

Spirit of Growth



Quarter Report 2022

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 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. M. Salman Hussain Chawala
Director

Mr. Najmul Hassan
Director

Audit Committee

Mr. Salman Hussain Chawala
Chairman

Mr. Najmul Hassan
Member

Mr. Ayaz Abdulla
Member

Legal Advisor

Sarmad Aziz
Advocates/Advisors

CEO

Mr. Mirza Asmer Beg
Chief Executive Officer

CFO

Mr. Sohail Hasnain Ahmed
Chief Financial Officer

Company Secretary

Mr. M. Imran
Company Secretary

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

H.R & Remuneration Committee

Ms. Samia Zuberi
Chairperson

Mr. Abdul Samie Cashmiri
Member

Mr. Ayaz Abdulla
Member

Mr. Saqib Abbas
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

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



Directors' **Report**

Directors' Report

The Directors of United Distributors Pakistan Limited (UDPL) takes pleasure in presenting this report, together with the interim unaudited financial statements of the Company for the quarter ended September 30, 2022.

The Company has to operate the business in challenging economic and business environment during the period under review. The recent natural disaster excessive monsoon rains, flood caused unprecedented damage to key standing crops, livestock and infrastructure of the country. Further, the significant devaluation of PKR currency and higher inflation also impacted the Company's revenue and bottom line adversely.

Particulars	July - September		
	2022	2021	Variance
----- (Rupees in '000) -----			
Net sales	142,474	188,713	-24.5 %
Gross profit	55,211	77,800	-29.0 %
Operating (Loss)/profit	(4,550)	25,125	-118.1 %
Finance cost	(22,899)	(5,518)	315.0 %
Share of (loss)/profit from associated	(130,246)	77,493	-268.1 %
(Loss)/Profit before taxation	(157,695)	97,100	-262.4 %
(Loss)/Profit Loss after taxation	(142,192)	79,943	-277.9 %
Loss per share	(Rs. 4.03)	Rs. 2.27	

- The Company managed to achieve sales revenue of Rs 1424 million for the quarter ended September 30, 2022 registered 25% decrease as compared to the same period last year.
- The gross profit of the Company reduced by -29% as compared to the same period last year. The Company gross margin which stood at 39% as compared with 41% same period last year.

- The increase in operating cost is attributable to general inflation. Resultantly, the operating loss for the quarter at Rs. 4.5 million. The finance cost significantly increased by 3.1x mainly due to huge exchange loss on import LC payments.

The associate company posted loss for the period under review due to reduction in revenue margin, huge finance cost and exchange loss. Hence, the Company 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 optimal crop yield and healthy food for growing population.

Despite challenges like unfavorable weather, post impact of flood, inflation, hike in interest rate, weakening currency, bullish trend of product prices 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 Customer, 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: October 27, 2022

ڈائریکٹرز رپورٹ

یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ (یو ڈی پی ایل)

کے بورڈ آف ڈائریکٹرز کی جانب سے میں

غیر محصولاتی عبوری مالیاتی حسابات برائے

پہلی سہ ماہی ختمہ ۳۰ ستمبر ۲۰۲۲ء پیش کرتے

ہوئے خوشی محسوس کرتا ہوں

کمپنی کو زیر جائزہ مدت کے دوران ایک مشکل معاشی اور کاروباری ماحول میں کاروبار چلانا ہے۔ حالیہ قدرتی آفات، زیادہ مومن سون کی بارشیں، سیلاب نے ملک کی اہم کھڑی فصلوں، مویشیوں اور انفراسٹرکچر کو بے مثال نقصان پہنچایا۔ مزید برآں PAK کرنسی کی قدر میں نمایاں کمی اور زیادہ افراط زر نے بھی کمپنی کی آمدنی کو بری طرح متاثر کیا۔

تفصیلات	جولائی - ستمبر	
	2021	2022
(روپے ہزاروں میں)		
خالص فروخت	188,713	142,474
خام منافع	77,800	55,211
نقصان آپریشنز سے	25,125	(4,550)
مالیاتی لاگت	(5,518)	(22,899)
ایسوسی ایٹ سے نقصان کا حصہ	77,493	(130,246)
نقصان قبل از ٹیکس	97,100	(157,695)
نقصان بعد از ٹیکس	79,943	(142,192)
نقصان فی حصص (روپے میں)	Rs. 2.27	(Rs. 4.03)

- کمپنی ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی سہ ماہی کے لئے ۱۴۲.۴ ملین روپے کی سیلز ریونیو حاصل کرنے میں کامیاب رہی جس میں گزشتہ سال کی اسی مدت کے مقابلے میں ۲۵ فیصد کمی ریکارڈ کی گئی۔

- کمپنی کے مجموعی منافع میں پچھلے سال کی اسی مدت کے مقابلے میں ۲۹ فیصد کمی ہوئی کمپنی کا مجموعی مارجن جو کہ گزشتہ سال اسی مدت کے ۴۱ فیصد کے مقابلے میں ۳۹ فیصد رہا۔

- آپریٹنگ لاگت میں اضافہ عام افراط زر کی وجہ سے ہے اور مالیاتی لاگت میں نمایاں

اضافہ درآمدی ایل سی میچورٹیز پر بھاری زرمبادلہ کے نقصان کی وجہ سے ہے نتیجتاً سہ ماہی کے لئے آپریٹنگ نقصان ۴.۵ ملین روپے رہا۔

ایسوسی ایٹ کمپنی نے ریونیو میں کمی، بھاری مالیاتی لاگت اور درآمدی ادائیگیوں پر زرمبادلہ کے نقصان کی وجہ سے زیر جائزہ مدت کے لئے نقصان پوسٹ کیا لہذا کمپنی نے زیر جائزہ مدت کے لئے ایسوسی ایٹ سے نقصان کا حصہ ریکارڈ کیا۔

مستقبل پر ایک نظر

ہمارا عزم ہے کہ ہم منفرد اور اعلیٰ معیاری مصنوعات متعارف کروا کر کسانوں کی فلاح و بہبود کا سفر جاری رکھیں گے تاکہ انہیں فصلوں سے بہترین پیداوار حاصل ہو اور انسانوں کو اعلیٰ معیاری غذا فراہم کر سکیں۔

ناموافق موسم، سیلاب کے بعد کے اثرات، مہنگائی، شرح سود میں اضافہ، کمزور ہوتی کرنسی، مصنوعات کی قیمتوں میں تیزی اور عالمی سپلائی چین کے مسائل آنے والے عرصے میں کاروباری آمدنی اور منافع کے لئے خطرات لاحق رہیں گے، کمپنی پر اعتماد ہے اور اپنے متنوع مصنوعات کے پورٹ فولیو سے فائدہ اٹھاتے ہوئے ان منفی اثرات کو کم کرنے پر توجہ مرکوز کرنے کے ساتھ ساتھ اسٹیک ہولڈر کو پائیدار منافع کی فراہمی کی بنیاد قدر کے مطابق اعلیٰ نتائج فراہم کرنے کے لئے مسلسل کوشاں ہے۔

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

مرزا اسمیر بیگ

چیف ایگزیکٹو آفیسر

اسد عبداللہ

ڈائریکٹر

کراچی: ۲۷ اکتوبر ۲۰۲۲ء

Condensed Interim Statement of Financial Position

As at September 30, 2022

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment
Intangible assets
Investment in associate
Long-term investments
Deferred taxation
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, 2022: 50,000,000) shares of Rs. 10 each

Issued, subscribed and paid-up capital

35,271,133 (June 30, 2022: 35,271,133) ordinary shares of Rs. 10 each

REVENUE RESERVE

Un-appropriated profits

General reserve

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
Deferred income - Government grant

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 21 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

		(Un-audited) September 30, 2022	(Audited) June 30, 2021
Note		----- (Rupees in '000') -----	
6		63,994	50,267
		375	413
7		-	130,246
8		930,888	997,102
		32,909	15,625
		3,472	3,122
		1,031,638	1,196,775
9		290,815	294,853
		296,998	299,601
		1,722	4,563
		25,230	19,399
		14,166	8,889
		628,931	627,305
		1,660,569	1,824,080
		500,000	500,000
		352,713	352,713
		(37,610)	104,582
		28,548	28,548
		(9,062)	133,130
		839,343	905,557
		1,182,994	1,391,400
		31,340	19,830
		797	3,725
		-	447
		32,137	24,002
11		220,468	246,692
		8,163	6,342
		8,785	7,620
12		207,189	147,191
		833	833
		445,438	408,678
		1,660,569	1,824,080
13			

Condensed Interim Statement of Profit or Loss

for the period ended September 30, 2022 [Un-audited]

		Quarter ended	
		September 30, 2022	September 30, 2021
		----- (Rupees in '000') -----	
Revenue from contracts with customers	Note 14	142,474	188,713
Cost of sales		(87,263)	(110,913)
Gross profit		55,211	77,800
Marketing and distribution expenses		(47,354)	(44,246)
Administrative and general expenses		(14,766)	(9,651)
Other operating expenses		(2,849)	(409)
Other income		5,208	1631
Operating (Loss) / profit		(4,550)	25,125
Finance cost		(22,899)	(5,518)
Share of (loss)/profit from associate		(130,246)	77,493
(Loss) / profit before income tax		(157,695)	97,100
Income tax		15,503	(17,157)
(Loss) / profit after income tax		(142,192)	79,943
Loss per share - basic and diluted		(Rs. 4.03)	Rs 2.27


The annexed notes 1 to 21 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 period ended September 30, 2022 [Un-audited]

(Loss) / profit after income tax

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)

Total comprehensive (loss) / income for the period

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


Quarter ended	
September 30, 2022	September 30, 2021
----- (Rupees in '000') -----	
(142,192)	79,943
(66,214)	(270,281)
(208,406)	(190,338)



MIRZA ASMER BEG
Chief Executive Officer



ASAD ABDULLA
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

Condensed Interim Statement of Cash Flows

for the period ended September 30, 2022 [Un-audited]

		September 30, 2022	September 30, 2021
	Note	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	15	(21,385)	17,039
Finance cost paid		(22,553)	(5,116)
Income tax paid		(7,611)	(1,492)
Net cash (used in) / generated from operating activities		(51,549)	10,431
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(18,529)	(1,067)
Proceeds from disposal of property, plant and equipment		4,220	-
Net cash used in investing activities		(14,309)	(1,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(2,194)	(2,141)
Short term loan obtained		59,998	16,867
Increase / (decrease) of liabilities against assets subject to diminishing musharakah financing arrangement		13,331	(1,037)
Net cash generated from financing activities		71,135	13,689
Net increase in cash and cash equivalents		5,277	23,053
Cash and cash equivalents at the beginning of the period		8,889	(40,492)
Cash and cash equivalents at the end of the period	16	14,166	(17,439)

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

Condensed Interim Statement of Changes in Equity

for the period ended September 30, 2022 [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, 2021	352,713	28,548	467,239	1,397,855	2,246,355
Profit for the period ended September 30, 2021	-	-	79,943	-	79,943
Other comprehensive (loss) / income	-	-	-	(270,281)	(270,281)
Total comprehensive income/(loss)	-	-	79,943	(270,281)	(190,338)
Balance at September 30, 2021	352,713	28,548	547,182	1,127,574	2,056,017
Balance as at July 1, 2022	352,713	28,548	104,582	905,557	1,391,400
Loss for the period ended September 30, 2022	-	-	(142,192)	-	(142,192)
Other comprehensive loss	-	-	-	(66,214)	(66,214)
Total comprehensive loss	-	-	(142,192)	(66,214)	(208,406)
Balance at September 30, 2022	352,713	28,548	(37,610)	839,343	1,182,994


The annexed notes 1 to 21 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 Statements

for the period ended September 30, 2022 [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.

The Company also has following branch offices:

- 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 September 30, 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, 2022 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, 2022.

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, 2022.

6. PROPERTY, PLANT AND EQUIPMENT

Owned operating assets

Right-of-use assets

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
Note		----- (Rupees in '000) -----	
6.1		56,127	40,850
6.2		7,867	9,417
		<u>63,994</u>	<u>50,267</u>

6.1 Owned operating assets

Opening net book value (NBV)

Additions during the period / year at cost

Disposals during the period / year at NBV

Depreciation charge for the period / year

Closing net book value (NBV)

6.1.1		40,850	18,713
		18,529	31,814
		<u>59,379</u>	<u>50,527</u>
6.1.2		-	(20)
		(3,250)	(9,657)
		<u>(3,252)</u>	<u>(9,677)</u>
		<u>56,127</u>	<u>40,850</u>

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

Plant and machinery

Computers

Vehicles

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
	177	3,994
	115	1,026
	18,237	26,794
	<u>18,529</u>	<u>31,814</u>

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

Plant and machinery

Furniture & fixture

Office equipment

	-	4
	-	2
	-	14
	<u>-</u>	<u>20</u>

6.2 Right-of-use assets

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

(Un-audited) September 30, 2022	(Audited) June 30, 2022
----- (Rupees in '000') -----	
9,417	3,994
-	1,026
9,417	15,584
(1,550)	(6,167)
7,867	9,417

7. INVESTMENT IN ASSOCIATE

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

(Un-audited)	
September 30, 2022	September 30, 2021
----- (Rupees in '000') -----	
130,246	609,351
(130,246)	(458,847)
-	(12,061)
-	(8,197)
-	130,246

- 71 This represents shareholding of 40% (June 30, 2022: 40%) comprising of 1,639,418 shares (June 30, 2022: 1,639,418 shares) of FMC United (Private) Limited, original cost of the shares was Rs. 16.39 million.
- 72 The amounts of share of Loss and other comprehensive loss for the period are based on unaudited financial information of FMC United (Private) Limited for the period ended September 30, 2022 to the extent of company's amount of investment.

8. LONG-TERM INVESTMENTS

Investments at fair value through OCI

— IBL HealthCare Limited - Listed	8.1
1,451,893 (June 30, 2022: 1,451,893) fully paid ordinary shares of Rs. 10 each	
Percentage holding 2.19% (June 30, 2022: 2.19%)	
Cost: Rs. 7,882,580 (June 30, 2022: Rs. 7,882,580)	
— International Brands Limited - Unlisted	8.1, 8.2, 8.3
11,079,852 (June 30, 2022: 11,079,852) fully paid ordinary shares of Rs. 10 each	
Percentage holding 4.71% (June 30, 2022: 4.71%)	
Cost: Rs. 83,663,056 (June 30, 2022: Rs. 83,663,056)	

(Un-audited) September 30, 2022	(Audited) June 30, 2022
----- (Rupees in '000') -----	
66,787	75,484
864,101	921,618
930,888	997,102

- 8.1 Shares held as at September 30, 2022 include 31,343 shares (2022: 31,343 shares) of IBL HealthCare Limited and 184,665 shares (2022: 184,665) of International Brands (Pvt.) Limited (Formerly named International Brands Limited - Unlisted) withheld by respective companies 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 The Company holds shares of International Brands (Pvt.) Limited (Formerly named International Brands Limited - Unlisted) which have been carried at fair value through OCI.
- 8.3 Valuation technique used to value investment in International Brands (Pvt.) Limited (Formerly named International Brands Limited - Unlisted) includes 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.

9. TRADE AND OTHER RECEIVABLES

These include Rs. Nil (June 30, 2022: Nil) receivables from related parties.

10. SALARY REFINANCING

This represents salary refinancing obtained under SBP payroll refinance facility as a part of measures for countering economic hardships faced by the businesses during COVID-19 pandemic. The Company is required to pay a quarterly mark up at a discounted rate of 3% per annum, with eight equal quarterly installments commenced from January 2021.

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
Note	----- (Rupees in '000') -----	
Salary refinancing	5,209	6,995
Current portion	5,209	6,995
Non-current portion	-	-

11. TRADE AND OTHER PAYABLES

These include Rs. 1.179 million (June 30, 2022: Rs. 0.256 million) payables to related parties.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
Note		----- (Rupees in '000') -----	
Secured			
Short-term loan (Tijarah)	12.1	15,803	19,807
		15,803	19,807
Unsecured			
Current portion of salary refinancing	10	5,209	6,995
Short-term loan	12.2	186,177	120,389
		191,386	127,384
		207,189	147,191

- 12.1 The Company obtained short-term loan (Tijarah) Financing facility from Al Baraka Bank (Pakistan) Limited at KIBOR + 2.5% per annum (June 30, 2022: KIBOR + 2.5% per annum). This facility is secured by way of hypothecation of current assets of the Company.
- 12.2 The Company obtained short-term loan including Musharka financing facility of 45 million from Genesis Holding (Pvt) Limited (Holding company) at 3 month KIBOR + 1.5% per annum (June 30, 2022: 45 million).

13. CONTINGENCIES & COMMITMENTS

13.1 Contingencies

There is no contingency as at September 30, 2022.

13.2 Commitments

The facilities for opening letters of credit as at September 30, 2022 amounted to Rs. 200 million (June 30, 2022: Rs. 200 million). The amount remaining unutilised as at September 30, 2022 is Rs. 116.5 million (June 30, 2022: Rs. 154.5 million).

14. REVENUE FROM CONTRACTS WITH CUSTOMERS

Note ----- (Rupees in '000') -----

	(Un-audited)	
	September 30, 2022	September 30, 2021
Gross revenue from sale of goods	192,688	213,007
Less: Discounts	(48,332)	883
Sales returns	(3,015)	(24,560)
Sales tax	-	(1,545)
Net revenue from sale of goods	141,341	187,785
Revenue from toll manufacturing	1,133	928
	142,474	188,713

15. CASH GENERATED (USED IN) / FROM OPERATIONS

(Loss) / profit before income tax	(157,695)	97,100
Adjustment for non-cash incomes and expenses:		
Depreciation and amortisation	4,802	4,647
Finance cost	22,899	5,518
Gain on disposal of property, plant and equipment	(4,895)	-
Share of loss / (profit) from associate	130,246	(77,493)
	153,052	(67,328)
Profit before changes in working capital	(4,643)	29,772
Changes in Working Capital:		
Decrease / (increase) in current assets:		
Inventories	4,038	52,278
Trade and other receivables	2,603	(48,091)
Loans, advances and prepayments	2,841	(1,321)
	9,482	2,866
(Decrease) / increase in current liabilities:		
Trade and other payables	(26,224)	(15,599)
Cash generated from operations	(21,385)	17,039

16. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short-term borrowings

Note

(Un-audited)	
September 30, 2022	September 30, 2021
----- (Rupees in '000') -----	
14,166	6,340
-	(23,779)
14,166	(17,439)

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	2022	2021
----- (Rupees in '000') -----			
i. Holding Company	Corporate service charges	1,980	1,800
	Payment on behalf of Holding Company	6,181	4,969
	Receipts from Holding Company	6,181	6,200
	Loan paid on behalf of the Company	4,211	-
	Loan received from Holding Company	70,000	10,575
	Markup on short term borrowing	5,043	-
	Markup paid on short term borrowing	4,210	-
ii. Associated Companies	Rent charged	102	85
	IT services	72	60
	Repairs and maintenance	402	80
	Utilities	118	90
iii. Employees' Provident Fund	Contribution paid	2,723	1,884
iv. Key Management Personnel	Salaries and other employee benefits	6,181	5,361
	Directors' fee	10	7

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 **October 27, 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.



MIRZA ASMER BEG
Chief Executive Officer



ASAD ABDULLA
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer



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