8,649,407</u>	<u>6,190,718</u>
Cost of investment made	<u>4,617,205</u>	<u>4,430,404</u>
Fair value of investment	<u>3,831,278</u>	<u>1,926,958</u>
Percentage of investment made	<u>44%</u>	<u>31%</u>

The break-up of fair value of investment is as follows:

	2021		2020	
	Percentage of Size of the fund	Rupees	Percentage of Size of the fund	Rupees
Investment in listed equity securities	24%	2,108,808	27%	1,658,015
Bank balances	20%	1,722,470	4%	268,943
	<u>44%</u>	<u>3,831,278</u>	<u>31%</u>	<u>1,926,958</u>

Notes to the Financial Statements

for the year ended June 30, 2021

21.3 Certain Modarabas received a notice wherein the Sindh Revenue Board (SRB) has advised the Modaraba to pay off all its liabilities falling due under the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act). As per SWWF Act, Workers' Welfare Fund (WWF) levy is required to be paid on total income accruing after December 31, 2013. As the Management Company has a reason to believe that till the time there is any mechanism available for the apportionment of the total income relevant to the province of Sindh, no SWWF liability to SRB can be paid out. However, the management has recognized the provision in respect of SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015) considering it as prudent.

21.4 The Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and control) Ordinance, 1980 upto maximum 10% per annum of the net annual profits of the Modaraba. Accordingly, the management fee for the year ended June 30, 2021 has been recognized at 10% of profit for the year.

The SRB imposed Sindh Sales Tax (SST) on the Management Company's remuneration with effect from November 01, 2011. However, certain Modaraba management companies have approached the Honorable Sindh High Court (the Court) and Appellate Tribunal of SRB, Challenging the levy of SST on management Company's remuneration. The Management Company has not received any demand notice from SRB for payment of SST on such remuneration. However, as the matter of abundant caution the management is accruing SST on Management Company's remuneration and will discharge the liability on direction of the Court based on outcome of the petition filed by other modaraba management companies.

	2021	2020
	← Rupees →	
22 UNCLAIMED PROFIT DISTRIBUTIONS		
Opening balance	25,238,691	26,271,156
Less: Dividends paid	(272,619)	(1,032,465)
Closing balance	<u>24,966,072</u>	<u>25,238,691</u>

23 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at the year end.

	2021	2020
	← Rupees →	
24 INCOME FROM IJARAH OPERATIONS		
Ijarah rentals	6,306,961	11,282,938
Documentation fee	-	35,400
Gain on disposal of Ijarah assets	139,012	144,512
	<u>6,445,973</u>	<u>11,462,850</u>
Less: Depreciation on assets leased out under Ijarah	(2,605,057)	(8,624,589)
	<u>3,840,916</u>	<u>2,838,261</u>

25 INCOME FROM OTHER SOURCES

Gain on disposal of fixed assets	3,687,158	1,262,853
Profit on deposits with banks	7,371,258	2,783,731
Others	3,750	4,717,314
	<u>11,062,166</u>	<u>8,763,897</u>



Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021	2020
		← Rupees →	
26 OPERATING EXPENSES			
Salaries and other staff benefits	26.1 & 26.2	18,399,640	17,935,815
Travelling and conveyance		1,847,983	1,969,433
Vehicles running and maintenance		1,155,764	710,258
Utilities and communication		1,554,441	1,258,253
Printing and stationery		1,407,297	1,328,819
Rent, rates and taxes		539,294	403,218
Repair and maintenance		1,048,205	955,998
Legal and professional charges		1,416,489	1,256,500
Share transaction charges		30,000	19,000
Insurance		380,945	654,960
Entertainment		741,859	526,602
Consultancy fee		249,996	200,004
Fee and subscription		1,140,221	1,265,288
Auditors' remuneration	26.3	400,000	400,000
Advertisement		318,074	110,943
Depreciation - Owned assets	6	4,875,837	6,970,049
- Investment property	7	1,767,422	3,702,084
Amortization	8	988,126	988,125
Other expenses		128,501	345,010
		<u>38,390,094</u>	<u>41,000,359</u>

26.1 Remuneration to officers and employees

The aggregate amount of remuneration charged in these financial statements, including all benefits to officers and employees of the Modaraba are as under:

	2021			2020		
	Officers	Employees	Total	Officers	Employees	Total
	← Rupees →					
Salaries & allowances	10,011,430	6,674,287	16,685,717	10,395,532	5,862,017	16,257,549
Provident fund	439,553	293,036	732,589	440,237	293,492	733,729
Medical expenses	499,076	482,258	981,334	330,869	613,668	944,537
	<u>10,950,059</u>	<u>7,449,581</u>	<u>18,399,640</u>	<u>11,166,698</u>	<u>6,769,177</u>	<u>17,935,815</u>
Number of persons	<u>6</u>	<u>15</u>	<u>21</u>	<u>6</u>	<u>15</u>	<u>21</u>

Certain executives and officers are also provided with free use of vehicles maintained by the Modaraba and petrol / CNG allowance.

26.2 This includes contributions to provident fund of Rs. 732,589 (2020: 733,729).

	2021	2020
	← Rupees →	
26.3 Auditors' remuneration		
Audit fee	300,000	300,000
Half yearly review	50,000	50,000
Out of pocket expenses	50,000	50,000
	<u>400,000</u>	<u>400,000</u>



Notes to the Financial Statements

for the year ended June 30, 2021

	2021	2020
	← Rupees	→
27 FINANCIAL CHARGES		
Bank charges	17,993	16,630
Profit on Diminishing Musharakah	66,485	636,796
	<u>84,478</u>	<u>653,426</u>
28 EARNING / (LOSS) PER CERTIFICATE	2021	2020
		Rupees
Profit / (loss) after taxation	<u>29,649,784</u>	<u>(2,800,625)</u>
		Restated
Weighted average number of ordinary certificates outstanding during the year	<u>35,120,548</u>	<u>35,120,548</u>
		Restated
Earning / (loss) per certificate	<u>0.84</u>	<u>(0.08)</u>

29 TRANSACTION WITH RELATED PARTIES

The related parties comprise of the Management Company, associates, directors, key management personnel and staff retirement funds of the Modaraba. Transactions with related parties are disclosed in relevant notes.

Transactions	Relationship	2021	2020
			Rupees
Key management personnel	Employees		-
Proceeds from sale of vehicles		<u>850,000</u>	
UDL Modaraba Management (Private) Limited	Management Company		
Management fee		<u>3,410,923</u>	-
First UDL Modaraba Staff Provident Fund	Retirement fund		
Contribution		<u>732,589</u>	<u>733,729</u>

30 CAPITAL MANAGEMENT

The objective of the Modaraba when managing capital i.e its certificate holder's equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for certificate holders and benefits to other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Modaraba primarily invests in Musharaka, term deposit receipts and diversified portfolio of listed securities. Such investments are subject to varying degrees of risk, which emanate from various factors. As at June 30, 2021 and 2020, the Modaraba had surplus reserves to meet its requirements.

31 FINANCIAL INSTRUMENTS

31.1 Financial risk management

The Modaraba's objective in managing risks is the creation and protection of Certificate holder's value. Risk is inherent in the Modaraba activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Modaraba's continuing profitability. The Modaraba is exposed to market risk (which includes profit rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.



Notes to the Financial Statements

for the year ended June 30, 2021

The Modaraba primarily invests in Ijarah (lease) assets, Musharakah and diversified portfolio of listed securities. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to:

(i) **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba attempts to control credit risk by monitoring credit exposures, limiting transactions with various parties and continuous monitoring of credit worthiness of dealing parties. The management understands that the Modaraba is not exposed to any major concentration of credit risk.

Exposure to Credit Risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2021 is the carrying amount of the financial assets as set out below:

	2021	2020
	Rupees	
Business		
Diminishing Musharakah financing	134,533,505	46,166,243
Investments	367,235,608	224,527,456
Ijarah receivables	28,210	1,143,002
Deposits	1,384,350	1,354,350
Advances	2,625,949	3,323,720
Other receivables	1,774,616	3,280,856
Bank balances	109,716,239	66,944,964
	<u>617,298,477</u>	<u>346,740,591</u>

Credit risk ratings

The Modaraba maintains balances with banks having reasonably high long term credit rating which are summarized as follows:

Banks	Short term	Long term	Agency	2021	2020
				Rupees	
Habib Bank	A1+	AAA	JCR	174,258,573	36,009,909
Bank Islami Pakistan	A1+	A+	PACRA	4,693	4,693
Dubai Islamic Bank	A1+	AA-	JCR	344,998	13,751,183
Albaraka Islamic Bank	A1	A	PACRA	22,569,730	20,505,282
Faysal Bank	A1+	AA	PACRA	1,168,040	146,235
Askari Bank	A1+	AA	PACRA	61,330,544	-
				<u>259,676,578</u>	<u>70,417,303</u>

Concentration of credit risk

Concentration is the relative sensitivity of the Modaraba's performance to developments affecting a particular industry or geographical location.

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic, political or other conditions.

The Modaraba's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. Details of Modaraba's concentration of credit risk by industrial distribution are as follows;

Notes to the Financial Statements

for the year ended June 30, 2021

	2021		2020	
	Rupees	%	Rupees	%
Segment by class of business major Ijarah assets				
Modaraba	-	-	258,968	2.14%
Cargo, Trading & distribution	390,084	75.96%	2,365,864	19.53%
Individual	-	-	7,728,807	63.81%
Others	123,463	24.04%	1,758,520	14.52%
	<u>513,547</u>	<u>100.00%</u>	<u>12,112,159</u>	<u>100.00%</u>

	2021		2020	
	Rupees	%	Rupees	%
Segment by class of business of major Diminishing Musharakah assets				
Modaraba	4,192,273	2.44%	1,136,056	2.50%
Cargo, Trading & distribution	55,483,408	32.34%	22,994,349	50.70%
Individual	81,989,617	47.79%	12,224,810	26.95%
Others	29,899,879	17.43%	9,000,150	19.85%
	<u>171,565,177</u>	<u>100.00%</u>	<u>45,355,365</u>	<u>100.00%</u>

(ii) Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

In the case of Modaraba, the liquidity level of Modaraba remained on satisfactory level during the year and Modaraba did not face any difficulty or problem for generation of liquidity.

The financial instruments maturity profile is given below:

	2021			Total
	Upto one year	One year to five years	Over five years	
← Rupees →				
Financial liabilities				
Security deposits	1,406,020	-	-	1,406,020
Accrued and other liabilities	25,614,876	-	-	25,614,876
Unclaimed profit distributions	24,966,072	-	-	24,966,072
	<u>51,986,968</u>	<u>-</u>	<u>-</u>	<u>51,986,968</u>

	2020			Total
	Upto one year	One year to five years	Over five years	
← Rupees →				
Financial liabilities				
Security deposits	6,572,950	7,058,520	-	13,631,470
Diminishing Musharaka	1,567,704	-	-	1,567,704
Trade creditor	6,942,531	-	-	6,942,531
Accrued and other liabilities	25,238,691	-	-	25,238,691
Unclaimed profit distributions	40,321,876	7,058,520	-	47,380,396



Notes to the Financial Statements

for the year ended June 30, 2021

(iii) Market risk

Price risk

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market segments, speculative activities, supply and demand of securities and liquidity in the market. The Modaraba is exposed to unfavorable changes in fair values of investments as a result of changes in prices of securities. As at June 30, 2021, the fair value of equity exposed to price risk was as follows:

Particulars:	Average Cost	Fair Value	Average Cost	Fair Value
	2021		2020	
	← Rupees →			
Equity investment	<u>150,732,502</u>	<u>217,235,608</u>	<u>194,517,490</u>	<u>218,347,570</u>

Risk management

The Modaraba's policy is to manage price risk through diversified and selection of securities and other financial instruments within specified limits set by Investment Committee. The majority of the Modaraba's investments are publicly traded and are valued at the rates provided by stock exchange at which is set as per the trading trend and volumes in the security.

Profit rate risk

Profit rate risk arises from the effects of fluctuations in the prevailing levels of market profit rates on the fair value of financial assets and liabilities and future cash flows.

Risk exposure

The Modaraba has lease financing portfolio. The majority of lease financing portfolio is linked with KIBOR rate as a benchmark. The Modaraba reviews KIBOR on lease financing portfolio on quarterly/six monthly basis.

As at June 30, 2021, the profit of the Modaraba's variable value financial instruments were as follows:

	2021	2020
	Rupees	
Variable rate instruments		
Assets		
Diminishing Musharaka financing	133,934,017	45,240,081
Islamic deposits	<u>95,131,740</u>	<u>51,563,753</u>
	<u>229,065,757</u>	<u>96,803,834</u>
Liabilities		
Diminishing Musharaka financing	<u>-</u>	<u>1,567,704</u>

Notes to the Financial Statements

for the year ended June 30, 2021

Fair value sensitivity analysis for variable rate instruments

An increase of 100 basis points in profit rates would have increased / decreased the profit and loss by the amounts shown below. Reduction in profit rates by 100 basis points would have a vice versa impact. This analysis assumes that all variables remain constant. The analysis is performed on the same basis for the comparative period.

Asset / liability class (Having variable profit rates)	(Increase / Decrease (+/-))	Changes in profit / (loss)	
		2021 ← Rupees →	2020
Assets			
Diminishing Musharaka financing	100 basis points	1,339,340	452,401
Islamic deposits	100 basis points	951,317	515,638
Liabilities			
Diminishing Musharaka financing	100 basis points	-	15,677

Above sensitivities are calculated on the assumption that all factors remain constant except profit rates and resulting variation in fair values of the subjugated investments and impact on the profit and loss.

31.2 Operational Risk

Operational Risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Modaraba's operations either internally within the Modaraba or externally at the Modaraba's service providers, and from external; factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Modaraba's activities.

The Modaraba's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for certificate holders. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of the Management Company. This responsibility encompasses the controls in the following areas:



Notes to the Financial Statements

for the year ended June 30, 2021

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

for the year ended June 30, 2021

	2021			
	Rupees Carrying amount / Cost	Level 1	Level 2	Level 3
Financial assets at amortized cost				
Diminishing Musharakah financing	133,934,017	-	-	-
Diminishing Musharakah financing installments receivable	599,488	-	-	-
Long term deposits	1,384,350	-	-	-
Investment in term deposit receipts	150,000,000	-	-	-
Ijarah rental receivables	28,210	-	-	-
Advances	17,648,863	-	-	-
Other receivables	1,774,616	-	-	-
Cash and bank balances	109,771,934	-	-	-
Financial assets at FVTPL				
Investments	30,728,871	30,728,871	-	-
Financial assets at FVOCI				
Long term investments	186,506,737	186,506,737	-	-
Financial liabilities at amortized cost				
Security deposits	1,406,020	-	-	-
Accrued and other liabilities	25,614,876	-	-	-
Unclaimed profit distributions	24,966,072	-	-	-
2020				
	Rupees Carrying amount / Cost	Level 1	Level 2	Level 3
Financial assets at amortized cost				
Diminishing Musharakah financing	45,240,081	-	-	-
"Diminishing Musharakah financing installments receivable"	926,161	-	-	-
Long term advances and deposits	1,354,350	-	-	-
Investment in term deposits	6,179,886	6,179,886	-	-
Ijarah rental receivables	1,143,002	-	-	-
Advances	3,323,720	-	-	-
Other receivables	3,280,856	-	-	-
Cash and bank balances	67,000,659	-	-	-
Financial assets at FVTPL				
Investments	3,500,000	-	-	-
Financial assets at FVOCI				
Long term investments	214,847,570	214,847,570	-	-
Financial liabilities at amortized cost				
Security deposits	13,631,470	-	-	-
Diminishing Musharakah	1,567,704	-	-	-
Accrued and other liabilities	6,942,531	-	-	-
Unclaimed profit distributions	25,238,691	-	-	-



Notes to the Financial Statements

for the year ended June 30, 2021

33 YIELD / PROFIT RATE RISK EXPOSURE

The information about Modaraba's exposure to yield rate risk, based on contractual refinancing or maturity dates whichever is earlier, is as follows:

	2021		Yield / Profit bearing maturing		Non yield / Profit bearing maturing		Total
	Within one year	After one year	Within one year	Sub total	After one year	Sub total	
Financial assets							
Diminishing Musharakah financing "Diminishing Musharakah financing installments receivable"	32,884,169	101,049,848	133,934,017	-	-	-	133,934,017
Long term investments	-	-	-	-	186,506,737	186,506,737	186,506,737
Long term deposits	-	-	-	1,384,350	-	1,384,350	1,384,350
Investments	150,000,000	-	150,000,000	30,728,871	-	30,728,871	180,728,871
Ijarah rental receivables	-	-	-	28,210	-	28,210	28,210
Advances	-	-	-	2,645,362	-	2,645,362	2,645,362
Other receivables	-	-	-	1,774,616	-	1,774,616	1,774,616
Cash and bank balances	95,131,740	-	95,131,740	14,640,194	-	14,640,194	109,771,934
	(A) 278,015,909	101,049,848	379,065,757	51,801,091	186,506,737	237,708,340	617,373,585
Financial liabilities							
Long term security deposits	-	-	-	-	1,406,020	1,406,020	1,406,020
Accrued and other liabilities	-	-	-	29,025,798	-	29,025,798	29,025,798
Unclaimed profit distributions	-	-	-	24,966,072	-	24,966,072	24,966,072
	(B) -	-	-	53,991,870	1,406,020	55,397,890	55,397,890
On-balance sheet gap	(A-B) 278,015,909	101,049,848	379,065,757	(2,190,779)	185,100,717	182,217,450	561,975,695

Rupees



Notes to the Financial Statements

for the year ended June 30, 2021

2020	Yield / Profit bearing maturing			Non yield / Profit bearing maturing			Total
	Within one year	After one year	Sub total	Within one year	After one year	Sub total	
	Rupees						
Financial assets							
Diminishing Musharakah financing	3,277,233	41,962,848	45,240,081	-	-	-	45,240,081
Diminishing Musharakah financial installments receivable	926,161	-	926,161	-	-	-	926,161
Long term investments	-	-	-	-	214,847,570	214,847,570	214,847,570
Long term deposits	-	-	-	1,354,350	-	1,354,350	1,354,350
Investments	-	-	-	9,679,886	-	9,679,886	9,679,886
Ijarah rental receivables	-	-	-	1,143,002	-	1,143,002	1,143,002
Advances	-	-	-	3,323,720	-	3,323,720	3,323,720
Other receivables	-	-	-	3,280,856	-	3,280,856	3,280,856
Cash and bank balances	51,563,753	-	51,563,753	15,436,906	-	15,436,906	67,000,659
(A)	55,767,147	41,962,848	97,729,995	34,218,720	214,847,570	249,066,290	346,796,285
Financial liabilities							
Long term security deposits	-	-	-	6,572,950	7,058,520	13,631,470	13,631,470
Diminishing Musharakah	1,567,704	-	1,567,704	-	-	-	1,567,704
Accrued and other liabilities	-	-	-	6,942,531	-	6,942,531	6,942,531
Unclaimed profit distributions	-	-	-	25,238,691	-	25,238,691	25,238,691
(B)	1,567,704	-	1,567,704	38,754,172	7,058,520	45,812,692	47,380,396
(A-B)	49,996,049	41,962,848	96,162,291	(4,535,452)	207,789,050	203,253,598	299,415,889
On-balance sheet gap							

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve.

Profit rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market profit rates.



Notes to the Financial Statements

for the year ended June 30, 2021

34 SEGMENT INFORMATION

	2021					Total
	Diminishing Musharaka financing	Investments	Ijarah operations	Rental property	Others	
	← Rupees →					
Segment Revenues	7,665,645	19,337,611	6,445,973	10,999,892	11,062,166	55,511,287
Segment Results						
Segment income	7,665,645	19,337,611	6,445,973	10,999,892	-	44,449,121
Other income	-	-	-	-	11,062,166	11,062,166
Operating expenses	-	-	(2,605,057)	(1,767,422)	-	(4,372,479)
"Unallocated operating expenses"	-	-	-	-	(36,707,150)	(36,707,150)
Unrealized gain	-	19,677,567	-	-	-	19,677,567
Management fees	-	-	-	-	(3,410,923)	(3,410,923)
SST on management fees	-	-	-	-	(443,420)	(443,420)
Profit for the year	<u>7,665,645</u>	<u>39,015,178</u>	<u>3,840,916</u>	<u>9,232,470</u>	<u>(29,499,327)</u>	<u>30,254,882</u>
Other information						
Capital expenditure	-	-	-	-	8,998,339	8,998,339
"Depreciation and amortization"	-	-	2,605,055	1,767,422	4,875,837	9,248,314
Assets and liabilities						
Segment assets	134,533,505	367,235,608	1,809,877	134,321,080	-	637,900,070
Unallocated assets	-	-	-	-	158,071,786	158,071,786
Total assets	<u>134,533,505</u>	<u>367,235,608</u>	<u>1,809,877</u>	<u>134,321,080</u>	<u>158,071,786</u>	<u>795,971,856</u>
Segment liabilities	-	-	1,406,020	6,000,000	-	7,406,020
Unallocated liabilities	-	-	-	-	174,227,300	174,134,316
Total liabilities	-	-	<u>1,406,020</u>	-	<u>174,227,300</u>	<u>181,540,336</u>



Notes to the Financial Statements

for the year ended June 30, 2021

	2020					Total
	Diminishing Musharaka financing	Investments	Ijarah operations	Rental property	Others	
	← Rupees →					
Segment Revenues	9,873,293	4,320,189	11,462,850	12,500,000	8,763,897	46,920,230
Segment Results						
Segment income	9,873,293	4,320,189	11,462,850	12,500,000	-	38,156,332
Other income	-	-	-	-	8,763,897	8,763,897
Operating expenses	-	-	(8,624,589)	(3,702,082)	-	(12,326,671)
"Unallocated operating expenses"	-	-	-	-	(37,951,703)	(37,951,703)
Unrealized gain	-	557,519	-	-	-	557,519
Provision for taxation	-	-	-	-	-	-
Profit / (loss) for the year	<u>9,873,293</u>	<u>4,877,709</u>	<u>2,838,261</u>	<u>8,797,918</u>	<u>(29,187,806)</u>	<u>(2,800,625)</u>
Other information						
Capital expenditure	-	-	-	476,385	939,320	1,415,705
Depreciation	-	-	8,624,589	3,702,082	7,958,174	20,284,845
Assets and liabilities						
Segment assets	46,166,243	224,527,456	13,255,161	70,696,842	-	354,645,702
Unallocated assets	-	-	-	-	177,896,866	177,896,866
Total assets	<u>46,166,243</u>	<u>224,527,456</u>	<u>13,255,161</u>	<u>70,696,842</u>	<u>177,896,866</u>	<u>532,542,568</u>
Segment liabilities	-	-	13,631,470	-	1,567,704	15,199,174
Unallocated liabilities	-	-	-	-	34,837,940	34,837,940
Total liabilities	-	-	<u>13,631,470</u>	-	<u>36,405,644</u>	<u>50,037,114</u>



Notes to the Financial Statements

for the year ended June 30, 2021

	2021	2020
35 NUMBER OF EMPLOYEES		
Total employess as at the year end	<u>21</u>	<u>21</u>
Average employees during the year	<u>21</u>	<u>21</u>

36 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangement or reclassification has been made in these financial statements during the current year.

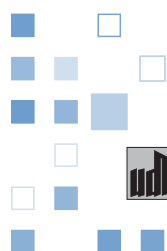
37 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors have proposed cash dividend for the year ended June 30, 2021 of Rs. 1.10 per certificate i.e. 11% (2020: bonus in the proportion of 01 certificate for every 10 certificates i.e. 10%) held at their meeting held on 29th September 2021. The financial statements for the year ended June 30, 2021 do not include the effect of the above which will be accounted for in the period in which it is declared.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 29th September 2021 by the Board of Directors of the Management Company.

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



-Sd-
Chief Financial Officer
S. Aamir Hussain

-Sd-
Chief Executive
Shuja Malik

-Sd-
Director
Farah Qureshi

-Sd-
Director
Majid Hasan



First UDL Modaraba

Pattern of Certificate Holding

Held by the Certificate Holders as at June 30, 2021

Number of Certificate	Certificate Holdings		Total Certificate Held
	From	To	
686	1	to 100	28,186
812	101	to 500	200,669
349	501	to 1000	255,646
993	1001	to 5000	1,966,380
162	5001	to 10000	1,148,504
83	10001	to 15000	1,041,063
35	15001	to 20000	628,278
39	20001	to 25000	890,369
22	25001	to 30000	608,856
14	30001	to 35000	468,129
11	35001	to 40000	418,286
9	40001	to 45000	386,572
6	45001	to 50000	284,441
6	50001	to 55000	316,849
3	55001	to 60000	174,019
2	60001	to 65000	124,496
6	65001	to 70000	401,620
4	70001	to 75000	293,241
1	75001	to 80000	78,500
2	80001	to 85000	168,504
3	85001	to 90000	265,595
2	90001	to 95000	183,765
5	95001	to 100000	484,917
2	100001	to 105000	209,000
4	105001	to 110000	438,112
2	110001	to 115000	225,739
1	130001	to 135000	134,410
1	135001	to 140000	135,500
2	150001	to 155000	307,065
1	155001	to 160000	159,054
1	165001	to 170000	167,706
1	190001	to 195000	191,450
1	200001	to 205000	200,090
1	205001	to 210000	208,643
1	210001	to 215000	211,024
1	225001	to 230000	226,270
1	270001	to 275000	274,000
1	295001	to 300000	296,421
1	305001	to 310000	306,000
1	325001	to 330000	328,757
1	350001	to 355000	351,912
1	380001	to 385000	385,000
1	440001	to 445000	441,073
1	450001	to 455000	452,540
1	465001	to 470000	470,000
1	585001	to 590000	589,326
1	730001	to 735000	732,050
2	995001	to 1000000	1,996,500
1	1995001	to 2000000	1,997,032
1	2015001	to 2020000	2,015,255
1	4275001	to 4280000	4,279,953
1	6570001	to 6575000	6,573,781
<u>3291</u>			<u>35,120,548</u>



Categories of Certificate Holders

As at June 30, 2021

Categories of Certificateholders	Certificateholders	Certificate Held	Percentage (%)
Directors and their spouse(s) and minor children			
MAJID HASAN	1	3,969	0.01
SHUJA MALIK	1	2,015,255	5.74
Associated Companies, undertakings and related parties			
SHAHIDA MALIK	1	1,999,694	5.70
KHALID MALIK	1	4,664,953	13.28
SUNYA AHMED	1	998,250	2.84
KOMAL MALIK	1	998,250	2.84
TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	1	167,706	0.48
UDL MODARABA MANAGEMENT (PVT) LTD	1	6,573,781	18.72
NIT & ICP	1	5,842	0.02
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	8	7,858	0.02
Insurance Companies	1	441,073	1.26
Modarabas and Mutual Funds	10	391,589	1.11
General Public			
a. Local	3226	14,439,980	41.11
b. Foreign	1	1,500	0.00
Foreign Companies	1	2,863	0.01
Others	34	240,798,5	6.86
	3291	35,120,548	100.00

Certificate holders holding 5% or more

	Shares Held	Percentage
KHALID MALIK	4,664,953	13.28
UDL MODARABA MANAGEMENT (PVT) LTD	6,573,781	18.72
SHAHIDA MALIK	1,999,694	5.70
SHUJA MALIK	2,015,255	5.74

Notice of Annual Review Meeting

Notice is hereby given to the certificate holders of the First UDL Modaraba that the 21st Annual Review Meeting of the certificate holders will be held at NBFI & Modaraba Association of Pakistan, office # 602, Progressive Centre, 30-A, Block-6 PECHS, Shahrah-e-Faisal, Karachi on Wednesday October 27, 2021 at 10:00 a.m. to transact the following business:

Ordinary Business:

1. To confirm the minutes of last annual review meeting held on October 27, 2020.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2021 together with the Chairman, Director, Shariah advisor and independent Auditors reports thereon.
3. To inform certificate-holders of declared cash dividend @ 11% i.e. Rs. 1.10 per certificates for the financial year June 30, 2021.
4. To inform the certificate-holders regarding appointment of auditors and to fix their remuneration for the year ending June 30, 2022. The present Auditors M/s Grant Thornton Anjum Rehman & Co. Chartered Accountants retire and being eligible, offer themselves for re-appointment. Upon recommendation from the Audit Committee M/s Grant Thornton Anjum Rehman & Co. Chartered Accountants have been appointed as auditors. (subject Approval by the Registrar Modaraba)

Transfer of Book Closure:

1. The certificate holders whose names appear on the register of certificate holders of FUDLM on the close of business as on October 20, 2021 eligible to attend the Annual Review Meeting.
2. The Management of the Modaraba has approved Cash Dividend @ 11% i.e. Rs. 1.10 per certificate. The certificate transfer books of the Modaraba will remain closed from October 21, 2021 to October 27, 2021. Transfers received in order at the office of our registrar CDC Registrar Service Ltd. CDC House Shahrah-e-Faisal Karachi before the close of business hours on Wednesday, October 20, 2021.
3. The Certificate holders of First UDL Modaraba are notified that the annual financial statements for the year ended June 30, 2021 have been uploaded at company's website <http://www.udl.com.pk>

-Sd-

Syed Aamir Hussain
Company Secretary
By Order of the Board

Karachi: October 06, 2021



First UDL Modaraba

اطلاع سالانہ جائزہ اجلاس

فرسٹ یو ڈی ایل مضاربہ کے سرٹیفکیٹ ہولڈرز کو بذریعہ ہذا اطلاع دی جاتی ہے کہ سرٹیفکیٹ ہولڈرز کا ۲۱ واں سالانہ جائزہ اجلاس بمقام این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان، دفتر نمبر ۶۰۲، پروگریسیو سینٹر، ۳۰-اے، بلاک-۶، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی میں بروز بدھ ۲۷ اکتوبر ۲۰۲۱ء کو صبح ۱۰:۰۰ بجے، ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کیلئے مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا:

عمومی کارروائی

- ۱۔ ۲۷ اکتوبر ۲۰۲۰ء کو منعقد کی جانے والی گزشتہ سالانہ جائزہ اجلاس کی کارروائیوں کی توثیق۔
- ۲۔ ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کیلئے آڈٹ شدہ مالیاتی حسابات مع ان پر چیئرمین، ڈائریکٹر، شریعہ ایڈوائزر اور انڈیپنڈنٹ آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور انہیں رائج کرنا۔
- ۳۔ سرٹیفکیٹس ہولڈرز کو مالی سال ۳۰ جون ۲۰۲۱ء کیلئے اعلان کردہ اسٹاک منافع منقسمہ بشرح ۱۱ فیصد یعنی ۱.۱۰ روپے ہر سرٹیفکیٹس کیلئے ایک سرٹیفکیٹ کے بارے میں مطلع کرنا۔
- ۴۔ سرٹیفکیٹ ہولڈرز کو 30 جون، 2022 کو اختتام پذیر ہونے والے سال کے لئے آڈٹرز کی تقرری اور ان کے مشاہیرے کو طے کرنے سے متعلق آگاہ کرنا۔ موجودہ آڈٹرز میسرز گرانٹ تھورنٹن انجم رحمان اینڈ چارٹرڈ اکاؤنٹنٹس سبکدوش ہو رہے ہیں اور اہل ہیں، اس لئے خود کو دوبارہ تقرری کیلئے پیش کرتے ہیں آڈٹ کمپنی کی طرف سے سفارشات پر میسرز گرانٹ تھورنٹن انجم رحمان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بطور آڈٹرز دوبارہ مقرر کیا جا رہا ہے (رجسٹرار مضاربہ کی جانب سے منظوری کا اطلاق ہوگا)۔

کتاب بندش کی منتقلی

- ۱۔ سرٹیفکیٹ ہولڈرز جن کے نام ایف یو ڈی ایل ایم کے سرٹیفکیٹ ہولڈرز کے رجسٹر میں ۲۰ اکتوبر ۲۰۲۱ء کو کاروبار کے اختتام پر موجود ہونگے، سالانہ جائزہ اجلاس میں شرکت کیلئے اہل ہوں گے۔
- ۲۔ مضاربہ کی مینجمنٹ نے 11% یعنی 1.10 روپے فی سرٹیفکیٹ کے نقد منافع منقسمہ کی منظوری دے دی ہے۔ سرٹیفکیٹ ٹرانسفر بکس 21 اکتوبر، 2021 سے 27 اکتوبر، 2021 تک بند رہے گی۔ حاصل کردہ ٹرانسفرز یعنی منتقلات جو ہمارے رجسٹرار سی ڈی سی رجسٹرار سروس لمیٹڈ کے دفتر واقع سنٹرل ڈپازٹری کمپنی پاکستان لمیٹڈ، سی ڈی سی ہاؤس، شارع فیصل، کراچی، میں بروز بدھ، 20 اکتوبر، 2021 کو کاروباری اوقات کار کے اختتام سے قبل موصول ہوں گے انہیں درست تصور کیا جائے گا۔
- ۳۔ فرسٹ یو ڈی ایل مضاربہ کے سرٹیفکیٹ ہولڈرز کو اطلاع دی جاتی ہے کہ ۳۰ جون ۲۰۲۰ء کو ختم ہونے والے سال کے لئے سالانہ مالی حسابات کمپنی کی ویب سائٹ <http://www.udl.com.pk> پر اپ لوڈ کر دیئے گئے ہیں۔

حسب الحکم بورڈ
سید عامر حسین
کمپنی سیکریٹری

کراچی:

۶ اکتوبر ۲۰۲۱ء



First UDL Modaraba

FORM OF PROXY

The Secretary
First UDL Modaraba
1st Floor, Business Enclave,
77-C, 12th Commercial Street,
Off: Kh-e-Ittehad, DHA Phase II (Ext.)
Karachi-75500.

I/We _____

of _____ in the district of _____

being a member of First UDL Modaraba and holder of _____

_____ Certificates as per Certificate Register Folio _____

(No. of Certificate) _____

No. _____ and/or CDC Participant I.D. No. _____

And Sub. Account No. _____ hereby appoint _____

of _____ in the district of _____

or failing him _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the Annual Review Meeting of the Modaraba to be held on October 27, 2021 and at any adjournment thereof.

WITNESSES 1

Signature _____

Name _____

CNIC /Passport No. _____

Address _____

WITNESSES 2

Signature _____

Name _____

CNIC /Passport No. _____

Address _____

The signature should agree with
specimen registered with the
Modaraba.

Signature on Rs. 5/-
revenue stamps

Note :

1. This proxy form duly completed and signed, must be received at the Registered Office of the Modaraba or Share Registrar of the Company, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she himself /herself is a member of the Modaraba, except that a corporation may appoint a person who is not a member.
3. If a member appoint more than one proxy and more than one instrument of proxy are deposited by a member with the Modaraba, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his original CNIC or original passport at the time of meeting.
- iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Modaraba.

سیکرٹری
فرسٹ یوڈی ایل مضاربہ
فرسٹ فلور، بزنس انکلیو،
12th، 77-C، کمرشل اسٹریٹ، خیابان اتحاد،
ڈی ایچ اے فیز 2، (Ext.) - کراچی - 75500

پراکسی فارم

میں / ہم - برائے - فرسٹ یوڈی ایل مضاربہ کے ممبر (ز) اور - سرٹیفکیٹس کے
ہولڈر بطور سرٹیفکیٹ رجسٹرڈ فوئیو / CDC اکاؤنٹ نمبر - تقرر کرتا ہوں - فوئیو / CDC اکاؤنٹ نمبر - اور
اور - شناختی کارڈ / پاسپورٹ نمبر - جس کے ذریعے - فوئیو / CDC
اکاؤنٹ نمبر - کا شناختی کارڈ / پاسپورٹ نمبر - جو مضاربہ کا ممبر بھی ہے میرے / ہمارے پراکسی کے طور پر مجھے / ہمیں
سالانہ ریویو میٹنگ جو 27 اکتوبر 2021 منعقد کی جائے گی میں ووٹ ڈالنے کا اہل ہے۔

گواہان:

دستخط
نام
ایڈریس
شناختی کارڈ / پاسپورٹ نمبر

گواہان:

دستخط
نام
ایڈریس
شناختی کارڈ / پاسپورٹ نمبر

5 روپے کے ریویو ٹکٹ پر
دستخط

یہ دستخط مضاربہ کے پاس رجسٹرڈ شدہ
دستخط جیسی ہونی چاہیے

اہم نکات:

- 1- میٹنگ سے 48 گھنٹے قبل پراکسی کا یہ فارم جو ہر لحاظ سے مکمل اور دستخط شدہ ہو مضاربہ کے رجسٹرڈ آفس یا کمپنی کے شیئر رجسٹرار کے پاس جمع کرا دیا جائے۔
- 2- کوئی بھی فرد خود سے ممبر کے طور پر کام نہیں کر سکتا جب تک کہ مضاربہ کسی فرد کو ممبر مقرر نہ کرے۔
- 3- اگر کوئی ممبر ایک سے زائد نمائندہ مقرر کرتا ہے اور ممبر کی جانب سے مضاربہ کو نمائندہ کی ایک سے زائد دستاویز جمع کرواتا ہے تو نمائندہ کی اس طرح کی تمام دستاویزات غیر قانونی تصور ہوں گی۔

برائے CDC اکاؤنٹ ہولڈرز / کارپوریٹ ادارے:

- i- پراکسی کے لیے دو لوگوں نے گواہی دی وہ جن کے نام، پتہ اور شناختی کارڈ یا پاسپورٹ نمبر فارم پر درج ہوں۔
- ii- پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
- iii- پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
- iv- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف آٹارنی مع دستخط کے نمونے پراکسی کے ہمراہ (اگر پہلے جمع نہ کرایا ہو) مضاربہ میں جمع کروانی ہوگی۔



First UDL Modaraba

1st Floor, Business Enclave, 77-C, 12th Commercial Street, Off: Kh-e-Ittehad, DHA Phase II (Ext.) Karachi-75500.

Tel: 021-35310561-5 Fax: 021-35310566 Email: info@udl.com.pk Web: www.udl.com.pk