

# Spirit of Growth



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# Vision

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Deliver high quality solutions from the world's best sources to support our farmers' community and the agriculture sector.

# Mission

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UDL Pakistan is a dynamic company investing in the agriculture sector for the betterment of farmers through its unique services and high-quality products so they can get the best crop yields and high-quality food for human beings.

# Core Value

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## **PARTNERSHIP**

Collaborate selflessly, behave respectfully, seek to create value for the company, its partners and society

## **INTEGRITY**

Create transparency, act fairly and honestly

## **PASSION**

Source of energy in the workplace, demonstrate entrepreneurial drive, show grit

## **EXCELLENCE**

Takes ownership of current role and beyond delivers quality work strives for continuous improvement

# Company Information

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## Board of Directors

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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

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Mr. Salman Hussain Chawala  
Chairman

Mr. Najmul Hassan  
Member

Mr. Ayaz Abdulla  
Member

## Legal Advisor

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Sarmad Aziz  
Advocates/Advisors

## CEO

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Mr. Mirza Asmer Beg  
Chief Executive Officer

## CFO

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Mr. Sohail Hasnain Ahmed  
Chief Financial Officer

## Company Secretary

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Mr. M. Imran  
Company Secretary

## Auditors

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

## Registrar

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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

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Ms. Samia Zuberi  
Chairperson

Mr. Abdul Samie Cashmiri  
Member

Mr. Ayaz Abdulla  
Member

Mr. Saqib Abbas  
Member

## Bankers

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

## Registered Office

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

# Corporate **Governance**

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# Notice of Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting (AGM) of the shareholders of United Distributors Pakistan Limited ("the Company") will be held on Friday, October 27, 2023 at 16:00, at the ICMA Pakistan building block 6, Gulshan-e-Iqbal, Karachi, and via video link.

The AGM is being held to transact the following business:

## ORDINARY BUSINESS:

1. To confirm the minutes of the Extraordinary General Meeting held on July 14, 2023.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' reports thereon.
3. To appoint Auditors and fix their remuneration for the year 2024. The present Auditors BDO Ebrahim & Co., Chartered Accountants retire and being eligible, offer themselves for the re-appointment as auditors of the Company.

## SPECIAL BUSINESS

4. To ratify and approve transactions conducted with related parties for the year ended June 30, 2023, by passing the following special resolution with or without modification:

"RESOLVED that the transactions carried out by the Company as disclosed in the note 33 of the financial statements for the year ended June 30, 2023 and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed

FURTHER RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in the normal course of business with the related parties till the next annual general meeting of the Company and in this connection the Chief Executive Officer of the Company be and is hereby authorized to take any or all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

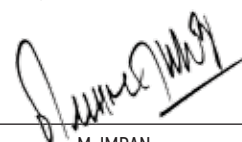
5. To approve the remuneration of the Chief Executive Officer of the Company, and if thought appropriate to pass with or without modification(s) the following resolution as ordinary resolution

"RESOLVED that the Company be and hereby approves and authorizes the payment of remuneration to the Chief Executive Officer for a total sum not exceeding Rs. 22.5 million per annum exclusive of perquisite and benefits admissible under the Company's Rules.

## OTHER BUSINESS

6. To transact any other business with the permission of the Chair.

By Order of the Board



M. IMRAN

Company Secretary

Karachi: 06 October 2023

## NOTES:

### 1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share transfer books of the Company will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive). Transfer (if any) should be received at the office of our Registrar M/s Central Depository Company of Pakistan Limited, CDC House 99 B, Block B, S.M.C.H.S, Main Shahrah-e-Faisal Karachi, latest by the close of business on October 20, 2023.

### 2. PARTICIPATION IN THE AGM VIA PHYSICAL PRESENCE OR THROUGH VIDEO CONFERENCING:

Members whose names are appearing in the Register of Members as of October 20, 2023, are entitled to attend and vote at the AGM. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote for him/her. An instrument of proxy applicable for the AGM is being provided with the Notice sent to the Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.udpl.com.pk> An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority duly notarized must, to be valid, be deposited through email on [m.imran@udpl.com.pk](mailto:m.imran@udpl.com.pk) not less than forty-eight (48) hours before the time of AGM, excluding public holidays.

To attend the AGM through video-conferencing facility, the Members are requested to email their Name, Folio Number, Cell Number and Number of Shares held in their name with subject "Registration for UDPL AGM-2023" through email on [m.imran@udpl.com.pk](mailto:m.imran@udpl.com.pk) at least forty-eight (48) hours before AGM.

### 3. GUIDELINES FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED ('CDC') ACCOUNTS HOLDERS:

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

### A. ATTENDING OF MEETING IN PERSON:

- (i). In case of individuals, the account holders or sub-account holders whose securities and their registration details are uploaded as per the regulations, shall authenticate his / her identity by sharing a copy of his/her Computerized National Identity Card (CNIC) or Passport through e-mail (as mentioned in the notes) at least 48 hours before the time of the AGM
- (ii). In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be shared through e-mail (as mentioned in the notes) (unless it has been provided earlier) at least 48 hours before the time of the AGM.

### B. FOR APPOINTING PROXIES:

- In case of individuals, the account holder or sub account holder whose registration details are uploaded as per CDC regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two persons whose names, address and CNIC number shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall share a copy of his / her Computerized National Identity Card (CNIC) or Passport through e-mail (as mentioned in the notes) at least 48 hours before the time of the AGM.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature along with proxy form shall be shared through e-mail (as mentioned in the notes) (unless it has not been provided earlier) at least 48 hours before the time of the AGM.

### 4. POSTAL BALLOT/E-VOTING:

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address Plot#105, Sector 7-A, Mehran Town, Korangi Industrial Area Karachi or email at [m.imran@udpl.com.pk](mailto:m.imran@udpl.com.pk) one day before the Annual General Meeting on October 26, 2023, during working hours. The signature on the ballot paper shall match with the signature on CNIC. For the convenience of the shareholders, ballot paper is available on the Company's website at [www.udpl.com.pk](http://www.udpl.com.pk) for the download



## 5. E-VOTING PROCEDURE FORE-VOTING:

Shareholders can also exercise their right of E-voting subject to the requirements of Section 143 - 145 of the Companies Act 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018. Detailed procedure for E-voting and postal ballot have been annexed to the notice.

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 20, 2023.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- III. IV E-Voting lines will start from October 22, 2023, 09:00 a.m. and shall close on October 26, 2023 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

## 6. SUBMISSION OF VALID CNIC:

Pursuant to the SECP directives the dividend of shareholders whose valid CNICs are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNIC immediately, if already not provided, to the Company's Share Registrar without any further delay

## 7. UNCLAIMED DIVIDEND:

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar, M/ s Central Depository Company of Pakistan Limited, CDC House 99 B, Block B, S.M.C.H.S, Main Shahrah-e-Faisal Karachi, to collect / enquire about their unclaimed dividend.

## 8. TRANSFER OF PHYSICAL SHARES TO CDC ACCOUNT

Pursuant to the section 72 of the Companies Act, 2017 listed companies are required to replace its physical shares with book-entry form within the stipulated period notified by the SECP.

The Shareholders who hold physical shares are encouraged to open CDC sub- account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form.

## 9. CONSENT FOR VIDEO CONFERENCE FACILITY

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please submit such request to the Company Secretary.

## 10. TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS, REPORTS AND NOTICE OF AGM

The Annual Audited Financial Statements of the Company for the year ended June 30, 2023, have been uploaded on the website of the Company, which can be accessed/downloaded from the following link and QR code:



<https://udpl.com.pk/wp-content/uploads/2023/09/Annual-Accounts-2023.pdf>

Annual Audited Financial Statements along with the reports and Notice of AGM are being sent to those members through email who have provided their email addresses. Physical copy of the Annual Report will be provided on demand within 7 working days.

# Chairman's **Review**

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# Review report by the Chairman

The United Distributors Pakistan Ltd. complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of the Company is in place. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed and implemented accordingly.

The overall performance of the Board measured on the basis of approved criteria for the year ended June 30, 2023 was satisfactory. The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on the Board's role in achievement of Company's objectives:

1. **Vision, mission and values:** The Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time.
2. **Engagement in strategic planning:** The Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves. The Board has a strategic vision that how the Organization should evolve over the next three to five years. Further, the Board sets annual goals and targets for the management in all major performance areas.
3. **Diligence:** The Board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to Board and committee meetings. The Board met frequently enough to adequately discharge its responsibilities.
4. **Monitoring of Organization's business activities:** The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
5. **Diversity and mix:** The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.
6. **Governance and Control Environment:** The Board has effectively set the tone at the top, by putting in place a transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of Corporate Governance and by promoting ethical and fair behavior across the Company.

For and on behalf of the Board



AYAZ ABDULLA

Chairman

Karachi: September 28, 2023

# چیرمین کی جانب سے جائزہ رپورٹ

سالوں میں کمپنی کا ارتقاء کیسے ہونا چاہئے۔ مزید یہ کہ، بورڈ تمام اہم کارکردگی مقامات کے انتظام کیلئے سالانہ مقاصد اور اہداف طے کرتا ہے۔

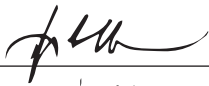
۳۔ **جائفتاشی:** بورڈ کے ارکان نے اپنے فرائض جائفتاشی سے انجام دیئے اور مکمل طور پر جائزہ لیا، تبادلہ خیال کیا اور کاروباری حکمت عملی، ادارتی اہداف، منصوبے، بجٹ، مالیات تفصیلات اور دیگر رپورٹ کو منظور کیا۔ اس نے واضح اور جامع منصوبوں اور تحریری مواد کو مناسب وقت پر بورڈ اور کمیٹی کے اجلاس سے قبل حاصل کیا۔ بورڈ نے اپنے فرائض کی مناسب انجام دہی کیلئے اکثر اوقات ملاقات کی۔

۴۔ ادارے کی کاروباری سرگرمیوں کی نگرانی: بورڈ کمپنی کے مقاصد، اہداف، حکمت عملی اور مالیاتی کارکردگی کے حصول کے لئے انتظامیہ سے باقاعدہ احوال، اندرونی اور بیرونی محاسب کاروں اور دیگر آزاد مشیروں کے ذریعے جانچ رہا۔ بورڈ نے بروقت بنیاد پر موزوں ہدایات اور فروگزاشت مہیا کیں۔

۵۔ یکسانیت اور ہم آہنگی: بورڈ کے ارکان مؤثر طریقے سے بورڈ میں یکسانیت لاتے ہیں اور آزاد اور غیر اعلیٰ منتظمین میں ہم آہنگی تشکیل دیتے ہیں۔ غیر اعلیٰ عہدیدار اور آزاد منتظمین بورڈ کے اہم فیصلوں میں برابر کے شامل رہے۔

۶۔ **انتظامی اور ماحولیاتی نگرانی:** بورڈ نے شفاف اور مضبوط انتظامی نظام قائم کرتے ہوئے ایک مؤثر فراخ دلانہ ماحول طے کیا۔ یہ ایک مؤثر ماحولیاتی نگرانی، ادارتی انتظام کے کاموں پر بہتر تعمیل اور پوری کمپنی میں اخلاقیات اور شفاف طرز عمل کو فروغ دینے کا نتیجہ ہے۔

برائے اور بورڈ کی جانب سے



ایاز عبداللہ  
چیرمین

کراچی: ۲۸ ستمبر ۲۰۲۳ء

یونائیٹڈ سٹری بیوٹرز پاکستان لمیٹڈ کمپنیز ایکٹ ۲۰۱۷ء اور مرتب کردہ کمپنی کے ضوابط (ادارتی انتظامی نظم و ضبط)، ۲۰۱۹ء کے تمام درکار ضروریات کی پیروی کرتا ہے جو ساخت، طریقہ کار اور مجلس منتظمین کے اجلاس اور اس کی کمیٹیوں کے سلسلے میں ہے۔ کمپنی کی مجلس منتظمین ("بورڈ")

کا ایک سالانہ تجزیہ موجود ہے جیسا کہ ادارتی انتظامی نظم و ضبط کے تحت درکار ہے۔ اس تجزیے کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور اثرات کی جانچ کی جاتی ہے اور کمپنی کے طے کردہ اہداف کے ضمن میں اس کا موازنہ کیا جاتا ہے۔

بورڈ کی مجموعی کارکردگی کی جانچ منظور کردہ معیار اصول برائے اختتام سال ۳۰ جون ۲۰۲۱ء کی بنیاد پر کی گئی جو تلی بخش تھی۔ یہ تلی بخش مجموعی تجزیہ درج ذیل لازمی عناصر کے تجزیے کی بنیاد پر ہے جو درج ذیل ہیں:

۱۔ **نقطہ نظر، عزم اور اقدار:** بورڈ کے ارکان حالیہ نقطہ نظر، عزم اور اقدار سے آگاہ ہیں اور ان کی حمایت کرتے ہیں۔ بورڈ اس عزم اور نقطہ نظر کی تفصیلات پر وقتاً فوقتاً نظر ثانی کرتا ہے۔

۲۔ **حکمت عملی منصوبہ سے وابستگی:** بورڈ اپنے اسٹیک ہولڈرز (حصص یافتگان، صارفین، ملازمین، مالکان، خصوصاً معاشرہ) کی واضح سمجھ رکھتا ہے جن کیلئے کمپنی کام کرتی ہے۔ یہ بورڈ ایک حکمت عملی کا نقطہ نظر رکھتا ہے کہ اگلے تین یا پانچ

# Directors' Report

The Directors of United Distributors Pakistan Limited (UDPL) takes pleasure in presenting this report together with the Audited Financial Statements of the Company for the year ended June 30, 2023.

This report is to be submitted to the members at the 41st Annual General Meeting of the Company to be held on October 27, 2023.

## COMPANY'S BOARD OF DIRECTORS DETAIL IS AS FOLLOWS;

S.No.	Directors:	Total Number of Directors
a).	Male	06
b).	Female	01

## NAMES AND COMPOSITION OF BOARD OF DIRECTORS AS AT JUNE 30, 2023

S.No.	Composition:	Name of Directors
i).	Independent Directors	Mr. Najmul Hassan Mr. M. Samie Cashmiri Ms. Samia Zuberi Mr. Salman Hussain Chawala
ii).	Other non-executive directors	Mr. Saqib Abbas Mr. Ayaz Abdulla
iii).	Executive Directors	Mr. Asad Abdulla

\* اُردو کے لئے آخری صفحات ملاحظہ فرمائیے۔

## BOARD MEETINGS

During the year, seven meetings of the Board of Directors were held. Attendance by each Director was as under:

S.No.	Name Of Directors	Number of Meetings Attended
01.	Mr. Ayaz Abdulla	8
02.	Mr. Asad Abdulla	8
03.	Ms. Samia Zuberi	6
04.	Mr. Najmul Hassan	8
05.	Mr. M. Samie Cashmiri	8
06.	Mr. Saqib Abbas	8
07.	Mr. Salman Hussain Chawala	8

Further, leave of absence was granted to the Directors who could not attend some of the Board Meetings.

## COMMITTEES OF THE BOARD

The Board has formed committees comprising of members given below:

### A. AUDIT COMMITTEE

- Mr. Najmul Hassan
- Mr. Ayaz Abdulla
- Mr. Salman Hussain Chawala

### B. HR & REMUNERATION COMMITTEE

- Ms. Samia Zuberi
- Mr. Ayaz Abdulla
- Mr. Salman Hussain Chawala
- Mr. M. Samie Cashmiri

### C. BOARD INVESTMENT COMMITTEE

- Mr. Najmul Hassan
- Mr. Ayaz Abdulla
- Mr. Asad Abdulla
- Mr. Salman Hussain Chawala
- Mr. M. Samie Cashmiri
- Mr. Mirza Asmer Beg

During the year four audit committee and two HR & RC meetings were held and attendance of each director is as follows:

S.No.	Name Of Directors	BAC	HR & RC	BIC
01.	Mr. Najmul Hassan	4	-	4
02.	Mr. Ayaz Abdulla	4	2	4
03.	Mr. Asad Abdulla	-	-	4
04.	Mr. Salman Hussain Chawala	4	2	4
05.	Mr. M. Samie Cashmiri	-	2	4
06	Ms. Samia Zuberi	-	2	-

## PRINCIPAL ACTIVITIES OF THE COMPANY

United Distributors Pakistan Ltd. (The Company) was incorporated in Pakistan as a public limited company and is listed on Pakistan Stock Exchange. Company's principal activities are manufacturing, trading and distribution of pesticides, fertilizers and other allied products.

## BUSINESS PERFORMANCE

During the year, the Company faced various challenges that had a major impact on our financial performance. These included unusual heavy rain and floods during the monsoon season, periodic restriction on import and a weakened PKR against the US dollar, rising inflation, exceptionally high interest rates, fluctuating product prices etc. Additionally, the delayed availability of top selling imported fertilizers hindered our business growth. Nevertheless, your Company effectively navigated these obstacles by prioritizing business prospects and maintaining operational efficiency.

A brief financial performance of the Company for the year ended June 30, 2023 is presented as under:

Particulars	FY ended June-2023	FY ended June-2022	Increase/ (Decrease) %
----- (Rupees in '000) -----			
Net sales	785,451	659,410	19%
Gross profit	283,104	290,691	-3%
Operating (Loss) / profit	(98,609)	73,380	-2.3x
Share of Loss from Associate	(130,246)	(458,847)	-72%
Loss before taxation	(259,741)	(399,277)	-35%
Loss for the period	(372,532)	(352,405)	6%
Loss per share	(Rs. 10.56)	(Rs. 9.99)	

During the year in review, the Company's sales revenue increased by 19% as compared to last year.

The Company's gross profit amount decreased by 3% and gross profit margin decreased to 36% from 44% as compared with the same period last year. It's mainly due to volatility in exchange rate and sharp increase in bulk product purchase price and packaging material cost.

The decline in operating profit was mainly driven by devaluation of PKR, higher inflation rate reaching a staggering 38%. The operating expenses increased by 40% over the corresponding period of last year which is attributed to general inflation in expenses.

The significant increase in finance cost is attributable to an 825basis point increase in the policy rate compared to the SPLY.

## SHARE OF LOSS FROM ASSOCIATES' COMPANY

During the year 2023, the associate company- FMC United (Pvt.) Ltd, posted loss for the period under review due to reduction in revenue, gross margin, huge finance cost and exchange loss. Hence, the Company recorded the share of loss from associate for the period under review to the tune of its investment value.

UDPL holds 40% equity stake in FMC United (Private) Ltd.

## DISPOSAL OF INVESTMENT AT FAIR VALUE THROUGH OCI

The Company had an investment of Rs. 921.61 million in International Brands (Private) Limited carried at fair value through other comprehensive income. During the year, the Company disposed-off 4.63% of its investment portfolio, having carrying amount of Rs. 599.23 million (total no. of shares 10.895 million), based on the sale price agreed with the buyer.

## LOSS PER SHARE

Basic loss per share after taxation is Rs. (10.56) (2022: Rs. (9.99)), negative EPS posted due to substantial share of loss from associate incorporated.

There is no dilution effect on the basic earnings per share of the Company, as the Company doesn't have any convertible instruments in issue as at June 30, 2023 and 2022.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to certain inherent risks and uncertainties. However, we consider the market competition, adverse movement of foreign exchange rate, global supply chain and unfavorable weather will be the vital factors that may have an impact on future financial performance of the Company. The Company closely works to mitigate or reduce these risks at acceptable level.

## HOLDING COMPANY

Genesis Holdings (Private) Limited is the Holding Company of United Distributors Pakistan Ltd which holds 85.14% shareholding in the Company as at June 30, 2023.

## DIVIDEND

The year under review was tough for liquidity generation from market. In order to conserve cash flows, the Board of Directors in its meeting held on September 28, 2023 has recommended NIL dividend for the year ended June 30, 2023.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company realizes its responsibility towards the society and strives to contribute by improving the economic conditions of the people. Accordingly, during the year the Company made donations for health, education and other social activities.

## HUMAN RESOURCES

Developing our people is important to us. Human capital is an asset and plays an important role in our success. Our Core Values, Code of Conduct and HR policies provide an outline which serves as a guiding force for the whole organization. The Company gives key consideration to Human Resource Management. The training, education and development of our people is a topic of critical importance to us. We work towards this goal on a continuous basis, with formal training, development and growth opportunities, effective and timely performance appraisal and feedback systems, and by creating an open culture that encourages feedback and discussion. Our Core Values (Partnership, Integrity, Passion, Excellence) are embedded in our recruitment process, performance appraisals and recognition initiatives.

## SUBSEQUENT EVENT

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the Report.

## CODE OF CONDUCT

The Board of Directors of the Company has adopted a code of conduct. All employees are informed and aware of this and are required to observe these rules of conduct in relation to business and regulations.

## FINANCIAL DATA

Highlights of the operating/financial data are presented in the financial highlight section.

## CORPORATE GOVERNANCE MATTERS

All matters pertaining to the Policy, Board and Governance are addressed in the Corporate Governance section and considered to be part of the Directors' Report.

## CHAIRMAN'S REVIEW

The Directors of the Company endorse the contents of the Chairman's review. Which is deemed to be a part of the Directors' report.

## DIRECTORS' TRAINING PROGRAM

The directors either has already attended the directors' training as required or meet the exemption criteria as contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

## EMPLOYEE'S RETIREMENT BENEFIT SCHEME

The Company provides terminal benefits to its employees in the form of provident fund. This funded benefit is maintained duly approved Trusts. These Trusts are managed by the trustees who get the Funds audited.

## DIRECTORS REMUNERATION

The significant features and key elements of directors' remuneration are as follows:

- Non-executive directors are only entitled to receive fees in lieu of remuneration in respect of the board and committee meetings attended by them.
- The board is authorized to determine the remuneration of its directors' for attending meetings of the board and committee.

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

In order to ensure that adequate internal controls are deployed by the Company for safeguarding of Company's assets, compliance with relevant laws and regulations and reliable financial reporting. The Board of Directors has outsourced the internal audit function to Baker Tilly, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.

## STATUTORY AUDITORS

The present auditor, BDO Ebrahim & Co., Chartered Accountants, retires and being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as statutory auditors of the Company for the financial year ending June 30, 2024 at a fee to be mutually agreed.

## PATTERN OF SHAREHOLDING

The pattern of Shareholding of the Company as at June 30th, 2023, along with the necessary information is annexed to this report.

## FUTURE OUTLOOK

We are dedicated to advancing our mission of supporting farmers with best-in-class services and high-quality solutions, empowering them to achieve optimal crop yields and provide healthy food for the growing population. Despite economic challenges such as inflation, higher interest rates, a weakened currency, supply chain constrain and weather challenges, there may be ongoing threats to business revenue and profitability. However, the company remains confident and focused on mitigating these potential negative impacts by leveraging its diversified product portfolio and optimizing its operations.

Furthermore, your Company is considering expanding its business into the other business segments like distribution and marketing of pharmaceuticals and veterinary products. This aligns with our 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



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**MIRZA ASMER BEG**  
Chief Executive officer



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**ASAD ABDULLA**  
Director

Karachi: September 28, 2023



# Financial **Highlights**

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# Six Year at Glance

## Summary of Key Operating and Financial Data

Below is a summary of key operating and financial results for six years and includes the financial results for the year under review:

	2023	2022	2021	2020	2019	2018
----- (Rupees in '000) -----						
<b>ASSETS EMPLOYED</b>						
Property, plant and equipment	65,117	50,267	27,777	37,080	28,580	19,537
Intangible assets	263	413	2,870	4,637	6,971	5,915
Investment in associate	-	130,246	609,351	768,530	1,131,793	1,076,459
Long-term investments	62,040	997,102	1,489,400	1,376,229	1,203,056	181,153
Deferred taxation	21,457	15,625	-	-	-	-
Long-term deposits	3,877	3,122	3,122	3,122	3,436	4,424
Net current assets	557,794	218,627	178,130	127,995	93,302	112,801
<b>Total assets employed</b>	<b>710,548</b>	<b>1,415,402</b>	<b>2,310,650</b>	<b>2,317,593</b>	<b>2,467,138</b>	<b>1,400,289</b>
<b>FINANCED BY</b>						
Issued, subscribed and paid up capital	352,713	352,713	352,713	352,713	306,707	266,702
Reserve and unappropriated profit	330,328	1,038,687	1,893,642	1,873,073	2,016,101	998,056
Shareholder's equity	683,041	1,391,400	2,246,355	2,225,786	2,322,808	1,264,758
Long term and deferred liabilities	27,507	24,002	64,295	91,807	144,330	135,531
<b>Total capital employed</b>	<b>710,548</b>	<b>1,415,402</b>	<b>2,310,650</b>	<b>2,317,593</b>	<b>2,467,138</b>	<b>1,400,289</b>
Turnover	785,451	659,410	646,626	644,318	540,600	451,049
Gross profit	283,104	290,691	249,458	235,986	218,287	186,817
EBITDA % to turnover	-1%	12%	10%	9%	9%	7%
(Loss) / profit before tax	(259,741)	(399,277)	(89,499)	(276,819)	72,860	223,972
(Loss) / profit after tax	(372,532)	(352,405)	(78,477)	(223,039)	50,371	166,439
Loss per share	(10.56)	(9.99)	(2.22)	(6.32)	143	5.43
(Loss) / profit % of turnover	-47%	-53.54%	-12.14%	-34.62%	9.32%	36.90%
Profit % of capital employed	-52.43%	-24.90%	-3.40%	-9.62%	2.04%	11.89%
Current ratio	2.0	1.5	1.7	1.4	1.3	1.7
Cash (%)	-	0%	0%	0%	2.5%	2.5%
Stock (%)	-	0%	0%	0%	15%	15%
Bouns stock amount	-	-	-	-	46,006	40,005

# Verticle Analysis

## STATEMENT OF FINANCIAL POSITION

	2023	%	2022	%	2021	%	2020	%	2019	%	2018	%
Property, plant and equipment	65,117	5.0	50,267	2.8	27,777	1.1	37,080	14	28,580	1.0	19,537	1.2
Intangible assets	263	0.0	413	0.0	2,870	0.1	4,637	0.2	6,971	0.3	5,915	0.4
Investment in associate	-	0.0	130,246	7.1	609,351	23.8	768,530	29.0	1,131,793	40.6	1,076,459	68.6
Long-term investments	62,040	4.8	997,102	54.7	1,489,400	58.1	1,376,229	51.9	1,203,056	43.2	181,153	11.5
Deferred taxation	21,457	1.7	15,625	0.86	-	-	-	-	-	-	-	-
Long-term deposits	3,877	0.3	3,122	0.2	3,122	0.1	3,122	0.1	3,436	0.1	4,424	0.3
Current assets	1,100,159	87.8	627,305	34.4	429,489	16.8	459,836	17.4	410,451	14.7	281,002	17.9
<b>Total Assets</b>	<b>1,252,913</b>	<b>100.0</b>	<b>1,824,080</b>	<b>100.0</b>	<b>2,562,009</b>	<b>100.0</b>	<b>2,649,434</b>	<b>100.0</b>	<b>2,784,287</b>	<b>100.0</b>	<b>1,568,490</b>	<b>100.0</b>
Share capital	352,713	27.2	352,713	19.3	352,713	13.8	352,713	13.3	306,707	11.0	266,702	17.0
Reserves	277,563	22.2	133,130	7.3	495,787	19.4	588,389	22.2	904,590	32.5	908,448	57.9
Capital reserves	52,765	4.2	905,557	49.6	1,397,855	54.6	1,284,684	48.5	1,111,511	39.9	89,608	5.7
Shareholders' equity	683,041	54.5	1,391,400	76.3	2,246,355	87.7	2,225,786	84.0	2,322,808	83.4	1,264,758	80.6
Long term portion of liability under diminishing musharakah	26,393	2.0	19,830	1.1	3,963	0.2	5,632	0.2	11,530	0.4	6,143	0.4
Long term lease liabilities	1,114	0.1	3,725	0.2	5,986	0.2	9,916	0.4	-	-	-	-
Long term salary refinancing	-	0.0	-	0.0	6,995	0.3	9,360	0.4	-	-	-	-
Deferred income - Government grant	-	0.0	447	0.0	1,772	0.1	922	0.0	-	-	-	-
Deferred tax liability	-	0.0	-	0.0	45,579	1.8	65,977	2.5	132,800	4.8	129,388	8.2
Current liabilities	542,365	43.3	408,678	22.4	251,359	9.8	331,841	12.5	317,149	11.4	168,201	10.7
<b>Total Equities and Liabilities</b>	<b>1,252,913</b>	<b>100.0</b>	<b>1,824,080</b>	<b>100.0</b>	<b>2,562,009</b>	<b>100.0</b>	<b>2,649,434</b>	<b>100.0</b>	<b>2,784,287</b>	<b>100.0</b>	<b>1,568,490</b>	<b>100.0</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Revenue from contracts with customers	785,451	100.0	659,410	100.0	646,626	100.0	644,318	100.0	540,600	100.0	451,049	100.0
Cost of sales	(502,347)	(64.0)	(368,719)	(55.9)	(397,168)	(61.4)	(408,332)	(63.4)	(322,313)	(59.6)	(264,232)	(58.6)
Gross profit	283,104	36.0	290,691	44.1	249,458	38.6	235,986	36.6	218,287	40.4	186,817	41.4
Marketing and distribution expenses	(235,568)	(30.0)	(171,575)	(26.0)	(162,974)	(25.2)	(159,776)	(24.8)	(148,848)	(27.5)	(138,635)	(30.7)
Administrative and general expenses	(73,800)	(9.4)	(49,258)	(7.5)	(30,806)	(4.8)	(30,303)	(4.7)	(31,430)	(5.8)	(26,455)	(5.9)
Other operating expenses	(87,434)	(11.1)	(11,494)	(1.7)	(1,100)	(0.2)	-	0.0%	(172)	(0.0%)	(226)	(5.0%)
Other income	15,089	1.9	15,016	2.3	9,906	1.5	8,288	1.3	12,341	2.3	9,483	2.1
Operating profit	(98,609)	(12.6)	73,380	11.1	64,484	10.0	54,195	8.4	50,178	9.3	30,984	6.9
Finance cost	(32,478)	(4.1)	(11,635)	(1.8)	(11,422)	(1.8)	(17,407)	(2.7)	(41,542)	(7.7)	(9,035)	(2.0)
Share of loss from associate	(130,246)	(16.6)	(458,847)	(69.6)	(142,561)	(22.0)	(313,607)	(48.7)	64,224	11.9	202,023	44.8
Provision for expected credit losses	1,582	0.2	(2,175)	(0.3)	-	-	(276,819)	(43.0)	-	-	-	-
(Loss) / profit before income tax	(289,741)	(33.1)	(399,277)	(60.6)	(89,499)	(13.8)	(276,819)	(43.0)	72,860	13.5	223,972	49.7
Income tax	(112,791)	(14.4)	46,872	7.1	11,022	1.7	53,780	8.3	(22,489)	(4.2)	(57,533)	(12.8)
<b>(Loss) / profit after income tax</b>	<b>(372,532)</b>	<b>(47.4)</b>	<b>(352,405)</b>	<b>(53.4)</b>	<b>(78,477)</b>	<b>(12.1)</b>	<b>(223,039)</b>	<b>(34.6)</b>	<b>50,371</b>	<b>9.3</b>	<b>166,439</b>	<b>36.9</b>

(Rupees in '000')

# Horizontal Analysis

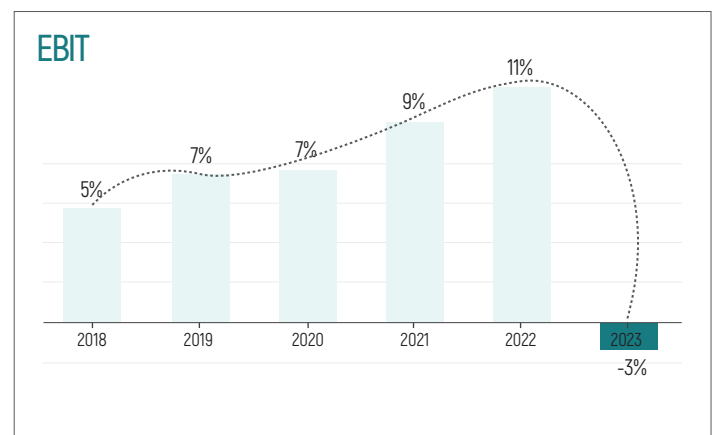
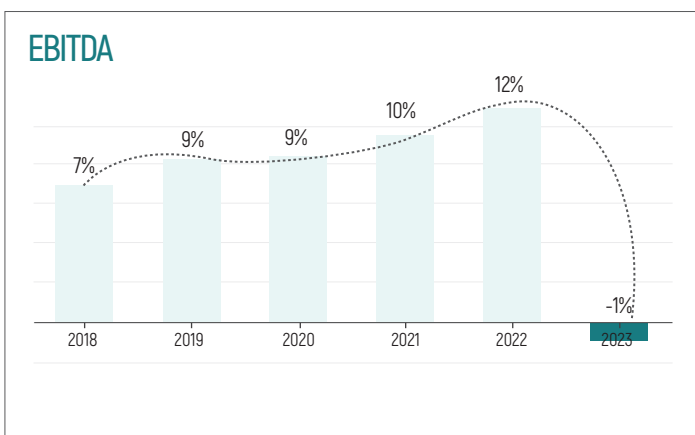
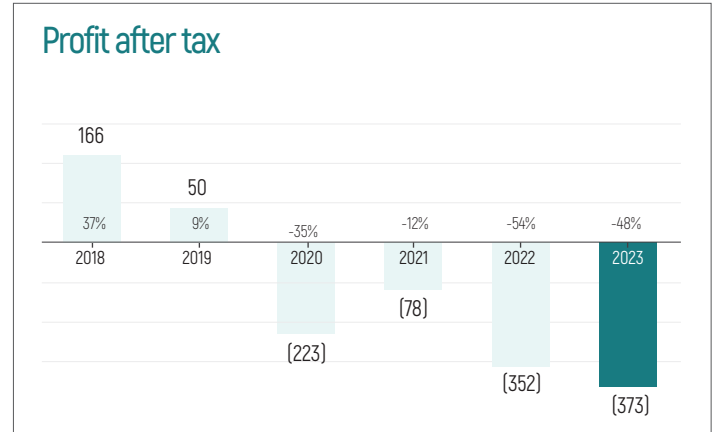
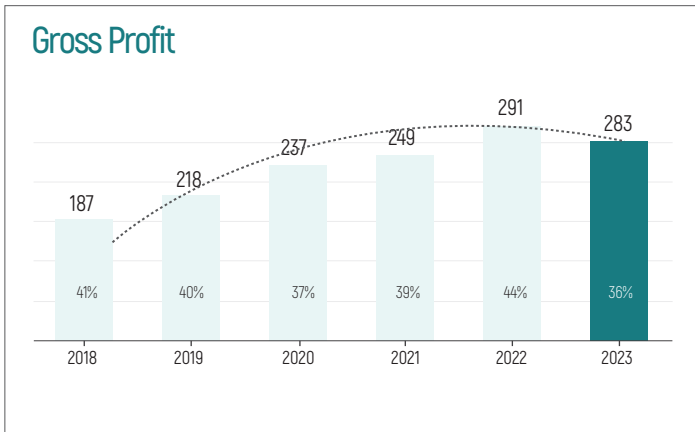
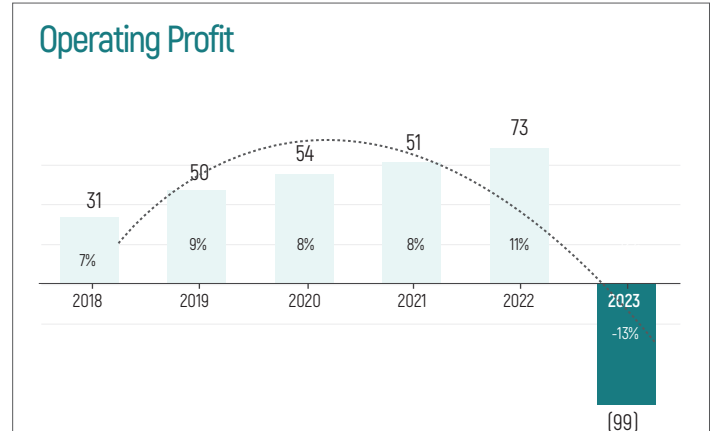
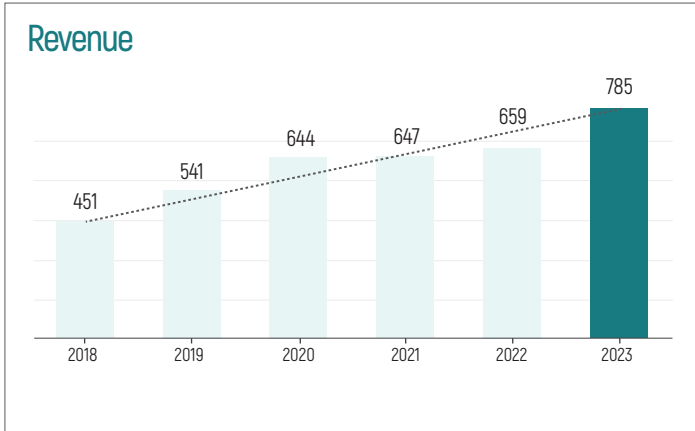
## STATEMENT OF FINANCIAL POSITION

	2023	%	2022	%	2021	%	2020	%	2019	%	2018	%
Property, plant and equipment	65,117	29.5	50,267	81.0	27,777	(25.1)	37,080	29.7	28,580	46.3	19,537	(28.7)
Intangible assets	263	(36.3)	413	(85.6)	2,870	(38.1)	4,637	(33.5)	6,971	17.9	5,915	11.2
Investment in associate	-	(100.0)	130,246	(78.6)	609,351	(20.7)	768,530	(32.1)	1,131,783	5.1	1,076,459	15.2
Long-term investments	62,040	(93.8)	997,102	(33.1)	1,489,400	8.2	1,376,229	14.4	1,203,056	56.4	181,153	(17.2)
Deferred taxation	21,457	37.3	15,625	-	-	-	-	-	-	-	-	-
Long-term deposits	3,877	24.2	3,122	-	3,122	(0.0)	3,122	(9.1)	3,436	(22.3)	4,424	12.2
Current assets	1,100,159	75.4	627,305	46.1	429,489	(6.6)	459,836	12.0	40,451	46.1	281,002	9.2
<b>Total Assets</b>	<b>1,252,913</b>	<b>(31.3)</b>	<b>1,824,080</b>	<b>(28.8)</b>	<b>2,562,009</b>	<b>(3.3)</b>	<b>2,649,434</b>	<b>(4.8)</b>	<b>2,784,287</b>	<b>77.5</b>	<b>1,568,490</b>	<b>8.4</b>
Share capital	352,713	-	352,713	-	352,713	-	352,713	15.0	306,707	15.0	266,702	10.0
Reserves	277,563	108.5	133,130	(73.3)	495,787	(15.7)	598,389	(35.0)	904,590	(0.4)	908,448	13.3
Capital reserves	52,765	(94.2)	905,557	(35.2)	1,397,855	8.8	1,284,684	15.6	1,111,511	1,140.4	89,608	(29.5)
Shareholders' equity	683,041	(50.9)	1,391,400	(38.1)	2,246,355	0.9	2,225,786	(4.2)	2,322,808	83.7	1,264,758	7.9
Long term portion of liability under diminishing musharaka	26,393	33.1	19,830	400.4	3,963	(29.6)	5,632	(51.2)	11,530	87.7	6,143	(29.2)
Long term lease liabilities	1,114	(70.1)	3,725	(37.8)	5,986	(39.6)	9,916	-	-	-	-	-
Long term salary refinancing	-	-	-	(100.0)	6,995	(25.3)	9,360	-	-	-	-	-
Deferred income - Government grant	-	(100.0)	447	(74.8)	1,772	92.2	922	-	-	-	-	-
Deferred tax liability	-	-	-	(100.0)	45,579	(30.9)	65,977	(50.3)	132,800	2.6	129,388	45.1
Current liabilities	542,365	32.7	408,678	62.6	251,359	(24.3)	331,841	4.6	317,149	88.6	168,201	(5.6)
<b>Total Equities and Liabilities</b>	<b>1,252,913</b>	<b>(31.3)</b>	<b>1,824,080</b>	<b>(28.8)</b>	<b>2,562,009</b>	<b>(3.3)</b>	<b>2,649,434</b>	<b>(4.8)</b>	<b>2,784,287</b>	<b>77.5</b>	<b>1,568,490</b>	<b>8.4</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Revenue from contracts with customers	785,451	19.1	659,410	2.0	646,626	0.4	644,318	19.2	540,600	19.9	451,049	12.9
Cost of sales	(502,347)	36.2	(368,719)	(72)	(397,168)	(2.7)	(408,332)	26.7	(322,313)	22.0	(264,232)	7.9
<b>Gross profit</b>	<b>283,104</b>	<b>(2.6)</b>	<b>290,691</b>	<b>16.5</b>	<b>249,458</b>	<b>5.7</b>	<b>235,986</b>	<b>8.1</b>	<b>218,287</b>	<b>16.8</b>	<b>186,817</b>	<b>20.7</b>
Marketing and distribution expenses	(239,568)	37.3	(171,575)	5.3	(162,974)	2.0	(169,776)	7.3	(148,848)	7.4	(138,635)	14.3
Administrative and general expenses	(73,800)	49.8	(49,258)	59.9	(30,806)	1.7	(30,303)	(3.6)	(314,300)	18.8	(26,455)	19.8
Other operating expenses	(87,434)	660.7	(11,494)	945.3	(1,100)	-	-	(100.0)	(172)	(23.9)	(226)	29.1
Other income	15,089	0.5	15,016	51.6	9,906	19.5	8,288	(32.8)	12,341	30.1	9,483	10.0
<b>Operating profit</b>	<b>(98,609)</b>	<b>(23.4)</b>	<b>73,380</b>	<b>13.8</b>	<b>64,484</b>	<b>19.0</b>	<b>54,195</b>	<b>8.0</b>	<b>50,178</b>	<b>61.9</b>	<b>30,984</b>	<b>56.4</b>
Finance cost	(32,478)	179.1	(11,635)	1.9	(11,422)	(34.4)	(17,407)	(58.1)	(41,542)	359.8	(9,035)	553.8
Share of loss from associate	(130,246)	(71.6)	(458,847)	221.9	(142,561)	(54.5)	(313,607)	(588.3)	64,224	(68.2)	202,023	20.9
Provision for expected credit lossess	1,592	173.2	(2,175)	100.0	-	-	-	-	-	-	-	-
<b>(Loss) / profit before income tax</b>	<b>(259,741)</b>	<b>(34.9)</b>	<b>(399,277)</b>	<b>346.1</b>	<b>(89,499)</b>	<b>(67.7)</b>	<b>(276,819)</b>	<b>(479.9)</b>	<b>72,860</b>	<b>(67.5)</b>	<b>223,972</b>	<b>20.7</b>
Income tax	(112,791)	(340.6)	46,872	325.3	11,022	(79.5)	53,780	(339.1)	(22,489)	(60.9)	(57,533)	96.5
<b>(Loss) / profit after income tax</b>	<b>(372,532)</b>	<b>5.7</b>	<b>(352,405)</b>	<b>349.1</b>	<b>(78,477)</b>	<b>(64.8)</b>	<b>(223,039)</b>	<b>(542.8)</b>	<b>50,371</b>	<b>(69.7)</b>	<b>166,439</b>	<b>6.5</b>

(Rupees in '000')

# Graphical Data

(Rs. in million)



# Statement of Compliance with Listed Companies

for the year ended June 30, 2023

## (Code of Corporate Governance) Regulations, 2019

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") in the following manner:

1. The total number of Directors as at June 30, 2023 were seven (7) as per the following:

Directors	Total No. of Directors
a) Male	06 (Six)
b) Female	01 (One)

2. The composition of Board is as follows:

Category	Name of Director
Independent Directors*	Mr. Najmul Hassan Mr. A Samie Cashmiri Mr. Salman Hussain Chawala Ms. Samia Zuberi
Non-Executive Directors	Mr. Ayaz Abdulla Mr. Saqib Abbas
Executive Directors	Mr. Asad Abdulla Mr. Mirza Asmer Beg (CEO)
Female Directors	Ms. Samia Zuberi (Also mentioned above in the list of independent Directors)

The number of elected directors on the Board are seven (7) whereas Mr. Mirza Asmer Beg being Chief Executive of the Company is a "deemed director" under section 188(3) of the Companies Act 2017.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act 2017 ("Act") and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. The Board has appointed, amongst its current employees, Company Secretary and Head of Internal Audit on the same remuneration and terms and conditions as their current employment contract and complied with relevant requirements of the Regulations. However, no new appointment of Chief Financial Officer was made during the year;
10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
11. The Board has formed following committees comprising members given below:

#### Audit Committee

Name	Category
Mr. Salman Hussain Chawala	Chairman
Mr. Ayaz Abdulla	Member
Mr. Najmul Hassan	Member

#### Human Resources and Remuneration Committee

Name	Category
Ms. Samia Zuberi	Chairman
Mr. Ayaz Abdulla	Member
Mr. Abdul Samie Cashmiri	Member
Mr. Saqib Abbas	Member

The terms of reference of the committees have been formed, documented, and advised to the committee for compliance

12. The frequency of meetings of the committee were as per following:
  - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2023
  - b) HR and Remuneration Committee: Two meetings were held during the year ended June 30, 2023
13. The Board has outsourced the internal audit function to Baker Tilly & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
14. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the Firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
15. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
16. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
17. Explanation for non-compliance with requirements (non-mandatory requirements), other than regulations 3,6,7,8,27,32,33 and 36 are below:

S/No.	Requirement	Explanation	Reg. No
1.	The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No member representing minority shareholders filed papers to contest elections.	5
2.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The responsibilities prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.	29
3.	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	As per Regulation 30 of the Listed Companies [Code of Corporate Governance] Regulations, 2019, constituting a Risk Management Committee is not mandatory, therefore the responsibilities prescribed for the risk management committee have been assigned to the Audit Committee by the Board of Directors. However, the Board intends to constitute the Risk Management Committee in future years.	30

For and on behalf of the Board



**MIRZA ASMER BEG**  
Chief Executive officer



**AYAZ ABDULLA**  
Chairman

Karachi: October 03, 2023

# Review report to the Members



To the members of United Distributors Pakistan Limited Review Report on the Statement of Compliance Contained in listed Companies (Code Of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of UNITED DISTRIBUTORS PAKISTAN LIMITED for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Chartered Accountants Karachi  
Engagement Partner: Tariq Feroz Khan  
UDIN: CR202310166W7Tpr851b  
Date: October 3, 2023



# Review report to the Members

Report on the Audit of the Financial Statements



We have audited the annexed financial statements of UNITED DISTRIBUTORS PAKISTAN LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023, statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows and together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

## **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **KEY AUDIT MATTERS**

Key audit matter are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## FOLLOWING IS THE KEY AUDIT MATTER:

S/No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Disposal of investment at fair value through OCI</p> <p>As referred to in note 8.2 to the financial statements, the Company had an investment of Rs. 921.618 million in International Brands (Private) Limited carried at fair value through other comprehensive income. During the year, the Company disposed-off 4.63% of its investment portfolio, having carrying amount of Rs. 599.235 million (total no. of shares 10.895 million), based on the sale price agreed with the buyer.</p> <p>Due to the significant impact of the transaction on the financial statements, together with the judgements involved, we have identified this as a key audit matter.</p>	<p>Our audit procedures in respect of disposal of investment at fair value through OCI, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>– Reviewed sale purchase agreement to determine the transaction price and number of shares disposed;</li> <li>– Checked the notice of sale of investment sent to Pakistan Stock Exchange (PSX);</li> <li>– Checked intra account statement of CDC for transfer of shares from United Distributors Pakistan Limited to Universal Ventures (Private) Limited; and</li> <li>– Reviewed valuation assumptions prepared by the valuer and evaluated the significant assumptions used in the valuations; and</li> </ul> <p>We assessed the adequacy of the disclosures as set out in the applicable financial reporting standards.</p>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter

or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.



BDO EBRAHIM & CO.  
Chartered Accountants  
Karachi  
UDIN: AR202310166g250CAik7  
Date: October 3, 2023

# Financial **Statements**

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# Statement of Financial Position

As at June 30, 2023

## ASSETS

### NON - CURRENT ASSETS

Property, plant and equipment	6	65,117	50,267
Intangible assets	7	263	413
Long-term investments	8	62,040	1,127,348
Deferred taxation	19	21,457	15,625
Long-term loan and deposits	9	3,877	3,122

### CURRENT ASSETS

Stock in trade	10	275,131	294,853
Trade and other receivable	11	800,430	299,601
Loans, advances and deposits	12	6,970	4,563
Short term investments	13	5,843	-
Taxation - net		-	19,399
Cash and bank balances	14	11,785	8,889

### TOTAL ASSETS

### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

##### AUTHORIZED SHARE CAPITAL

50,000,000 (2022: 50,000,000) shares of Rs. 10 each Issued, subscribed and paid-up capital	15	500,000	500,000
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##### REVENUE RESERVE

Un-appropriated profits		249,017	104,582
General reserve		28,548	28,548

Revaluation reserve on investment at fair value through other comprehensive income	16	277,565	133,130
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### NON - CURRENT LIABILITIES

Long-term portion of liability under diminishing musharakah financing	17	52,763	905,557
Lease liability against right of use of asset	18	683,041	1,391,400
Deferred income - Government grant		-	447

### CURRENT LIABILITIES

Trade and other payables	20	27,507	24,002
Accrued mark-up		284,603	242,340
Current portion of liability under diminishing musharakah financing	17	774	4,352
Current portion of lease liability against right of use of asset	18	7,113	6,342
Taxation net		3,105	7,620
Short-term borrowings	21	87,755	-
Unclaimed dividend		158,270	147,191
		745	833

### TOTAL EQUITY AND LIABILITIES

### CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 42 form an integral part of these financial statements.

MIRZA ASMER BEG  
Chief Executive Officer

ASAD ABDULLA  
Director

SOHAIL HASNAIN AHMED  
Chief Financial Officer

		2023	2022
Note		[Rupees in '000']	
		<b>152,754</b>	<b>1,196,775</b>
		<b>1,100,159</b>	<b>627,305</b>
		<b>1,252,913</b>	<b>1,824,080</b>
		<b>500,000</b>	<b>500,000</b>
		<b>352,713</b>	<b>352,713</b>
		<b>249,017</b>	<b>104,582</b>
		<b>28,548</b>	<b>28,548</b>
		<b>277,565</b>	<b>133,130</b>
		<b>52,763</b>	<b>905,557</b>
		<b>683,041</b>	<b>1,391,400</b>
		<b>26,393</b>	<b>19,830</b>
		<b>1,114</b>	<b>3,725</b>
		<b>-</b>	<b>447</b>
		<b>27,507</b>	<b>24,002</b>
		<b>284,603</b>	<b>242,340</b>
		<b>774</b>	<b>4,352</b>
		<b>7,113</b>	<b>6,342</b>
		<b>3,105</b>	<b>7,620</b>
		<b>87,755</b>	<b>-</b>
		<b>158,270</b>	<b>147,191</b>
		<b>745</b>	<b>833</b>
		<b>542,365</b>	<b>408,678</b>
		<b>1,252,913</b>	<b>1,824,080</b>

# Statement of Profit or Loss

for the year ended June 30, 2023

		2023	2022
	Note	----- (Rupees in '000) -----	
Revenue from contracts with customers	23	785,451	659,410
Cost of sales	24	(502,347)	(368,719)
<b>Gross profit</b>		<b>283,104</b>	290,691
Marketing and distribution expenses	25	(235,568)	(171,575)
Administrative and general expenses	26	(73,800)	(49,258)
Other operating expenses	27	(87,434)	(11,494)
Other income	28	15,089	15,016
<b>Operating (loss) / profit</b>		<b>(98,609)</b>	73,380
Finance cost	29	(32,478)	(11,635)
Share of loss from associate	8	(130,246)	(458,847)
Provision for expected credit losses		1,592	(2,175)
<b>Loss before taxation</b>		<b>(259,741)</b>	(399,277)
Taxation	30	(112,791)	46,872
<b>Loss after taxation</b>		<b>(372,532)</b>	(352,405)
Loss per share - basic and diluted	31	(Rs. 10.56)	(Rs. 9.99)

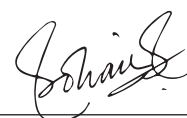
The annexed notes from 1 to 42 form an integral part of these financial statements.



MIRZA ASMER BEG  
Chief Executive Officer



ASAD ABDULLA  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Statement of Comprehensive Loss

for the year ended June 30, 2023

Loss for the year

## Other comprehensive loss

Items that will not be reclassified subsequently to statement of profit or loss:

Share of remeasurements of post employment benefit obligations of associate  
Deferred tax relating to component of other comprehensive income

Change in fair value of investments carried at fair value through OCI

Other comprehensive loss

**Total comprehensive loss for the year**

*The annexed notes from 1 to 42 form an integral part of these financial statements.*

	2023	2022
Note	----- (Rupees in '000') -----	
	(372,532)	(352,405)
	-	(12,061)
	-	1,809
	-	(10,252)
16	(852,794)	(492,298)
	(852,794)	(502,550)
	<b>(1,225,326)</b>	<b>(854,955)</b>



MIRZA ASMER BEG  
Chief Executive Officer



ASAD ABDULLA  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Statement of Changes in Equity

for the year ended June 30, 2023

	REVENUE RESERVE				Total
	Issued, subscribed and paid up capital	General reserve	Unappropriated Profit	Revaluation reserve on investments held at fair value through OCI	
	(Rupees in '000')				
Balance as at July 1, 2021	352,713	28,548	467,239	1,397,855	2,246,355
Loss for the year ended June 30, 2022	-	-	(352,405)	-	(352,405)
Other comprehensive loss	-	-	(10,252)	(492,298)	(502,550)
Total comprehensive loss	-	-	(362,657)	(492,298)	(854,955)
Balance as at June 30, 2022	352,713	28,548	104,582	905,557	1,391,400
Balance as at July 1, 2022	352,713	28,548	104,582	905,557	1,391,400
Loss for the year ended June 30, 2023	-	-	(372,532)	-	(372,532)
Change in fair value of investment carried at fair value through other comprehensive income (OCI)	-	-	-	(335,827)	(335,827)
Transfer to unappropriated profit on derecognition of investment	-	-	516,967	(516,967)	-
Total comprehensive loss	-	-	144,435	(852,794)	(708,359)
Balance as at June 30, 2023	352,713	28,548	249,017	52,763	683,041

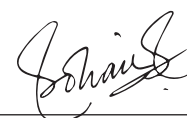
The annexed notes from 1 to 42 form an integral part of these financial statements.



MIRZA ASMER BEG  
Chief Executive Officer



ASAD ABDULLA  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer



# Statement of Cash Flow

for the year ended June 30, 2023

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from / (used in) operations  
 Income tax paid  
 Finance cost paid  
 Increase in long term loans and deposits  
 Net cash generated from / (used in) operating activities

## CASH FLOWS FROM INVESTING ACTIVITIES

Payments for acquisition of property, plant and equipment  
 Dividend received  
 Short term investment  
 Proceeds from disposal of property and equipment  
 Net cash (used in) / generated from investing activities

## CASH FLOWS FROM FINANCING ACTIVITIES

Lease rentals paid  
 Proceeds from Short term loan  
 Loan paid under salary refinancing arrangement  
 Payment against liabilities subject to diminishing musharakah financing arrangement  
 Net cash (used in) / generated from financing activities  
 Net increase in cash and cash equivalents  
 Cash and cash equivalents at the beginning of the period  
 Cash and cash equivalents at the end of the period

Note	2023	2022
	----- (Rupees in '000') -----	
32	88,431	(2,590)
	(11,469)	(12,094)
	(53,890)	(14,177)
	(755)	
	<b>22,317</b>	<b>(28,861)</b>
	(17,545)	(5,020)
	1,184	9,381
	(5,843)	-
	7,155	7,942
	<b>(15,049)</b>	<b>12,303</b>
	(8,116)	(7,937)
	18,074	109,894
	(6,995)	(20,836)
	(7,336)	(15,182)
	<b>(4,373)</b>	<b>65,939</b>
	2,896	49,381
	8,889	(40,492)
	<b>11,785</b>	<b>8,889</b>

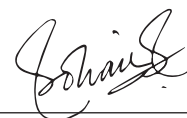
The annexed notes from 1 to 42 form an integral part of these financial statements.



MIRZA ASMER BEG  
Chief Executive Officer



ASAD ABDULLA  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Notice to and the Financial Statements

for the year ended June 30, 2023

## 1. STATUS AND NATURE OF BUSINESS

United Distributors Pakistan Limited (UDPL) "the Company" was incorporated in Pakistan on July 01, 1981 under the repealed Companies Act, 1913 & Companies Ordinance, 1984 (now the Companies Act, 2017) as a public company limited by shares and is listed on the Pakistan Stock Exchange. Its principal business activities are manufacturing, trading and distribution of pesticides, fertilizers and other allied products.

The company is a subsidiary of Genesis Holding (Private) Limited, (the parent) as at June 30, 2023. The parent company holds 85.14% shares of the Company.

## 2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical locations and addresses of the Company's business units / immovable assets are as under:

Business Unit	Address
– Registered Offices	Plot No. 105, Sector 7-A, Mehran Town, Korangi Industrial Area, Karachi.
– Factory	Plot # 231, Sector 7/A, Korangi Industrial Area, Karachi.
– Warehouse (Quetta)	House # 237, near Aisha Masjid Block # 4, Satellite Town, Quetta
– Warehouse (Peshawar)	Suite No. A-2/1, Tazkar Plaza, Main Dala Zak Road, Peshawar
– Warehouse (Hyderabad)	Plot # D 3/4, Hali Road, Site Area, Hyderabad
– Warehouse (Multan)	Plot # 548, Jahangirabad, NLC Chowk 6-KM Khanewal Road, Multan

## 3. BASIS OF PREPARATION

### 3.1 BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis, except as otherwise disclosed. These financial statements are prepared following accrual basis of accounting except for cash flow information.

### 3.2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

### 3.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgements made by the management in the application of the accounting and reporting standards, as applicable in Pakistan, that have significant effect on the financial statements, and estimates that have a significant risk of resulting in a material adjustment in the subsequent years are provided below:

#### INCOME TAXES

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### PROVISION FOR SLOW AND NON-MOVING INVENTORY

The management continuously reviews its inventory for existence of any items which may have become obsolete. These estimates are based on historical experience and are continuously reviewed.

#### STAFF RETIREMENT BENEFITS

Certain actuarial assumptions have been adopted, as disclosed, in these financial statements for determining present value of defined benefit obligations and fair value of plan assets. Any changes in the assumptions in future years might effect gains and losses in those years.

#### PROPERTY, PLANT AND EQUIPMENT

The Company estimates the residual values and useful lives of property, plant and equipment. Any changes in these estimates and judgements would have an impact on financial results of subsequent years.

#### TRADE DEBTS AND OTHER RECEIVABLES

An estimated provision is made on the basis of lifetime expected credit loss model as explained in note 5.5 whereas debts considered irrecoverable are written off.

#### IMPAIRMENT OF ASSETS

In accordance with the accounting policy, the management carries out an annual assessment to ascertain whether any of the Company's assets are impaired. This assessment may change due to technological developments.

### 34 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

## 4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
– Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
– Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
– Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

#### 4.2 New accounting standards, amendments and interpretations that are not yet effective.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
— Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
— Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' Definition of Accounting Estimates	January 01, 2023
— Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
— Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023
— Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
— Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
— Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
— Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
— Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
— Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
— Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
— Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
— Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

## 5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

## 5.1 PROPERTY, PLANT AND EQUIPMENT

### 5.1.1 OWNED ASSETS

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is charged on property, plant and equipment capitalized during the year from the date the asset is available for use, up to the date of disposal.

Depreciation is charged on assets so as to write off the cost or valuation of assets, over their estimated useful lives, using the reducing balance method on the rates, as disclosed in the respective note.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income.

### 5.1.2 LEASES

#### a. RIGHT OF USE ASSETS

The company, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the company assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognises right-of-use assets and lease liabilities for the leases on statement of financial position.

The right-of-use asset is initially measured at cost which is the initial measurement of lease liability, and subsequently at cost less any accumulated depreciation and impairment losses, if any. The right-of-use asset is depreciated using the straight-line method over the lease term, as disclosed in the respective note.

#### b. LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the rate of the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured if there is a change in future lease payments arising from a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset is recorded in statement of comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

The company has not elected to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

## 5.2 INTANGIBLE ASSETS

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Cost directly associated with identifiable software that will have probable economic benefits beyond one year, is recognised as an intangible asset. Direct cost includes the purchase cost of software and other directly attributable costs of preparing the software for its intended use.

Computer software acquisition or development cost is stated at cost less accumulated amortisation and impairment losses, if any, and is amortised on straight-line basis over its estimated useful life.

### 5.3 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying amounts of its non-financial assets at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognized in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

### 5.4 IMPAIRMENT OF NON-FINANCIAL ASSETS

#### a. FINANCIAL ASSETS

##### CLASSIFICATION, RECOGNITION, AND MEASUREMENT

Financial assets are classified into appropriate categories at amortized cost, fair value through other comprehensive income or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

##### i) At amortized cost

Financial assets are measured at amortized cost when:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii) At fair value through other comprehensive income

Financial assets are measured at amortized cost when:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### iii) Other financial assets

All financial assets which do not fall into the first two categories must be stated at fair value through profit or loss.

##### Initial recognition and subsequent measurement

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognised at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of comprehensive income.

Financial assets carried at fair value through other comprehensive income are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income.

Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of comprehensive income. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in the statement of comprehensive income in the period in which they arise.

## Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of comprehensive income.

## B. FINANCIAL LIABILITIES

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequently to initial recognition, these are measured at amortized cost using the effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis.

## 5.5 IMPAIRMENT OF FINANCIAL ASSETS

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company measures ECL of a financial instrument in a way that reflects:

- a). an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b). the time value of money; and
- c). reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

## 5.6 STOCK IN TRADE

Stock-in-trade is stated at the lower of cost and net realisable value. The cost is determined using first in first out method, and includes expenditure incurred in acquiring the stocks, conversion costs and other costs incurred in bringing the inventory to its existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

## 5.7 TRADE DEBTS AND OTHER RECEIVABLE

These are recognised initially are carried at original invoice amount being the fair value of the consideration to be received in future. An allowance for Expected Credit Loss (ECL) is made against trade debts on the basis of lifetime expected credit loss model as explained in note 5.5. The amount of provision against ECL is charged to the statement of comprehensive income.

## 5.8 LOANS, ADVANCES AND DEPOSITS

These are initially measured at cost which is the fair value of the consideration given and are subsequently measured at amortised cost.

## 5.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of cash balances and bank deposits. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the statement of financial position.

## 5.10 TRADE AND OTHER PAYABLE

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

## 5.11 STAFF RETIREMENT BENEFITS

The Company operates an approved contributory provident fund scheme for all eligible employees who have completed the minimum qualifying period of service. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic salary.

## 5.12 FOREIGN CURRENCIES

The financial statements are presented in Pak Rupee (PKR), which is the Company's functional and presentation currency.

Transactions in currencies other than PKR are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

## 5.13 PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

## 5.14 REVENUE RECOGNITION

Revenue from sales of goods and service is recognised when or as performance obligations are satisfied by transferring control of a promised goods and services to a customer at a point in time. The assessment of satisfaction of performance obligations depends on the contractual terms when service is rendered.

Revenue is recognized on dispatch of goods to customers. Other income has been recognized on accrual basis.

## 5.15 TAXATION

The tax expense for the period comprises current and deferred tax.

### A). CURRENT INCOME TAX

The current tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted on the statement of financial position date, and any adjustment or tax payable in respect of prior years.

The tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly to equity. In this case the tax is also recognized in other comprehensive income or directly to equity, respectively.



## b). DEFERRED TAXATION

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

## 5.16 CONTINGENCIES

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 5.17 EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 5.18 RELATED PARTY TRANSACTIONS

Transactions with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

## 6 PROPERTY PLANT AND EQUIPMENT

	Owned assets					Right-of-use assets	Total
	Leasehold land	Plant and machinery	Office and other equipments	Motor Vehicles	Furniture and fixtures	Rental Property	
	----- (Rupees in '000') -----						
<b>Net carrying value basis year ended June 30, 2023</b>							
Opening book value	-	6,869	1,349	32,399	233	9,417	50,267
Additions (at cost)	-	1,760	913	33,057	51	-	35,781
Depreciation charged	-	(1,532)	(689)	(12,759)	(60)	(5,891)	(20,931)
Closing net book value	-	7,097	1,573	52,697	224	3,526	65,117
<b>Gross carrying value basis year ended June 30, 2023</b>							
Cost	762	21,464	8,009	124,667	847	31,947	187,696
Accumulated depreciation	(762)	(14,367)	(6,436)	(71,970)	(623)	(28,421)	(122,579)
Closing net book value	-	7,097	1,573	52,697	224	3,526	65,117
<b>Net carrying value basis year ended June 30, 2022</b>							
Opening book value	2	4,374	795	13,249	293	9,064	27,777
Additions (at cost)	-	3,994	1,026	26,794	-	6,520	38,334
Disposal (NBV)	-	(4)	(14)	-	(2)	-	(20)
Depreciation charged	(2)	(1,495)	(458)	(7,644)	(58)	(6,167)	(15,824)
Closing net book value	-	6,869	1,349	32,399	233	9,417	50,267
<b>Gross carrying value basis year ended June 30, 2022</b>							
Cost	762	19,704	7,096	91,610	796	31,947	151,915
Accumulated depreciation	(762)	(12,835)	(5,747)	(59,211)	(563)	(22,530)	(101,648)
Closing net book value	-	6,869	1,349	32,399	233	9,417	50,267
Depreciation rate (% per annum)	10%	10% to 25%	10% to 33%	10% to 20%	15%	25% to 33%	

6.1 During the year, the company disposed of fixed assets with Nil carrying value at a consideration of Rs. 7.155 million (2022: Rs. 7.922 million)

6.2 Depreciation for the year has been allocated as follows:

		2023	2022
	Note	----- [Rupees in '000'] -----	
Cost of sales	24	5,095	5,367
Marketing and distribution expenses	25	15,546	10,213
Administrative expenses	26	290	244
		<b>20,931</b>	<b>15,824</b>

7. INTANGIBLE ASSETS

Computer softwares	7.1	263	413
--------------------	-----	-----	-----

7.1 Movement in intangible assets

Net carrying value basis

Opening book value		413	2,870
Amortisation charge		(150)	(2,457)
Closing net book value		<b>263</b>	<b>413</b>

Gross carrying value basis

Cost		11,322	11,322
Accumulated amortisation		(11,059)	(10,909)
Net book value		<b>263</b>	<b>413</b>

Useful life (in years)		<b>4</b>	<b>4</b>
------------------------	--	----------	----------

7.2 Amortisation for the year has been allocated as follows:

Marketing and distribution expenses	25	-	1,167
Administrative and general expenses	26	150	1,291
		<b>150</b>	<b>2,458</b>

8. LONG-TERM INVESTMENTS

		2023	2022
	Note	----- [Rupees in '000'] -----	
Investment in Associate	8.1	-	130,246
Investments held at fair value through OCI	8.2	62,040	997,102
		<b>62,040</b>	<b>1,127,348</b>

8.1 INVESTMENT IN ASSOCIATE

	Unaudited	Unaudited
Balance as at April 01	130,246	609,351
Share of loss for the year	(130,246)	(458,847)
Share of other comprehensive loss for the year	-	(12,061)
Less: Dividend income for the year	-	(8,197)
Balance as at March 31	<b>-</b>	<b>130,246</b>

- 8.1.1 This represents shareholding of 40% (2022: 40%) comprising of 1,639,418 shares (2022: 1,639,418 shares) of FMC United (Private) Limited, the original cost investment was Rs. 16.39 million.
- 8.1.2 As at December 31, 2022, the total share of loss from associate amounted to Rs. 910 million (audited financial statements), and this results in the value of investment to decline to Nil.

8.1.3 Financial details / position of associate:	Audited	Unaudited
	December 31, 2022	March 31, 2021
	----- (Rupees in '000') -----	
Total assets	15,930,934	17,975,509
Total liabilities	18,998,125	17,424,789
Revenue for the year / period	9,811,184	13,945,101
Loss for the year / period	(2,277,081)	(1,147,202)

FMC United (Private) Limited is principally engaged in the manufacturing, repackaging and marketing of pesticides, fertilizers and seeds. Its registered office is situated at 99-E-1, Ghalib Road, Gulberg III, Lahore and the plant is situated at 18-km Multan Road, Lahore. It has warehouses located in Lahore, Multan, Bahawalpur, Faisalabad, Sahiwal, Dera Ghazi Khan, Hyderabad, Rahim Yar Khan, Sukkur, Vehari, Khyber Pakhtunkhwa and Quetta.

The financial year end of FMC United (Private) Limited is December 31. Total assets and liabilities disclosed above are based on financial information for the year ended December 31, 2022 (Audited) (2022: quarter ended March 31, 2022 (unaudited)), whereas revenues and loss for the year / period disclosed above have been worked out on the basis of audited financial information for the year ended December 31, 2022 (2022: quarter ended March 31, 2022 (unaudited)).

## 8.2 Investments held at fair value through OCI

	2023	2022
Note	----- (Rupees in '000') -----	
— IBL HealthCare Limited - Listed		
1,593,949 (2022: 1,451,893) fully paid ordinary shares of Rs. 10 each	51,883	75,484
Percentage holding 2.19% (2022: 2.19%)		
Cost: Rs. 7,882,580 (2022: Rs. 7,882,580)		
— International Brands Limited - Unlisted		
184,665 (2022: 11,079,852) fully paid ordinary shares of Rs. 10 each	10,157	921,618
Percentage holding 0.59% (2022: 4.71%)		
Cost: Rs. Nil (2022: Rs. 83,663,056)		
	<b>62,040</b>	<b>997,102</b>

## 8.3 Movement in investments:

	2023	2022
Note	----- (Rupees in '000') -----	
IBL HealthCare Limited - Listed		
Balance as at July 1	75,484	135,038
Unrealised revaluation loss recognised in OCI	(23,601)	(59,554)
	<b>51,883</b>	<b>75,484</b>

	2023	2022
	----- (Rupees in '000') -----	
<b>International Brands (Pvt.) Limited</b>		
Balance as at July 1	921,618	1,354,362
Unrealised revaluation loss recognised in OCI	(312,226)	(432,744)
Derecognition of investment	(599,235)	-
	<b>10,157</b>	<b>921,618</b>

8.3.1 These includes 31,343 shares (2022: 31,343 shares) of IBL HealthCare Limited and 184,665 shares (2022: 184,665 shares) of International Brands (Pvt.) Limited which are withheld as income tax by the companies at the time of declaration of bonus issue. The Company has filed a petition with the Honourable High Court of Sindh (SHC) and challenged that the bonus shares cannot be subjected to any income tax unless such shares would have been sold. Further, both companies are also restrained from transferring such bonus shares. The matter is still pending adjudication in SHC. However, the Company has included these shares in its portfolio.

## 9. LONG -TERM LOANS & DEPOSITS

	2023	2022
	----- (Rupees in '000') -----	
Loan to employees	305	-
Deposit		
Rent deposit	2,375	2,275
Others	1,197	847
	3,572	3,122
	<b>3,877</b>	<b>3,122</b>

9.1 These include deposits given to utility departments and are not recoverable within one year.

## 10. STOCK IN TRADE

	2023	2022
	----- (Rupees in '000') -----	
Unpacked finished goods	96,541	116,662
Packing materials	22,727	16,047
	119,268	132,709
Finished goods	164,608	164,273
	283,876	296,982
Less: Provision for obsolescence	(8,745)	(2,129)
	<b>275,131</b>	<b>294,853</b>

10.1 These include packing materials amounting to Rs. 1.2 million (2022: Rs. 1.7 million) and unpacked finished goods amounting to Rs. 0.97 million (2022: Rs. 2.4 million) held with third party.

### 10.2 Movement of provision for slow moving and obsolete inventories

Opening balance	2,129	4,098
Provision made / reversed during the year	6,616	(1,969)
Closing balance	<b>8,745</b>	<b>2,129</b>

## 11. TRADE AND OTHER RECEIVABLE

		2023	2022
	Note	----- (Rupees in '000') -----	
Trade receivables	11.1 & 11.2	186,823	300,875
Allowance for expected credit losses	11.3	(582)	(2,175)
		186,241	298,700
Other receivable	11.4	614,189	901
		<b>800,430</b>	<b>299,601</b>

		2023	2022
		----- (Rupees in '000') -----	
11.1 Trade receivables			
Considered good			
- Secured	11.1	14,123	8,525
- Unsecured		172,700	292,350
		<b>186,823</b>	<b>300,875</b>

11.1.1 These debt are secured against bank guarantee provided by customers.

11.1.2 During the year trade debts amounting to Rs. 62.027 million had been written off.

		2023	2022
11.2 The age analysis of trade receivables is as follows:		----- (Rupees in '000') -----	
1 to 3 months		140,249	149,615
3 to 6 months		26,820	52,218
More than 6 months		19,754	99,042
		<b>186,283</b>	<b>300,875</b>

		2023	2022
11.3 The movement in allowance account during the year is as follows:		----- (Rupees in '000') -----	
Opening balance		(2,175)	-
Reversed / Charge during the year		1,592	(2,175)
Closing		<b>(583)</b>	<b>(2,175)</b>

		2023	2022
11.4 Other Receivable		----- (Rupees in '000') -----	
Others - Secured	11.5&8.3	614,189	901
		<b>614,189</b>	<b>901</b>

11.5 This includes a balance of Rs. 599.23 million receivable from Universal Ventures (Private) Limited on account of disposal of 10.895 million shares of International Brands (Pvt.) Limited. This is secured by way of pledge of shares of Searle Company Limited equal to the value of consideration receivable. This also represents markup receivable from Universal Ventures (Private) Limited at the rate of 1 Month KIBOR + 1.5% for 12 days delay till June 30, 2023 in payment of transaction amount.

## 12. LOANS, ADVANCES AND DEPOSITS

		2023	2022
Advances	Note	----- (Rupees in '000') -----	
- to suppliers	12.2	-	1,814
- to employees	12.1	1,632	1,084
Deposit		3,778	-
Prepayments		1,560	1,665
		<b>6,970</b>	<b>4,563</b>

12.1 This represents receivable from Genesis Holdings (Private) Limited (Parent Company).

12.2 These advances are paid to employees to meet day to day expenses of the Company and are secured against retirement fund balances of employees.

## 13. SHORT TERM INVESTMENTS

		2023	2022
Short term investments - at fair value through profit or loss	Note	----- (Rupees in '000') -----	
Cost of investment		5,760	-
Dividend income		97	-
Tax on dividend		(14)	-
		<b>5,843</b>	<b>-</b>

13.1 During the year, the Company acquired 115,200 units of Meezan Rozana Amdani Fund at the rate of Rs. 50.

## 14. CASH AND BANK BALANCES

		2023	2022
Cash in hand		9	95
Cash at bank - in current accounts	14.1	11,776	8,794
		<b>11,785</b>	<b>8,889</b>

14.1 These include current accounts having balances of Rs. 4.1 million (2022: Rs. 2.08 million) maintained with Islamic Banks.

## 15. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs 10 each			2023	2022	2023	2022
		----- (Number of shares in '000') -----			----- (Rupees in '000') -----	
5,000	5,000	Shares issued for consideration paid in cash.	50,000	50,000	50,000	50,000
21,087	21,087	Shares issued as bonus shares	210,873	210,873	210,873	210,873
9,184	9,184	Shares issued as right shares	91,840	91,840	91,840	91,840
<b>35,271</b>	<b>35,271</b>		<b>352,713</b>	<b>352,713</b>	<b>352,713</b>	<b>352,713</b>

- 15.1 This includes 30.031 million shares (2022: 30.031 million shares) held by Genesis Holding (Pvt.) Limited (Holding Company) having percentage of 85.14%.
- 15.2 All ordinary shares rank equally with regard to entitlement of dividend, voting rights, board selection, right of final refusal and block voting.
- 15.3 Percentage of shares held by Directors, Chief Executive Officer and their spouses as at June 30, 2023 is 0.1% (2022: 0.1%).

#### 16. REVALUATION RESERVE ON INVESTMENTS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
Note	----- (Rupees in '000') -----	
Balance at July 1	905,557	1,397,855
Fair value loss arising on revaluation	8.3 (23,601)	(492,298)
Fair value change at the date of derecognition	8.3 (312,226)	-
Transfer to unappropriated profit	(516,967)	=
	(852,794)	(492,298)
Balance at June 30	<b>52,763</b>	905,557

#### 17. LIABILITIES UNDER DIMINISHING MUSHARAKAH FINANCING

	2023	2022
Note	----- (Rupees in '000') -----	
Secured	26,393	19,830
- Non-current portion	7,113	6,342
- Current portion	171 <b>33,506</b>	26,172

17.1

	2023			2022		
	Minimum diminishing musharakah payments	Financial charges for future periods	Principal outstanding	Minimum diminishing musharakah payments	Financial charges for future periods	Principal outstanding
	----- (Rupees in '000') -----					
Not later than one year	14,247	7,134	7,113	10,023	3,681	6,342
Later than one year but not later than five years	35,345	8,952	26,393	25,858	6,028	19,830
	<b>49,592</b>	<b>16,086</b>	<b>33,506</b>	<b>35,881</b>	<b>9,709</b>	<b>26,172</b>

17.2 The Company has acquired vehicles from First Habib Modaraba under diminishing musharakah financing arrangement.

#### 18. LEASE LIABILITIES AGAINST RIGHT OF USE OF ASSET

	2023	2022
Note	----- (Rupees in '000') -----	
Secured	1,114	3,725
- Non-current portion	3,105	7,620
- Current portion	18.1 <b>4,219</b>	11,345



18.1 Following is the movement of lease liabilities during the year:

	2023	2022
Note	----- (Rupees in '000') -----	
Balance at the beginning of the year	11,345	11,106
Re-assessment / termination of leases	-	6,520
Interest expense	990	1,654
Payments	(8,116)	(7,935)
<b>Balance at the end of the year</b>	<b>4,219</b>	<b>11,345</b>

19. DEFERRED TAXATION

Deferred tax credit balances arising in respect of:

	2023	2022
	----- (Rupees in '000') -----	
Investments In associate	-	17,077
Assets held under diminishing musharakah financing	10,650	6,291
Markup receivable from UVPL	1,373	-
Right-of-use-asset	1,023	(1,846)

Deferred tax debit balances arising in respect of:

Liability under diminishing musharakah financing	(9,717)	(5,131)
Lease liability	(1,224)	(2,224)
Unused tax losses and minimum tax	-	(12,582)
Property, plant and equipment	(5,392)	(4,389)
Retirement benefit obligation in associate	(15,465)	(15,465)
Provision for slow moving and obsolete inventory	(2,536)	(417)
Provision for expected credit losses	(169)	(631)
<b>Total</b>	<b>(21,457)</b>	<b>(15,625)</b>

19.1 Analysis of change in deferred tax

	Accelerated tax depreciation	Assets under diminishing musharakah financing arrangement	Right of use asset	Liability under diminishing musharakah financing arrangement	Lease Liability	Investment in associate	Retirement benefit obligation in associate	Unused tax losses and minimum tax	Provision for expected credit losses	Markup receivable from UVPL	Provision for slow moving and obsolete inventory	Total
	----- (Rupees in '000') -----											
Balance as at June 30, 2021	(2,533)	2,273	1,877	(1,665)	(2,300)	88,943	(13,656)	(26,511)	-	-	(849)	45,579
(Charge) / credit to profit or loss for the year	(1,856)	4,018	(31)	(3,466)	76	(71,866)	-	13,929	(631)	-	432	(59,395)
Charge to other comprehensive income for the year	-	-	-	-	-	-	(1,809)	-	-	-	-	(1,809)
<b>Balance at June 30, 2022</b>	<b>(4,389)</b>	<b>6,291</b>	<b>1,846</b>	<b>(5,131)</b>	<b>(2,224)</b>	<b>17,077</b>	<b>(15,465)</b>	<b>(12,582)</b>	<b>(631)</b>	<b>-</b>	<b>(417)</b>	<b>(15,625)</b>
Balance at June 30, 2022	(4,389)	6,291	1,846	(5,131)	(2,224)	17,077	(15,465)	(12,582)	(631)	-	(417)	(15,625)
(Charge) / credit to profit or loss for the year	(1,003)	4,359	(823)	(4,586)	1,000	(17,077)	-	12,582	462	1,373	(2,119)	(5,832)
<b>Balance at June 30, 2023</b>	<b>(5,392)</b>	<b>10,650</b>	<b>1,023</b>	<b>(9,717)</b>	<b>(1,224)</b>	<b>-</b>	<b>(15,465)</b>	<b>-</b>	<b>(169)</b>	<b>1,373</b>	<b>(2,536)</b>	<b>(21,457)</b>

## 20. TRADE AND OTHER PAYABLES

		2023	2022
Creditors	Note	----- (Rupees in '000') -----	
- Against goods	20.1	126,541	157,737
- Others - related parties	20.3 & 20.2	5,226	256
Accrued liabilities		116,454	64,636
Advances from customers		15,570	9,294
Sindh Workers' Welfare Fund		9,991	3,837
Withholding income tax		9,694	5,663
Payable to provident fund	20.4	1,127	917
		<b>284,603</b>	<b>242,340</b>

20.1 These include foreign creditors amounting to Rs. 43.8 million (2022: Rs. 93.6 million).

20.2 These include payable to Trax Online (Private) Limited, a related party, amounting to Rs. 0.926 million (2022: Rs. 0.256) against rent and other maintenance charges.

20.3 These include markup payable to Genesis Holdings (Private) Limited, a related party, amounting to Rs. 4.3 million (2022: Rs. nil).

20.4 The investments out of Provident Fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

## 21. SHORT-TERM BORROWINGS

		2023	2022
Secured	Note	----- (Rupees in '000') -----	
Short-term loan (Tijarah)	21.1	12,585	19,807
		12,585	19,807
Unsecured			
Current portion of long term salary refinancing		-	6,995
Short-term loan	21.2	145,685	120,389
		145,685	127,384
		<b>158,270</b>	<b>147,191</b>

21.1 The Company obtained a short-term loan (Tijarah) Financing facility from Al Baraka Bank (Pakistan) Limited at KIBOR + 2.5% per annum (2022: KIBOR + 2.5% per annum). This facility is secured by way of hypothecation of current assets of the Company. Interest is payable quarterly.

21.2 The Company obtained a short-term loan from Genesis Holding (Pvt.) Limited (Holding Company) at 3 months KIBOR + 1.5% per annum (June 30, 2022: 3 months KIBOR + 1.5% per annum). This is repayable on demand.

## 22. CONTINGENCIES AND COMMITMENTS

### 22.1 Contingencies

There were no contingencies as at year end.

### 22.2 Commitments

The facilities for opening letters of credit and guarantees as at June 30, 2023 amounted to Rs. 200 million (2022: Rs. 200 million) of which unutilised balance as at year end amounted to Rs. 142.4 million (2022: Rs. 154.5 million).

## 23. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023	2022
	----- (Rupees in '000') -----	
Revenue from sale of goods	1,082,618	926,488
Less: Discounts	(256,597)	(158,260)
Sales returns	(45,342)	(105,644)
Sales tax	-	(5,878)
Net revenue	780,679	656,706
Revenue from toll manufacturing	4,772	2,704
	<b>785,451</b>	<b>659,410</b>

23.1 Sales tax was charged at the rate of 3% on revenue from sale of fertilizers in the comparative year. However, Chapter 31 of Finance Act, 2022 states that rate of tax on fertilizers shall be zero percent.

## 24. COST OF SALES

	2023	2022
	----- (Rupees in '000') -----	
Packed finished goods	398,182	277,323
Toll manufacturing charges	1,819	2,532
Salaries, wages and benefits	8,164	7,384
Freight	9,713	8,974
Depreciation	5,095	5,367
Repairs and maintenance	1,308	910
Utilities and communication	1,487	966
Entertainment	313	276
Sampling	363	364
Insurance	291	85
Travelling and conveyance	58	53
Printing and stationery	53	56
Safety and security	37	59
Obsolete stock written down	19,638	-
Charge / reversal for provision for slow moving and obsolete inventories	6,616	(1,969)
	453,137	302,380
Opening stock in trade of finished goods	164,273	127,698
Add: Purchases	49,545	102,914
Less: Closing stock in trade of finished goods	(164,608)	(164,273)
	<b>49,210</b>	<b>66,339</b>
	<b>502,347</b>	<b>368,719</b>

24.1 Salaries, allowance and other benefits includes an amount in respect of Company's contribution to provident fund of Rs. 0.045 million (2022: Rs. 0.116 million).

## 25. MARKETING AND DISTRIBUTION EXPENSES

		2023	2022
	Note	----- (Rupees in '000') -----	
Salaries, wages and benefits	25.1	98,186	78,944
Vehicle running		49,536	36,181
Commission & incentives		28,266	13,198
Depreciation	6.2	15,546	10,213
Amortization		-	1,167
Sales promotion and advertisement		13,046	6,021
Distribution freight		13,656	11,513
Travelling and transportation		3,523	2,766
Entertainment		1,687	1,197
Utilities and communication		1,697	1,959
Research and development		2,312	1,122
Repairs and maintenance		3,287	2,178
Rent, rates and taxes		1,972	2,589
Insurance		1,610	1,429
Printing and stationery		294	192
Legal and professional		20	20
Fee, subscription and periodicals		-	8
		<b>235,568</b>	<b>171,575</b>

25.1 Salaries, allowance and other benefits includes an amount in respect of Company's contribution to provident fund of Rs, 2.370 million (2022: Rs. 2.074 million).

## 26. ADMINISTRATIVE AND GENERAL EXPENSES

		2023	2022
	Note	----- (Rupees in '000') -----	
Salaries, wages and benefits	26.1	35,014	25,973
Corporate expenses		7,920	7,200
Auditors' remuneration	26.2	965	840
Vehicle running		2,970	2,008
Legal and professional		14,730	1,162
Travelling and conveyance		2,594	1,841
Donation	26.3	2,400	2,400
Fee, subscription and periodicals		1,892	1,874
Utilities and communication		1,831	795
Repairs and maintenance		1,017	1,009
Commission and incentives		600	1,612
Depreciation	6.2	290	952
Amortization	7.1	150	583
Rent, rates and taxes		410	388
Entertainment		325	193
Printing and stationery		305	317
Sales promotion and advertisement		244	99
Insurance		118	12
Safety and security		25	-
		<b>73,800</b>	<b>49,258</b>

26.1 Salaries, allowance and other benefits includes an amount in respect of Company's contribution to provident fund of Rs, 1.867 million (2022: Rs. 1.064 million).

## 26.2 Auditors' remuneration

	2023	2022
	----- (Rupees in '000') -----	
Audit fee	690	690
Fee for review of half yearly financial statements, COCG and certifications	150	150
Out of pocket expenses	125	-
	<b>965</b>	<b>840</b>

26.3 None of the directors or their spouses had any interest in any of the donee during the year.

## 27. OTHER OPERATING EXPENSES

	2023	2022
	----- (Rupees in '000') -----	
Sindh Workers' Welfare Fund	7,633	775
Exchange loss	15,493	10,719
Bad debts written-off during the year	62,027	-
Operating lease rentals	2,281	-
	<b>87,434</b>	<b>11,494</b>

## 28. OTHER INCOME

	2023	2022
	----- (Rupees in '000') -----	
Income from financial assets	Note	
Dividend income	1,421	1,184
Markup income	4,736	-
Grant income	447	1,325
	<b>6,604</b>	2,509
Income from non-financial assets	Note	
Gain on disposal of property, plant and equipment	7,155	7,922
Scrap sales	935	594
Rental income	100	600
Others	295	3,391
	8,485	12,507
	<b>15,089</b>	<b>15,016</b>

28.1 This represents dividend income from IBL HealthCare Limited and Meezan Rozana Amdani Fund.

## 29. FINANCE COST

	2023	2022
	----- (Rupees in '000') -----	
- on running finance	-	3,127
- Salary refinancing	39	1,819
- on lease liability against right of use of asset	990	1,654
- on diminishing musharakah financing	6,977	2,895
- short-term loan - related party	21,627	101
- on short-term loan - Tijarah	2,614	1,621
	32,247	11,217
Bank charges and commission	231	418
	<b>32,478</b>	<b>11,635</b>

### 30. INCOME TAX

Current tax
Prior year adjustments
Deferred tax

2023	2022
----- (Rupees in '000) -----	
128,156	12,200
130	324
(15,496)	(59,396)
<b>112,791</b>	<b>(46,872)</b>

#### Relationship between tax expense and accounting profit:

Accounting (loss) as at June 30,
Tax at applicable rate of 29%
Super tax at the applicable rate of 4% on taxable income computed as per section 4C of ITQ, 2001
Tax at applicable rate of 29% gain on investment
Effect of share of loss from associate
Effect of minimum / final tax regime
Effect of business losses carry forward
Effect of tax other than temporary differences
Effect of Provision for expected credit losses
Effect of provision for slow moving and obsolete inventory

2023	2022
----- (Rupees in '000) -----	
<b>(259,741)</b>	(399,277)
75,325	115,790
16,056	-
102,069	-
(15,792)	(70,057)
(64,211)	(89,294)
1,852	(1,852)
(1,052)	(1,259)
462	(631)
(1,918)	431
<b>112,791</b>	<b>(46,872)</b>

### 31. LOSS PER SHARE

#### Basic

Loss for the year attributable to ordinary shareholders
Weighted average number of shares in issue during the year (in thousand)
Loss per share (in Rupees)

2023	2022
----- (Rupees in '000) -----	
<b>(372,532)</b>	(352,405)
<b>35,271</b>	35,271
<b>(Rs. 10.56)</b>	<b>(Rs 9.99)</b>

#### Diluted

A diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2023 which would have any effect on the loss per share if the option to convert is exercised.

### 32. CASH GENERATED / (USED IN) FROM OPERATIONS

	2023	2022
	----- (Rupees in '000) -----	
Loss before income tax	(259,741)	(399,277)
Adjustments for non-cash incomes and expenses:		
Depreciation	20,931	17,699
Amortisation	150	583
Finance cost	32,478	22,354
Grant income	(447)	(1,325)
Gain on disposal of property, plant and equipment	(7,155)	(7,922)
Dividend income	(1,421)	(1,184)
Share of loss from associate	130,246	458,847
Exchange loss	15,493	-
Bad debts written-off during the year	62,027	-
Allowances for expected credit loss	(1,592)	2,175
Charge / (reversal) for slow moving and obsolete inventories	6,616	(1,969)
	<b>(2,415)</b>	89,981
<b>Changes in Working Capital:</b>		
(Increase) / decrease in current assets		
Stock in trade	13,106	(143,972)
Trade debts	37,972	(53,223)
Loans, advances and deposits	(2,407)	(1,575)
	48,671	(198,770)
Increase in current liabilities		
Trade and other payables	42,263	106,199
Unclaimed dividend	(88)	-
	42,175	106,199
	<b>88,431</b>	<b>(2,590)</b>

### 33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated companies, entities with common directors, major shareholders, key management employees and retirement benefit funds. Transactions and balances with related parties and associated undertakings, other than disclosed elsewhere in the financial statements are given below:

S.No.	Company	Basis of Association	Aggregate % of Shareholding
1.	Genesis Holdings (Private) Limited	Holding Company	85.14%
2.	Trax Distribution (Private) Limited	Common Directorship	-
3.	Trax Online (Private) Limited	Common Directorship	-
4.	FMC United (Private) Limited	Associate	-
5.	International Franchise (Private) Limited	Common Directorship	-

33.1 Transactions with related parties are summarised as follows:

Nature of relationship	Nature of transactions	2023	2022
----- (Rupees in '000) -----			
i. Holding Company	Payments on behalf of holding company	37,431	25,836
	Corporate service charges	7,920	7,200
	Receipts from holding company	34,562	3,147
	Short term loan paid	143,809	15,504
	Markup paid on short term borrowing	21,627	2,764
	Car Rentals on vehicle on operating lease	2,281	-
	Loan receive from holding company	169,105	117,093
ii. Associated Companies	IT maintenance fee/Services	426	272
	Purchase Laptop	170	-
	Maintenance premises	2,005	1,380
	Rent charged	408	388
	Utilities	366	652
iii. Employees' Provident Fund	Contribution paid	4,282	8,978
iv. Key Management Personnel	Remuneration of key management personnel	3,3927	28,067
v. Directors	Directors' meeting fee	49	34

33.2 Balances with related parties are summarised as follows:

	2023	2022
----- (Rupees in '000) -----		
Payable to related party:		
Genesis Holding Private Limited	4,308	685
Trax Online Private Limited	927	256
Retirement benefit plan	1,127	917
Loan From related party:		
Short term loan from Genesis Holding Private Limited	145,685	120,389

The status of outstanding balances with related parties as at June 30, 2023 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.



### 34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

34.1 The aggregate amounts charged in the financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000')					
Managerial remuneration	9,620	5,903	-	-	10,319	7,280
Meeting fees	-	-	49	34	-	-
Bonus	-	-	-	-	1,522	1,021
Company's contribution to provident fund	1,013	337	-	-	848	910
Allowance	4,810	2,952	-	-	5,023	4,080
Car rental	-	-	-	-	462	837
Leave encashment	-	759	-	-	264	897
EOBI	11	-	-	-	35	23
Commission and incentives	-	1,012	-	-	-	3,150
	<b>15,454</b>	<b>10,963</b>	<b>49</b>	<b>34</b>	<b>18,473</b>	<b>18,381</b>
Number of persons	<b>1</b>	<b>1</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>3</b>

34.2 The Directors were not paid any remuneration as the same was borne by the holding company.

34.3 The Company also provides vehicles to its Chief Executive Officer and executives in accordance with the terms of their employment contracts.

### 35. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position  
Amortized cost

Long-term loan and deposits  
Trade and other receivable  
Loans, advances and deposits  
Cash and bank balances

2023	2022
(Rupees in '000')	
3,877	3,122
800,430	299,601
6,970	4,563
11,785	8,889
<b>823,062</b>	<b>316,175</b>

Financial liabilities as per statement of financial position  
Amortized cost

Liability under diminishing musharakah financing  
Lease liability against right of use of asset  
Trade and other payables  
Accrued mark-up  
Short-term borrowings

33,506	26,172
4,219	11,345
284,603	242,340
774	4,352
158,270	158,270
<b>481,372</b>	<b>442,479</b>

Financial assets as per statement of financial position  
Fair value through other comprehensive income

Long-term investments

62,040	1,127,348
<b>62,040</b>	<b>1,127,348</b>

Financial assets as per statement of financial position  
Fair value through profit or loss

Short term investments

5,843	-
<b>5,843</b>	<b>-</b>

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### 36.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral.

Credit risk of the Company arises principally from the long term loans and deposits, trade debts, advances and deposits and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtain advance payments, wherever considered necessary). Cash is held only with reputable banks with high quality credit worthiness.

#### Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2023	2022
	----- (Rupees in '000') -----	
Long-term loan and deposits	3,877	3,122
Trade and other receivable	800,430	299,601
Loans, advances and deposits	6,970	4,563
Cash and bank balances	11,785	8,889
	<b>823,062</b>	<b>316,175</b>

#### The aging of trade receivable at the reporting date is:

1 to 3 months	140,249	149,615
3 to 6 months	26,820	52,218
More than 6 months	19,754	99,042
	<b>186,823</b>	<b>300,875</b>

#### Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio of customers. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk.

## Bank credit rating

	Credit Rating Agency	Long Term		Short Term	
		2023	2022	2023	2022
Habib bank limited	VIS	AAA	AAA	A-1+	A-1+
Muslim commercial bank	PACRA	AAA	AAA	A1+	A1+
Bank Al-habib limited	PACRA	AAA	AAA	A1+	A1+
Meezan bank limited	VIS	AAA	AAA	A-1+	A-1+
Al-barak bank	VIS	A+	A+	A-1	A-1
Habib metro bank	PACRA	AA+	AA+	A1+	A1+

## 36.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

	2023				
	Carrying amount	On demand	Contractual cash flows	Maturity upto one year	Maturity after one year
	(Rupees in '000')				
Long-term portion of liability under diminishing musharakah financing	33,506	-	48,769	7,113	26,393
Lease liability against right of use of asset	4,219	-	1,808	3,105	1,114
Trade and other payables	284,603	-	284,603	284,603	-
Accrued mark-up	774	-	774	774	-
Short- term borrowings	158,270	158,270	-	-	-
	<u>481,372</u>	<u>158,270</u>	<u>335,954</u>	<u>295,595</u>	<u>27,507</u>

	2022				
	Carrying amount	On demand	Contractual cash flows	Maturity upto one year	Maturity after one year
	(Rupees in '000')				
Long-term portion of liability under diminishing musharakah financing	26,172	-	63,468	6,342	19,830
Lease liability against right of use of asset	11,345	-	7,844	7,620	3,725
Trade and other payables	242,340	-	242,340	242,340	-
Accrued mark-up	4,352	-	4,352	4,352	-
Short- term borrowings	147,191	147,191	147,191	147,191	147,191
	<u>431,400</u>	<u>147,191</u>	<u>465,195</u>	<u>407,845</u>	<u>170,746</u>

## Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

### a) Foreign exchange risk

Foreign currency risk is the risk that the value of a financial asset or liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables arise due to transactions entered into foreign currencies.

As at June 30, 2023, trade and other payables of Rs. 43.81 million (2022: Rs. 93.60 million) are exposed to foreign exchange risk.

As at June 30, 2023, if the Pak Rupee had weakened / strengthened by 10% (2022: 10%) against US Dollar with all other variables held constant, loss before income tax for the year would have been higher / lower by Rs. 4.38 million (2022: Rs. 9.36 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables.

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short- and long-term borrowings from banks. At the statement of financial position date, the interest rate profile of the Company's interest-bearing financial instrument was as follows:

	2023	2022
	----- (Rupees in '000) -----	
Liability under diminishing musharakah financing	33,506	26,172
Short-term loan (Tijarah)	12,585	19,807
Short-term loan	145,685	120,389
	<b>191,776</b>	<b>166,368</b>

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit and loss	
	100 bp Increase	100 bp Decrease
	----- (Rupees in '000) -----	
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial liabilities (Rs' 000)	<b>(1,918)</b>	1,918
As at June 30, 2022		
Cash flow sensitivity - Variable rate financial liabilities (Rs' 000)	<b>(1,664)</b>	1,664

#### c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to equity securities price risk arises from investment held by the Company in IBL Healthcare Limited and International Brands (Pvt.) Limited and classified in the statement of financial position as fair value through OCI as well as short-term investment in Meezan Rozana Amdani Fund and classified in the statement of financial position as fair value through profit or loss. The maximum exposure to price risk as at June 30, 2023 amounts to Rs. 51.883 million, 10.157 million and 5.843 million (2022: Rs. 99.71 million, 997.102 million and nil) respectively.

As at June 30, 2023, if the market prices of the equity securities / mutual fund had increased / decreased by 1% with all other variables held constant, other comprehensive income and profit or loss for the year would have been higher / lower by Rs. 0.592 million and Rs. 0.0584 million (2022: Rs. 9.97 million and Rs. nil).

### 36.3 Fair values of the financial instruments

Fair value is the price 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.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- 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 that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data ( that is unadjusted) inputs.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity); and
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

#### Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

#### Level 2: Inputs that are observable either directly or indirectly

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

#### Level 3: Unobservable inputs

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table analyses within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2023:

	2023			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000') -----			
<b>FINANCIAL ASSETS</b>				
FV measurement of FVPL investments	-	5,843	-	5,843
Recurring FV measurement of FVOCI investments	51,883	-	10,157	62,040
	2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000') -----			
<b>FINANCIAL ASSETS</b>				
FV measurement of FVPL investments	-	-	-	-
Recurring FV measurement of FVOCI investments	75,484	-	921,618	997,102

### 36.4 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to the shareholders or issue bonus / new shares.

The Company is not subject to externally imposed capital requirements.

The debt to capital ratios as at June 30, 2023 and June 30, 2022 were as follows:

	2023	2022
	----- (Rupees in '000') -----	
Total borrowings	191,776	173,363
Cash and bank	(11,785)	(8,889)
Net debt	179,991	164,474
Equity	683,041	1,391,400
Total capital employed	863,032	1,555,874
Debt to capital employed ratio	21%	11%

### 37. DISCLOSURE BY COMPANIES LISTED IN ISLAMIC INDEX

Loans / advances obtained as per Islamic mode:

Loans	12,585	19,807
Advances	-	-
	12,585	19,807
Shariah complaint bank deposits / bank balances	4,131	2,022
Exchange gain earned	-	-
Mark up paid on Islamic mode of financing	(9,286)	(4,091)
Profits earned or interest (paid) on any conventional loan or advance	-	-
Interest paid on loans	(44,605)	(10,086)

### 38. PLANT CAPACITY AND PRODUCTION

The entity does not manufacture any products from its plant. The plant installed by the entity is to pack goods that have been received in the form of unpacked goods. This includes powdered products, granular products. The plant fills bottles of liquid fertilizers. The details of production during the year is mentioned below:

	Total	2023	2022
		----- (Kilograms) -----	
Packaging			
Powder products	900,000	450,716	792,328
Granular products	1,351,728	813,324	898,821
		----- (Litres) -----	
Liquid products	1,633,338	142,796	144,593

### 39. NUMBER OF EMPLOYEES

	2023	2022
As at the reporting date	88	94
Average number of employees during the year	91	91

### 40. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on **September 28, 2023** by the Board of Directors of the Company.

### 41. GENERAL

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

### 42. CORRESPONDING FIGURES

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



MIRZA ASMER BEG  
Chief Executive Officer



ASAD ABDULLA  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Pattern of Shareholding

As at June 30, 2023

CATEGORIES OF SHAREHOLDERS	SHAREHOLDERS	SHARES HELD	PERCENTAGE
DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE(S) AND MINOR CHILDREN			
MUHAMMAD ABDUL SAMIE CASHMIRI	1	25	0.00
MR. SAQIB ABBAS	1	25	0.00
MRS. SAMIA ZUBERI	1	25	0.00
ASAD ABDULLA	1	44,498	0.13
AYAZ ABDULLA	1	2,382	0.01
MUHAMMAD SALMAN HUSAIN CHAWALA	1	200	0.00
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
NIT and ICP	2	376	0.00
BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS			
	3	1,509	0.00
INSURANCE COMPANIES			
	1	5,913	0.02
MODARABAS AND MUTUAL FUNDS			
	4	2,150,369	6.10
GENERAL PUBLIC			
A. LOCAL	1114	2,366,975	6.71
B. FOREIGN	1	500	0.00
FOREIGN COMPANIES			
	2	8,222	0.02
OTHERS			
	20	659,249	1.87
TOTALS	<b>1,155</b>	<b>35,271,133</b>	<b>100.00</b>

SHARE HOLDERS HOLDING 10% OR MORE	Shares Held	Percentage
GENESIS HOLDINGS (PRIVATE) LIMITED	30,030,865	85.14



DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE(S) AND MINOR CHILDREN.

S.NO.	FOLIO NO.	NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE
1	3094	MUHAMMAD ABDUL SAMIE CASHMIRI	25	0.00
2	3099	MR. SAQIB ABBAS	25	0.00
3	3100	MRS. SAMIA ZUBERI	25	0.00
4	03277-20909	ASAD ABDULLA	44,498	0.13
5	03277-21385	AYAZ ABDULLA	2,382	0.01
6	10629-32378	MUHAMMAD SALMAN HUSAIN CHAWALA	200	0.00
<b>6</b>			<b>47,155</b>	<b>0.13</b>

ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES

01.	03277-115871	GENESIS HOLDINGS (PRIVATE) LIMITED	29,913,533	84.81
	3095	M/S. GENESIS HOLDINGS (PVT) LTD	117,332	0.33
<b>2</b>			<b>30,030,865</b>	<b>85.14</b>

NIT and ICP

01.	1799	INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN ( ICP UNIT )	374	0.00
02.	00083-36	IDBL (ICP UNIT)	2	0.00
<b>2</b>			<b>376</b>	<b>0.00</b>

BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS

01.	33	NATIONAL BANK OF PAKISTAN TRUSTEE WING	374	0.00
02.	2640	CRESCENT INVESTMENT BANK LTD.	650	0.00
03.	03889-28	NATIONAL BANK OF PAKISTAN	485	0.00
<b>3</b>			<b>1,509</b>	<b>0.00</b>

INSURANCE COMPANIES

S.NO.	FOLIO NO.	NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE
01.	02139-29	PREMIER INSURANCE LIMITED	5,913	0.02
<b>1</b>			<b>5,913</b>	<b>0.02</b>

MODARABAS AND MUTUAL FUNDS

01.	2520	B.R.R. GUARDIAN MODARABA	22,070	0.06
02.	2666	FIRST IBL MODARABA	39,999	0.11
03.	03277-1651	FIRST UDL MODARABA	396,419	1.12
04.	14902-21	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,691,881	4.80
<b>4</b>			<b>2,150,369</b>	<b>6.10</b>

## GENERAL PUBLIC FOREIGN

01.	03277-110638	RIZWAN UL ISLAM	500	0.00
			<b>1</b>	<b>500</b>
				<b>0.00</b>

## FOREIGN COMPANIES

01.	2351	BOSTON SAFE DEPOSIT & TRUST CO	522	0.00
02.	00695-22309	EFG HERMES UAE L.L.C	7,700	0.02
			<b>2</b>	<b>8,222</b>
				<b>0.02</b>

## OTHERS

01.	3015	MR. THE COMPANY SECRETARY (B-2015)	802	0.00
02.	3026	M/S. TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES(B-2015)	124,434	0.35
03.	3027	M/S. FBR-NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES(B-2015)	9,686	0.03
04.	3031	MR. THE COMPANY SECRETARY (B-2016)	794	0.00
05.	3036	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES(B-2016)	230,047	0.65
06.	3037	FBR-NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES(B-2016)	12,507	0.04
07.	3065	MR. THE COMPANY SECRETARY (B-2017)	585	0.00
08.	3066	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES B-2017	125,983	0.36
09.	01917-33	PRUDENTIAL SECURITIES LIMITED	19	0.00
10.	02113-3850	CAPITAL FINANCIAL SERVICES (PVT.) LIMITED	2,461	0.01
11.	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	78,037	0.22
12.	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	2,734	0.01
13.	03277-89483	TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	166	0.00
14.	03277-103742	KHOJA (PIRHAI) SHIA ISNA ASHARI JAMAT	1,200	0.00
15.	03277-105440	IBL OPERATIONS (PRIVATE) LIMITED	36,320	0.10
16.	03293-38	S.H. BUKHARI SECURITIES (PVT) LIMITED	417	0.00
17.	03525-87235	MAPLE LEAF CAPITAL LIMITED	1	0.00
18.	04705-87224	FEDERAL BOARD OF REVENUE	27,135	0.08
19.	05868-28	CLIKTRADE LIMITED	185	0.00
20.	14241-22	FIKREES (PRIVATE) LIMITED	5,736	0.02
			<b>20</b>	<b>659,249</b>
				<b>1.87</b>

## GENERAL PUBLIC LOCAL

			<b>1114</b>	<b>2,366,975</b>
				<b>6.71</b>

## TOTAL

			<b>1155</b>	<b>35,271,133</b>
				<b>100.00</b>

NO. OF SHAREHOLDERS	SHAREHOLDINGS'SLAB			TOTAL SHARES HELD
539	1	to	100	6,636
238	101	to	500	65,014
119	501	to	1000	88,902
163	1001	to	5000	382,329
42	5001	to	10000	287,684
16	10001	to	15000	202,277
5	15001	to	20000	91,307
5	20001	to	25000	113,374
2	25001	to	30000	53,608
6	35001	to	40000	225,979
3	40001	to	45000	126,887
1	45001	to	50000	45,222
2	50001	to	55000	106,365
2	55001	to	60000	114,666
1	75001	to	80000	78,037
2	115001	to	120000	233,612
1	120001	to	125000	124,434
1	125001	to	130000	125,983
1	145001	to	150000	145,657
1	195001	to	200000	195,314
1	225001	to	230000	225,966
1	230001	to	235000	230,047
1	395001	to	400000	396,419
1	1690001	to	1695000	1,691,881
1	29910001	to	29915000	29,913,533
<b>1,155</b>				<b>35,271,133</b>

# Proxy Form

The Company Secretary  
**United Distributors Pakistan Limited**  
Plot # 105, Sector 7-A, Mehran Town,  
Korangi Industrial Area, Karachi.

I / We \_\_\_\_\_  
son / daughter / wife / husband of \_\_\_\_\_,  
shareholder of **United Distributors Pakistan Limited** holding \_\_\_\_\_  
ordinary shares hereby appoint \_\_\_\_\_  
who is my \_\_\_\_\_ [state relationship (if any) with the proxy; required by Government regulations]  
and the son / daughter / wife / husband of \_\_\_\_\_, (holding \_\_\_\_\_  
ordinary shares in the Company under Folio No. \_\_\_\_\_ ) [required by Government] as my / our proxy, to  
attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 27, 2023  
and / or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Witnesses: (A)  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC / Passport No. \_\_\_\_\_

Signature on Revenue  
Stamp of Rs. 5/-

\_\_\_\_\_  
Signature of Member(s)

Witnesses: (B)  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC / Passport No. \_\_\_\_\_

Folio No. \_\_\_\_\_  
CDC Participation I.D. No. \_\_\_\_\_  
Sub Account No. \_\_\_\_\_

## IMPORTANT:

- The member is requested:
  - To affix Revenue Stamp of Rs. 5/- at the place indicated above.
  - To sign across the revenue Stamp in the same style of signature as is registered with the Company.
  - To write down his Folio Number.
- In order to be valid, this proxy must be received at the registered office of the Company at least 48 hours before the time fixed for the Meeting, duly completed in all respects.
- CDC Shareholders or their proxies should bring their original Computerized National Identity Card or Passport along with the Participant's ID Number and their Account Number to facilitate their identification. Detailed procedure is given in the Notes to the Notice of AGM.



Pakistan

AFFIX  
CORRECT  
POSTAGE

The Company Secretary  
**United Distributors Pakistan Limited**  
Plot # 105, Sector 7-A, Mehran Town,  
Korangi Industrial Area, Karachi.



Pakistan

AFFIX  
CORRECT  
POSTAGE

دی کمپنی سیکرٹری  
یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ  
پلاٹ نمبر 105، سیکٹر 7-A، مہران ٹاؤن،  
کورنگی انڈسٹریل ایریا، کراچی۔

# پراکسی فارم

دی کمپنی سیکریٹری  
یونائیٹڈ سٹری پیوٹرز پاکستان لمیٹڈ  
پلاٹ نمبر 105، سیکٹر 7-A، مہران ٹاؤن،  
کورنگی انڈسٹریل ایریا، کراچی۔

میں / ہم  
پسر / دختر / زوجہ / خاوند  
شیر ہولڈر  
بابت یونائیٹڈ سٹری پیوٹرز پاکستان لمیٹڈ حامل  
عمومی شیر ہولڈر ہے۔  
جو میرا / میری  
مطابق ضروری) اور پسر / دختر / زوجہ / خاوند  
فولیو نمبر  
سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس میں میرے / ہمارے لئے اور میری / ہماری جانب سے شرکت اور ووٹ ڈالنے کا  
کا تقرر کرتا ہوں / کرتے ہیں  
(رشتے کی نوعیت بیان کریں) (اگر کوئی ہو) مع پراکسی حکومتی ضوابط کے  
حامل  
کمپنی کے عمومی شیر ہولڈر  
کے تحت) [حکومت کی جانب سے درکار] بطور میرا / ہمارا پراکسی کمپنی کے مورخہ ۲۷ اکتوبر ۲۰۲۳ء کو منعقد ہونے والے  
سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس میں میرے / ہمارے لئے اور میری / ہماری جانب سے شرکت اور ووٹ ڈالنے کا  
گی اور اپنا کسی دوسری کارروائی میں حصہ لے گا / گی۔

دستخط آج بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ ۲۰۲۳ء

۵ روپے کار یونیوا سٹیٹ

گواہ (اے):

دستخط:

نام:

پتہ:

سی این آئی سی / پاسپورٹ نمبر:

گواہ (بی):

دستخط:

نام:

پتہ:

سی این آئی سی / پاسپورٹ نمبر:

اہم نکات:

۱۔ ممبران سے درخواست ہے کہ:

i. جس مذکورہ بالا جگہ پر نشاندہی کی گئی ہے وہاں - ۵ روپے کار یونیوا سٹیٹ چسپاں کریں۔

ii. ریونیوا سٹیٹ پراسی طرح دستخط کریں، جس طرز میں کمپنی کے پاس رجسٹرڈ ہو۔

iii. اس کا فولیو نمبر درج کریں۔

۲۔ منوش بنانے کے لئے یہ پراکسی لازماً کمپنی کے رجسٹرڈ آفس میں ہر طرح سے مکمل صورت میں اجلاس کے لئے طے شدہ وقت سے کم از کم ۲۸ گھنٹے قبل موصول ہو جائے۔

۳۔ سی ڈی سی شیر ہولڈرز یا ان کے پراکسیز اپنی شناخت میں سہولت کے لئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ بشمول پارٹیشنڈ کا آئی ڈی نمبر اور ان کے اکاؤنٹ نمبر لازماً ساتھ لائیں۔

مفصل طریقہ کار غیر معمولی اجلاس عام کی اطلاع کے نوٹس میں دیا گیا ہے۔

## مستقبل کا نظریہ:

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 فصل کی بہترین پیداوار اور صحت بخش خوراک حاصل کر سکیں۔ ناموافق موسم، مہنگائی، شرح سود میں اضافہ، کمزور ہوتی کرنسی، مصنوعات کی قیمتوں میں تیزی کار رجحان اور عالمی سپلائی چین کے مسائل جیسے معاشی چیلنجوں کے باوجود آنے والے عرصے میں کاروبار کی آمدنی اور منافع کو خطرات لاحق رہیں گے، کمپنی پر اعتماد ہے اور ان کو کم سے کم کرنے پر مجبور ہے۔ اس کے متنوع مصنوعات کے پورٹ فولیو سے فائدہ اٹھانے کے ساتھ ساتھ اسٹیک ہولڈر کو پائیدار منافع کی فراہمی کی بنیادی قدر کے مطابق اعلیٰ نتائج فراہم کرنے کے لئے کوشاں ہیں۔

مزید برآں آپ کی کمپنی اپنے کاروبار کو دوسرے کاروباری حصوں جیسا کہ دو سازی اور ویٹرنری مصنوعات کی تقسیم اور مارکیٹنگ کرنے پر غور کر رہی ہے۔ یہ اقدامات اسٹیک ہولڈر کو پائیدار ریٹرن فراہم کرنے کی ہماری بنیادی قدر سے ہم آہنگ ہے۔

## توثیق

منتظمین اپنے صارفین، بینکرز اور دیگر حصص یافتگان کا ان کی مسلسل حمایت اور حوصلہ افزائی پر شکر یہ کا اظہار کرتے ہیں اور کمپنی کے ملازمین کی جانب سے ان کی گرانقدر خدمات کو سراہتے ہیں۔

برائے اور بورڈ کی جانب سے



اسد عبداللہ  
ڈائریکٹر



مرزا اسم بیک  
چیف ایگزیکٹو آفیسر

کراچی: ۲۸ ستمبر ۲۰۲۳ء



## ادارتی سماجی ذمہ داری (سی ایس آر)

کمپنی کو معاشرے کے حصے کے طور پر اپنی ذمہ داری کا احساس ہے اور کمپنی لوگوں کے معاشی حالات کو بہتر بنا کر شرکت کرنے کی کوشش کرتی ہے۔ سال کے دوران کمپنی نے صحت، تعلیم اور دیگر سماجی سرگرمیوں کے لئے عطیات دیے۔

## ہیومن ریسورس :

اپنے لوگوں کی ترقی ہمارے لیے اہم ہے۔ انسانی سرمایہ ایک اثاثہ ہے اور ہماری کامیابی میں اہم کردار ادا کرتا ہے۔ ہماری بنیادی اقدار، ضابطہ اخلاق اور HR پالیسیاں ایک خاکہ فراہم کرتی ہیں جو پوری تنظیم کے لئے ایک رہنما قوت کا کام کرتی ہے۔ کمپنی انسانی وسائل کے انتظام پر تقلیدی غور کرتی ہے۔ ہمارے لوگوں کی تربیت، تعلیم اور ترقی ہمارے لئے سب سے اہم ہے۔ لوگ ہماری کمپنی میں کام کرنے کی دیرینہ خواہش رکھتے ہیں۔ ہم نئی تربیت، ترقی اور ترقی کے مواقع، موخر اور بروقت کارکردگی کی تشخیص اور تاثرات کے نظام کے ساتھ اور ایک کھلا کچھر بنا کر جو آراء اور بحث کی حوصلہ افزائی کرتا ہے اور ہم مسلسل اس مقصد کے لئے کام کرتے ہیں ہماری بنیادی اقدار (شرکت داری، دیانتداری، جذبہ، عمدگی) ہماری بھرتی کے عمل اور کارکردگی کے جائزوں میں شامل ہیں۔

## اختتامی تقریب

کوئی ٹھوس تبدیلی یا معاہدات واقع نہیں ہوئے جو کمپنی کی مالیاتی حیثیت پر اثر انداز ہوں، دوران اختتام مالیاتی سال اور اس رپورٹ کی تاریخ تک۔

## ضابطہ اخلاق

کمپنی کے مجلس منتظمین نے ایک ضابطہ اخلاق اپنایا ہے۔ تمام ملازمین کو اس سے باخبر اور آگاہ رکھا جاتا ہے اور کاروبار اور ضابطوں کے ضمن میں ان ضابطہ اخلاق کی پابندی درکار ہوتی ہے۔

## مالیاتی ڈیٹا :

آپرینٹنگ / مالیاتی ڈیٹا کی جھلمکیاں فنانشل ہائی لائٹ سیکشن میں پیش کی جاتی ہیں۔

## کارپوریٹ گورننس کے معاملات :

پالیسی، بورڈ اور گورننس سے متعلق تمام کارپوریٹ گورننس سیکشن میں کیے جاتے ہیں اور ڈائریکٹرز کی رپورٹ کا حصہ سمجھے جاتے ہیں۔

## چیئر مین کے جائزے :

کمپنی کے ڈائریکٹرز چیئر مین کے جائزے کے مندرجات کی توثیق کرتے ہیں۔ جسے ڈائریکٹرز کی رپورٹ کا حصہ سمجھا جاتا ہے۔

## منتظمین کا تربیتی پروگرام

منتظمین جو پہلے سے منتظمین کی تربیت میں شرکت کر چکے ہوں یا درج شدہ کیمپنیز (ادارتی انتظامی ضابطہ) قواعد 2019 میں درکار اہلیت سے مستثنیٰ قرار دیئے جاتے ہیں۔

## ملازمین کے اختتام ملازمت پر فوائد کا منصوبہ

کمپنی اپنے ملازمین کو اختتامی فوائد پر ویڈیو فنڈ کی شکل میں فراہم کرتی ہے۔ ان امدادی فوائد کو باقاعدہ ٹرسٹ کی منظوری سے ترتیب دیا جاتا ہے۔ یہ ٹرسٹ تشکیل دیئے جاتے ہیں ٹرسٹیز کی جانب سے جو ان فنڈز کی جانچ پڑتال کراتے ہیں۔

## منتظمین کے معاوضہ جات

منتظمین کے معاوضہ جات کی نمایاں کیفیت اور کلیدی عناصر درج ذیل ہیں:

- غیر اعلیٰ منتظمین صرف فیس بطور معاوضہ وصول کرنے کے حقدار ہیں جو ان کی جانب سے بورڈ اور کمیٹی میں شرکت کردہ اجلاس کی مد میں ہے۔
- بورڈ اپنے منتظمین کیلئے بورڈ اور کمیٹی میں شرکت کا معاوضہ طے کرنے کا مجاز ہے۔

## داخلی مالیاتی انضباط کی موزونیت

کمپنی کے اثاثہ جات کے تحفظ کو یقینی بنانے کیلئے موزوں داخلی انضباطی نظام فعال کیا گیا ہے، جو متعلقہ قوانین و ضابطوں کی تعمیل اور قابل اعتماد مالیاتی تفصیلات کے مطابق ہے۔ مجلس منتظمین نے داخلی جانچ پڑتال کیلئے بیرونی محاسبہ کار سے بیکریٹری اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی خدمات حاصل کی ہیں جنہیں اس غرض سے موزوں طور پر قابل اور تجربہ کار سمجھا جاتا ہے اور کمپنی کے لائحہ عمل اور طریقہ کار سے واقف ہیں۔

## قانونی محاسبہ کار

موجودہ محاسبہ کار، بی ڈی او اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس، ریٹائرڈ اور بحیثیت اہل ہونے کے، خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ مجلس منتظمین ان کی دوبارہ تقرری بطور کمپنی کے قانونی محاسبہ کار، محاسبہ کمیٹی کی تجویز کی توثیق کرتی ہے برائے مالیاتی اختتام سال ۲۰۲۳ء جون ۲۰۲۳ء باہمی طے شدہ فیس پر۔

## حصص میں شراکتی داری کا نمونہ

کمپنی میں حصص کاری کا نمونہ بطور ۲۰۲۳ء، بشمول ضروری معلومات ہمراہ رپورٹ بلڈا منسلک ہے۔

## کمپنی کی اہم سرگرمیاں:

یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ (کمپنی) پاکستان میں پبلک لمیٹڈ کمپنی کے طور پر قائم ہوئی تھی اور پاکستان اسٹاک ایکسچینج میں اندراج شدہ ہے۔ کمپنی کی بنیادی سرگرمیاں کیڑے مار دو، کھا دو اور دیگر متعلقہ مصنوعات کی تیاری، تجارت اور ڈسٹری بیوٹن ہے۔

## کاروباری کارکردگی:

سال کے دوران کمپنی کو مختلف چیلنجوں کا سامنا کرنا پڑا جس کا ہماری مالی کارکردگی پر بڑا اثر پڑا۔ ان میں مومن سون کے موسم کے دوران غیر معمولی شدید بارش اور سیلاب، درآمدات پر وقفہ وقفہ سے پابندیاں اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، بڑھتی ہوئی افراط زر، بلند شرح سود، مصنوعات کی قیمتوں میں اتار چڑھاؤ وغیرہ شامل تھے۔ مزید برآں، سب سے زیادہ فروخت ہونے والی درآمدی کھادوں کی تاخیر سے دستیابی ہمارے کاروبار کی ترقی میں رکاوٹ کا سبب بنی۔ اس کے باوجود آپ کی کمپنی نے کاروباری امکانات کو ترجیح دے کر اور اپریٹل کارکردگی کو برقرار رکھتے ہوئے موثر طریقے سے ان رکاوٹوں کو دور کیا۔

۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لئے کمپنی کی مختصر مالی کارکردگی ذیل میں پیش کی جاتی ہے۔

تفصیلات	سال ۲۰۲۳ جون		تبدیلی
	2022	2023	
مجموعی فروخت	785,451	659,410	19%
جملہ منافع	283,104	290,691	-3%
فعال نقصان / منافع	[98,609]	73,380	-2.3x
نقصان - ایسوسی ایٹ کمپنی	[130,246]	[458,847]	-72%
نقصان قبل از ادائیگی ٹیکس	[259,741]	[399,277]	-35%
نقصان بعد از ادائیگی ٹیکس	[372,532]	[352,405]	6%
نقصان فی حصص روپے میں	[Rs. 10.56]	[Rs. 9.99]	

- کمپنی نے اپنی آمدنی کو پچھلے سال کی اسی مدت کے مقابلے میں ۱۹ فیصد اضافہ ہوا۔
- کمپنی کے مجموعی منافع کی رقم میں گزشتہ سال کی اسی مدت کے مقابلے میں ۳ فیصد کمی ہوئی اور مجموعی منافع کا مارجن ۲۴ فیصد سے کم ہو کر ۳۶ فیصد ہو گیا۔ اس کی بنیادی وجہ شرح مبادلہ میں اتار چڑھاؤ اور مصنوعات کی خریداری کی قیمت اور بیکنگ مواد کی قیمت میں ہوشیار اضافہ ہے۔

- آپریٹنگ منافع میں کمی بنیادی طور پر روپے کی قدر میں کمی اور افراط زر کی بلند شرح جو کہ ۳۸ فیصد تک پہنچ گئی۔ آپریٹنگ اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں ۴۰ فیصد اضافہ ہوا جس کی وجہ اخراجات میں عمومی افراط زر ہے۔

- مالیاتی لاگت میں نمایاں اضافہ گزشتہ سال کی اسی مدت کے مقابلے میں پالیسی ریٹ میں ۸۲۵ بیس پوائنٹ اضافہ سے منسوب ہے۔

## نقصان - ایسوسی ایٹ کمپنی

سال ۲۰۲۳ کے دوران ایسوسی ایٹ کمپنی نے زیرے جائزہ مدت کے لئے بھاری نقصان پوسٹ کیا لہذا کمپنی نے زیرے جائزہ مدت کے لئے ایسوسی ایٹ سے نقصان کا حصہ اپنی سرمایہ کاری کی قدر کے مطابق ریکارڈ کیا۔

IBL میں کمپنی کی ۹۲۱.۶۱ ملین کی سرمایہ کاری فیبر و بلیو کے طریقے کار کے تحت تھی۔ سال کے دوران کمپنی نے اپنے انویسٹمنٹ کا ۴.۶۳ فیصد حصہ فروخت کر دیا۔ حصص کی تعداد (۱۰.۸۹۵) ملین اور فروخت کی رقم ۵۹۹.۲۳ ملین، جو کہ خریدار کے ساتھ متفقہ طور پر طے کی گئی۔

## فی شیئر خسارہ:

بعد از ٹیکس بنیادی خسارہ فی شیئر (۱۰.۵۶) روپے (۲۰۲۲: ۹.۹۹ روپے) ہوا۔ منفی EPS پوسٹ کیا گیا جس کی وجہ شریک کمپنیوں سے ریکارڈ شدہ سبسٹینشل شیئر کا خسارہ ہے۔

کمپنی کی شیئر کی بنیادی آمدنی پر عمل دخل کا کوئی اثر نہیں پڑتا کیوں کہ ۳۰ جون ۲۰۲۳ء اور ۲۰۲۲ء تک کمپنی کے پاس متبادل وجہ موجود نہیں تھی۔

## اہم خطرات اور غیر یقینی صورتحال

اس حقیقت کے باوجود کہ کمپنی کی مالیاتی کارکردگی گزشتہ چند سالوں سے بہتری کی جانب گامزن ہے کمپنی نے اپنے کامیابی کے سفر کو جاری رکھنے کیلئے اپنے راستے کی تمام رکاوٹوں کو کامیابی سے عبور کیا ہے۔

کمپنی کو معیہ خطرات اور غیر یقینی صورتحال کا سامنا ہے، تاہم، ہم سمجھتے ہیں کہ کاروباری مسابقت، شرح زرمبادلہ کی برعکس حرکت اور فصلوں کے لئے غیر سازگار ماحول نہایت اہم عناصر ہوں گے جو کمپنی کی مستقل مالیاتی کارکردگی سے متصادم ہو سکتے ہیں۔ کمپنی ان خطرات کو قابل قبول حد تک یا تخفیف کرنے پر مشتمل کام کرتی ہے۔

## حالیہ کمپنی

جینیسیس ہولڈنگز (پرائیویٹ) کمپنی جو یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ کی حامل کمپنی ہے جس کے پاس اس کمپنی میں ۸۵.۱۴ فیصد حصص بمطابق ۳۰ جون ۲۰۲۳ء ہیں۔

## ڈویڈنڈ

مارکیٹ سے لیکویڈٹی کی پیداوار کیلئے زیرے جائزہ سال کافی مشکل سال تھا۔ بورڈ آف ڈائریکٹرز نے کیش فلکویڈنٹ فراہم کرنے کیلئے ۲۸ ستمبر ۲۰۲۳ء کو منعقدہ اپنے اجلاس میں ۳۰ جون ۲۰۲۳ء کے اختتامی سال کیلئے کیش ڈویڈنڈ کی سفارش نہیں کی ہے۔

# ڈائریکٹرز رپورٹ

نمبر شمارہ	نام منتظم	شرکت کردہ اجلاس
01.	جناب ایاز عبداللہ	8
02.	جناب اسد عبداللہ	8
03.	محترمہ سامعہ زبیری	6
04.	جناب نجم الحسن	8
05.	جناب عبدالسیح کاظمی	8
06.	جناب ثاقب عباس	8
07.	جناب محمد سلمان حسین چاؤلہ	8

مزید یہ کہ، غیر حاضری کی چھٹی ان منتظمین کو جاری کی گئی جو بورڈ کے کچھ اجلاس میں شرکت نہیں کر سکے۔

## بورڈ کی کمیٹیاں:

بورڈ نے ذیلی ممبران کمیٹیاں تشکیل دیں۔

## آڈٹ کمیٹی:

- جناب نجم الحسن
- جناب ایاز عبداللہ
- جناب محمد سلمان حسین چاؤلہ

## ہیومن ریسورس اینڈ ریویو پوزیشن (معاوضہ) کمیٹی:

- محترمہ سامعہ زبیری
- جناب ایاز عبداللہ
- جناب ثاقب عباس
- جناب عبدالسیح کاظمی

## بورڈ انوسٹمنٹ کمیٹی:

- جناب نجم الحسن
- جناب ایاز عبداللہ
- جناب اسد عبداللہ
- جناب محمد سلمان حسین چاؤلہ
- جناب عبدالسیح کاظمی

نام منتظم	BAC	HR & RC	BIC
جناب نجم الحسن	4	-	4
جناب ایاز عبداللہ	4	2	4
جناب اسد عبداللہ	-	-	4
جناب محمد سلمان حسین چاؤلہ	4	-	4
جناب ثاقب عباس	-	2	-
جناب عبدالسیح کاظمی	-	2	4
محترمہ سامعہ زبیری	-	2	-

یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ (بوڈی پی ایل) کی مجلس منتظمین کو رپورٹ ہذا پیش کرتے ہوئے خوشی ہے، بشمول کمپنی کی محاسب کردہ مالیاتی تفصیلات برائے اختتام سال ۲۰۲۳ء۔

رپورٹ ہذا کو کمپنی کی سالانہ عمومی مجلس منعقد مورخہ ۲۷ اکتوبر ۲۰۲۳ء میں ارکان کو پیش کی جانی ہے۔

کمپنی نے درج ذیل طریقے سے درکار قواعد کی تعمیل کی ہے۔

نمبر شمارہ	ڈائریکٹرز	منتظمین کی کل تعداد
(الف)	مرد	06
(ب)	خاتون	01

مجلس منتظمین کے نام اور تشکیل بمطابق ۲۰۲۳ء درج ذیل ہیں۔

نمبر شمارہ	تشکیل	منتظمین کی کل تعداد
-۱	آراء منتظمین	جناب نجم الحسن جناب عبدالسیح کاظمی جناب محمد سلمان حسین چاؤلہ محترمہ سامعہ زبیری
-۲	دیگر غیر اعلیٰ منتظمین	جناب ثاقب عباس جناب ایاز عبداللہ
-۳	اعلیٰ منتظمین	جناب اسد عبداللہ

## مجلس منتظمین کے اجلاس








دوران سال، مجلس منتظمین کے چھ اجلاس منعقد کئے گئے۔ ہر ایک منتظم کی شرکت درج ذیل تھی:



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