

QUARTERLY REPORT

NINE MONTHS PERIOD ENDED
MARCH 31, 2022



First UDL Modaraba

Corporate Information

MODARABA MANAGEMENT COMPANY	UDL Modaraba Management (Private) Limited	
Board of Directors	Majid Hasan Shuja Malik Farah Qureshi Abdul Rahim Suriya	Chairman (Non Executive Director) Chief Executive Officer Non Executive Director Non Executive Director
Company Secretary	Syed Aamir Hussain	
Audit Committee	Abdul Rahim Suriya Majid Hasan Farah Qureshi	Chairman Member Member
Human Resource & Remuneration Committee	Majid Hasan Farah Qureshi Abdul Rahim Suriya	Chairman Member Member
Auditors	Grant Thornton Anjum Rahman & Co. Chartered Accountants	
Bankers	Albaraka Bank Limited Askari Bank Limited Habib Bank Limited Dubai Islamic Bank Limited	
Registrar	CDC Share Registrar Services Ltd Central Depository Company of Pakistan Ltd. CDC House, Shahra -e-Faisal, Karachi	
Shariah Advisor	Mufti Abdul Qadir	
Legal Advisor	Mohsin Tayebaly & Co. 2nd Floor Dime Centre,BC-4,Block -9, Kehkashan, Clifton, Karachi-75600	
Tax Advisor	EY Ford Rhodes Sidat Hyder & Co. Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi-75530.	
Associated Company	UDL Pharmaceuticals Pakistan (Pvt) Limited.	
Head Office & Registered Office	1st Floor, Business Enclave. 77-C, 12th Commercial Street, Off: Kh-e-Ittehad, DHA Phase II (Ext.) Karachi.	
Phone	092 - 21 - 35310561-5	
Fax	092 - 21 - 35310566	
E-Mail	info@udl.com.pk	
Web	www.udl.com.pk	

DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management Private Limited takes pleasure in presenting the un-audited accounts of First UDL Modaraba for the Quarter and Nine Months period ended March 31, 2022.

Review of Operations:

During the nine months, income increased by 196.5% from Rs. 43.01 million to Rs. 127.53 million. The increase was due to a one-time gain of Rs. 93.55 million, already reported in the half yearly accounts. Expenses also reduced by 17.83% from Rs. 31.42 million to Rs. 25.82 million.

Despite improvement in the diminishing musharaka income, total income during the quarter, reduced by 42.88% from Rs. 19.34 million to Rs. 11.04 million. Main reason being a decline in investment income due to a weak stock market as a result of political and economic instability in the country.

Operating profit was Rs. 92.17million as compared to Rs. 10.45 million in the same period of last year .Net profit of the Modaraba improved to Rs. 80.12 million from Rs. 10.45 million. EPS for the nine months was Rs. 1.89 as compared to Rs. 0.30 in the same period of last year.

As already disclosed, the management, in consultation with the board of directors, is working on the possibilities of converting the Modaraba into a Public Limited Company, subject to all requisite regulatory and legal approvals. This would help in exploring new business avenues that would lead to maximizing returns for the shareholders and also increase the value of their investment.

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

April 28, 2022

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2022**

	(Un-audited) March 31, 2022	Audited June 30, 2021
Note	' Rupees in "000"	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2021: 50,000,000) modaraba certificates of Rupees 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up certificate capital	5. <u>351,205</u>	351,205
Statutory reserve	177,628	177,628
Revenue reserves		
Unappropriated profit	<u>32,963</u>	<u>38,774</u>
Total equity	<u>561,796</u>	<u>567,607</u>
Unrealized (loss)/gain on re-measurement of available for sale investments	(3,464)	46,824
Non-Current liabilities		
Deferred tax liability	3,189	-
Current liabilities		
Current maturity of security deposits	6,000	1,406
Accrued and other liabilities	19,647	155,168
Provision for taxation	10,609	-
Unclaimed profit distributions	34,414	24,966
	70,671	181,540
Contingencies and commitments	6. -	-
Total liabilities and equity	<u>632,192</u>	<u>795,972</u>
ASSETS		
Non-current assets		
Fixed assets - tangible	7. 18,820	25,222
Fixed assets - intangible	2,327	2,821
Long term investments	8. 138,651	186,507
Diminishing Musharaka Financing	9. 99,382	101,050
Long term advances and deposits	1,384	1,384
	260,564	316,984
Current assets		
Investments	10. 19,923	180,729
Diminishing Musharaka Financing - current portion	47,551	32,884
Diminishing Musharaka Financing - Receivable	649	28
Ijarah rental receivables	-	599
Advances - considered good	25,139	17,649
Prepayments and other receivables	4,940	3,005
Cash and bank balances	11. 273,427	109,772
	371,628	344,667
Non current assets held for sale	-	134,321
Total assets	<u>632,192</u>	<u>795,972</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

-----Sd-----
CHIEF FINANCIAL OFFICER
Syed Aamir Hussain

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

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

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

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2022**

	Quarter ended		Nine month ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note ----- Rupees"000" -----				
Revenue from:				
- Ijarah Lease Financing	-	133	29	2,440
- Diminishing Musharaka Financing	5,544	1,922	14,252	5,365
- Investments	1,145	12,642	5,816	19,250
- Rental Income	-	2,776	2,149	9,286
- Disposal of non-current asset held for sale	-	-	93,552	-
- Others	4,359	1,872	11,735	6,671
	11,048	19,345	127,533	43,012
Administrative expenses	8,062	10,549	25,808	31,350
Financial charges	6	3	15	77
	8,068	10,552	25,823	31,428
Operating profit	2,980	8,794	101,710	11,585
Unrealised (loss) on re-measurement of investment at fair value through profit or loss	(1,837)	(1,326)	(9,537)	(1,131)
Profit from operations	1,143	7,468	92,173	10,454
Less :				
Management Company's remuneration	114	747	9,217	1,045
Sales tax on Management Company's remuneration	15	97	1,198	136
Provision for Sindh Workers' Welfare Fund	20	-	1,635	-
	149	844	12,051	1,181
	993	6,624	80,122	9,273
Less :				
Taxation	164	-	13,798	-
Profit for the period	829	6,624	66,324	9,273
Earning per certificate - basic and diluted	0.02	0.19	1.89	0.26

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

-----Sd-----
CHIEF FINANCIAL OFFICER
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-----Sd-----
CHIEF EXECUTIVE
Shuja Malik

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

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

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2022**

	Quarter ended		Nine month ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees "000" -----			
Profit for the period	829	6,624	66,324	9,273
Items that will not be reclassified subsequently to profit and loss account	-	-	-	-
Items that will be reclassified subsequently to profit and loss account				
Unrealised (loss)/gain on re-measurement of available for sale investments	(7,583)		(50,288)	
Total comprehensive (loss)/ income	(6,753)	6,624	16,036	9,273

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2022**

	March 31, 2022	March 31, 2021
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	66,324	9,273
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	2,988	8,048
Unrealized loss / (gain) on re-measurement of investments at fair value through profit or loss	9,537	1,131
Amortization of assets leased out	3,535	3,535
Financial charges	15	77
(Gain)/loss on sale of leased assets	-	-
Loss/(gain) on sale of assets - own	(93,552)	(3,687)
Dividend income	(5,022)	(1,279)
(Gain) on sale of investment	(55)	(17,971)
Profit on bank deposits	(11,447)	(2,983)
	(94,001)	(13,130)
	(27,677)	(3,857)
Changes in working capital:		
(Increase) / decrease in current assets		
Investments	160,806	1,104
Diminishing Musharaka Financing - current portion	(14,667)	-
Diminishing Musharaka Financing - Receivable	(620)	533
Ijarah rental receivables	599	(20,847)
Advances - considered good	(7,490)	(550)
Prepayments and other receivables	(1,934)	(7,663)
Cash and bank balances	-	2,303
	136,694	(25,121)
Increase in current liabilities		
Current maturity of security deposits	4,594	(1,686)
Accrued and other liabilities	(135,521)	100,029
Provision for taxation	13,798	-
Unclaimed profit distributions	9,448	-
	1,336	69,366
Financial charges paid	(15)	(77)
Income tax paid	(3,975)	-
Profit distributed to certificate holders	(73,753)	-
	(77,744)	(77)
<i>Net cash flows generated from operating activities</i>	(76,407)	69,289
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - own	-	(3,553)
Proceeds from sale of Non-current assets held for sale	230,000	-
Proceeds from sale of fixed assets - own	9,773	10,829
Proceeds from sale of fixed assets - Leased out	8,003	18,244
Dividends received	5,022	1,279
Profit received on bank deposits	11,447	2,983
Investments - Net	(26,344)	143,887
<i>Net cash flows (used in) investing activities</i>	237,901	173,669
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed assets - intangible	494	741
Diminishing Musharaka Financing	1,668	(6,773)
Long term advances and deposits	-	(30)
Long term security deposits	-	(1,059)
<i>Net cash flows (used in) / generated from financing activities</i>	2,162	(7,121)
Net change in cash and cash equivalents during the period	163,656	235,837
Cash and cash equivalents at the beginning of the period	109,772	67,001
Cash and cash equivalents at the end of the period	273,427	302,838

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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

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-----Sd-----
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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2022**

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	Revenue reserve Unappropriated Profit	Certificate holder's equity
----- Rupees"000" -----				
Balance as at July 01, 2020	319,278	203,626	(63,113)	459,790
Gain for the period March 31, 2021	-	-	9,273	9,273
Transferred from other comprehensive income	-	-	78,340	78,340
Bonus shares issued for the year ended June 30, 2020(10%)	31,928	(31,928)	-	-
Balance as at March 31, 2021	<u>351,205</u>	<u>171,698</u>	<u>24,500</u>	<u>547,403</u>
Balance as at July 01, 2021	351,205	177,628	38,774	567,607
Dividend for the year ended 30 June 2021 (11%)			(38,633)	(38,633)
Dividend for the half year ended December 2021 (10%)			(35,121)	(35,121)
Gain for the period March 31, 2022	-	-	66,324	66,324
Transferred from other comprehensive income	-	-	1,618	1,618
Balance as at March 31, 2022	<u>351,205</u>	<u>177,628</u>	<u>32,963</u>	<u>561,796</u>

*The statutory reserve represents profit set-aside as required under Prudential Regulations for Modaraba and is transferred annually at year end.

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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(Management Company)

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DIRECTOR
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FIRST UDL MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2022

1. LEGAL STATUS AND NATURE OF THE BUSINESS

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

2. BASIS OF PREPARATION

This financial statements comprise balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity and the notes forming part thereof for the Nine months period ended March 31, 2022 have been prepared under the historical cost convention except for: investments - available for sale and investment - at fair value through profit or loss have been recognised at fair value.

3. STATEMENT OF COMPLIANCE

The condensed interim financial information for the nine months period ended March 31, 2022 have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba and directives issued by Security and Exchange Commission of Pakistan (the Modaraba regulations). In case where requirements differ, the provisions of or directives issued under Companies Ordinance, 1984 have been followed. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Modaraba's annual Financial Statements for the year ended June 30, 2021.

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 nine months period ended March 31, 2022 have been extracted from the condensed interim financial information for the nine months period ended March 31, 2022.

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 March 31, 2022	Audited June 30, 2021		Un-audited March 31, 2022	Audited June 30, 2021
-----Number of certificates-----			----- Rupees "000" -----	
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	176,689	176,689
17,451,664	17,451,664	Modaraba certificates issued as fully paid bonus certificates	174,517	174,517
<u>35,120,549</u>	<u>35,120,549</u>		<u>351,205</u>	<u>351,205</u>

6. CONTINGENCIES AND COMMITMENTS

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

	Un-audited March 31, 2022	Audited June 30, 2021	
	----- Rupees "000" -----		
7. FIXED ASSETS - tangible			
Assets in own use	18,820	23,441	
Assets leased out	-	1,782	
	<u>18,820</u>	<u>25,222</u>	
8 LONG TERM INVESTMENTS			
Available for sale			
Listed companies	138,651	186,507	
	<u>138,651</u>	<u>186,507</u>	
9 DIMINISHING MUSHARAKA FINANCING			
Secured			
Diminishing Musharaka financing	146,933	112,770	
Less: Current portion shown	<u>(47,551)</u>	<u>(32,884)</u>	
	99,382	79,885	
Add: Advance against diminishing musharaka financing	-	21,164	
	<u>99,382</u>	<u>101,050</u>	
10. FINANCIAL ASSETS - INVESTMENTS at fair value through profit or loss			
Other listed companies	19,923	30,729	
TDR Account	-	150,000	
	<u>19,923</u>	<u>180,729</u>	
11. CASH AND BANK BALANCES			
Cash in hand	56	56	
Cash at banks			
- PLS saving accounts	11.1	249,324	95,132
- Current accounts		<u>24,048</u>	<u>14,584</u>
		273,371	109,716
		<u>273,427</u>	<u>109,772</u>

11.1 These accounts carry profit rate ranging from 6.5 % to 9.5 % (30 June, 2021: 3 % to 6%)

	Quarter ended		Nine month ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
12 Earnings per certificate				
Earnings for the period (Rupees in "000")	829	6,624	66,324	9,273
Weighted average number of certificates	<u>35,120,549</u>	<u>35,120,549</u>	<u>35,120,549</u>	<u>35,120,549</u>
Earnings per certificate - basic	<u>0.02</u>	<u>0.19</u>	<u>1.89</u>	<u>0.26</u>

13 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.

14 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 28th April' 2022 by the Board of Directors of the Modaraba company.

15 GENERAL

15.1 The corresponding figures have been re-arranged and reclassified where ever necessary for better comparison.

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

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

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Syed Aamir Hussain

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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.

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