

QUARTERLY
REPORT

NINE MONTHS PERIOD
ENDED MARCH 31,

2024



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	Farah Qureshi Abdul Rahim Suriya Majid Hasan	Chairman Member Member
Auditors	Grant Thornton Anjum Rahman & Co. Chartered Accountants	
Bankers	Albaraka Bank Limited Askari Bank Limited Habib Bank Limited Dubai Islamic Bank Limited Silk Bank Limited	
Registrar	CDC Share Registrar Services Ltd CDC House, Shahra -e-Faisal, Karachi	
Shariah Advisor	Mufti Abdul Qadir	
Legal Advisor	Mohsin Tayebaly & Co. 2nd Floor Dime Centre,BC-4,Block -9, Kehkashan, Clifton, Karachi-75600	
Tax Advisor	Baker Tilly Mehmood Idrees Qamar Chartered Accountants 4th Floor, Central Hotel Building, Civil Lines, Mereweather Road, Karachi	
Associated Company	UDL Pharmaceuticals Pakistan (Pvt) Limited. UDL International Limited UDL Financial Services Limited SASL Trading (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 unaudited accounts of First UDL Modaraba for the third quarter and nine months period ended March 31, 2024.

REVIEW OF OPERATIONS:

During the nine months under review, income from operations improved by 15.19% from Rs. 45.92 million to Rs. 52.90 million.

Unrealized gain was recorded to be Rs. 7.32 million as compared to a loss of Rs. 1.16 million in the same period of last year.

Operating expenses increased by 13.81% from Rs. 41.28 million to Rs. 46.99 million. Although, general inflation has led to an increase in operating expenses but merger related expenses have been a significant contributor during the current year.

Net profit for the period was Rs. 5.39 million as compared to a loss of Rs. (0.61) million in the same period of last year.

Earning per certificate was Rs. 0.15 as compared to a loss of Rs. (0.02) for the same period last year.

SIGNIFICANT DEVELOPMENT & FUTURE OUTLOOK:

Regarding merger of First UDL Modaraba with and into UDL International Limited, the Securities and Exchange Commission of Pakistan has granted UDL Financial Services Limited, a wholly owned subsidiary of UDL International Limited a license to operate as a Non-Banking Finance Company (NBFC), after which as per the Scheme of Arrangement sanctioned by the High Court of Sindh, the merger of First UDL Modaraba with and into UDL International Limited has been completed. The effective date of the merger is April 23, 2024.

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

25th April - 2024

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31,2024**

		(Un-audited)	Audited
		March 31,2024	June 30,2023
ASSETS	Note	----- Rupees -----	
NON-CURRENT ASSETS			
Fixed assets - tangible		27,453,114	29,681,466
Intangible assets		228,277	913,121
Long term investments	4	107,418,494	81,902,432
Diminishing Musharakah Financing	5	20,515,414	47,200,834
Long term deposits		1,384,350	1,384,350
		156,999,649	161,082,203
CURRENT ASSETS			
Short term investments	6	174,763,335	246,782,089
Current portion of Diminishing Musharakah Financing	5	35,547,322	41,918,950
Diminishing Musharakah Financing rent receivable		459,179	1,165,189
Advances, deposits, prepayments and other receivables		13,782,583	9,647,922
Taxation - net		17,470,198	17,150,998
Cash and bank balances	7	157,923,672	59,583,194
		399,946,289	376,248,342
TOTAL ASSETS		<u>556,945,938</u>	<u>537,330,545</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized certificate capital		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up certificate capital	8	351,205,480	351,205,480
Statutory reserve		192,812,478	192,812,478
Accumulated profit / (loss)		3,885,994	(1,508,745)
Certificate holders' equity		547,903,953	542,509,214
(Deficit) on revaluation of investments	9	(28,977,520)	(52,379,178)
CURRENT LIABILITIES			
Accrued and other liabilities		8,643,646	17,780,159
Unclaimed profit distributions		29,375,859	29,420,351
		38,019,506	47,200,510
TOTAL EQUITY AND LIABILITIES		<u>556,945,938</u>	<u>537,330,545</u>
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes from 1 to 13 form an integral part of these financial statements.

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

-----Sd-----	-----Sd-----	-----Sd-----	-----Sd-----
_____ Chief Executive Officer	_____ Director	_____ Director	_____ Chief Financial Officer

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31,2024**

	Nine Months Period Ended		Three Months Period Ended	
	March 31,2024	March 31,2023	March 31,2024	March 31,2023
----- Rupees -----				
Income from:				
- Diminishing Musharakah	10,173,353	16,180,835	2,812,184	4,858,262
- Dividend	30,290,418	19,975,972	10,027,561	7,806,107
- Bank balances / TDRs	10,929,172	8,286,155	3,504,778	2,191,464
- Other sources	1,509,603	1,482,725	-	27,226
	<u>52,902,546</u>	<u>45,925,687</u>	<u>16,344,523</u>	<u>14,883,059</u>
Unrealized gain / (loss) on re-measurement of investments at FVTPL	7,322,367	(1,164,253)	(864,959)	509,175
	<u>60,224,913</u>	<u>44,761,434</u>	<u>15,479,564</u>	<u>15,392,234</u>
Operating expenses	(46,990,153)	(41,286,351)	(16,818,003)	(13,264,083)
Financial charges	(21,662)	(357,475)	(8,721)	(344,882)
	<u>13,213,098</u>	<u>3,117,608</u>	<u>(1,347,160)</u>	<u>1,783,269</u>
Management Company's remuneration	(1,321,310)	(311,761)	-	(178,327)
Sales tax on Management Company's remuneration	(171,770)	(40,529)	-	(23,183)
Provision for Sindh Workers' Welfare Fund	(234,400)	(55,306)	-	(31,635)
	<u>(1,727,480)</u>	<u>(407,596)</u>	<u>-</u>	<u>(233,145)</u>
Profit / (loss) before taxation	11,485,618	2,710,012	(1,347,160)	1,550,124
Taxation	(6,090,880)	(3,320,767)	(1,320,943)	(1,259,378)
Profit / (loss) after taxation	5,394,739	(610,755)	(2,668,103)	290,747
Earning / (Loss) per certificate - basic and diluted	11	0.15	(0.02)	0.01

The annexed notes from 1 to 13 form an integral part of these financial statements.

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

----- Sd ----- _____ Chief Executive Officer	----- Sd ----- _____ Director	----- Sd ----- _____ Director	-----Sd----- _____ Chief Financial Officer
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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31,2024**

	<u>Nine Months Period Ended</u>		<u>Three Months Ended</u>	
	<u>March 31,2024</u>	<u>March 31,2023</u>	<u>March 31,2024</u>	<u>March 31,2023</u>
	----- Rupees -----			
Profit / (loss) after taxation	5,394,739	(610,755)	(2,491,975)	290,747
Items that will not be reclassified subsequently to profit and loss account				
Unrealized gain / (loss) on re-measurement of investments at FVOCI	23,401,658	(21,155,742)	(6,365,957)	(6,531,411)
Total comprehensive income / (loss) for the period	<u>28,796,397</u>	<u>(21,766,497)</u>	<u>(8,857,932)</u>	<u>(6,240,664)</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

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

----- Sd -----

Chief Executive Officer

----- Sd -----

Director

----- Sd -----

Director

----- Sd -----

Chief Financial Officer

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31,2024**

	March 31,2024	March 31,2023
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		Differenc
Profit before taxation	11,485,618	2,710,012
Adjustment of non cash items:		
Depreciation	3,654,957	3,354,746
Amortization	684,844	691,095
Unrealized (gain)/loss on re-measurement of investments at FVTPL	(7,322,367)	1,164,253
Gain on sale of investments	-	(23,851)
Gain on sale of fixed assets	(1,500,000)	(586,475)
(Reversal) / charge of allowance for ECL	-	157,881
Dividend income	(30,290,418)	(19,975,972)
Financial charges	21,662	357,475
	<u>(34,751,322)</u>	<u>(14,860,848)</u>
Operating loss before working capital changes	(23,265,705)	(12,150,836)
Changes in working capital:		
Diminishing Musharakah financing	33,763,059	35,774,652
Advances, deposits, prepayments and other receivables	(4,134,661)	23,237,703
Accrued and other liabilities	(9,136,513)	(9,736,622)
Un claimed profit distribution	(44,491)	1,333,385
	20,447,394	50,609,118
Tax paid	(6,410,080)	(4,837,917)
Financial charges paid	(21,662)	(357,475)
Net cash generated from operating activities	(9,250,053)	33,262,889
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,426,605)	(6,247,954)
Proceeds from sale of fixed assets	1,500,000	787,500
Net investments during the period	77,226,718	(2,507,883)
Dividends received	30,290,418	19,322,457
Net cash (used in) / generated from investing activities	107,590,531	11,354,120
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(31,608,497)
Net (decrease) / increase in cash and cash equivalents	98,340,478	13,008,512
Cash and cash equivalents at the beginning of the period	59,583,194	37,227,011
Cash and cash equivalents at the end of the period / year	<u>157,923,672</u>	<u>50,235,523</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

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

----- Sd -----

Chief Executive Officer

----- Sd -----

Director

----- Sd -----

Director

----- Sd -----

Chief Financial Officer

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31,2024**

	Certificate Capital	Capitai Reserve *Statutory Reserve	Revenue Reserve Accumulated (Loss) / Profit	Total Certificate Holders' Equity
	----- Rupees -----			
Balance as at 1 July 2022	351,205,480	192,812,478	32,390,940	576,408,898
Total comprehensive loss for the period	-	-	(610,755)	(610,755)
Transaction with certificate holders of the Modaraba				
Final dividend for the year ended 30 June 2022 (9%)			(31,608,497)	(31,608,497)
Balance as at March 31,2023	<u>351,205,480</u>	<u>192,812,478</u>	<u>171,688</u>	<u>544,189,647</u>
Balance as at 1 July 2023	351,205,480	192,812,478	(1,508,745)	542,509,214
Total comprehensive Income for the period	-	-	5,394,739	5,394,739
Balance as at March 31,2024	<u>351,205,480</u>	<u>192,812,478</u>	<u>3,885,994</u>	<u>547,903,953</u>

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

The annexed notes from 1 to 13 form an integral part of these financial statements.

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

----- Sd -----

Chief Executive Officer

----- Sd -----

Director

----- Sd -----

Director

----- Sd -----

Chief Financial Officer

**FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

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 Limited.
- 1.2 The certificate holders of the Modaraba in their meeting held on 14 July 2023 approved the Scheme of Arrangement (the Scheme) between UDL International Limited, UDL Financial Services Limited and the Modaraba under the provisions of Sections 279 to 283 and Section 505 (1) (c) of the Companies Act, 2017. The scheme is sanctioned by the High Court of Sindh on 02 November 2023 and is subject to issuance of liscesne to UDL Financial Services Limited by the SECP. Under the Scheme, the Modaraba will cease to exist as a legal entity and the entire business of the Modaraba including the assets, liabilities and rights and obligations will be vested into UDL International Limited. The Swap ratio shall be 1:1, i.e. for every one certificate of the Modaraba, one share of UDL International Limited shall be issued to the certificate holders of the Modaraba and the Modaraba will be dissolved without winding up. Simultaneously, upon merger of the Modaraba with and into UDL International Limited, the diminishing musharakah portfolio along with certain other assets, as defined in the Scheme, shall be hived down to UDL Financial Services Limited up to the extent of Rs 225 million. In lieu of the diminishing musharakah portfolio and other assets, UDL Financial Services Limited shall issue 22.5 million shares to UDL International Limited.

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standards (IAS) 34, interim financial reporting issued by the International Accounting Standards Boards (IASB) as notified under the Companies Act, 2017 (the Act);
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
 - Provisions of and directions issued under the Act; and
 - Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modarabas Regulations, 2021.
 - 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 Modaraba Regulations, 2021 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 Modarabas Regulations, 2021 for Modarabas have been followed.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended 30 June 2023.
- 2.3 The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2023 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2023 whereas the comparative interim profit and loss account, interim statement of comprehensive income, cash flow statement and statement of changes in equity for the three months period ended March 31, 2023 have been extracted from the condensed interim financial information for the three months period ended March 31, 2023.

3 ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK POLICIES

The accounting policies, estimates, judgements and financial risk policies used in these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2023.

FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31,2024

	(Un-audited)	(Audited)
	March 31,2024	30 June 2023
	----- Rupees -----	
4 LONG TERM INVESTMENTS		
Listed Companies -At FVTOCI	<u>107,418,494</u>	<u>81,902,432</u>
5 DIMINISHING MUSHARAKAH FINANCING		
Secured		
Diminishing Musharakah Financing	57,014,970	90,072,018
Provision for ECL	(952,234)	(952,234)
	<u>56,062,736</u>	<u>89,119,784</u>
Less: Current portion	<u>(35,547,322)</u>	<u>(41,918,950)</u>
	<u>20,515,414</u>	<u>47,200,834</u>
6 SHORT TERM INVESTMENTS		
At amortised cost		
Term deposit receipts	10,000,000	50,000,000
At FVTPL		
HBL Islamic Money Market Fund - HBL AMC	80,412,804	180,412,804
Faysal Islamic Cash Fund	55,783,694	-
Listed securities	28,566,837	16,369,285
	<u>174,763,335</u>	<u>246,782,089</u>
7 CASH AND BANK BALANCES		
Cash in hand	1,150	650
Cash at bank		
- Current accounts	18,512,952	19,088,895
- Profit bearing accounts	139,409,570	40,493,649
	<u>157,923,672</u>	<u>59,583,194</u>

7.1 These carry profit ranging between 7 % to 20% (June 2023: 3% to 7.78%) per annum.

FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31,2024

8	CERTIFICATE CAPITAL		(Un-audited)	(Audited)
	March 31,2024	June 30,2023	March 31,2024	30 June 2023
	Number of Certificates			
	50,000,000	50,000,000		
	Authorized certificate capital			
	Modaraba certificates of Rupees 10 each		500,000,000	500,000,000
	50,000,000	50,000,000	500,000,000	500,000,000
	Authorized certificate capital			
	Modaraba certificates of Rupees 10 each		500,000,000	500,000,000
	Issued, subscribed and paid-up capital			
	17,668,885	17,668,885	176,688,850	176,688,850
	Modaraba certificates of Rupees 10 each fully paid-up in cash			
	17,451,663	17,451,663	174,516,630	174,516,630
	Modaraba certificates issued as fully paid-up bonus certificates			
	35,120,548	35,120,548	351,205,480	351,205,480
	DEFICIT ON REVALUATION OF INVESTMENTS			
	Market value of investments		107,418,494	81,902,432
	Less: Cost of investments		(136,396,013)	(134,281,609)
			(28,977,520)	(52,379,178)
	Opening balance		(52,379,178)	(23,701,850)
	Gain/(Deficit) on revaluation during the period/ year		23,401,658	(28,677,328)
	Closing balance		(28,977,520)	(52,379,178)

9.1 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.

10 CONTINGENCIES AND COMMITMENTS

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

**FIRST UDL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31,2024**

	Nime Months Period Ended		Three Months Period Ended	
	March 31,2024	March 31,2023	March 31,2024	March 31,2023
11 EARNING / (LOSS) PER CERTIFICATE				
Profit/(Loss) after taxation	----- Rupees----- <u>5,394,739</u>	<u>(610,755)</u>	<u>(2,668,103)</u>	<u>290,747</u>
Weighted average number of ordinary certificates outstanding during the period	<u>35,120,548</u>	<u>35,120,548</u>	<u>35,120,548</u>	<u>35,120,548</u>
Earning/(Loss) per certificate -Basic	<u>0.15</u>	<u>(0.02)</u>	<u>(0.08)</u>	<u>0.01</u>

11.1 There is no dilutive potential shares as at the period end.

12 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on 25th April, 2024 by the Board of Directors of the Management Company.

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

----- Sd -----

Chief Executivce Offier

----- Sd -----

Director

----- Sd -----

Director

----- Sd -----

Chief Financial Officer



First UDL Modaraba

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