



Quarterly Accounts
Nine Months Period Ended
March 31, 2021
(Un - audited)

FIRST UDL MODARABA

Managed By:
UDL Modaraba Management (Pvt) Limited

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 Rahman Chartered Accountants	
Bankers	Albaraka 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	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, 2021.

Review of Operations:

During the nine months under review total revenue increased by 51% from Rs. 28.54 million to Rs. 43.01 million mainly due to capital gains on shares held for trading. The expenses remained in line when compared with the same period of FY 2020.

The Modaraba posted an operating profit of Rs. 11.58 million as compared to a loss of Rs. 2.73 million during the same period of last year.

Net Profit for the nine months was Rs. 9.27 million (EPS: Rs. 0.26) against a loss of Rs. 3.19 million during the same period of last year.

In addition, realized capital gain on disposal of investments not held for trading and being measured at FVTOCI was Rs. 78.34 million. Due to the implementation of IFRS 9, this income is not reflected in the profit and loss account but is routed through Other Comprehensive Income to Equity.

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 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 27, 2021

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2020**

	(Un-audited) March 31, 2021	Audited June 30, 2020
Note	' Rupees in "000"	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2020: 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>	319,278
Statutory reserve	171,698	203,626
Revenue reserves		
Unappropriated profit	<u>24,500</u>	(63,113)
Total equity	<u>547,403</u>	<u>459,790</u>
Unrealized gain on re-measurement of available for sale investments	<u>66,972</u>	22,715
Non-current liabilities		
Long term security deposits	<u>6,000</u>	7,059
Current liabilities		
Current maturity of security deposits	<u>4,887</u>	6,573
Current portion of diminishing musharakah	-	1,568
Accrued and other liabilities	<u>109,893</u>	9,599
Unclaimed profit distributions	<u>24,974</u>	25,239
	<u>139,754</u>	42,979
Contingencies and commitments	6. <u>-</u>	-
Total liabilities and equity	<u>760,129</u>	<u>532,543</u>
ASSETS		
Non-current assets		
Fixed assets - tangible	7. <u>94,801</u>	103,238
Fixed assets - intangible	<u>3,068</u>	3,809
Investment property	<u>68,046</u>	70,697
Long term investments	8. <u>188,070</u>	214,848
Diminishing Musaharakah Financing	9. <u>48,736</u>	41,963
Long term advances and deposits	<u>1,384</u>	1,354
	<u>404,105</u>	435,908
Current assets		
Ijarah rental receivables	<u>39</u>	1,143
Diminishing Musaharakah Financing - current portion	<u>24,124</u>	3,277
Diminishing Musaharakah Financing - Recievable	<u>394</u>	926
Financial assets - Investments	10. <u>17,343</u>	9,680
Advances - considered good	<u>10,987</u>	10,437
Prepayments and other receivables	<u>1,868</u>	4,171
Cash and bank balances	11. <u>301,270</u>	67,001
	<u>356,024</u>	96,634
Total assets	<u>760,129</u>	<u>532,543</u>

The annexed notes from 1 to 16 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, 2021

	Note	Quarter ended		Nine month ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees"000" -----					
Revenue from:					
- Ijarah Operations - net off depreciation		133	194	2,440	2,308
- Diminishing Musharakah		1,922	2,587	5,365	7,826
- Investments		12,642	273	19,250	4,026
- Rental Income		2,776	3,150	9,286	9,350
- Others		1,872	635	6,671	5,035
		<u>19,345</u>	<u>6,839</u>	<u>43,012</u>	<u>28,545</u>
Administrative expenses		10,549	10,569	31,350	30,734
Financial charges		3	178	77	541
		<u>10,552</u>	<u>10,746</u>	<u>31,428</u>	<u>31,276</u>
Operating profit / (loss)		<u>8,794</u>	<u>(3,908)</u>	<u>11,585</u>	<u>(2,731)</u>
Unrealised (loss) on re-measurement of investment at fair value through profit or loss		(1,326)	(3,175)	(1,131)	(463)
Profit / (loss) from operations		<u>7,468</u>	<u>(7,083)</u>	<u>10,454</u>	<u>(3,194)</u>
Less :					
Modaraba company's management fee		747	-	1,045	-
Sales Tax on Management Fee		97	-	136	-
		<u>844</u>	<u>-</u>	<u>1,181</u>	<u>-</u>
		<u>6,624</u>	<u>(7,083)</u>	<u>9,273</u>	<u>(3,194)</u>
Less :					
Taxation	12	-	-	-	-
Pofit / (loss) for the period		<u>6,624</u>	<u>(7,083)</u>	<u>9,273</u>	<u>(3,194)</u>
Earning / (loss) per certificate - basic and diluted	13	<u>0.19</u>	<u>Restated (0.20)</u>	<u>0.26</u>	<u>Restated (0.09)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

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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, 2021

	Quarter ended		Nine month ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees "000" -----				
Pofit / (loss) for the period	6,624	(7,083)	9,273	(3,194)
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	(171,950)	(22,577)	(34,083)	7,527
Transferred to equity	73,856	18	78,340	18
Total comprehensive (loss)/ income	(91,471)	(29,642)	53,529	4,351

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FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2021

	March 31, 2021	March 31, 2020
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	9,273	(3,194)
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	8,048	8,766
Unrealized loss / (gain) on re-measurement of investments at fair value through profit or loss	1,131	463
Amortization of assets leased out	3,535	6,746
Financial charges	77	541
(Gain)/loss on sale of leased assets	-	(160)
Loss/(gain) on sale of assets - own	(3,687)	(1,263)
Dividend income	(1,279)	(2,631)
(Gain) on sale of investment	(17,971)	(1,395)
Profit on bank deposits	(2,983)	(1,158)
	<u>(13,130)</u>	<u>9,911</u>
	(3,857)	6,717
Changes in working capital:		
(Increase) / decrease in current assets		
Ijarah rental receivables	1,104	(34)
Debtors	-	1,035
Diminishing Musaharakah Financing - Recievable	533	223
Diminishing Musaharakah Financing - current portion	(20,847)	4,643
Advances - considered good	(550)	(443)
Financial assets	(7,663)	1,324
Prepayments and other receivables	2,303	(2,689)
	<u>(25,121)</u>	<u>4,058</u>
Increase in current liabilities		
Current maturity of security deposits	(1,686)	1,579
Current portion of diminishing musharakah	(1,568)	(448)
Trade creditors	-	(92)
Accrued and other liabilities	100,029	4,454
	<u>67,798</u>	<u>16,268</u>
Financial charges paid	(77)	(541)
Profit distributed to certificate holders	-	-
	<u>(77)</u>	<u>(541)</u>
<i>Net cash flows generated from operating activities</i>	67,720	15,726
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	-	-
Purchase of fixed assets - own	(3,553)	(939)
Proceeds from sale of fixed assets - own	10,829	4,346
Proceeds from sale of fixed assets - Leased out	18,244	8,898
Dividends received	1,279	2,631
Profit received on bank deposits	2,983	1,158
Purchase of Investments	74,659	(11,362)
Proceeds from sale of investments - net	69,228	2,194
<i>Net cash flows (used in) investing activities</i>	173,669	6,926
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed assets - intangible	741	741
Diminishing Musaharakah Financing	(6,773)	7,836
Long term advances and deposits capital work in process	(30)	13
Long term security deposits	(1,059)	(4,041)
<i>Net cash flows (used in) / generated from financing activities</i>	<u>(7,121)</u>	<u>4,549</u>
Net change in cash and cash equivalents during the period	234,268	27,201
Cash and cash equivalents at the beginning of the period	67,001	34,817
Cash and cash equivalents at the end of the period	301,270	62,019

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

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(Management Company)

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DIRECTOR
A.Rahim Suriya

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

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2021**

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	Revenue reserve Unappropriated Profit	Certificate holder's equity
----- Rupees"000" -----				
Balance as at July 01, 2019	290,252	232,651	(58,396)	464,507
Bonus shares issued for the year ended June 30, 2019 (10%)	29,025	(29,025)	-	-
Loss for the period March 31, 2020	-	-	(3,194)	(3,194)
Transfer to statutory reserve	-	-	330	330
Balance as at March 31, 2020	319,278	203,626	(61,260)	461,644
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	351,205	171,698	24,500	547,403

*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 16 form an integral part of these condensed interim financial information.

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

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

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

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

**FIRST UDL MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD MARCH 31, 2021**

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, 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

The condensed interim financial information for the nine months period ended March 31, 2021 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, 2020.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2020 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2020 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, 2021 have been extracted from the condensed interim financial information for the nine months period ended March 31, 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30,2020.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited March 31, 2021	Audited June 30, 2020		Un-audited March 31, 2021	Audited June 30, 2020
-----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	14,258,887	Modaraba certificates issued as fully paid bonus certificates	174,517	142,589
<u>35,120,549</u>	<u>31,927,772</u>		<u>351,205</u>	<u>319,278</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, 2020.

	Un-audited March 31, 2021	Audited June 30, 2020
	----- Rupees "000" -----	
7. FIXED ASSETS - tangible		
Assets in own use	88,968	91,126
Assets leased out	5,833	12,112
	<u>94,801</u>	<u>103,238</u>
8 LONG TERM INVESTMENTS		
Available for sale		
Listed companies	188,070	214,848
	<u>188,070</u>	<u>214,848</u>
9 DIMINISHING MUSHARIKA FINANCING		
Secured		
Diminishing Musharakah financing	55,613	45,240
Less: Current portion shown	<u>(24,124)</u>	<u>(3,277)</u>
	31,489	41,963
Add: Advance against diminishing musharikah financing	<u>17,247</u>	<u>-</u>
	<u>48,736</u>	<u>41,963</u>
10. FINANCIAL ASSETS - INVESTMENTS		
at fair value through profit or loss		
Other listed companies	17,343	9,680
	<u>17,343</u>	<u>9,680</u>
11. CASH AND BANK BALANCES		
Cash in hand	56	56
Cash at banks		
- PLS saving accounts	11.1	286,640
- Current accounts		51,564
		<u>14,574</u>
		15,381
		<u>301,214</u>
		66,945
		<u>301,270</u>
		67,001

11.1 These accounts carry profit rate ranging from 3 % to 4.25 % (30 June, 2020: 5.5 % to 10.5%)

12 TAXATION

On March 22, 2021, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021, (Ordinance 2021 whereby Clause 100 of the Part 1 of the .Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn

(Floatation and Control)Tax Exemption has been available to the Modarabas under Clause 37 of the Modaraba Companies and Modaraba ,Ordinance, 1980, which is still in field as was also specified under Clause 100 of Part 1 of the Second Schedule to the Income Tax Ordinance which exemption has been removed by Ordinance 2021. It is believed that the Ordinance 2021 will be placed before the Assembly to be ,2001 ratified through a Finance Act. It is a settled law that the taxes can only be levied from prospective effect and any retrospective applicability thereof is ultra-vires under the Constitution. Based on the legal and professional advice, the Management along with other Modarabas, have made representations to the appropriate authorities to remove intended withdrawal of tax exemption available to the Modarabas, particularly .any retrospective effect of the Ordinance 2021

.Accordingly, no provision for Income Tax has been made in the quarterly accounts for the period ended July 1, 2020 to March 31, 2021

	Quarter ended		Nine month ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
13 Earnings / (Loss) per certificate				
Earning / (loss) for the period (Rupees in "000")	6,624	(7,083)	9,273	(3,194)
Weighted average number of certificates	<u>35,120,549</u>	35,120,549	<u>35,120,549</u>	35,120,549
Earning / (loss) per certificate - basic	<u>0.19</u>	(0.20)	<u>0.26</u>	(0.09)

14 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, 2020.

15 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 27th April, 2021 by the Board of Directors of the Modaraba company.

16 GENERAL

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

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

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

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CHIEF FINANCIAL OFFICER
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