



Pakistan

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Financial Statement **2021**
For the Half Year ended
December 31, 2021 [Un-audited]

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Company Information

Board of Directors

Mr. Ayaz Abdulla
Chairman

Mr. Asad Abdulla
Director

Ms. Samia Zuberi
Director

Mr. Abdul Samie Cashmiri
Director

Mr. Saqib Abbas
Director

Mr. Tahir Saeed
Director

Mr. M. Salman Hussain Chawala
Director

Legal Advisor

Sarmad Aziz
Advocates/Advisors

Registered Office

United Distributors Pakistan Limited
Plot # 105, Sector 7-A, Mehran Town
Korangi Industrial Area, Karachi
Web: www.udpl.com.pk
email: info@udpl.com.pk

CEO

Mr. Mirza Asmer Beg
Chief Executive Officer

Audit Committee

Mr. Tahir Saeed
Chairman

Mr. Salman Hussain Chawala
Member

Mr. Ayaz Abdulla
Member

Auditors

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C, Lakson Square,
Building No. 1, Sarwar Shaheed Road
Karachi - 74200 Pakistan.

Registrar

Central Depository Company of
Pakistan Ltd.
CDC House # 99-B, Block 'B'
S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi

CFO

Mr. Sohail Hasnain Ahmed
Chief Financial Officer

Company Secretary

Mr. M. Imran
Company Secretary

H.R & Remuneration Committee

Ms. Samia Zuberi
Chairperson

Mr. Abdul Samie Cashmiri
Member

Mr. Ayaz Abdulla
Member

Mr. M. Salman Hussain Chawala
Member

Bankers

Standard Chartered Bank Pakistan
Habib Metropolitan Bank Limited
Habib Bank Limited
Bank Al Habib
Silk Bank Limited
MCB Bank Limited
AL-Baraka Bank (Pakistan) Limited
Meezan Bank Limited



Directors' Report

Directors' Report

The Directors of United Distributors Pakistan Limited (UDPL) takes pleasure in presenting this report, together with the Unaudited Financial Statements of the Company for the half year ended December 31, 2021.

The Company has been able to achieve its operational and financial targets during the half year ended on December 31, 2021.

Particulars	July-December		Variance
	2021	2020	
----- (Rupees in '000') -----			
Net sales	324,010	328,469	-1.4%
Gross profit	150,167	125,653	19.5%
Operating profit	51,930	35,708	45.4%
Profit/(loss) before taxation	120,336	(110,539)	-208.9%
Profit/(loss) for the period	96,079	(94,741)	-201.4%
Earning per share	Rs. 2.72	Rs. [2.69]	

Net turnover of the Company for the half year ended December 31, 2021 amounted to Rs. 324 million which is 1% less as compared to the same period last year

Gross profit of the Company improved by 20% as compared to SPLY (GP margin 46% vs 38% in same period last year)

Operating profit for the half year is at Rs. 52 million which is 45% higher than SPLY. The growth in results was driven on the back of a strong focus on margin optimization and operational excellence.

The share of profit from associate also improved substantially. Hence, the profit after tax of the Company increased significantly for the period under review.

FUTURE OUTLOOK

We aim to continue our journey for the betterment of farmers through best-in-class services and high-quality solutions to enable them in getting best crop yields and healthy food for growing population, despite economic challenges like rising country debt and inflation, hike in interest rate, weakening currency, bullish trend of product prices, record surge in sea freight and global supply chain issues will continue to pose threats to business revenue & profitability in the upcoming period. Company remains confident and focused on minimizing these negative impacts by leveraging its diversified product portfolio along with proactively cultivating growth to deliver top-quartile results in line with its core value of delivering enduring stakeholder returns.

ACKNOWLEDGMENTS

The Directors would like to express their gratitude to the Customers, Bankers and other Stakeholders for their continued support and encouragement and also place on record the appreciation of the valuable services rendered by the employees of the Company.

For and on behalf of the Board



MIRZA ASMER BEG
Chief Executive officer



ASAD ABDULLA
Director

Karachi: February 24, 2022

ڈائریکٹرز رپورٹ

یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ (یو ڈی پی ایل)
کے بورڈ آف ڈائریکٹرز کی جانب سے میں
غیر آڈٹ شدہ غیر محصولاتی عبوری مالیاتی حسابات
برائے ششماہی مختتمہ ۳۱ دسمبر ۲۰۲۱ء پیش کرتے
ہوئے خوشی محسوس کرتا ہوں۔

اعتراف

کمزور ہوتی کرنسی، مصنوعات کی قیمتوں میں تیزی کا رجحان، سمندری مال برداری میں ریکارڈ اضافہ اور
عالمی سپلائی چین کے مسائل آنے والے عرصے میں کاروبار کی آمدنی اور منافع کے لئے خطرات لاحق
رہیں گے۔ کمپنی اپنے پروڈکٹ پورٹ فولیو کا فائدہ اٹھاتے ہوئے ان منفی اثرات کو کم کرنے پر اعتماد اور
توجہ مرکوز رکھتی ہے اور اس کے ساتھ ساتھ اسٹیک ہولڈر کو پائیدار منافع کی فراہمی کی بنیادی قدر کے
مطابق اعلیٰ نتائج کی فراہمی کے پیش نظر ترقی کے مواقع پیدا کرنے والے اپنے عزم پر موثر انداز میں
کوشاں ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام کسٹمرز، بینکرز اور دیگر مستفیدان کا شکریہ ادا
ہوں جنہوں نے نہ صرف ہم سے مسلسل تعاون کیا بلکہ ہماری حوصلہ افزائی بھی کی اور میں کمپنی
کے تمام ملازمین کی انتھک محنت کی قدر دانی کرتا ہوں۔

تفصیلات	جولائی - دسمبر	
	2020	2021
(روپے، ہزاروں میں)		
خالص فروخت	328,469	324,010
خام منافع	125,653	150,167
منافع آپریشنز سے	35,708	51,930
منافع / نقصان قبل از ٹیکس	(110,539)	120,336
منافع / نقصان موجودہ مدت کا	(94,741)	96,079
منافع / نقصان فی حصص (روپے میں)	Rs. [2.69]	Rs. 2.72

کمپنی کی سہ ماہی خالص فروخت ۳۲۴ روپے ملین رہی جو گزشتہ سال کی اسی مدت کے
مقابلے میں ۱ فیصد کم ہے۔ کمپنی کے مجموعی منافع میں گزشتہ سال کی نسبت ۲۰ فیصد زیادہ
اضافہ ہوا۔ کمپنی کا مجموعی مارجن جو ۳۸ فیصد سے بڑھ کر ۴۶ فیصد ہو گیا۔ کمپنی کا سہ ماہی آپریٹنگ
منافع ۵۲ ملین رہا جو ۴۵ فیصد زیادہ ہے۔ مارجن اور آپریشن میں بہتری کی وجہ سے نتائج میں
اضافہ ہوا کمپنی کا ٹیکس سے پہلے منافع اور ٹیکس کے بعد منافع میں نمایاں اضافہ ہوا بنیادی طور پر
مدت کے جائزے کے تحت ریکارڈ کردہ ایسوسی ایٹ سے منافع میں حصہ داری کی وجہ سے رہا۔

برائے اور بورڈ کی جانب سے

مستقبل پر ایک نظر

ہمارا مقصد کسانوں کی بہتری کے لئے بہترین درجے کی خدمات اور اعلیٰ معیار کے حل کے ذریعے اپنا
سفر جاری رکھنا ہے تاکہ وہ بڑھتی ہوئی آبادی کے لئے فصلوں کی بہترین پیداوار اور صحت بخش خوراک
حاصل کر سکیں۔ ملک کے بڑھتے ہوئے قرضوں اور مہنگائی جیسی معاشی مشکلات، شرح سود میں اضافہ،

اسد عبداللہ

ڈائریکٹر

مرزا اسمیر بیگ

چیف ایگزیکٹو آفیسر

کراچی: ۲۴ فروری ۲۰۲۲ء

Auditor's Report

On Review of Condensed Interim
Financial Information To The Members



We have reviewed the accompanying condensed interim statement of financial position of UNITED DISTRIBUTORS PAKISTAN LIMITED ("the Company") as at December 31, 2021 and the related condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended December 31, 2021 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

EMPHASIS OF MATTER

We draw attention to note 9.3 to the interim financial statements that states the valuation technique used for valuation of shares investment in International Brands Limited, valuing Rs. 1,032.592 million. Our conclusion is not modified in respect of this matter.

OTHER MATTER

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The financial statements of the company for the year ended June 30, 2021 and Condensed interim financial information of the Company for the half year ended December 31, 2020 were audited and reviewed by another firm of chartered accountants who have expressed an unqualified opinion and conclusion thereon vide their reports dated November 04, 2021 and February 25, 2021 respectively.

Chartered Accountants
Karachi

Date: February 25, 2022

UDIN: RR202110067VzBo0XeDZ

Engagement Partner: ZULFIKAR ALI CAUSER

Condensed Interim Statement of Financial Position

As at December 31, 2021
[Un-audited]

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment
Intangible assets
Investment in associate
Long-term investments
Long-term deposits

CURRENT ASSETS

Inventories
Trade and other receivables
Loans, advances and prepayments
Current tax asset
Cash and bank balances

TOTAL ASSETS

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital 50,000,000 (June 30, 2021: 50,000,000)
shares of Rs. 10 each

Issued, subscribed and paid-up capital 35,271,133 (June 30, 2021: 35,271,133)
ordinary shares of Rs. 10 each

REVENUE RESERVE

Un-appropriated profits
General reserves

Revaluation reserve on investment at fair value through other comprehensive income

NON - CURRENT LIABILITIES

Long-term portion of liability under diminishing musharakah financing
Long-term lease liability
Salary refinancing
Deferred income - Government grant
Deferred tax liability

CURRENT LIABILITIES

Trade and other payables
Current portion of liability under diminishing musharakah financing
Current portion of long-term lease liability
Short-term borrowings
Unclaimed dividend

TOTAL EQUITY AND LIABILITIES

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements

		(Un-audited) December 31, 2021	[Audited] June 30, 2021
		----- (Rupees in '000') -----	
Note			
7		30,605	27,777
		1,641	2,870
8		678,647	609,351
9		1,134,370	1,489,400
		3,122	3,122
		1,848,385	2,132,520
10		123,974	148,912
		264,596	248,553
		5,647	2,988
		12,119	19,831
		5,073	9,205
		411,409	429,489
		2,259,794	2,562,009
		500,000	500,000
		352,713	352,713
		563,318	467,239
		28,548	28,548
		591,866	495,787
		1,042,825	1,397,855
		1,987,404	2,246,355
		2,106	3,963
		7,161	5,986
11		-	6,995
		1,237	1,772
		57,118	45,579
		67,622	64,295
12		118,842	140,493
		3,891	4,078
		7,363	5,120
13		73,839	100,835
		833	833
14		204,768	251,359
		2,259,794	2,562,009

MIRZA ASMER BEG
Chief Executive Officer

ASAD ABDULLA
Director

SOHAIL HASNAIN AHMED
Chief Financial Officer

Condensed Interim Statement of Profit or Loss Account

for the Half Year ended December 31, 2021
[Un-audited]

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note	----- (Rupees in '000) -----			
Revenue from contracts with customers	324,010	328,469	135,297	167,640
Cost of sales	(173,843)	(202,816)	(62,930)	(107,105)
Gross profit	150,167	125,653	72,367	60,535
Marketing and distribution expenses	(79,973)	(83,508)	(35,752)	(41,540)
Administrative and general expenses	(21,252)	(15,295)	(11,601)	(7,676)
Other operating expenses	(475)	(552)	(66)	(327)
Other income	3,463	9,410	1,832	7,806
Operating profit	51,930	35,708	26,780	18,798
Finance cost	(9,087)	(6,274)	(3,451)	(2,607)
Share of profit / (loss) from associate	77,493	(139,973)	-	(146,995)
Profit / (loss) before income tax	120,336	(110,539)	23,329	(130,804)
Income tax	(24,257)	15,798	(7,100)	20,276
Profit / (loss) after income tax	96,079	(94,741)	16,229	(110,528)
Earnings per share - basic and diluted (Rupees)	Rs. 2.73	(Rs. 2.69)	(Rs. 0.46)	(Rs. 3.13)

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements



MIRZA ASMER BEG
Chief Executive Officer



ASAD ABDULLA
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

for the Half Year ended December 31, 2021
[Un-audited]

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- (Rupees in '000') -----				
Profit / (loss) after income tax	96,079	(94,741)	16,229	(110,528)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be subsequently reclassified in profit or loss:				
Change in fair value of investment carried at fair value through other comprehensive income (OCI)	(355,030)	445,909	(84,749)	69,077
Share of remeasurements of post employment benefit obligations of associate	-	(16,618)	-	(16,618)
Deferred tax relating to component of other comprehensive loss	-	2,493	-	2,493
	-	(14,125)	-	(14,125)
Total comprehensive (loss) / income for the period	(258,951)	337,043	(68,520)	(55,576)

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements



MIRZA ASMER BEG
Chief Executive Officer



ASAD ABDULLA
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

Condensed Interim Statement of Cash flow

for the Half Year ended December 31, 2021
[Un-audited]

		December 31, 2021	December 31, 2020
	Note	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	16	43,712	(23,068)
Finance cost paid		(8,238)	(4,191)
Income tax (paid) / refund		(5,006)	12,775
(Increase) / decrease in long term loans and deposits		-	(45)
Net cash generated from / (used in) operating activities		30,468	(14,529)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(4,019)	(4,072)
Dividend received		9,381	2,368
Proceeds from disposal of property, plant and equipment		172	433
Net cash generated from / (used in) investing activities		5,534	(1,271)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(3,563)	(4,967)
Short term loan (paid) / obtained		(8,279)	21,403
Decrease of liabilities against assets subject to diminishing musharakah financing arrangement		(2,044)	(933)
Net cash (used in) / generated from financing activities		(13,887)	15,503
Net increase / (decrease) in cash and cash equivalents		22,115	(297)
Cash and cash equivalents at the beginning of the period		(40,492)	(32,909)
Cash and cash equivalents at the end of the period	17	(18,377)	(33,206)

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements



MIRZA ASMER BEG
Chief Executive Officer



ASAD ABDULLA
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

for the Half Year ended December 31, 2021
[Un-audited]

	SHARE CAPITAL	REVENUE RESERVE			
	Issued, subscribed and paid up capital	General reserve	Unappropriated Profit	Revaluation reserve on investments held at fair value through OCI	Total
	----- (Rupees in '000') -----				
Balance as at July 1, 2020	352,713	28,548	559,841	1,284,684	2,225,786
Loss for the half year ended December 31, 2020	-	-	(94,741)	-	(94,741)
Other comprehensive (loss) / income	-	-	(14,125)	445,909	431,784
Total comprehensive income/(loss)	-	-	(108,866)	445,909	337,043
Balance at December 31, 2020	352,713	28,548	450,975	1,730,593	2,562,829
Balance as at July 1, 2021	352,713	28,548	467,239	1,397,855	2,246,355
Profit for the half year ended December 31, 2021	-	-	96,079	-	96,079
Other comprehensive loss	-	-	-	(355,030)	(355,030)
Total comprehensive income/(loss)	-	-	96,079	(355,030)	(258,951)
Balance at December 31, 2021	352,713	28,548	563,318	1,042,825	1,987,404

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements



MIRZA ASMER BEG
Chief Executive Officer



ASAD ABDULLA
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

Notes to the Condensed Interim Financial Information

for the Half Year ended December 31, 2021
[Un-audited]

1. STATUS AND NATURE OF BUSINESS

United Distributors Pakistan Limited (UDPL) "the Company" was incorporated in Pakistan as a public company limited by shares and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Plot No. 105, Sector 7-A, Mehran Town, Korangi Industrial Area, Karachi. Its principal business activities are manufacturing, trading and distribution of pesticides, fertilizers and other allied products.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The Company has a factory located at plot # 231, Sector 7/A, Korangi Industrial Area, Karachi.

- Hyderabad: Plot # D 3/4, Hali Road, Site Area, Hyderabad
- Quetta: House # 237, near Aisha Masjid Block # 4, Satellite Town, Quetta
- Multan: Plot # 548, Jahangirabad, NLC Chowk 6-KM Khanewal Road, Multan
- Peshawar: Suite No. A-2/1, Tazkar Plaza, Main Dala Zak Road, Peshawar

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

This condensed interim financial information of the Company for the half year ended December 31, 2021 has 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 Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and

Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2021 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2020.

3.2 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention and foreign currency liabilities which are stated at the exchange rate on the date of condensed interim statement of financial position.

These condensed interim financial statements have been prepared following accrual basis of accounting except for condensed interim statement of cash flows.

3.3 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

The figures have been rounded off to the nearest thousand of Rupees.

4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

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

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2021. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.

6. TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2021, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2022 as stipulated through Finance Act 2019.

7. PROPERTY, PLANT AND EQUIPMENT

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000') -----	
Owned operating assets	7.1	18,088	18,713
Right-of-use assets	7.2	12,517	9,064
		30,605	27,777
7.1 Owned operating assets			
Opening net book value (NBV)	7.1.1	18,713	21,659
Additions during the period / year at cost		4,019	6,288
		22,732	27,947
Disposals during the period / year at NBV	7.1.2	(14)	(71)
Depreciation charge for the period / year		(4,628)	(9,163)
		(4,644)	(9,234)
Closing net book value (NBV)		18,088	18,713

7.1.1 Detail of additions (at cost) during the period / year are as follows:

Plant and machinery
Computers
Office equipment
Furniture & fixture
Vehicles

(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- (Rupees in '000') -----	
3,557	2,063
-	474
462	-
-	231
-	3,520
4,019	6,288

7.1.2 Detail of disposals (at NBV) during the period / year are as follows:

Plant and machinery
Furniture & fixture
Office equipment

-	13
2	-
12	58
14	71

7.2 Right-of-use assets

Opening balance
Additions during the period / year at cost
Depreciation charge for the period / year
Net book value

9,064	15,421
6,520	1,571
15,584	16,992
(3,067)	(7,928)
12,517	9,064

8. INVESTMENT IN ASSOCIATE

Balance at beginning of the period
Share of profit / (loss) for the period
Share of other comprehensive loss for the period
Less: Dividend income for the period
Balance at end of the period

609,351	768,530
77,493	(142,561)
-	(16,618)
(8,197)	-
678,647	609,351

8.1 This represents shareholding of 40% (June 30, 2021: 40%) comprising of 1,639,418 shares (June 30, 2021: 1,639,418 shares) of FMC United (Private) Limited, original cost of the shares was Rs. 16.39 million.

8.2 The amounts of share of profit and other comprehensive loss for the period are based on unaudited financial statements of FMC United (Private) Limited as at September 30, 2021.

9. LONG-TERM INVESTMENTS

Investments at fair value through other comprehensive income

- IBL HealthCare Limited - Listed
1,215,135 (June 30, 2021: 1,215,135) fully paid ordinary shares of Rs. 10 each
Percentage holding 2.19% (June 30, 2021: 2.19%)
Cost: Rs. 7,882,580 (June 30, 2021: Rs. 7,882,580)
- International Brands Limited - Unlisted
11,079,852 (June 30, 2021: 11,079,852) fully paid ordinary shares of Rs. 10 each
Percentage holding 4.71% (June 30, 2021: 4.71%)
Cost: Rs. 83,663,056 (June 30, 2021: Rs. 83,663,056)

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- (Rupees in '000') -----		
	101,778	135,038
	1,032,592	1,354,362
	1,134,370	1,489,400

- 91 Shares held as at December 31, 2021 include 31,343 shares (June 30, 2021: 31,343 shares) of IBL Health Care Limited and 184,665 shares (June 30, 2021: 184,665 shares) of International Brands Limited withheld by respective company at the time of bonus declaration. The Company has included these shares in its portfolio pending decision of the Honourable High Court of Sindh on petitions filed by the Company in respect of tax on bonus shares.
- 92 On 18 June 2021, Genesis Holdings (Private) Limited, the Holding Company, acquired 24,851,298 shares of Rs. 10 each from International Brands Limited. As at December 31, 2021, the Holding Company held 30,061,216 shares (June 30, 2020: 30,061,216 shares) which constitutes 85.23% of the Company's issued, subscribed and paid-up capital.
- 93 Valuation technique used to value investment in International Brands Limited include the use of quoted market prices for listed equity securities and the discounted future cash flows for unlisted equity securities held by International Brands Limited. The main level 3 inputs used are:
- discount rates for financial assets and financial liabilities determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessment of the time value of money and the risk specific to the asset; and
 - earning growth factors based on market information.
- 94 The Company holds shares of International Brands Limited which have been carried at fair value through OCI.

10. TRADE AND OTHER RECEIVABLES

These include 24 million (June 30, 2021: 1.2 million) receivables from related parties.

11. SALARY REFINANCING

This represents salary refinancing amounting to Rs. 174 million (June 30, 2021: Rs. 27.8 million) in relation to the Company availing the State Bank of Pakistan's (SBP) payroll refinance facility as a part of measures for countering COVID-19. The Company will pay a quarterly mark up at a discounted rate of 3% per annum, with eight equal quarterly installments starting from January 2021.

Salary refinancing
Current portion
Non-current portion

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- (Rupees in '000') -----		
	17,413	27,831
	17,413	20,836
	-	6,995

12. TRADE AND OTHER PAYABLES

These include Rs. 04 million (June 30, 2021: Rs. 1.27 million) payables to related parties.

13. SHORT-TERM BORROWINGS

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
Secured	Note	----- (Rupees in '000') -----	
Running finance under mark-up arrangement	13.1	23,450	49,697
Short-term loan (Tijarah)	13.2	8,601	11,502
		32,051	61,199
Unsecured			
Current portion of salary refinancing	11	17,413	20,836
Short-term loan	13.3	24,375	18,800
		41,788	39,636
		73,839	100,835

13.1 The Company obtained running finance facility from Habib Metropolitan Bank Limited at 3 months KIBOR + 2% per annum (June 30, 2021: 3 months KIBOR + 2% per annum). This facility is secured by way of hypothecation of current assets of the Company.

13.2 The Company obtained short-term loan (Tijarah) financing facility from Al Baraka Bank (Pakistan) Limited at 6 months KIBOR + 2.5% per annum (June 30, 2021: 6 months KIBOR + 2.5% per annum). This facility is secured by way of hypothecation of current assets of the Company.

13.3 This represents short term loan obtained from Genesis Holding (Private) Limited, the Holding Company.

14. CONTINGENCIES & COMMITMENTS

14.1 Contingencies

There is no contingency as at 31 December 2021.

14.2 Commitments

The facilities for opening letters of credit as at December 31, 2021 amounted to Rs. 275 million (June 30, 2021: Rs. 272 million). The amount remaining unutilised as at December 31, 2021 is Rs. 97.72 million (June 30, 2021: Rs. 153.61 million).

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Half year ended	
	December 31, 2021	December 31, 2020
	----- (Rupees in '000') -----	
Gross revenue from sale of goods	385,031	370,991
Less: Discounts	377	(5,326)
Sales returns	(59,203)	(34,111)
Sales tax	(3,363)	(3,085)
Net revenue from sale of goods	322,842	328,469
Revenue from toll manufacturing	1,168	-
	324,010	328,469

16. CASH GENERATED (USED IN) / FROM OPERATIONS

CASH GENERATED (USED IN) / FROM OPERATIONS	Half year ended	
	December 31, 2021	December 31, 2020
	----- (Rupees in '000') -----	
Profit before income tax	120,336	(110,539)
Adjustment for non-cash incomes and expenses:		
Depreciation and amortisation	8,924	9,744
Finance cost	9,087	6,274
Gain on disposal of property, plant and equipment	(152)	(371)
Dividend income	(1,184)	(2,368)
Other adjustments	(388)	-
Share of profit / (loss) from associate	(77,493)	139,973
	(61,206)	153,252
Profit before changes in working capital	59,130	42,713
Changes in Working Capital:		
Decrease / (increase) in current assets:		
Inventories	24,938	108,294
Trade and other receivables	(16,043)	(47,376)
Loans, advances and prepayments	(2,659)	(1,486)
(Decrease) / increase in current liabilities:	6,236	59,432
Trade and other payables	(21,654)	(125,213)
Cash generated from operations	43,712	(23,068)

17. CASH AND CASH EQUIVALENTS

Half year ended		
December 31, 2021	December 31, 2020	
Note	----- (Rupees in '000') -----	
	5,073	2,545
13.1	(23,450)	(35,751)
	(18,377)	(33,206)

Note

13.1

18. TRANSACTIONS WITH RELATED PARTIES

18.1 The following transactions were carried out with related parties during the period:

		Half year ended	
Nature of relationship	Nature of transactions	December 31, 2021	December 31, 2020
----- (Rupees in '000') -----			
i. Holding company	Corporate service charges	3,600	-
	Payment on behalf of Holding Company	10,396	-
	Receipts from Holding Company	6,131	-
	Loan paid on behalf of the Company	5,000	-
	Loan received from Holding Company	10,575	-
	Corporate service charges from former Holding Company *	-	3,000
	Payment on behalf of former Holding Company *	-	863
	ii. Associated companies	Rent charged	204
IT services		120	35
Repairs and maintenance		80	140
Utilities		180	-
iii. Employees' Provident Fund	Contribution paid	3,743	3,592
iv. Key Management Personnel	Salaries and other employee benefits	13,412	11,245
	Directors' fee	19	5

* These amounts pertain to transactions with International Brands Limited. These transactions were classified under transactions with the Holding Company in the condensed interim financial statements for the period December 31, 2020. On June 18, 2021, Genesis Holdings (Private) Limited, the Holding Company, acquired 24,851,298 shares of Rs. 10 each from International Brands Limited which constituted 70% of Company's paid up share capital.

18.2 The status of outstanding balances with related parties as at December 31, 2021 is included in the respective notes to the condensed interim financial statements. These are settled in the ordinary course of business.

19. FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.
- Level 3: inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

20. IMPACT OF COVID-19

In light of ongoing COVID-19 pandemic, the Company has reviewed its exposure to business risks and has not identified any significant impact on the Company's operations or decline in revenue during the period ended December 31, 2021.

21. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorized for issue on **24 February 2022** by the Board of Directors of the Company.

23. GENERAL

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



MIRZA ASMER BEG
Chief Executive Officer



ASAD ABDULLA
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer



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