

Spirit of Growth



Financial Statement **2022**
For the nine months ended
March 31, 2022 [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 nine months ended March 31, 2022.

| Particulars | July-March | | Variance |
|------------------------------|------------|------------|----------|
| | 2022 | 2021 | |
| ----- [Rupees in '000] ----- | | | |
| Net sales | 452,844 | 475,836 | -4.8% |
| Gross profit | 208,716 | 179,553 | 16.2% |
| Operating profit | 58,632 | 45,657 | 28.4% |
| Loss before taxation | (344,048) | (101,004) | 240.6% |
| Loss for the period | (301,423) | (85,123) | 254.1% |
| Loss Earning per share | Rs. (8.55) | Rs. (2.41) | |

Net turnover of the Company for the nine months ended March 31, 2022 amounted to Rs. 453 million which is 5% less as compared to SPLY. The reduction in sales was mainly because of the late availability of some key stocks due to global supply chain crises.

The Company is able to achieve 16% higher Gross profit as compared to SPLY (GP margin 46% vs 38% in same period last year) through sale of better product mix.

Operating profit for the period under review is Rs. 59 million, 28% higher than SPLY. The growth in operating results was driven on the back of a strong focus on margin optimization and operational excellence.

The associate company posted a loss due to sharp rise in product cost resulting in reduced margins, huge exchange fluctuation loss and significant increase in finance cost. Hence, the Company has recorded share of loss from associate 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 & fuel rate, weakening currency and 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: April 28, 2022

ڈائریکٹرز رپورٹ

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،

کمزور ہوتی کرنی، 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۔

اعتراف

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام کسٹمرز، بینکرز اور دیگر مستفیدان کا شکریہ ادا کرتا 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۔

برائے اور بورڈ کی جانب سے

اسد عبداللہ

ڈائریکٹر

مرزا اسمیر بیگ

چیف ایگزیکٹو آفیسر

کراچی: ۲۸ اپریل ۲۰۲۲ء

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 نو ماہی مختتمہ ۳۱ مارچ ۲۰۲۲ء پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

| تبدیلی | جولائی - مارچ | | تفصیلات |
|--------|--------------------|------------|-------------------------|
| | 2021 | 2022 | |
| | (روپے، ہزاروں میں) | | |
| -4.8% | 475,836 | 452,844 | خالص فروخت |
| 16.2% | 179,553 | 208,716 | خام منافع |
| 28.4% | 45,657 | 58,632 | منافع آپریشنز سے |
| 240.6% | [101,004] | [344,048] | نقصان قبل از ٹیکس |
| 254.1% | [85,123] | [301,423] | نقصان موجودہ مدت کا |
| | Rs. [2.41] | Rs. [8.55] | نقصان فی حصص (روپے میں) |

کمپنی کی سہ ماہی خالص فروخت ۴۵۳ روپے ملین رہی جو گزشتہ سال کی اسی مدت کے مقابلے میں ۵ فیصد کم ہے۔ کمپنی کے مجموعی منافع میں گزشتہ سال کی نسبت ۱۶ فیصد زیادہ اضافہ ہوا۔ کمپنی کا مجموعی مارجن جو ۳۸ فیصد سے بڑھ کر ۴۶ فیصد ہو گیا۔ کمپنی کا سہ ماہی آپریٹنگ منافع ۵۹ ملین رہا جو ۲۸ فیصد زیادہ ہے۔

ساتھی کمپنی نے مصنوعات کی لاگت میں تیزی سے اضافہ، مارجن میں کمی، پاکستانی روپے کی گراؤ کی وجہ سے نقصان ریکارڈ کیا ہے۔ لہذا کمپنی نے زیر جائزہ مدت کیلئے ساتھی کمپنی کے نقصان کا حصہ ریکارڈ کیا ہے۔

UNITED DISTRIBUTORS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

| | | (Un-audited) March 31, 2022 | (Audited) June 30, 2021 |
|--|------|-----------------------------------|-------------------------------|
| | Note | (Rupees in '000') | |
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 48,360 | 27,777 |
| Intangible assets | | 1,027 | 2,870 |
| Investment in associate | 7 | 211,555 | 609,351 |
| Long-term investments | 8 | 972,133 | 1,489,400 |
| Deferred taxation | | 6,234 | - |
| Long-term deposits | | 3,122 | 3,122 |
| | | 1,242,431 | 2,132,520 |
| CURRENT ASSETS | | | |
| Inventories | | 215,677 | 148,912 |
| Trade and other receivables | 9 | 272,543 | 248,553 |
| Loans, advances and prepayments | | 4,682 | 2,988 |
| Current tax asset | | 17,960 | 19,831 |
| Cash and bank balances | | 19,375 | 9,205 |
| | | 530,237 | 429,489 |
| | | 1,772,668 | 2,562,009 |
| 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 | | 500,000 | 500,000 |
| Issued, subscribed and paid-up capital | | | |
| 35,271,133 (June 30, 2021: 35,271,133) ordinary shares of Rs. 10 each | | 352,713 | 352,713 |
| Revenue Reserve | | | |
| Un-appropriated profits | | 165,816 | 467,239 |
| General reserves | | 28,548 | 28,548 |
| | | 194,364 | 495,787 |
| Revaluation reserve on investment at fair value through other comprehensive income | | 880,588 | 1,397,855 |
| | | 1,427,665 | 2,246,355 |
| NON - CURRENT LIABILITIES | | | |
| Long-term portion of liability under diminishing musharakah financing | | 15,280 | 3,963 |
| Long-term lease liability | | 5,201 | 5,986 |
| Salary refinancing | 10 | - | 6,995 |
| Deferred income - Government grant | | 1,072 | 1,772 |
| Deferred tax liability | | - | 45,579 |
| | | 21,553 | 64,295 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 226,056 | 140,493 |
| Current portion of liability under diminishing musharakah financing | | 7,353 | 4,078 |
| Current portion of long-term lease liability | | 7,753 | 5,120 |
| Short- term borrowings | 12 | 81,455 | 100,835 |
| Unclaimed dividend | | 833 | 833 |
| | | 323,450 | 251,359 |
| | | 1,772,668 | 2,562,009 |
| TOTAL EQUITY AND LIABILITIES | | | |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 13 | | |

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

UNITED DISTRIBUTORS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2022 - UNAUDITED

| | | Nine months ended | | Quarter ended | |
|---|----|-------------------|-------------------|-------------------|-------------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Note | | (Rupees in '000') | | | |
| Revenue from contracts with customers | 14 | 452,844 | 475,836 | 128,834 | 147,367 |
| Cost of sales | | (244,128) | (296,283) | (70,285) | (93,467) |
| Gross profit | | 208,716 | 179,553 | 58,549 | 53,900 |
| Marketing and distribution expenses | | (126,104) | (120,525) | (46,131) | (37,017) |
| Administrative and general expenses | | (33,464) | (22,562) | (12,212) | (7,267) |
| Other operating expenses | | (3,211) | (721) | (2,736) | (169) |
| Other income | | 12,695 | 9,912 | 9,232 | 502 |
| Operating profit | | 58,632 | 45,657 | 6,702 | 9,949 |
| Finance cost | | (13,081) | (7,715) | (3,994) | (1,441) |
| Share of profit / (loss) from associate | | (389,599) | (138,946) | (467,092) | 1,027 |
| (Loss) / profit before income tax | | (344,048) | (101,004) | (464,384) | 9,535 |
| Income tax | | 42,625 | 15,881 | 66,882 | 83 |
| (Loss) / profit after income tax | | (301,423) | (85,123) | (397,502) | 9,618 |
| Earnings per share - basic and diluted (Rupees) | | (Rs. 8.55) | (Rs. 2.41) | (Rs. 11.27) | Rs. 0.27 |

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNITED DISTRIBUTORS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2022 - UNAUDITED

| | Nine months ended | | Quarter ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | (Rupees in '000') | | | |
| Profit / (loss) after income tax | (301,423) | (85,123) | (397,502) | 9,618 |
| 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) | (517,267) | 339,810 | (162,237) | (37,022) |
| Share of remeasurements of post employment benefit obligations of associate | - | (16,618) | - | - |
| Deferred tax relating to component of other comprehensive loss | - | 2,493 | - | - |
| | - | (14,125) | - | - |
| Total comprehensive (loss) / income for the period | (818,690) | 240,562 | (559,739) | (27,404) |

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNITED DISTRIBUTORS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2022 - UNAUDITED

| | | March 31, 2022 | March 31, 2021 |
|---|------|-------------------|-------------------|
| | Note | (Rupees in '000') | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 15 | 57,391 | 43,488 |
| Finance cost paid | | (11,832) | (5,666) |
| Income tax (paid) / refund | | (7,317) | 12,532 |
| (Decrease) in long term loans and deposits | | - | (113) |
| | | | |
| Net cash generated from operating activities | | 38,242 | 50,241 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| | | | |
| Payments for acquisition of property, plant and equipment | | (25,491) | (5,597) |
| Short term investment | | - | (5,106) |
| Dividend received | | 9,381 | 2,368 |
| Proceeds from disposal of property, plant and equipment | | 6,442 | 412 |
| Net cash used in investing activities | | (9,668) | (7,923) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| | | | |
| Lease rentals paid | | (5,921) | (7,285) |
| Short term loan obtained | | 6,719 | 9,389 |
| Increase / (decrease) of liabilities against assets subject to diminishing musharakah financing arrangement | | 14,592 | (2,326) |
| Net cash generated / (used in) from financing activities | | 15,390 | (222) |
| | | | |
| Net increase in cash and cash equivalents | | 43,964 | 42,096 |
| Cash and cash equivalents at the beginning of the period | | (40,492) | (32,909) |
| Cash and cash equivalents at the end of the period | 16 | 3,472 | 9,187 |

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNITED DISTRIBUTORS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022 - UNAUDITED

| | SHARE CAPITAL | REVENUE RESERVE | | Revaluation reserve on investments held at fair value through OCI | Total |
|--|--|--------------------|--------------------------|---|-----------|
| | Issued, subscribed and paid-up capital | General reserve | Unappropriated profit | | |
| | Rupees '000' | | | | |
| Balance as at July 1, 2020 | 352,713 | 28,548 | 559,841 | 1,284,684 | 2,225,786 |
| Loss for the period ended March 31, 2021 | - | - | (85,123) | - | (85,123) |
| Other comprehensive (loss) / income | - | - | (14,125) | 339,810 | 325,685 |
| Total comprehensive income/(loss) | - | - | (99,248) | 339,810 | 240,562 |
| Balance at March 31, 2021 | 352,713 | 28,548 | 460,593 | 1,624,494 | 2,466,348 |
| Balance as at July 1, 2021 | 352,713 | 28,548 | 467,239 | 1,397,855 | 2,246,355 |
| Loss for the period ended March 31, 2022 | - | - | (301,423) | - | (301,423) |
| Other comprehensive loss | - | - | - | (517,267) | (517,267) |
| Total comprehensive loss | - | - | (301,423) | (517,267) | (818,690) |
| Balance at March 31, 2022 | 352,713 | 28,548 | 165,816 | 880,588 | 1,427,665 |

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNITED DISTRIBUTORS PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2022 - UNAUDITED

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 of the Company for the period ended March 31, 2022 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 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.

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.

| | Note | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|--|------|-----------------------------------|-------------------------------|
| 6 PROPERTY, PLANT AND EQUIPMENT | | | |
| (Rupees in '000') | | | |
| Owned operating assets | 6.1 | 37,393 | 18,713 |
| Right-of-use assets | 6.2 | 10,967 | 9,064 |
| | | <u>48,360</u> | <u>27,777</u> |

6.1 Owned operating assets

| | | | |
|--|-------|----------------|----------------|
| Opening net book value (NBV) | | 18,713 | 21,659 |
| Additions during the period / year at cost | 6.1.1 | 25,491 | 6,288 |
| | | <u>44,204</u> | <u>27,947</u> |
| Disposals during the period / year at NBV | 6.1.2 | (20) | (71) |
| Depreciation charge for the period / year | | (6,789) | (9,163) |
| | | <u>(6,811)</u> | <u>(9,234)</u> |
| Closing net book value (NBV) | | <u>37,393</u> | <u>18,713</u> |

| March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|-----------------------------------|-------------------------------|
| (Rupees in '000') | |

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

| | | |
|---------------------|---------------|--------------|
| Plant and machinery | 3,725 | 2,063 |
| Computers | 209 | 474 |
| Office equipment | 627 | - |
| Furniture & fixture | - | 231 |
| Vehicles | 20,930 | 3,520 |
| | <u>25,491</u> | <u>6,288</u> |

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

| | | |
|---------------------|-----------|-----------|
| Plant and machinery | 5 | 13 |
| Furniture & fixture | 3 | - |
| Office equipment | 12 | 58 |
| | <u>20</u> | <u>71</u> |

6.2 Right-of-use assets

| | | |
|--|---------|---------|
| Opening balance | 9,064 | 15,421 |
| Additions during the period / year at cost | 6,520 | 1,571 |
| | 15,584 | 16,992 |
| Depreciation charge for the period / year | (4,617) | (7,928) |
| Net book value | 10,967 | 9,064 |

7 INVESTMENT IN ASSOCIATE

| | | |
|--|-----------|-----------|
| Balance at beginning of the period | 609,351 | 768,530 |
| Share of profit / (loss) for the period | (389,599) | (142,561) |
| Share of other comprehensive loss for the period | - | (16,618) |
| Less: Dividend income for the period | (8,197) | - |
| Balance at end of the period | 211,555 | 609,351 |

7.1 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.

7.2 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 March 31, 2022.

8 LONG-TERM INVESTMENTS

| | | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|---|---------------|-----------------------------------|-------------------------------|
| Investments at fair value through other comprehensive income | Note | (Rupees in '000') | |
| - IBL HealthCare Limited - Listed | | | |
| 1,451,893 (June 30, 2021: 1,215,135) | | | |
| fully paid ordinary shares of Rs. 10 each | 8.1 | 80,638 | 135,038 |
| 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) | 8.1, 8.2, 8.3 | | |
| fully paid ordinary shares of Rs. 10 each | & 8.4 | 891,495 | 1,354,362 |
| Percentage holding 4.71% (June 30, 2021: 4.71%) | | | |
| Cost: Rs. 83,663,056 (June 30, 2021: Rs. 83,663,056) | | | |
| | | 972,133 | 1,489,400 |

- 8.1 Shares held as at March 31, 2022 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.
- 8.2 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 March 31, 2022, the Holding Company held 30,061,216 shares (June 30, 2021: 30,061,216 shares) which constitutes 85.23% of the Company's issued, subscribed and paid-up capital.
- 8.3 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.
- 8.4 The Company holds shares of International Brands Limited which have been carried at fair value through OCI.

9 TRADE AND OTHER RECEIVABLES

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

10 SALARY REFINANCING

This represents salary refinancing amounting to Rs. 17.4 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.

| | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|---------------------|--|--|
| | (Rupees in '000') | |
| Salary refinancing | 12,204 | 27,831 |
| Current portion | 12,204 | 20,836 |
| Non-current portion | - | 6,995 |

11 TRADE AND OTHER PAYABLES

These include Rs. 0.2 million (June 30, 2021: Rs. 1.27 million) payables to related parties.

| | Note | March 31, 2022 (Un-audited) (Rupees in '000') | June 30, 2021 (Audited) |
|---|------|--|-------------------------------|
| 12 SHORT-TERM BORROWINGS | | | |
| Secured | | | |
| Running finance under mark-up arrangement | 12.1 | 15,903 | 49,697 |
| Short-term loan (Tijarah) | 12.2 | 14,105 | 11,502 |
| | | 30,008 | 61,199 |
| Unsecured | | | |
| Current portion of salary refinancing | 10 | 12,204 | 20,836 |
| Short- term loan | 12.3 | 39,243 | 18,800 |
| | | 51,447 | 39,636 |
| | | 81,455 | 100,835 |

- 12.1 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.
- 12.2 The Company obtained short-term loan (Tijarah) financing facility from Al Baraka Bank (Pakistan) Limited at 3 months KIBOR + 2.5% per annum (June 30, 2021: 3 months KIBOR + 2.5% per annum). This facility is secured by way of hypothecation of current assets of the Company.
- 12.3 This represents short term loan obtained from Genesis Holding (Private) Limited, the Holding Company.

13 CONTINGENCIES & COMMITMENTS

13.1 Contingencies

There is no contingency as at March 31, 2022.

13.2 Commitments

The facilities for opening letters of credit as at March 31, 2022 amounted to Rs. 225 million (June 30, 2021: Rs. 272 million). The amount remaining unutilised as at December 31, 2021 is Rs. 63 million (June 30, 2021: Rs. 153.61 million).

| | March 31, 2022 | March 31, 2021 |
|--|-------------------|-------------------|
| | (Rupees in '000') | |
| 14 REVENUE FROM CONTRACTS WITH CUSTOMERS | | |
| Gross revenue from sale of goods | 564,493 | 533,301 |
| Less: | | |
| Discounts | (36,538) | (6,062) |
| Sales return | (72,174) | (47,044) |
| Sales tax | (4,804) | (4,359) |
| Net revenue from sale of goods | 450,977 | 475,836 |
| Revenue from toll manufacturing | 1,867 | - |
| | <u>452,844</u> | <u>475,836</u> |
| 15 CASH GENERATED (USED IN) / FROM OPERATIONS | | |
| Profit before income tax | (344,048) | (101,004) |
| Adjustment for non-cash incomes and expenses: | | |
| Depreciation and amortisation | 13,251 | 14,565 |
| Finance cost | 13,081 | 7,715 |
| Gain on disposal of property, plant and equipment | (6,422) | (350) |
| Dividend income | (1,184) | (2,368) |
| Share of profit / (loss) from associate | 389,599 | 138,946 |
| | <u>408,325</u> | <u>158,508</u> |
| Profit before changes in working capital | <u>64,277</u> | <u>57,504</u> |
| Changes in Working Capital: | | |
| Decrease / (increase) in current assets: | | |
| Inventories | (66,765) | 116,513 |
| Trade and other receivables | (23,990) | (48,525) |
| Loans, advances and prepayments | (1,694) | (5,195) |
| | <u>(92,449)</u> | <u>62,793</u> |
| (Decrease) / increase in current liabilities: | | |
| Trade and other payables | 85,563 | (76,809) |
| Cash generated from operations | <u>57,391</u> | <u>43,488</u> |

| | | March 31, 2022 | March 31, 2021 |
|-------------------------------------|-------------|---------------------------|---------------------------|
| | Note | (Rupees in '000') | |
| 16 CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | | 19,375 | 17,708 |
| Short-term borrowings | 12.1 | (15,903) | (8,521) |
| | | <u>3,472</u> | <u>9,187</u> |

17 TRANSACTIONS WITH RELATED PARTIES

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

| Nature of relationship | Nature of transactions | March 31, 2022 | March 31, 2021 |
|---------------------------------------|---|---------------------------|---------------------------|
| | | (Rupees in '000') | |
| i. Holding company | | | |
| | - Corporate service charges | 4,800 | - |
| | - Payment on behalf of Holding Company | 18,865 | - |
| | - Receipts from Holding Company | 11,143 | - |
| | - Loan paid on behalf of the Company | 10,782 | - |
| | - Loan received from Holding Company | 31,225 | - |
| | - Corporate service charges from former Holding Company * | - | 4,500 |
| | - Payment on behalf of former Holding Company * | - | 863 |
| ii. Associated companies | | | |
| | - Rent charged | 280 | 324 |
| | - IT services | 180 | 35 |
| | - Repairs and maintenance | 80 | 140 |
| | - Dividend received | 8,197 | - |
| | - Utilities | 180 | - |
| iii. Employees' Provident Fund | | | |
| | - Contribution paid | 5,432 | 5,443 |
| iv. Key Management Personnel | | | |
| | - Salaries and other employee benefits | 20,559 | 18,206 |
| | - Directors' fee | 19 | 15 |

* 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 ended March 31, 2021. 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 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.

19 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.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **April 28, 2022** by the Board of Directors of the Company.

21 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



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