

**QUARTERLY  
REPORT**  
SEPTEMBER 30, 2021



**First UDL Modaraba**

## Corporate Information

MODARABA MANAGEMENT COMPANY	UDL Modaraba Management (Private ) Limited	
Board of Directors	Majid Hasan Shuja Malik Farah Qureshi A.Rahim Suriya	Chairman ( Non Executive Director) Chief Executive Officer Non Executive Director Non Executive Director
Company Secretary	Syed Aamir Hussain	
Audit Committee	A.Rahim Suriya Majid Hasan Farah Qureshi	Chairman Member Member
Human Resource & Remuneration Committee	Majid Hasan Farah Qureshi A.Rahim Suriya	Chairman Member Member
Auditors	Grant Thornton Anjum Rehman & Co. Chartered Accountants	
Bankers	Albaraka Bank Limited Habib Bank Limited Askari Bank Limited	
Registrar	CDC Share Registrar Services Ltd Central Depository Company of Pakistan Ltd. CDC House, Shahra -e-Faisal, Karachi	
Shariah Advisor	Mufti Abdul Qadir	
Legal Advisor	Mohsin Tayebaly & Co. 2nd Floor Dime Centre,BC-4,Block -9, Kehkashan, Clifton, Karachi.	
Tax Advisor	EY Ford Rhodes Sidat Hyder & Co. Chartered Accountants Progressive Plaza, Beaumont Road Karachi	
Associated Company	UDL Pharmaceuticals Pakistan (Pvt) Limited.	
Head Office & Registered Office	1st Floor, Business Enclave. 77-C, 12th Commercial Street, Off: Kh-e-Ittehad, DHA Phase II (Ext.) Karachi.	
Phone	092 - 21 - 35310561-5	
Fax	092 - 21 - 35310566	
E-Mail	<a href="mailto:info@udl.com.pk">info@udl.com.pk</a>	
Web	<a href="http://www.udl.com.pk">www.udl.com.pk</a>	

## **DIRECTORS' REPORT**

The Board of Directors of UDL Modaraba Management (Private) Limited takes pleasure in presenting the un-audited accounts of First UDL Modaraba for the quarter ended September 30, 2021.

### **Review of Operations:**

During the quarter income increased by 10.54%, from Rs. 11.36 million to Rs. 12.56 million as compared to the same period last year. Operating expenses, reduced by 10.55% from Rs. 9.21 million to Rs. 8.24 million. As a result operating profit improved by 107.64% from Rs. 2.08 million to Rs. 4.32 million.

The Modaraba posted a net profit of Rs. 0.05 million as compared to Rs. 1.84 million in the same period of last year. The decline in net profit is mainly due to unrealized loss on investments of Rs. 3.41 million and provision for taxation of Rs. 0.73 million.

The stock market remained turbulent towards the end of the quarter, which resulted in the decline in profitability mainly due to unrealized losses on investment. The management is hopeful that the situation is short term and would improve in the subsequent period.

### **Future Outlook:**

Efforts are being made to plough additional funds into Diminishing Musharika financing, which would help improve the profitability of the Modaraba. However, with a low Kibor rate, profitability from financing activities would remain low in the short term.

### **Acknowledgement:**

The Board would like to take this opportunity to thank the Registrar Modarabas and other officials of the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) for their continuous guidance and support.

The Board would also like to thank valued customers and certificate-holders for reposing trust and confidence in the Modaraba, and to the members of Management and Staff for their commitment and dedication.

For and on behalf of the Board

---Sd---

**Shuja Malik**  
**Chief Executive**

**Date: 28th October' 2021.**

**FIRST UDL MODARABA  
CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2021**

	(Un-audited) September 30, 2021	Audited June 30, 2021
Note	<u>' Rupees in "000"</u>	
<b>LIABILITIES AND EQUITY</b>		
<b>Certificate holders' equity</b>		
<b>Certificate capital:</b>		
Authorized capital 50,000,000 (June 30, 2021: 50,000,000) modaraba certificates of Rupees 10 each	500,000	500,000
Issued, subscribed and paid up certificate capital	5. 351,206	351,205
Statutory reserve	177,628	177,628
<b>Revenue reserves</b>		
Unappropriated Profit	39,839	38,774
<b>Total equity</b>	<b>568,673</b>	<b>567,607</b>
Surplus on revaluation of Investments	21,299	46,824
<b>Current liabilities</b>		
Current portion of security deposits	909	1,406
Accrued and other liabilities	188,264	155,168
Unclaimed profit distributions	24,966	24,966
	214,139	181,540
<b>Contingencies and commitments</b>	6. -	-
<b>Total liabilities and equity</b>	<b>804,111</b>	<b>795,972</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets - tangible	7. 23,733	25,222
Intangibles assets	2,574	2,821
Long term investments	8. 163,394	186,507
Diminishing Musharakah Financing	103,222	101,050
Long term deposits	1,384	1,384
	294,307	316,984
<b>Current assets</b>		
Investments	9. 176,051	180,729
Current portion of Diminishing Musharakah financing	34,407	32,884
Ijarah rental receivables	4	28
Diminishing Musharakah financing installments receivable	699	599
Advances	17,445	17,649
Prepayments and other receivables	10,067	3,005
Cash and bank balances	10. 136,809	109,772
	375,482	344,667
Non current assets held for sale	134,321	134,321
<b>Total assets</b>	<b>804,111</b>	<b>795,972</b>

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

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

**-Sd-  
C.F.O  
Syed Aamir Hussain**

**-Sd-  
CHIEF EXECUTIVE  
Shuja Malik**

**-Sd-  
DIRECTOR  
Farah Qureshi**

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

**FIRST UDL MODARABA  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Note	Quarter Ended	
		September 2021	September 2020
		----- Rupees "000" -----	
		<i>Restated</i>	
<b>Revenue from:</b>			
- Ijarah Lease Financing		57	406
- Diminishing Musharaka Financing		3,894	1,169
- Investments		3,834	3,193
- Other sources		3,385	3,395
- Rental Property		1,394	3,203
		<u>12,564</u>	<u>11,366</u>
<b>Expenses</b>			
Operating expenses		8,242	9,214
Financial charges		3	72
		<u>8,245</u>	<u>9,286</u>
<b>Operating profit</b>		<u><b>4,319</b></u>	<u><b>2,080</b></u>
Unrealised (loss) on re-measurement of investment at fair value through profit or loss		(3,409)	(4)
		<u><b>910</b></u>	<u><b>2,076</b></u>
<b>Less :</b>			
Provision for Sindh Workers Welfare Fund		14	-
Modaraba company's management fee		91	208
Sales Tax on Management Fee		12	27
		<u>117</u>	<u>235</u>
<b>Profit before taxation</b>		<u>793</u>	<u>1,841</u>
<b>Less :</b>			
Taxation		(736)	-
<b>Profit for the period afer taxation</b>		<u><b>57</b></u>	<u><b>1,841</b></u>
		<i>Restated</i>	
<b>Earning per certificate - basic and diluted</b>	11	<u><b>0.00</b></u>	<u><b>0.05</b></u>

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**FIRST UDL MODARABA  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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	<u>Quarter Ended</u>	
	<u>September 2021</u>	<u>September 2020</u>
	----- Rupees "000" -----	
<b>Profit for the period after taxation</b>	57	1,841
<b>Other comprehensive Loss</b>		
Unrealised loss on re-measurement of available for sale investments	(25,525)	(23,819)
<b>Total comprehensive Loss</b>	<u>(25,468)</u>	<u>(21,978)</u>

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**FIRST UDL MODARABA**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 2021	September 2020
	----- Rupees "000" -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	57	1,841
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	778	2,398
Amortization on intangible assets	247	247
Depreciation on assets leased out under Ijarah	214	1,344
Financial charges	3	72
(Gain) on sale of own assets	-	(2,966)
(Gain) on sale of investment	55	(3,183)
Dividend income	(3,889)	(9)
Unrealised gain on re-measurement of investments at fair value through profit or loss	3,409	4
	<u>817</u>	<u>(2,094)</u>
	<b>874</b>	<b>(253)</b>
<b>Changes in working capital:</b>		
<b>(Increase) / decrease in current assets</b>		
Ijarah rental receivables	24	500
Diminishing Musaharakah Financing	(3,795)	(22,547)
Advances - considered good	204	(938)
Prepayments and other receivables	(7,062)	2,938
	<u>(10,629)</u>	<u>(20,047)</u>
<b>Increase in current liabilities</b>		
Current maturity of security deposits	(497)	(561)
Accrued and other liabilities	33,096	3,986
	<u>22,844</u>	<u>(16,874)</u>
Financial charges paid	(3)	(72)
	<u>(3)</u>	<u>(72)</u>
<i>Net cash flows generated/(used in) from operating activities</i>	<b>22,841</b>	<b>(16,947)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets - leased out	-	-
Purchase of fixed assets - own	-	(241)
Proceeds from sale of fixed assets - own	-	4,000
Proceeds from sale of fixed assets - Leased out	(498)	561
Dividend Income received	3,889	9
Sale of Investment - Net	805	23,257
Purchase of Investment	-	-
<i>Net cash flows (used in)/generated from investing activities</i>	<b>4,197</b>	<b>27,585</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Diminishing Muharakah financing	-	21,857
<i>Net cash flows (used in)/generated from financing activities</i>	<u>-</u>	<u>21,857</u>
<b>Net change in cash and cash equivalents during the period</b>	<b>27,037</b>	<b>32,497</b>
Cash and cash equivalents at the beginning of the period	109,772	67,001
<b>Cash and cash equivalents at the end of the period</b>	<b>136,809</b>	<b>99,497</b>

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**DIRECTOR**  
**Farah Qureshi**

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

**FIRST UDL MODARABA  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Certificate Capital	*Statutory Reserve	Unappropriated Profit / (Loss)	Total Certificate Holders' Equity
----- Rupees"000" -----				
<b>Balance as at June 30, 2020</b>	319,278	203,626	(63,113)	459,790
Other comprehensive income for the year ended June 30, 2020	-	-	29,650	29,650
Transferred from other comprehensive income	-	-	78,167	78,167
Transferred to statutory reserve at 20%		5,930	(5,930)	-
<i>Transactions with certificate holders of the modaraba</i>				
Bonus shares issued for the year ended June 30, 2020(10%)	31,928	(31,928)	-	-
<b>Balance as at June 30, 2021</b>	<b>351,206</b>	<b>177,628</b>	<b>38,774</b>	<b>567,607</b>
Other comprehensive income for the quarter ended september 30, 2021	-	-	57	57
Transferred from other comprehensive income	-	-	1,008	1,008
<b>Balance as at September 30, 2021</b>	<b>351,206</b>	<b>177,628</b>	<b>39,839</b>	<b>568,673</b>

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

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Farah Qureshi**

**-Sd-  
DIRECTOR  
A.Rahim Suriy**



**1. LEGAL STATUS AND NATURE OF THE BUSINESS**

First UDL Modaraba (the Modaraba) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under, having its registered office at Business Enclave, 77-C, 1st Floor, 12th Commercial street, phase II, Ext. D.H.A, Karachi and is managed by UDL Modaraba Management (Private) Limited, a company incorporated in Pakistan. It is a perpetual, multipurpose and multidimensional Modaraba and is engaged in providing finance on Murabaha and Musharaka arrangements, Ijarah, commodity trading, manufacturing and trading of pharmaceutical products, and trading in listed and non-interest bearing securities. The Modaraba is listed on Pakistan Stock Exchange.

**2. BASIS OF PREPARATION**

This financial statements comprise balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity and the notes forming part thereof for the Quarter ended September 30, 2021 have been prepared under the historical cost convention except for: investments - available for sale and investment - at fair value through profit or loss have been recognised at fair value.

**3. STATEMENT OF COMPLIANCE**

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

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2021 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2021 whereas the comparative interim profit and loss account, interim statement of comprehensive income, cash flow statement and statement of changes in equity for the quarter ended period ended September 30, 2019 have been extracted from the condensed interim financial information for quarter ended period ended September 30, 2019.

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

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2021.

**5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL**

Un-audited September 30, 2021 -----Number of certificates-----	Audited June 30, 2021		Un-audited September 30, 2021 ----- Rupees "000" -----	Audited June 30, 2021
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	<b>176,689</b>	176,689
17,451,663	17,451,663	Modaraba certificates issued as fully paid bonus certificates	<b>174,517</b>	174,517
<b>35,120,548</b>	<b>35,120,548</b>		<b>351,206</b>	<b>351,206</b>

**6. CONTINGENCIES AND COMMITMENTS**

There is no change in the status of contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2021.

	Note	Un-audited September 30, 2021 ----- Rupees "000" -----	Audited June 30, 2021
<b>7. FIXED ASSETS - tangible</b>			
Assets in own use		22,663	23,441
Assets leased out		1,070	1,782
		<b>23,733</b>	<b>25,222</b>

**8. LONG TERM INVESTMENTS**

<b>Available for sale</b>			
Listed companies		<b>163,394</b>	186,507
		<b>163,394</b>	<b>186,507</b>

**9. FINANCIAL ASSETS - INVESTMENTS at fair value through profit or loss**

Listed companies		<b>26,051</b>	30,729
TDR Account		<b>150,000</b>	150,000
		<b>176,051</b>	<b>180,729</b>

**10 CASH AND BANK BALANCES**

Cash in hand		<b>56</b>	56
<b>Cash at banks</b>			
- PLS saving accounts	10.1	<b>122,169</b>	95,132
- Current accounts		<b>14,584</b>	14,584
		<b>136,753</b>	109,716
		<b>136,809</b>	<b>109,772</b>

**10.1** These carry profit ranging between 3 % to 6 % (2021: 3% to 6%) per annum.

Un-audited	
Quarter ended	
September 30, 2021	September 30, 2020
----- Rupees "000" -----	

**11 EARNING PER CERTIFICATE**

	<i>Restated</i>	
Profit for the period afer taxation	57	1,841
Weighted average number of certificates	35,120,548	35,120,548
Earnings per certificate - basic	0.00	0.05

**12 FINANCIAL RISK MANAGEMENT**

The Modarabas' financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2021

**13 DATE OF AUTHORIZATION FOR ISSUE**

The condensed interim financial information were approved and authorized for issue on 28th October, 2021 by the Board of Directors of the Modaraba company.

**14 GENERAL**

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

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

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**C.F.O**  
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**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