



# FIRST UDL MODARABA

April 25, 2024

The General Manager  
Pakistan Stock Exchange  
Stock Exchange Building  
Karachi.

## MATERIAL INFORMATION

**Subject: Announcement of merger of First UDL Modaraba with and into UDL International Limited and hive down of Diminishing Musharika Portfolio of First UDL Modaraba into UDL Financial Services Limited.**

Dear Sir,

This is in continuation of our disclosure of January 16, 2024 regarding sanctioning of the Scheme of Arrangement ('Scheme') involving First UDL Modaraba ('Modaraba'), UDL International Limited ('UDL International') and UDL Financial Services Limited ('UDL Financial Services') by the Honourable High Court of Sindh ('High Court') through its order dated November 02, 2023.

Under the said Scheme, the effective date of Scheme was linked with the date of grant of a Non-Banking Finance Company (NBFC) license by the Securities and Exchange Commission of Pakistan (SECP) to UDL Financial Services, a wholly owned subsidiary of UDL International, to operate as an Investment Finance Services company.

In this respect, we are pleased to inform all stakeholders that NBFC license has been granted by the SECP to UDL Financial Services on April 23, 2024 (received today). Therefore, as per the Scheme and the Order of the High Court, the Scheme has become effective as on April 23, 2024.

Although the Scheme has become effective on April 23, 2024, procedural executions and entitlements under the Scheme including i) transfer of assets and liabilities of Modaraba into UDL International, ii) hive down of Diminishing Musharika Portfolio of Modaraba from UDL International to UDL Financial Services, iii) cancellation of certificates of Modaraba held by certificate holders, and iv) issuance of shares of UDL International to certificate holders shall follow in due course. Accordingly, the book closure dates to determine the entitlement of the certificate holders under the Scheme would be announced in due course.

A scanned copy of the NBFC license granted by SECP to UDL Financial Services is attached herewith.

Thanking you.

Yours truly,

Syed Aamir Hussain  
Company Secretary

cc: Registrar Modaraba  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue  
Blue Area, Islamabad.

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MANAGED BY: UDL MODARABA MANAGEMENT (PVT.) LTD.



Securities and Exchange Commission of Pakistan  
Licensing and Registration Division  
Licensing Department

License No. SECP/LRD/115/UDLFSL/2022-54

Islamabad, April 23, 2024

**UDL FINANCIAL SERVICES LIMITED  
LICENCE TO CARRY OUT  
INVESTMENT FINANCE SERVICES-CONVENTIONAL LENDING  
AS NON-BANKING MICROFINANCE COMPANY**

The Securities and Exchange Commission of Pakistan, having considered the application of UDL FINANCIAL SERVICES LIMITED ("UDLFSL") for grant of license under Rule 5 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules"), and being satisfied that UDLFSL is eligible for the license, hereby grants in exercise of the powers conferred by the sub-rule 6 of Rule 5 of the Rules, the license to UDLFSL to undertake or carry out Investment Finance Services restricted to Conventional lending.

2. This license is granted subject to the conditions as mentioned overleaf, in covering letter or imposed by the Commission from time to time.
3. The license is valid for a period of three years w.e.f. April 23, 2024 and shall be renewable every three years as specified in the Rules.



*Akif Saeed*  
Akif Saeed  
Commissioner  
Licensing & Registration Division



**Conditions for Grant of License to UDL Financial Services Limited (“UDLFSL”) to carry out Investment Finance Services restricted to Conventional lending.**

- i. **UDLFSL** shall comply with part VIII-A of the Companies Ordinance, 1984, the Companies Act, 2017, the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (as amended or replaced) and any directives, circulars, codes, notifications and guidelines issued by the Commission;
- ii. **UDLFSL** shall submit annual, half yearly, quarterly financial statement and such other reports as specified in the applicable laws;
- iii. **UDLFSL** shall ensure compliance with the minimum equity requirement at all times as specified by the Commission from time to time;
- iv. **UDLFSL** shall ensure to inject the minimum equity requirement, as envisaged in the scheme and in light of the regulatory requirements;
- v. **UDLFSL** shall ensure that its statutory auditors are appointed as specified in Circular 04 of 2023 dated April 03, 2023 issued by the Commission;
- vi. **UDLFSL** shall submit a compliance report within **six months** of the issue of license evidencing that it has taken all necessary steps in order to implement and give effect to the terms/conditions of License, order of Permission to Form NBFC, and its policy on transparency, fair treatment and debt collection/recovery in addition to compliance of all applicable regulatory framework; and



*Akif Saeed*

**Akif Saeed**  
Commissioner  
Licensing & Registration Division