

## Spirit of **Growth**



United Distributors Pakistan Limited

Plot No. 105, Sector 7-A, Mehran Town,  
Korangi Industrial Area, Karachi.

Telephone: +92-21-35116823  
Corporate: +92-331-111-0835  
e-mail: [info@udpl.com.pk](mailto:info@udpl.com.pk)  
web: [www.udpl.com.pk](http://www.udpl.com.pk)

Annual Report **2021**  
United Distributors Pakistan Limited

# Contents

---

Vission & Mission	02
Core Values	03
Company Information	04
Notice of Annual General Meeting	06
Chairman's Review Report	10
Directors' Report	12
Financial Highlights Six years at Glance	17
Statement of Compliance With the Code of Corporate Governance	21
Review Report to the Members On Statement of Compliance with the Code Corporate Governance	23
Auditors' Report To the Members	24
Statement of Financial Position	28
Statement of Profit and Loss Account	29
Statement of Comprehensive Income	30
Statement of Changes in Equity	31
Statement of Cash Flow	32
Notes to and Forming Part of the Financial Statements	33
Pattern of Shareholding	63
Proxy Form	

## Vision

---

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

## Mission

---

UDL Pakistan is a dynamic company investing in the agricultural sector for the betterment of Farmer's through its unique services & high quality products so they can get the best crop yields & high quality food for Human beings.

## Core Value

---

- "Seeking Allah's pleasure in all that we do"
- "Committing ourselves to enhancing Pakistan's image"
- "Serving the needs of our customers with passion, dedication & by honoring our word"
- "Striving for excellence in rural & urban marketing"
- "Constantly upgrading our knowledge & skills to become better professionals"
- "Enriching our work environment with high levels of performance, participation & creativity"
- "Upholding the spirit of individual & collective accountability"
- "Rewarding quality performance"
- "Nurturing openness, trust & support to guide our business policies, individual & team conduct"
- "Enhancing shareholder value through long-term profitability & improving performance ratios"

# Company Information

## Board of Directors

Mr. Ayaz Abdulla  
Chairman

Mr. Asad Abdulla  
Chief Executive Officer

Ms. Aisha Zaid Zakaria  
Director

Mr. Abdul Samie Cashmiri  
Director

Mr. S. Nadeem Ahmed \*  
Director

Mr. Tahir Saeed  
Director

Mr. M. Salman Hussain Chawala  
Director

## Legal Advisor

Saleem & Khan  
Law Associates  
Advocates/Advisors

## Registered Office

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)

## Company Secretary

Mr. M. Imran  
Company Secretary

## Audit Committee

Mr. Tahir Saeed  
Chairman

Mr. Salman Hussain Chawala  
Member

Mr. Ayaz Abdulla  
Member

## Auditors

A. F. Ferguson & Co.,  
Chartered Accountants  
State Life Building No. 1-C, I.I.  
Chundrigar road, P.O. Box 4716,  
Karachi - 74000, Pakistan

## Registrar

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

## CFO

Mr. Sohail Hasnain Ahmed  
Chief Financial Officer

## H.R & Remuneration Committee

Mr. M. Salman Hussain Chawala  
Chairman

Mr. Abdul Samie Cashmiri  
Member

Mr. Ayaz Abdulla  
Member

## Bankers

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



Corporate  
Governance

# Notice of Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting of UNITED DISTRIBUTORS PAKISTAN LIMITED will be held through video link on Friday November 26, 2021 at 04:00 p.m. from Plot # 105, Sector 7A, Mehran Town, Korangi, Karachi, to transact the following business:

## ORDINARY BUSINESS:

- To confirm the minutes of the last Annual General Meeting held on October 28, 2020.
- To receive, consider and approve the audited financial statements of the Company for the year ended June 30, 2021 together with the Directors' and Auditors' reports thereon.
- To appoint Auditors and fix their remuneration for the year 2021-2022. The present Auditors A.F Ferguson & Co., Chartered Accountants retire and being eligible, offer themselves for the re-appointment as auditors of the Company.

## SPECIAL BUSINESS

- To ratify and approve transactions conducted with related parties for the year ended June 30, 2021, by passing the following special resolution with or without modification:

"RESOLVED that the transactions carried out by the Company as disclosed in the note 34 of the financial statements for the year ended June 30, 2021 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."

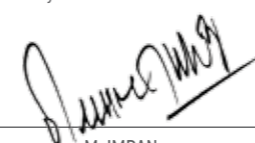
- To approve the remuneration of the Chief Executive Officer of the Company, and if thought appropriate, to pass with or without modification(s) the following resolution as ordinary resolution:

"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. 20 million per annum exclusive of perquisites and retirement benefits, admissible under the Company's Rules

## OTHER BUSINESS

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

By Order of the Board



M. IMRAN  
Company Secretary

Karachi: 05 November 2021

## Statement of material facts under section 134(3) of the Companies Act, 2017 regarding the Special Business.

### ITEM 4 OF THE AGENDA

All transactions of the Company with the related parties were reviewed by the audit committee quarterly and now submitted for approval and adoption for full year.

Name of related parties	Nature of transactions	(Rs in '000)
i. Genesis Holding Company	Payments made to CEO on behalf of Holding Company	18,132
	Corporate service charges	6,000
	Receipts for CEO's Salary from holding Co.	15,999
	Loan paid on behalf of the company	18,800
	Loan received from holding company	18,800
ii. Trax Online	IT maintenance fee	120
	Repairs and maintenance	761
	Rent charged	214
	Utilities	142
iii. Employees' Provident Fund	Contribution paid	7,537
iv. Key Management Personnel	Salaries and other employee benefits	25,277
	Advance recovered	745
	Advance provided	1,500
v. Directors	Directors' fee	22

### 1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share transfer books of the Company will remain closed from November 20, 2021 to November 26, 2021 (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 November 19, 2021.

### 2. PARTICIPATION IN THE AGM THROUGH VIDEO LINK FACILITY:

In order to ensure the health and safety of the shareholders and management during the fourth wave of Covid-19 and in line with the direction issued to listed companies by the Securities and Exchange Commission of Pakistan, vide its Circular No. 4

dated 15 February 2021 and Circular No. 6 dated 03 March 2021, the AGM proceedings shall be held through video link facility. Only those persons whose names appear in the Register of Members of the Company as at 19 November 2021 are entitled to attend and vote at the Annual General Meeting. A member entitled to attend and vote at this meeting is also entitled to appoint another member, as a proxy to attend and vote on his/her behalf. In order the proxy to be valid, the instrument of proxy and the power of attorney or any other authority, under which it is signed, must be shared through e-mail on [m.imran@udpl.com.pk](mailto:m.imran@udpl.com.pk) not less than 48 hours before the time of AGM.

### 3. PROCEDURE FOR ATTENDING THE AGM THROUGH VIDEO LINK FACILITY:

Shareholders interested to participate in the meeting through video link are requested to email their Name, Folio Number, Cell Number and Number of Shares held in their name with subject "Registration for UDPL AGM-2021" along with valid copy of both sides of Computerized National Identify Card (CNIC) at [m.imran@udpl.com.pk](mailto:m.imran@udpl.com.pk). The video link and login credentials will be shared with only those members/designated proxies whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address [m.imran@udpl.com.pk](mailto:m.imran@udpl.com.pk).

### 4. GUIDELINES FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) ACCOUNT 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. FOR ATTENDING THE AGM:

- 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
- 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

- (i). as per CDC regulations, shall submit the proxy form as per the above requirement.
- (ii). The proxy form shall be witnessed by two persons whose names, address and CNIC number shall be mentioned on the form.
- (iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv). 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.
- (v). 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.

**5. 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.

**6. 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.

**7. 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.

**8. ELECTRONIC VOTING:**

Members can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of the Companies Act,

2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

**9. CONSENT FOR VIDEO CONFERENCING 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. ELECTRONIC TRANSMISSION OF FINANCIAL STATEMENTS AND NOTICES:**

Pursuant to notification vide SRO 787(1)/2014 dated 08 September 2014, the SECP has directed all companies to circulate annual financial statements and notices of annual/extraordinary general meetings through Email/CD/DVD or any other media to their shareholders at their registered addresses. Shareholders, who wish to receive the hardcopy of the annual financial statements, shall email at [m.imran@udpl.com.pk](mailto:m.imran@udpl.com.pk). The same shall be provided to the shareholders free of cost within seven days of receipt of such request.

**11. PLACEMENT OF FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:**

The financial statements of the Company for the year ended June 30, 2021 have been placed on the website of the Company [www.udpl.com.pk](http://www.udpl.com.pk).



Chairman's  
Review

# 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, 2021 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 nonexecutive 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: October 29, 2021

# چیرمین کی جانب سے جائزہ رپورٹ

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 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

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۔ جانفشانی: بورڈ کے ارکان نے اپنے فرائض جانفشانی 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 باخبر 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: ۲۹ اکتوبر ۲۰۲۱ء

# Directors' Report

\* اُردو کے لئے آخری صفحات ملاحظہ فرمائیے۔

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, 2021.

This report is to be submitted to the members at the 39th Annual General Meeting of the Company to be held on November 26, 2021.

## THE COMPANY HAS COMPLIED WITH THE REQUIREMENTS OF THE REGULATIONS IN THE FOLLOWING MANNER:

S.No.	Directors:	Total Number of Directors
a).	Male	05
b).	Female	01

## THE NAMES AND COMPOSITION OF BOARD OF DIRECTORS AS AT JUNE 30, 2021 ARE AS FOLLOWS:

S.No.	Composition:	Name of Directors
i).	Independent Directors	Mr. Tahir Saeed Mr. Salman Hussain Chawala
ii).	Other non-executive directors	Ms. Aisha Zaid Zakaria Mr. S. Nadeem Ahmed * Mr. A. Samie Cashmiri Mr. Ayaz Abdulla
iii).	Executive	Mr. Asad Abdulla

\* Mr. Syed Nadeem Ahmed resigned as Director of the Company as on June 21, 2021. The casual vacancy created and filled subsequently.

## BOARD MEETINGS

During the year, the Company lost a visionary leader, passionate, focused, entrepreneurial and a life-long learning enthusiast, Mr. Rashid Abdulla. The Board of Directors of the Company express their profound sadness and loss on the demise of their Board Member and Chairman. During the year, six 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	5
02.	Mr. Asad Abdulla	6
03.	Ms. Aisha Zaid Zakaria	1
04.	Mr. S. Nadeem Ahmed*	4
05.	Mr. M. Samie Cashmiri	2
06.	Mr. Tahir Saeed	6
07.	Mr. Salman Hussain Chawala	5

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

## COMMITTEES OF THE BOARD

The Board formed two sub committees namely Audit Committee and Human Resource & Remuneration Committee. The Committee comprises of three members all of them are non- executive Directors and Chairman of the Committees is an Independent Director.

### A. AUDIT COMMITTEE

- Mr. Tahir Saeed
- Mr. Ayaz Abdulla
- Mr. Salman Hussain Chawala

### B. HR & REMUNERATION COMMITTEE

- Mr. Salman Hussain Chawala
- Mr. Ayaz Abdulla
- Mr. M. Samie Cashmiri

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

S.No.	Name Of Directors	Number of Meetings Attended
01.	Mr. Tahir Saeed	4
02.	Mr. Ayaz Abdulla	4
03.	Mr. Salman Hussain Chawala	4

## 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. The Company's principal activities are manufacturing, trading and distribution of pesticides, fertilizers and other allied products.

## BUSINESS PERFORMANCE

The financial year 2021 was a challenging year due to lower cultivation of cotton crop, which is a bumper crop and derives substantial revenue for the Company, in addition delayed arrival of import shipments has also impacted business operation since due to Covid-19 Pandemic the global supply chain was disrupted and timely arrangement of products was a big challenge. Despite these challenges the performance of the Company for the year ended June 30, 2021 has shown considerable improvement from the previous year. The Company is able to sustain its revenue and improve profitability as compared to the last year.

A brief financial performance of the Company for the year ended June 30, 2021 is presented as under:

Particulars	FY June-2021	FY June-2020	Variance
----- (Rupees in '000) -----			
Net sales	646,626	644,318	0.4%
Gross profit	249,458	235,986	5.7%
Operating profit	64,484	54,195	19.0%
Loss before taxation	(89,499)	(276,819)	-67.7%
Loss after taxation	(78,477)	(223,039)	-64.8%
Loss per share	(Rs. 2.22)	(Rs. 6.32)	

The Company sustain its revenue and recorded a net sales of Rs.647 million.

Gross profit of the Company grew by 5.7% and GP margin also improved from 36.6% to 38.6% as compared with the comparative period.

The increase in gross margins achieved through better sales mix of new brands that have a decent margin. The operating profit also increased by 19% over the corresponding period of the last year. The growth in operating profit was mainly driven by growth in gross margin and toll income.

The operating expenses increased by 1.9% over the corresponding period of last year which is attributable to general inflation in expenses.

Despite the Company improves their operating performance including significant reduction in finance cost, the Company's bottom line has been affected adversely due to a substantial share of loss from associate recorded for the year under review.

## SHARE OF LOSS FROM ASSOCIATES

During the year 2021, the associate company- FMC United (Pvt.) Ltd. due to significant reduction in gross margins and huge finance cost the associate company posted a substantial loss aggregating Rs.356.4 million for the period under review. Hence, the UDPL recognizes share of loss from associate in accordance with the International Accounting Standard 28 - 'Investment in Associates and Joint Ventures' in its books.

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

## LOSS PER SHARE

Basic loss per share after taxation is Rs. (2.22) (2020: Rs. (6.32)). The 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, 2021 and 2020.

## PRINCIPAL RISKS AND UNCERTAINTIES

Despite the fact that the Company's financial performance continues its pace towards improvements from the past few years and the Company successfully crossed all the barriers in its way to continue its journey of success.

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

## HOLDING COMPANY

Genesis Holdings (Private) Limited is the Holding Company of United Distributors Pakistan Ltd which holds 85.23% shareholding in the Company. As at June 30, 2021, Genesis holds 30,061,216 shares of Rs.10 each.

## 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 October 29, 2021 has recommended NIL dividend for the year ended June 30, 2021.

## 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.

As COVID-19 has been a big health and safety issue during the year, the management took various measures to mitigate the risk. These included regular awareness sessions, provision of hand sanitizers, temperature monitoring, regular disinfection of the premises and requirement of masks and social distancing.

## HUMAN RESOURCES

We have always believed in the integral role of our team plays in achieving exceptional results. It is the hard work and support of our people that has enabled the Company to achieve its goals during these challenging times. Our team strives to create value not only for our shareholders but also for the economy and society at large. We understand that investment in human resources will help in enhancing overall productivity, which will ultimately help us produce sustainable business results. That is why the Company never hesitates to invest in people. We always strive to make UDPL an "Employer of Choice" by creating a strong culture, based on respect, integrity and teamwork.

## LONG SERVICE AWARDS

Long service awards are provided to recognize and reward devotion and loyalty of employees who have a long tenure with the Company. During FY-2020-21, twenty employees were honored with these awards.

## 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 in previous years 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.

The value of investment of provident fund based on their audited accounts as on June 30, 2020 and as on June 30, 2021 respectively was as follows:

	2021	2020
	----- (Rupees in '000') -----	
Fair value of provident fund investment	131,277	121,529

## 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 BDO Ebrahim & Co., 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, A.F Ferguson & 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, 2022 at a fee to be mutually agreed.

## PATTERN OF SHAREHOLDING

The pattern of Shareholding of the Company as at June 30th, 2021, along with the necessary information is annexed to this report.

There were 1,245 shareholders on the record of the Company as at June 30th, 2021.

## FUTURE OUTLOOK

We aim to keep our journey for the betterment of farmers through the best services and high-quality solutions to enable them in getting the best crop yields and healthy food for human beings

The crop protection market expected to remain under pressure going forward, primarily the potential impact of locust attack and less sowing of cotton crop. Keeping in view of these factors, we anticipate the competition in the market may increase further which may affect the revenue and timely availability of liquidity. However, the adequate measures have been taken by the Company to mitigate these challenges at the best level.

The Company would continue its efforts to improve productivity, cost containment and operational excellence in order to sustain performance and maximizing value creation.

## 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

  
ASAD ABDULLA  
Chief Executive officer

  
TAHIR SAEED  
Director

Karachi: October 29, 2021

## Financial Highlights

# 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:

	2021	2020	2019	2018	2017	2016
----- (Rupees in '000') -----						
<b>ASSETS EMPLOYED</b>						
Property, plant and equipment	27,777	37,080	28,580	19,537	27,402	19,910
Intangible assets	2,870	4,637	6,971	5,915	5,317	4,158
Investment in associate	609,351	768,530	1,131,793	1,076,459	934,822	767,782
Long-term investments	1,489,400	1,376,229	1,203,056	181,153	218,720	236,938
Long-term deposits	3,122	3,122	3,436	4,424	3,942	2,550
Net current assets	178,130	127,995	93,302	112,801	79,306	75,261
<b>Total assets employed</b>	<b>2,310,650</b>	<b>2,317,593</b>	<b>2,467,138</b>	<b>1,400,289</b>	<b>1,269,509</b>	<b>1,106,599</b>
<b>FINANCED BY</b>						
Issued, subscribed and paid up capital	352,713	352,713	306,707	266,702	242,456	202,047
Reserve and unappropriated profit	1,893,642	1,873,073	2,016,101	998,056	929,180	831,610
Shareholder's equity	2,246,355	2,225,786	2,322,808	1,264,758	1,171,636	1,033,657
Long term and deferred liabilities	64,295	91,807	144,330	135,531	97,873	72,942
<b>Total capital employed</b>	<b>2,310,650</b>	<b>2,317,593</b>	<b>2,467,138</b>	<b>1,400,289</b>	<b>1,269,509</b>	<b>1,106,599</b>
Turnover	646,626	644,318	540,600	451,049	399,687	335,352
Gross profit	249,458	235,986	218,287	186,817	154,749	98,326
EBITDA % to turnover	10%	9%	9%	7%	5%	-4%
Loss before tax	(89,499)	(276,819)	72,860	223,972	185,526	150,894
Loss after tax	(78,477)	(223,039)	50,371	166,439	156,249	109,768
Loss per share	(2.22)	(6.32)	1.43	5.43	5.09	3.58
Profit % of turnover	-12.14%	-34.62%	9.32%	36.90%	39.09%	32.73%
Profit % of capital employed	-3.41%	-9.62%	2.04%	11.89%	12.31%	9.92%
Current ratio	1.71	1.39	1.29	1.67	1.45	1.42
Cash (%)	0%	0%	2.5%	2.5%	0%	0%
Stock (%)	0%	0%	15%	15%	10%	20%
Bouns stock amount	-	-	46,006	40,005	24,246	40,409

# Verticle Analysis

## STATEMENT OF FINANCIAL POSITION

	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
Property, plant and equipment	2,777	1.1	37,080	14	28,580	1.0	19,537	1.2	27,402	1.9	19,910	1.5
Intangible assets	2,870	0.1	4,637	0.2	6,971	0.3	5,915	0.4	5,317	0.4	4,158	0.3
Investment in associate	609,351	23.8	768,530	29.0	1,131,793	40.6	1,076,459	68.6	934,822	64.6	767,782	59.7
Long-term investments	1,489,400	58.1	1,376,229	51.9	1,203,056	43.2	1,81,153	11.5	218,720	15.1	236,938	18.4
Long-term deposits	3,122	0.1	3,122	0.1	3,436	0.1	4,424	0.3	3,942	0.3	2,550	0.2
Current assets	429,489	16.8	459,836	17.4	410,451	14.7	281,002	17.9	257,395	17.8	254,957	19.8
<b>Total Assets</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>1,447,598</b>	<b>100.0</b>	<b>1,286,295</b>	<b>100.0</b>
Share capital	352,713	13.8	352,713	13.3	306,707	11.0	266,702	17.0	242,456	16.7	202,047	15.7
Reserves	495,787	19.4	588,389	22.2	904,590	32.5	908,448	57.9	802,005	55.4	686,217	53.3
Capital reserves	1,397,855	54.6	1,284,684	48.5	1,111,511	39.9	89,608	5.7	127,175	8.8	145,393	11.3
Shareholders' equity	2,246,355	87.7	2,225,786	84.0	2,322,808	83.4	1,264,758	80.6	1,171,636	80.9	1,033,657	80.4
Long term portion of liability under diminishing												
Long term lease liabilities	3,963	0.2	5,632	0.2	11,530	0.4	6,143	0.4	8,677	0.6	1,692	0.1
Long term salary refinancing	5,986	0.2	9,916	0.4	-	-	-	-	-	0.0	-	0.0
Long term salary refinancing	6,995	0.3	9,360	0.4	-	-	-	-	-	-	-	-
Deferred income -Government grant	1,772	0.1	922	0.0	-	-	-	-	-	-	-	-
Deferred tax liability	45,579	1.8	65,977	2.5	132,800	4.8	129,388	8.2	89,196	6.2	71,250	5.5
Current liabilities	251,359	9.8	331,841	12.5	317,149	11.4	168,201	10.7	178,089	12.3	179,696	14.0
<b>Total Equities and Liabilities</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>1,447,598</b>	<b>100.0</b>	<b>1,286,295</b>	<b>100.0</b>
<b>PROFIT AND LOSS ACCOUNTS</b>												
Revenue from contracts with customers	646,626	100.0	644,318	100.0	540,600	100.0	451,049	100.0	399,687	100.0	335,352	100.0
Cost of sales	(397,168)	(61.4)	(408,332)	(63.4)	(322,313)	(59.6)	(264,232)	(58.6)	(244,938)	(61.3)	(237,026)	(70.7)
<b>Gross profit</b>	<b>249,458</b>	<b>38.6</b>	<b>235,986</b>	<b>36.6</b>	<b>218,287</b>	<b>40.4</b>	<b>186,817</b>	<b>41.4</b>	<b>154,749</b>	<b>38.7</b>	<b>98,326</b>	<b>29.3</b>
Marketing and distribution expenses	(162,974)	(25.2)	(159,776)	(24.8)	(148,848)	(27.5)	(138,635)	(30.7)	(121,304)	(30.3)	(100,367)	(29.9)
Administrative and general expenses	(30,806)	(4.8)	(30,303)	(4.7)	(31,430)	(5.8)	(26,455)	(5.9)	(22,084)	(5.5)	(20,024)	(6.0)
Other operating expenses	(1,100)	(0.2)	-	0.0%	(172)	(3.2%)	(226)	(5.0%)	(175)	(4.4%)	-	0.0%
Other income	9,906	1.5	8,288	1.3	12,341	2.3	9,483	2.1	8,623	2.2	15,388	4.6
<b>Operating profit</b>	<b>64,484</b>	<b>10.0</b>	<b>54,195</b>	<b>8.4</b>	<b>50,178</b>	<b>9.3</b>	<b>30,984</b>	<b>6.9</b>	<b>19,809</b>	<b>5.0</b>	<b>(6,677)</b>	<b>-2.0</b>
Finance cost	(11,422)	(1.8)	(17,407)	(2.7)	(41,542)	(7.7)	(9,035)	(2.0)	(1,382)	(0.3)	(3,455)	(1.0)
Share of loss from associate	(142,561)	(22.0)	(313,607)	(48.7)	64,224	11.9	202,023	44.8	167,099	41.8	161,026	48.0
<b>(Loss) / profit before income tax</b>	<b>(89,499)</b>	<b>(13.8)</b>	<b>(276,819)</b>	<b>-43.0</b>	<b>72,860</b>	<b>13.5</b>	<b>223,972</b>	<b>49.7</b>	<b>185,526</b>	<b>46.4</b>	<b>150,894</b>	<b>45.0</b>
Income tax	11,022	1.7	53,780	8.3	(22,489)	(4.2)	(57,533)	(12.8)	(29,277)	(7.3)	(41,126)	(12.3)
<b>(Loss) / profit after income tax</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>	<b>156,249</b>	<b>39.1</b>	<b>109,768</b>	<b>32.7</b>

# Horizontal Analysis

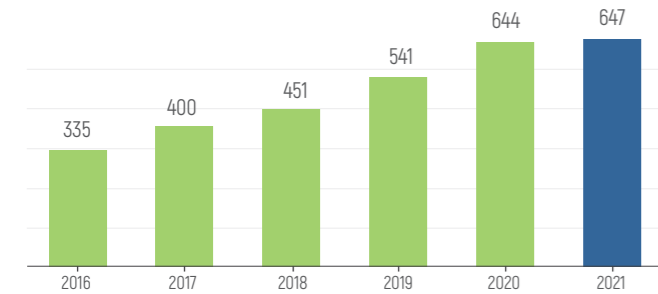
## STATEMENT OF FINANCIAL POSITION

	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
Property, plant and equipment	2,777	(25.1)	37,080	29.7	28,580	46.3	19,537	(28.7)	27,402	37.6	19,910	(43.1)
Intangible assets	2,870	(38.1)	4,637	(33.5)	6,971	17.9	5,915	11.2	5,317	27.9	4,158	1,576.6
Investment in associate	609,351	(20.7)	768,530	(32.1)	1,131,793	51	1,076,459	15.2	934,822	21.8	767,782	21.9
Long-term investments	1,489,400	8.2	1,376,229	14.4	1,203,056	564.1	181,153	(17.2)	218,720	(7.7)	236,938	47.2
Long-term deposits	3,122	(0.0)	3,122	(9.1)	3,436	(22.3)	4,424	12.2	3,942	54.6	2,550	9.7
Current assets	429,489	(6.6)	459,836	12.0	410,451	46.1	281,002	9.2	257,395	1.0	254,957	10.9
<b>Total Assets</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>1,447,598</b>	<b>12.5</b>	<b>1,286,295</b>	<b>21.6</b>
Share capital	352,713	-	352,713	15.0	306,707	15.0	266,702	10.0	242,456	20.0	202,047	10.0
Reserves	495,787	(15.7)	588,389	(35.0)	904,590	(0.4)	908,448	13.3	802,005	16.9	686,217	13.7
Capital reserves	1,397,855	8.8	1,284,684	15.6	1,111,511	1,140.4	89,608	(29.5)	127,175	(12.5)	145,393	99.9
Shareholders' equity	2,246,355	0.9	2,225,786	(4.2)	2,322,808	83.7	1,264,758	7.9	1,171,636	13.3	1,033,657	20.2
Long term portion of liability under diminishing												
Long term lease liabilities	3,963	(29.6)	5,632	(51.2)	11,530	87.7	6,143	(29.2)	8,677	42.8	1,692	(83.9)
Long term salary refinancing	5,986	(39.6)	9,916	-	-	-	-	-	-	-	-	-
Long term salary refinancing	6,995	(25.3)	9,360	-	-	-	-	-	-	-	-	-
Deferred income -Government grant	1,772	92.2	922	-	-	-	-	-	-	-	-	-
Deferred tax liability	45,579	(30.9)	65,977	(50.3)	132,800	2.6	129,388	45.1	89,196	25.2	71,250	77.2
Current liabilities	251,359	(24.3)	331,841	4.6	317,149	88.6	168,201	(5.6)	178,089	(0.9)	179,696	21.8
<b>Total Equities and Liabilities</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>1,447,598</b>	<b>12.5</b>	<b>1,286,295</b>	<b>21.6</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Revenue from contracts with customers	646,626	0.4	644,318	19.2	540,600	19.9	451,049	12.9	399,687	19.2	335,352	(1.3)
Cost of sales	(397,168)	(2.7)	(408,332)	26.7	(322,313)	22.0	(264,232)	7.9	(244,938)	3.3	(237,026)	(13.3)
<b>Gross profit</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>	<b>154,749</b>	<b>57.4</b>	<b>98,326</b>	<b>48.2</b>
Marketing and distribution expenses	(162,974)	2.0	(159,776)	7.3	(148,848)	7.4	(138,635)	14.3	(121,304)	20.9	(100,367)	(4.0)
Administrative and general expenses	(30,806)	1.7	(30,303)	(3.6)	(31,430)	18.8	(26,455)	19.8	(22,084)	10.3	(20,024)	41.6
Other operating expenses	(1,100)	-	-	(100.0)	(172)	(23.9)	(226)	29.1	(175)	-	-	-
Other income	9,906	19.5	8,288	(32.8)	12,341	30.1	9,483	10.0	8,623	(44.0)	15,388	15.3
<b>Operating profit</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>	<b>19,809</b>	<b>396.7</b>	<b>(6,677)</b>	<b>(82.9)</b>
Finance cost	(11,422)	(34.4)	(17,407)	(58.1)	(41,542)	359.8	(9,035)	553.8	(1,382)	(60.0)	(3,455)	(59.6)
Share of loss from associate	(142,561)	(54.5)	(313,607)	(588.3)	64,224	(68.2)	202,023	20.9	167,099	3.8	161,026	(13.1)
<b>(Loss) / profit before income tax</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>23.0</b>	<b>185,526</b>	<b>23.0</b>	<b>150,894</b>	<b>9.6</b>
Income tax	11,022	(79.5)	53,780	(339.1)	(22,489)	(60.9)	(57,533)	96.5	(29,277)	(28.8)	(41,126)	105.7
<b>(Loss) / profit after income tax</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>	<b>156,249</b>	<b>42.3</b>	<b>109,768</b>	<b>(6.7)</b>

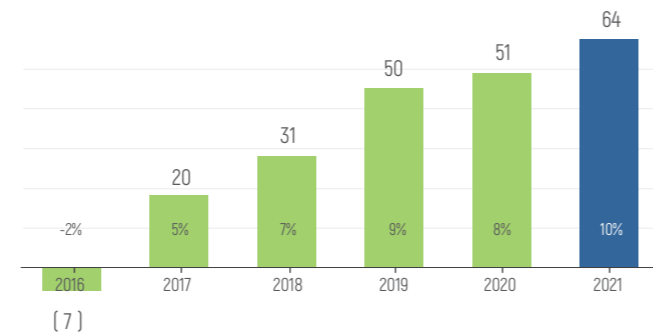
# Graphical Data

(Rs. in million)

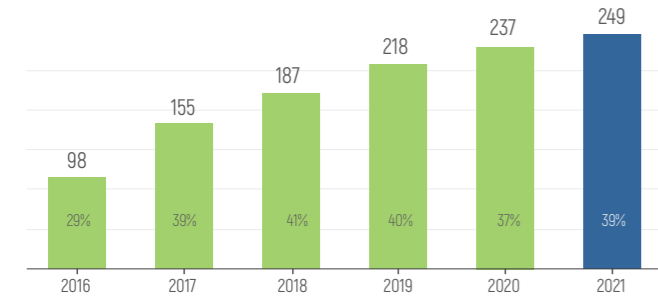
## Revenue



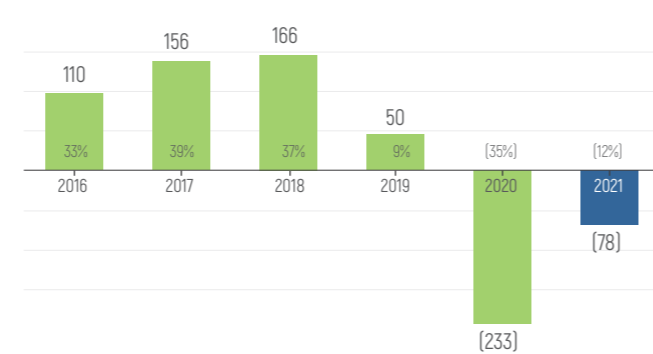
## Operating Profit



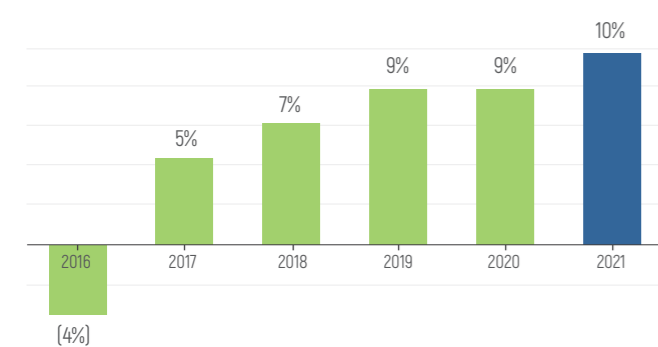
## Gross Profit



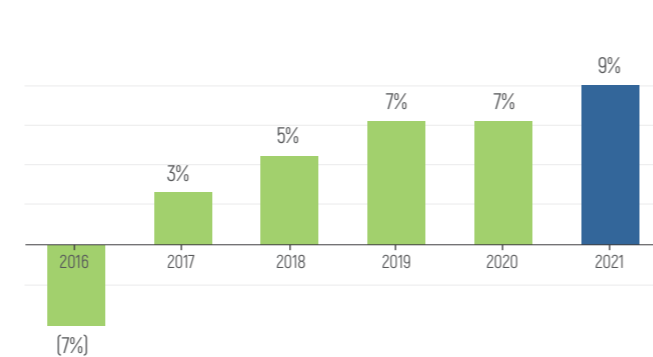
## Profit after tax



## EBITDA



## EBIT



# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

for the year ended June 30, 2021

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

- The total number of Directors are seven (7), however, due to resignation of one director, Syed Nadeem Ahmed, casual vacancy occurred on June 30, 2021 which was duly filled within 90 days;

Directors	Total No. of Directors
a) Male	05 (Five)
b) Female	01 (One)

- The composition of Board is as follows:

Category	Name of Director
Independent Director*	Mr. Tahir Saeed Mr. M. Salman Hussain Chawala
Non-Executive Directors	Mr. Ayaz Abdulla Ms. Aisha Zaid Zakaria Mr. Abdul Samie Cashmiri
Executive Directors	Mr. Asad Abdulla
Female Directors	Ms. Aisha Zaid Zakaria (Also mentioned above in the list of Non-Executive Directors)

\* Determination of number of independent directors arrives at 2.33 (rounded to 2) which is based on seven elected directors. The fraction is not rounded up since the two (2) elected independent directors have requisite competency, knowledge and experience to discharge and execute their responsibilities as per applicable laws and regulations.

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;

- 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;
- 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;
- 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;
- 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;
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
- During the year, Mr. Abdul Samie Cashmiri and Ms. Aisha Zaid Zakaria has been appointed as Directors and Directors' Training Program for these Directors is to be organised within a period of one year from the date of appointment. All other directors have attended the required training in prior years;
- 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;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
- The Board has formed following committees comprising members given below:

#### Audit Committee

Name	Category
Mr. Tahir Saeed	Chairman
Mr. Ayaz Abdulla	Member
Mr. M. Salman Hussain Chawala	Member

#### Human Resources and Remuneration Committee

Name	Category
Mr. M. Salman Hussain Chawala	Chairman
Mr. Ayaz Abdulla	Member
Mr. Abdul Samie Cashmiri	Member

The terms of reference of the Audit committees have been formed, documented, and advised to the committee for compliance. However, the terms of reference of the Human Resources and Remuneration Committee was revised during the period, which will be approved and signed by the committee in the next meeting.

13. The frequency of meetings of the committee were as per following:
- Audit Committee: Four quarterly meetings during the financial year ended June 30, 2021
  - HR and Remuneration Committee: Two meetings were held during the year ended June 30, 2021

- The Board has outsourced the internal audit function to BDO Ebrahim & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
- 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;
- 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;
- We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
- 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 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
2.	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 and, therefore, the same has not been constituted during the year ended June 30, 2021. However, the Board intends to constitute the Risk Management Committee in future years.	29
3.	The company may post the following on its website: <ol style="list-style-type: none"> <li>key elements of its significant policies</li> <li>Brief synopsis of terms of reference of the Board's Committees</li> </ol>	As the regulation provides concession with respect to disclosure of significant policies on the website, only a few policies have been uploaded on the Company's website. The Company will however, review and place key elements of other policies if considered necessary.	30
4.	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.	35

For and on behalf of the Board

  
**ASAD ABDULLA**  
 Chief Executive officer

  
**AYAZ ABDULLA**  
 Chairman

Karachi: October 26, 2021

# Review report to the Members



A.F.FERGUSON & CO.

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

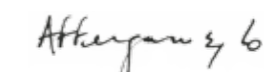
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of United Distributors Pakistan Limited for the year ended June 30, 2021 in accordance with the requirements of regulation 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. 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, 2021.

  
 Chartered Accountants  
 Karachi  
 Date: November 04, 2021

# Review report to the Members

Report on the Audit of the Financial Statements



A.F.FERGUSON & CO.

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, 2021, and the statement of profit or loss, the 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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, 2021 and of the loss and other comprehensive income, 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 matters 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.	Valuation of Investments under IFRS 9 "Financial Instruments" (Refer note 6 to the financial statements)	Our audit procedures included the following: <ul style="list-style-type: none"> <li>– obtained understanding of management's controls relating to measurement of the unlisted equity investment;</li> <li>– assessed the appropriateness of the valuation model used by management comprising of discounted projected cash flows for unlisted companies and market rates for listed equity securities held by International Brands Limited;</li> <li>– evaluated projected cash flows used for valuation of unlisted companies are consistent with the industry trend;</li> <li>– assessed the reasonableness of discount rates used in discounted projected cash flows for unlisted companies</li> <li>– assessed the reasonableness of earnings growth factors used for projected terminal cash flows of unlisted companies.</li> <li>– performed sensitivity analysis around key assumptions to ascertain the extent of change individually in the value of the investment; and</li> <li>– traced mathematical accuracy of valuation model used by management</li> <li>– assessed the adequacy of the disclosures made in the financial statements.</li> </ul>

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities. The classification and measurement approach reflects the business model in which the financial assets are managed and the underlying cash flow characteristics. Accordingly, in respect of the investments in equity instruments other than subsidiaries, the Company has made an irrevocable option to present subsequent changes in fair value in Other Comprehensive Income.

The Company holds an investment of 4.71% shareholding in International Brands Limited (IBL) which it carries at a fair value of Rs 1,354.36 million at June 30, 2021. It has recognized a fair value gain of Rs 72.25 million during the year in Other Comprehensive Income on the re-measurement of fair value at June 30, 2021. Due to IBL being a non-listed company, its shares do not have a quoted price in an active market. Therefore, fair value of the shares is determined through appropriate valuation methodology as disclosed in note 6.3. This involves a number of estimation techniques and management's judgement to obtain reasonable expected future cash flows and related discount rate.

We considered this as key audit matter due to the significant management-determined judgments and complexities of the calculation of fair value of investment.

#### 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 accounting and reporting standards as applicable in Pakistan and the requirements of the 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.

The 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, the statement of profit or loss, the 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is



Chartered Accountants  
Karachi - Date: November 04, 2021

# Financial Statements



# Statement of Financial Position

As at June 30, 2021

## ASSETS

### NON-CURRENT ASSETS

Property, plant and equipment	3	27,777	37,080
Intangible assets	4	2,870	4,637
Investment in associate	5	609,351	768,530
Long-term investments	6	1,489,400	1,376,229
Long-term deposits	7	3,122	3,122

### CURRENT ASSETS

Inventories	8	148,912	265,925
Trade and other receivables	9	248,553	150,123
Loans, advances and prepayments	10	2,988	2,684
Taxation - net		19,831	37,519
Cash and bank balances	11	9,205	3,585

### TOTAL ASSETS

### SHARE CAPITAL AND RESERVES

#### SHARE CAPITAL

Issued, subscribed and paid up capital	12	352,713	352,713
----------------------------------------	----	---------	---------

#### REVENUE RESERVE

Un-appropriated profits		467,239	559,841
General reserve		28,548	28,548

#### CAPITAL RESERVE

Revaluation reserve on investment held at fair value through OCI	13	1,397,855	1,284,684
------------------------------------------------------------------	----	-----------	-----------

### NON-CURRENT LIABILITIES

Long-term portion of liability under diminishing musharakah financing	14	3,963	5,632
Long-term lease liabilities	15	5,986	9,916
Long-term salary refinancing	16	6,995	9,360
Deferred income - Government grant	17	1,772	922
Deferred tax liability	18	45,579	65,977

### CURRENT LIABILITIES

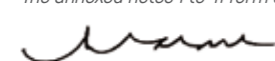
Trade and other payables	19	140,493	245,937
Current portion of liability under diminishing musharakah financing	14	4,078	5,897
Current portion of long-term lease liabilities	15	5,120	7,324
Short-term borrowings	20	100,835	71,782
Unclaimed dividend	21	833	901

### TOTAL LIABILITIES

### COMMITMENTS

### TOTAL EQUITY AND LIABILITIES

The annexed notes 1 to 41 form an integral part of these financial statements.



ASAD ABDULLA  
Chief Executive Officer



TAHIR SAEED  
Director

Note	2021	2020
	(Rupees in '000')	
	<b>2,132,520</b>	2,189,598
	<b>2,562,009</b>	2,649,434



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Statement of Profit or Loss

for the year ended June 30, 2021

Revenue from contracts with customers

Cost of Sales

Gross profit

Marketing and distribution expenses

Administrative and general expenses

Other operating expenses

Other income

Operating profit

Finance cost

Share of loss from associate

Loss before income tax

Income tax

Loss for the year

Loss per share - basic and diluted

The annexed notes 1 to 41 form an integral part of these financial statements.



ASAD ABDULLA  
Chief Executive Officer



TAHIR SAEED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

Note	2021	2020
	(Rupees in '000')	
	<b>249,458</b>	235,986
	<b>64,484</b>	54,195
	<b>(89,499)</b>	(276,819)
	<b>(78,477)</b>	(223,039)
	<b>(Rs. 2.22)</b>	(Rs 6.32)

# Statement of Comprehensive Income

for the year ended June 30, 2021

Loss for the year

Other comprehensive income:

Items that will not be subsequently reclassified in Profit or Loss:

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

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

Other comprehensive income for the year

Total comprehensive loss for the year

The annexed notes 1 to 41 form an integral part of these financial statements.

	2021	2020
Note	----- (Rupees in '000') -----	
	(78,477)	(223,039)
	(16,618)	(13,139)
	2,493	1,971
	(14,125)	(11,168)
13	113,171	173,173
	99,046	162,005
	<b>20,569</b>	<b>(61,034)</b>

# Statement of Changes in Equity

for the year ended June 30, 2021

Balance as at June 30, 2019

Effect of change in accounting policy due to adoption of IFRS 9 by associate

Balance as at July 1, 2019

Issuance of bonus shares @ 15 shares for every 100 shares held

Final dividend @ 2.5% for the year ended June 30, 2019

Loss for the year ended June 30, 2020

Other comprehensive (loss) / income for the year ended June 30, 2020

Total comprehensive (loss) / income

Balance at June 30, 2020

Loss for the year ended June 30, 2021

Other comprehensive (loss) / income for the year ended June 30, 2021

Total comprehensive (loss) / income

Balance at June 30, 2021

The annexed notes 1 to 41 form an integral part of these financial statements.

Issued, subscribed and paid up capital	REVENUE RESERVE		CAPITAL RESERVE		Total
	General reserve	Unappropriated Profit	Revaluation reserve on investments held at fair value through OCI		
----- (Rupees in '000') -----					
306,707	28,548	876,042	1,111,511		2,322,808
-	-	(28,320)	-		(28,320)
306,707	28,548	847,722	1,111,511		2,294,488
46,006	-	(46,006)	-		-
-	-	(7,668)	-		(7,668)
-	-	(223,039)	-		(223,039)
-	-	(11,168)	173,173		162,005
-	-	(234,207)	173,173		(61,034)
352,713	28,548	559,841	1,284,684		2,225,786
-	-	(78,477)	-		(78,477)
-	-	(14,125)	113,171		99,046
-	-	(92,602)	113,171		20,569
<b>352,713</b>	<b>28,548</b>	<b>467,239</b>	<b>1,397,855</b>		<b>2,246,355</b>



ASAD ABDULLA  
Chief Executive Officer



TAHIR SAEED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer



ASAD ABDULLA  
Chief Executive Officer



TAHIR SAEED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Statement of Cash Flow

for the year ended June 30, 2021

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash (used in) / generated from operations  
Income tax refund / (paid)  
Finance cost paid  
Decrease in long-term loans  
Net cash (used in) / generated from operating activities

## CASH FLOWS FROM INVESTING ACTIVITIES

Payments for acquisition of property, plant and equipment  
Payments for acquisition of intangible asset  
Dividend received  
Proceeds from disposal of property and equipment  
Net cash from investing activities

## CASH FLOW FROM FINANCING ACTIVITY

Dividend paid  
Lease rentals paid  
Short-term loan (Tijarah) obtained  
Loan obtained under Salary refinancing arrangement  
(Decrease) of liabilities against assets subject to diminishing musharakah financing arrangement  
Net cash from financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

The annexed notes 1 to 41 form an integral part of these financial statements.

Note	2021	2020
	----- (Rupees in '000') -----	
32	(8,396)	38,590
	10,805	(11,263)
	(7,828)	(10,131)
	-	314
	<b>(5,419)</b>	17,510
	(2,768)	(1,800)
	(600)	-
	2,368	9,381
	1,156	427
	156	8,008
	-	(7,668)
	(9,728)	(9,718)
	(1,559)	13,061
	17,546	13,709
	(8,579)	(7,203)
	<b>(2,320)</b>	2,181
	<b>(7,583)</b>	27,699
	(32,909)	(60,608)
33	<b>(40,492)</b>	(32,909)



ASAD ABDULLA  
Chief Executive Officer



TAHIR SAEED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Notes to and forming part of the Financial Statements

for the year ended June 30, 2021

## 1. THE COMPANY AND ITS OPERATIONS

1.1 United Distributors Pakistan Limited (UDPL) "the Company" was incorporated in Pakistan as a public company limited by shares and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Plot # 105, Sector 7/A, Mehran Town, Korangi Industrial Area, Karachi. Its principal business activities are manufacturing, trading and distribution of pesticides, fertilizers and other allied products.

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

The Company also has following branch offices:

- Hyderabad: Plot # D 3/4, Hali Road, Site Area, Hyderabad
- Sukkur: Plot # B-95, near Model Worker School, Site Area, Sukkur
- Quetta: House # 237, near Aisha Masjid Block # 4, Satellite Town, Quetta
- Multan: Plot # 548, Jahangirabad, NLC Chowk 6-KM Khanewal Road, Multan
- Peshawar: Suite No. A-2/1, Tazkar Plaza, Main Dala Zak Road, Peshawar

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 BASIS OF PREPARATION

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.1.2 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are income tax and valuation of long term investment held at fair value through OCI.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgements made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements except the following:

- valuation of long term investments held at fair value through OCI.
- deferred taxation.
- useful lives of property plant and equipment

### 2.1.3 Changes in accounting standards, interpretations and pronouncements

#### a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2020. However, these do not have any significant impact on the Company's financial reporting.

#### b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

## 2.2 OVERALL VALUATION POLICY

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

## 2.3 PROPERTY, PLANT AND EQUIPMENT

### 2.3.1 OWNED ASSETS

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation on property, plant and equipment is charged to statement of profit or loss applying the straight-line method over the estimated useful lives of related assets. The useful lives of the assets as estimated by the management are as follows:

- Leasehold improvements      10 years
- Plant and machinery          4 to 10 years
- Office and other equipments    3 to 10 years
- Furniture and fixtures          7 years
- Motor vehicles                  5 to 10 years

Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is put to use. For disposal during the year depreciation is charged up to the end of month preceding the month in which property, plant and equipment is disposed off.

Subsequent costs are included in the assets' carrying amount when it is probable that future economic benefits associated with the item will increase as a result of that expenditure, will flow to the Company and the cost can be measured reliably.

Gains and losses on disposal of fixed assets are included in statement of profit or loss.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

### 2.3.2 LEASE LIABILITY AND RIGHT-OF-USE ASSET

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments or an index or rate, in the Company's estimate of the amount expected to be payable under a residual value guarantee, or in its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient as not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

## 2.4 INTANGIBLE ASSETS

These are stated at cost less accumulated amortisation and impairment, if any. Generally, costs associated with maintaining computer software programs are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefit exceeding one year are recognised as intangible assets. Direct costs include the purchase cost of software and related overhead cost.

Intangible assets are amortised from the point at which the asset is ready for use. Amortisation charge is based on the straight-line method whereby the cost of an intangible asset is written off over its estimated useful life of 4 years.

## 2.5 INVESTMENTS IN ASSOCIATES

Associates are all entities over which the Company has significant influence but not control. Investment in associates are accounted for using the equity method.

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of post-acquisition profits or losses of the investee in the statement of profit or loss, and the Company's share of movements in statement of comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note below.

## 2.6 FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

### a) Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

### b) Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial asset 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.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; 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.

By default, all other financial assets are subsequently measured at FVTPL.

### c) Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless these are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

### d) Subsequent measurement

#### i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, these are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income.

#### ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

#### iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income. Currently, there are no financial liabilities designated at FVTPL.

### e) Impairment of financial asset

The Company recognises loss allowance for Expected Credit Losses (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months ECL is recorded. The following were either determined to have low or there was no increase in credit risk since last reporting date:

- bank balances
- employee receivables
- other short term receivables

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that results from all possible defaults events over the expected life of financial instrument. 12 month ECLs are portions of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

### f) Derecognition

#### i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

#### ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

## 2.7 OFF-SETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 2.8 TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised at fair value of consideration receivable. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

## 2.9 LOANS, DEPOSITS AND OTHER DEBTS

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

## 2.10 INVENTORIES

Inventories are valued at lower of cost, determined on first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of work in process and finished goods comprise direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure.

Stock-in-transit is valued at cost accumulated to the reporting date. Provision is made for slow moving and obsolete items based on management's judgement.

## 2.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of statement of cash flows, cash and cash equivalents comprise cash-in-hand, cheques, demand drafts in hand, running finance under mark up arrangements and balances with banks on current and deposit accounts with maturity of less than 90 days.

## 2.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 2.13 TAXATION

### i) Current

The charge for current tax is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

### ii) Deferred

Deferred tax is accounted for using the statement of financial position liability method on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised 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 utilised.

Deferred tax is determined using tax rates and prevailing laws for taxation on income that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

## 2.14 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.

## 2.15 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

## 2.16 PROVISIONS

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

## 2.17 FOREIGN CURRENCIES

Transactions in foreign currencies are recorded in Pak Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupee using the exchange rates approximating those prevailing at the reporting date. Exchange differences are included in statement of profit or loss.

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency and figures are rounded off to the nearest thousand of Pak Rupee.

## 2.18 REVENUE RECOGNITION

Revenue is recognised when control of goods is transferred, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

Revenue is recognised on dispatch of goods to customers i.e. when the significant risks and rewards of ownership have been transferred to the customer.

No element of financing is present as the sales are made with a credit term of upto 365 days, which is consistent with the market practice.

## 2.19 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying asset, if any, are capitalised as part of the cost of that asset.

## 2.20 DEFERRED GRANT

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match these with the costs that they are intended to compensate.

## 2.21 DIVIDEND INCOME

Dividend income from investment is recognised when the Company's right to receive payment has been established.

## 2.22 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as liability in the financial statements in the period in which the dividend is approved.

## 2.23 METHOD OF PREPARATION OF STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method.

## 3. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 3.1

	2021	2020
	----- (Rupees in '000') -----	
Operating assets - note 3.1	<b>27,777</b>	<b>37,080</b>

## 3.1 OPERATING ASSETS

Net carrying value basis Year ended June 30, 2021

	Owned operating assets					Right-of-use assets		Total
	Leasehold improvements	Plant and machinery	Office and other equipments	Motor Vehicles	Furniture and fixtures	Rental Property	Leased Motor Vehicles	
	----- (Rupees in '000') -----							
Opening net book value	33	3,616	684	1,285	94	15,421	15,947	37,080
Additions / transfers	-	2,063	474	-	231	1,571	3,520	7,859
Disposals (note - 3.2)								
Cost	-	(600)	(338)	(1,642)	(7)	-	-	(2,587)
Accumulated depreciation	-	587	280	1,642	7	-	-	2,516
	-	(13)	(58)	-	-	-	-	(71)
Transfers								
Cost	-	-	-	14,570	-	-	-	14,570
Accumulated depreciation	-	-	-	(11,788)	-	-	-	(11,788)
	-	-	-	2,782	-	-	-	2,782
Depreciation charge (note- 3.3)	(31)	(1,292)	(305)	(1,798)	(32)	(7,928)	(5,705)	(17,091)
Closing net book value	<b>2</b>	<b>4,374</b>	<b>795</b>	<b>2,269</b>	<b>293</b>	<b>9,064</b>	<b>10,980</b>	<b>27,777</b>
Gross carrying value basis At June 30, 2021								
Cost	762	15,848	6,839	54,617	1,174	25,427	20,818	125,485
Accumulated depreciation	(760)	(11,474)	(6,044)	(52,348)	(881)	(16,363)	(9,838)	(97,708)
Net book value	<b>2</b>	<b>4,374</b>	<b>795</b>	<b>2,269</b>	<b>293</b>	<b>9,064</b>	<b>10,980</b>	<b>27,777</b>
Net carrying value basis Year ended June 30, 2020								
Opening net book value	101	3,227	899	1,909	124	-	22,320	28,580
Additions / initial recognition	-	1,531	269	-	-	23,856	-	25,656
Disposals (note - 3.2)								
Cost	-	-	(273)	(997)	(8)	-	-	(1,278)
Accumulated depreciation	-	-	272	997	8	-	-	1,277
	-	-	(1)	-	-	-	-	(1)
Depreciation charge (note - 3.3)	(68)	(1,142)	(483)	(624)	(30)	(8,435)	(6,373)	(17,155)
Closing net book value	<b>33</b>	<b>3,616</b>	<b>684</b>	<b>1,285</b>	<b>94</b>	<b>15,421</b>	<b>15,947</b>	<b>37,080</b>
Gross carrying value basis At June 30, 2020								
Cost	762	14,385	6,703	41,689	950	23,856	31,868	120,213
Accumulated depreciation	(729)	(10,769)	(6,019)	(40,404)	(856)	(8,435)	(15,921)	(83,133)
Net book value	<b>33</b>	<b>3,616</b>	<b>684</b>	<b>1,285</b>	<b>94</b>	<b>15,421</b>	<b>15,947</b>	<b>37,080</b>
Depreciation Rate per annum	10%	10% to 25%	10% to 33%	10% to 20%	15%	26% to 80%	10% to 20%	

### 3.2 DETAILS OF FIXED ASSETS DISPOSED OF DURING THE YEAR:

During the year no item of property, plant and equipment exceeding net book value of Rs. 500,000 was disposed off.

### 3.3 DEPRECIATION FOR THE YEAR HAS BEEN ALLOCATED AS FOLLOWS:

Cost of sales - note 24  
Marketing and distribution expenses - note 25  
Administrative and general expenses - note 26

	2021	2020
	----- (Rupees in '000') -----	
	5,165	5,069
	11,844	11,945
	82	141
	<b>17,091</b>	<b>17,155</b>

## 4. INTANGIBLE ASSETS

Computer softwares - note 4.1

	2021	2020
	2,870	4,637

### 4.1 MOVEMENT IN INTANGIBLE ASSETS

Year ended 30 June 2021

Opening net book value  
Additions during the year  
Amortisation for the year

Closing net book value

At 30 June 2021

Cost  
Accumulated amortisation

Net book value

Year ended 30 June 2020

Opening net book value  
Additions during the year  
Amortisation for the year

Closing net book value

At 30 June 2020

Cost  
Accumulated amortisation

Net book value

Useful life in years

#### Computer Software

-- (Rupees in '000') --

4,637  
600  
(2,367)

**2,870**

11,322  
(8,452)

**2,870**

6,971  
-  
(2,334)

**4,637**

10,722  
(6,085)

**4,637**

4

### 4.2 AMORTISATION FOR THE YEAR HAS BEEN ALLOCATED AS FOLLOWS:

Marketing and distribution expenses - note 25  
Administrative and general expenses - note 26

	2021	2020
	----- (Rupees in '000') -----	
	1,167	1,166
	1,200	1,168
	<b>2,367</b>	<b>2,334</b>

## 5. INVESTMENT IN ASSOCIATE

Balance at beginning of the year  
Effect of change in accounting policy due to adoption of IFRS 9 accounted for during the year 2020  
Share of loss for the period / year  
Share of other comprehensive loss for the period / year  
Less: Dividend income for the year  
Balance at end of the year

	2021	2020
	768,530	1,131,793
	-	(28,320)
	(142,561)	(313,607)
	(16,618)	(13,139)
	-	(8,197)
	<b>609,351</b>	<b>768,530</b>

5.1 THIS REPRESENTS SHAREHOLDING OF 40% (2020: 40%) COMPRISING OF 1,639,418 SHARES (2020: 1,639,418 SHARES) OF FMC UNITED (PRIVATE) LIMITED, ORIGINAL COST OF THE SHARES WAS RS. 16.39 MILLION.

### 5.2 FINANCIAL DETAILS / POSITION OF ASSOCIATE

Total assets  
Total liabilities  
Revenue for the period / year  
Profit / (loss) for the period / year

	March 31, 2021	June 30, 2020
	----- (Rupees in '000') -----	
	18,652,295	20,994,218
	17,128,921	19,217,897
	2,538,954	15,661,622
	525,771	(929,023)

The financial year end of FMC United (Private) Limited is December 31. Total assets and liabilities disclosed above are based on the audited financial information for the three months ended March 31, 2021 (2020: as at June 30, 2020), whereas revenue, profit / (loss) disclosed above represents three months ended at March 31, 2021 (2020: for the year ended June 30, 2021).

5.3 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.

5.3 Share of contingent liabilities on the latest audited financial statements of FMC United (Private) Limited for the three months ended March 31, 2021 amounts to Rs. 93.24 million (2020: Nil) in respect of post dated cheques not provided for in the financial statements.

## 6. LONG-TERM INVESTMENTS

### Investments held at fair value through OCI

- IBL HealthCare Limited - Listed - note 6.1  
1,215,135 (2020: 1,215,135) fully paid ordinary shares of Rs. 10 each  
Percentage holding 2.19% (2020: 2.19%)  
Cost: Rs. 7,882,580 (2020: Rs. 7,882,580)
- International Brands Limited (Holding Company) - Unlisted - notes 6.1, 6.2 & 6.3  
11,079,852 (2020: 11,079,852) fully paid ordinary shares of Rs. 10 each  
Percentage holding 4.71% (2020: 4.71%)  
Cost: Rs. 83,663,056 (2020: Rs. 83,663,056)

	2021	2020
	----- (Rupees in '000') -----	
	135,038	94,112
	1,354,362	1,282,117
	<b>1,489,400</b>	<b>1,376,229</b>

6.1 Shares held as at June 30, 2021 include 31,343 shares (2020: 31,343 shares) of IBL HealthCare Limited and 184,665 shares (2020: 184,665) of International Brands Limited withheld by respective companies at the time of bonus declaration. The Company has included these shares in its portfolio pending decision of the Honourable High Court of Sindh on petitions filed by the Company in respect of tax on bonus shares.

6.2 The Company holds shares of International Brands Limited which have been carried at fair value through OCI.

6.3 Valuation technique used to value investment in International Brands Limited includes the use of quoted market prices for listed equity securities and the discounted future cash flows for unlisted equity securities held by International Brands Limited. The main level 3 inputs used are;

- discount rates for financial assets and financial liabilities determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessment of the time value of money and the risk specific to the asset.
- earning growth factors based on market information.

#### Sensitivity analysis

Sensitivity analysis of the significant assumptions used in the valuation technique are as follows:

- If the discount rate increases by 1% with all other variables held constant, the impact on fair value as at June 30, 2021 would be Rs. 5.99 million (2020: Rs. 25.88 million) lower.
- If the long term growth rate decreases by 1% with all other variables held constant, the impact on fair value as at June 30, 2021 would be Rs. 4.08 million (2020: Rs. 28.31 million) lower.

## 7. LONG-TERM DEPOSITS

- Rent deposit
- Others

	2021	2020
	----- (Rupees in '000') -----	
	2,275	2,275
	847	847
	<b>3,122</b>	<b>3,122</b>

7.1 THESE DEPOSITS DO NOT CARRY MARK-UP.

## 8. INVENTORIES

- Raw materials
- Packing materials } 8.1
- Finished goods

Less: Provision for slow moving and obsolete inventories - note 8.2

	2021	2020
	----- (Rupees in '000') -----	
	14,110	40,796
	11,203	14,064
	127,698	216,222
	153,010	271,082
	(4,098)	(5,157)
	<b>148,912</b>	<b>265,925</b>

8.1 THESE INCLUDE PACKING MATERIALS AMOUNTING TO RS. 3.2 MILLION (2020: RS. 0.43 MILLION) AND RAW MATERIALS AMOUNTING TO RS. 13.74 MILLION (2020: NIL) HELD WITH THIRD PARTY.

### 8.2 MOVEMENT OF PROVISION FOR SLOW MOVING AND OBSOLETE INVENTORIES

- Opening balance
- (Reversal) / Addition during the year
- Closing balance

	2021	2020
	----- (Rupees in '000') -----	
	5,157	3,661
	(1,059)	1,496
	<b>4,098</b>	<b>5,157</b>

## 9. TRADE AND OTHER RECEIVABLES

- Trade receivables - note 9.1
- Other receivables - note 9.2

	2021	2020
	----- (Rupees in '000') -----	
	244,333	146,964
	4,220	3,159
	<b>248,553</b>	<b>150,123</b>

### 9.1 TRADE RECEIVABLES

- Secured
- Unsecured

	2021	2020
	2,998	12,484
	241,335	134,480
	<b>244,333</b>	<b>146,964</b>

#### 9.1.1 THE AGE ANALYSIS OF TRADE RECEIVABLES IS AS FOLLOWS:

- 1 to 3 months
- 3 to 6 months
- More than 6 months

	2021	2020
	122,440	87,426
	67,446	12,500
	54,447	47,038
	<b>244,333</b>	<b>146,964</b>

### 9.2 OTHER RECEIVABLES

- Receivable from related parties note - 9.2.1 & 9.2.2
- Sales tax refundable
- Others

	2021	2020
	1,270	-
	1,920	2,416
	1,030	743
	<b>4,220</b>	<b>3,159</b>

9.2.1 THIS REPRESENTS RECEIVABLE FROM TRAX ONLINE (PRIVATE) LIMITED AGAINST CEO'S SALARY.

9.2.2 THE MAXIMUM AGGREGATE AMOUNT DUE FROM THE RELATED PARTIES AT THE END OF ANY MONTH DURING THE YEAR WAS RS. 1.01 MILLION (2020: RS. 3.16 MILLION).

#### 10. LOANS, ADVANCES AND PREPAYMENTS

	2021	2020
	----- (Rupees in '000') -----	
Advance to suppliers - note 10.1	556	533
Advances to employees against expenses - notes 10.1 & 10.2	2,294	1,060
Current portion of long term loan	-	335
Prepayments	138	756
	<b>2,988</b>	<b>2,684</b>

10.1 THESE LOANS AND ADVANCES DO NOT CARRY MARK-UP.

10.2 THESE ADVANCES ARE SECURED AGAINST EMPLOYEES' RETIREMENT FUND BALANCES.

#### 11. CASH AND BANK BALANCES

	2021	2020
	----- (Rupees in '000') -----	
Cash at bank - current accounts - note 11.1	9,007	3,411
Cash in hand	198	174
	<b>9,205</b>	<b>3,585</b>

11.1 THESE INCLUDE CURRENT ACCOUNTS HAVING BALANCES OF RS. 0.02 MILLION (2020: RS. 0.17 MILLION) MAINTAINED WITH ISLAMIC BANKS.

#### 12. SHARE CAPITAL

##### 12.1 AUTHORISED SHARE CAPITAL

50,000,000 ordinary shares of Rs. 10 each (2020: 50,000,000 ordinary shares of Rs. 10 each)

	2021	2020
	----- (Rupees in '000') -----	
	<b>500,000</b>	<b>500,000</b>

##### 12.2 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs 10 each			2021	2020
			----- (Rupees in '000') -----	
			----- (Number of shares in '000') -----	
5,000	5,000	Ordinary shares of Rs. 10 each Shares issued for consideration paid in cash.	50,000	50,000
21,087	21,087	Shares issued as bonus shares	210,873	210,873
9,184	9,184	Shares issued as right shares	91,840	91,840
<b>35,271</b>	<b>35,271</b>		<b>352,713</b>	<b>352,713</b>

#### 12.3 MOVEMENT IN ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs 10 each			2021	2020
			----- (Rupees in '000') -----	
			----- (Number of shares in '000') -----	
35,271	30,671	Opening shares outstanding	352,713	306,707
-	4,600	Bonus shares issued	-	46,006
<b>35,271</b>	<b>35,271</b>		<b>352,713</b>	<b>352,713</b>

12.4 AS AT JUNE 30, 2021, GENESIS HOLDING (PRIVATE) LIMITED, THE HOLDING COMPANY, HELD 30,061,216 SHARES OF RS. 10 EACH WHICH CONSTITUTES 85.23% OF THE COMPANY'S ISSUED SUBSCRIBED AND PAID UP CAPITAL, INCLUDING 24,851,298 SHARES ACQUIRED FROM INTERNATIONAL BRANDS LIMITED DURING THE YEAR.

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

	2021	2020
	----- (Rupees in '000') -----	
Balance at July 1, 2020	1,284,684	1,111,511
Gain arising on revaluation of investment	113,171	173,173
Balance at June 30, 2020	<b>1,397,855</b>	<b>1,284,684</b>

#### 14. LIABILITIES UNDER DIMINISHING MUSHARAKAH FINANCING

	2021			2020		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
	----- (Rupees in '000') -----					
Not later than one year	4,891	813	4,078	7,229	1,332	5,897
Later than one year but not later than five years	4,334	371	3,963	6,398	766	5,632
	<b>9,225</b>	<b>1,184</b>	<b>8,041</b>	<b>13,627</b>	<b>2,098</b>	<b>11,529</b>

#### 15. LEASE LIABILITY

	2021	2020
Lease liabilities under IFRS 16	<b>11,106</b>	17,240
Current portion	<b>5,120</b>	7,324
Non-current portion	<b>5,986</b>	9,916

FINANCE COST ON LEASE LIABILITIES FOR THE YEAR ENDED JUNE 30, 2021 WAS RS. 2.02 MILLION (2020: RS. 3.10 MILLION). TOTAL CASH OUTFLOW FOR LEASES WAS RS. 9.73 MILLION (2020: RS. 9.72 MILLION).

15.1 FOLLOWING IS THE MOVEMENT OF LEASE LIABILITIES DURING THE YEAR:

	2021	2020
	----- (Rupees in '000') -----	
Balance at the beginning of the year	17,240	-
Re-assessment / termination of leases	1,570	23,856
Interest expense	2,024	3,101
Payments	(9,728)	(9,717)
Balance at the end of the year	<b>11,106</b>	17,240

16. LONG TERM SALARY REFINANCING

	2021	2020
	----- (Rupees in '000') -----	
Balance at the beginning of the year	12,787	-
Amount received during the year	27,964	13,709
Amount paid during the year	(10,418)	-
Less: Deferred income - note 17	(2,502)	(922)
	27,831	12,787
Current portion	(20,836)	(3,427)
Non-current portion	<b>6,995</b>	9,360

16.1 THIS REPRESENTS SALARY REFINANCING OBTAINED UNDER SBP PAYROLL REFINANCE FACILITY AS A PART OF MEASURES FOR COUNTERING ECONOMIC HARDSHIPS FACED BY THE BUSINESSES DURING COVID-19 PANDEMIC. THE COMPANY IS REQUIRED TO PAY A QUARTERLY MARK UP AT A DISCOUNTED RATE OF 3% PER ANNUM, WITH EIGHT EQUAL QUARTERLY INSTALLMENTS COMMENCED FROM JANUARY 2021.

16.2 EXPECTED MATURITY ANALYSIS OF SALARY REFINANCING IS AS FOLLOWS:

	2021			2020		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
	----- (Rupees in '000') -----					
Not later than one year	20,999	163	20,836	10,812	394	10,418
Later than one year but not later than five years	10,427	9	10,418	31,425	171	31,254
	<b>31,426</b>	<b>172</b>	<b>31,254</b>	<b>42,237</b>	<b>565</b>	<b>41,672</b>

17. DEFERRED INCOME - GOVERNMENT GRANT

	2021	2020
	----- (Rupees in '000') -----	
Balance at the beginning of the year	922	-
Deferred grant recorded	2,502	943
Less: Government grant recognised in income	(1,652)	(21)
	<b>1,772</b>	922

17.1 THIS REPRESENTS DEFERRED GRANT RECOGNISED BY THE COMPANY IN ACCORDANCE WITH IAS 20- 'ACCOUNTING FOR GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE' IN RESPECT OF SBP'S REFINANCE SCHEME FOR PAYMENT OF WAGES AND SALARIES.

18. DEFERRED TAXATION

	2021	2020
	----- (Rupees in '000') -----	
Credit balances arising in respect of:		
- Investments in associate	75,287	101,657
- Assets held under diminishing musharakah financing	2,273	4,624
- Right of use asset	1,877	4,472
Debit balances arising in respect of:		
- Liability under diminishing musharakah financing	(1,665)	(3,344)
- Lease liability	(2,300)	(4,999)
- Carried forward tax losses	-	(10,955)
- Minimum tax	(26,511)	(19,322)
- Property, plant and equipment	(2,533)	(4,660)
- Provision for slow moving and obsolete inventory	(849)	(1,496)
	<b>45,579</b>	65,977

18.1 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 slow moving and obsolete inventory	Total
	----- (Rupees in '000') -----									
Balance as at June 30, 2019	(2,834)	3,477	-	(2,919)	-	167,385	(9,192)	(22,548)	(570)	132,799
(Charge) / credit to profit or loss for the year	(1,826)	1,147	4,472	(425)	(4,999)	(54,565)	-	(7,729)	(926)	(64,851)
Charge to other comprehensive income for the year	-	-	-	-	-	-	(1,971)	-	-	(1,971)
Balance at June 30, 2020	(4,660)	4,624	4,472	(3,344)	(4,999)	112,820	(11,163)	(30,277)	(1,496)	65,977
(Charge) / credit to profit or loss for the year	2,127	(2,351)	(2,595)	1,679	2,699	(23,877)	-	3,766	647	(17,905)
Charge to other comprehensive income for the year	-	-	-	-	-	-	(2,493)	-	-	(2,493)
Balance at June 30, 2021	<b>(2,533)</b>	<b>2,273</b>	<b>1,877</b>	<b>(1,665)</b>	<b>(2,300)</b>	<b>88,943</b>	<b>(13,656)</b>	<b>(26,511)</b>	<b>(849)</b>	<b>45,579</b>

18.2 THE DEFERRED TAX ASSET FOR MINIMUM TAX CARRIED FORWARD AMOUNTS TO RS. 26.51 MILLION (2020: RS. 19.32 MILLION), WHICH WILL EXPIRE ON JUNE 30, 2026.

18.3 DEFERRED TAX LIABILITY HAS BEEN RECOGNISED USING THE EXPECTED APPLICABLE RATE OF 29%.

## 19. TRADE AND OTHER PAYABLES

	2021	2020
	----- (Rupees in '000') -----	
Creditors - note 19.1	77,465	182,078
Accrued liabilities	44,966	46,792
Accrued mark-up	6,459	4,154
Advances from customers -note 19.2	5,786	3,060
Workers' Welfare Fund	3,061	1,962
Taxes deducted at source	2,138	7,258
Payable to Provident Fund- note 19.3	618	633
	<b>140,493</b>	<b>245,937</b>

19.1 THESE INCLUDE PAYABLE TO TRAX ONLINE (PRIVATE) LIMITED, A RELATED PARTY, AMOUNTING TO RS. 1.27 MILLION (2020: RS. NIL) AGAINST RENT AND OTHER MAINTAINANCE CHARGES.

19.2 ADVANCES RECEIVED FROM CUSTOMERS ARE RECOGNISED AS REVENUE WHEN THE PERFORMANCE OBLIGATION IN ACCORDANCE WITH THE POLICY AS DESCRIBED IN NOTE 2.18 IS SATISFIED.

	2021	2020
	----- (Rupees in '000') -----	
Opening balance	3,060	11,718
Advance received during the year	62,736	182,048
Revenue recognised during the year	(60,010)	(190,706)
Closing balance	<b>5,786</b>	<b>3,060</b>

19.3 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.

## 20. SHORT-TERM BORROWINGS

	2021	2020
	----- (Rupees in '000') -----	
<b>Secured</b>		
Running finance under mark-up arrangement - note 20.1	49,697	36,494
Short-term loan (Tijarah) - note 20.2	11,502	13,061
<b>Unsecured</b>		
Current portion of long term salary refinancing - note 16	20,836	3,427
Short-term loan - note 20.3	18,800	18,800
	<b>100,835</b>	<b>71,782</b>

20.1 THE COMPANY OBTAINED RUNNING FINANCE FACILITY FROM HABIB METROPOLITAN BANK LIMITED AT KIBOR + 2% PER ANNUM (JUNE 30, 2020: KIBOR + 2% PER ANNUM). THIS FACILITY IS SECURED BY WAY OF HYPOTHECATION OF CURRENT ASSETS OF THE COMPANY.

20.2 THE COMPANY OBTAINED SHORT-TERM LOAN (TIJARAH) FINANCING FACILITY FROM AL BARAKA BANK (PAKISTAN) LIMITED AT KIBOR + 2.5% PER ANNUM (JUNE 30, 2020: KIBOR + 2.5% PER ANNUM). THIS FACILITY IS SECURED BY WAY OF HYPOTHECATION OF CURRENT ASSETS OF THE COMPANY.

21.3 THIS REPRESENTS SHORT TERM LOAN OBTAINED IN THE YEAR 2019 FROM IBL OPERATIONS (PRIVATE) LIMITED, A RELATED PARTY AT THE TIME OF OBTAINING THE LOAN. THE AMOUNT WAS PAYABLE WITHIN ONE YEAR AT 6 MONTHS KIBOR + 2.5% PER ANNUM. DURING THE YEAR, GENESIS HOLDING (PRIVATE) LIMITED, THE HOLDING COMPANY, PAID OFF THE LOAN ON BEHALF OF THE COMPANY HENCE THE LOAN IS NOW DUE TO THE HOLDING COMPANY.

THE COMPANY HAS NOT MADE ANY REPAYMENTS IN THE CURRENT YEAR, HENCE THE ENTIRE AMOUNT IS PAYABLE ON DEMAND.

## 21. UNCLAIMED DIVIDEND

	2021	2020
	----- (Rupees in '000') -----	
Balance at beginning of the year	901	518
Dividend declared during the year	-	7,668
Claims received and settled	(68)	(7,285)
Balance at end of the year	<b>833</b>	<b>901</b>

## 22. COMMITMENTS

The facilities for opening letters of credit and guarantees as at June 30, 2021 amounted to Rs. 272 million (2020: Rs. 300 million) of which unutilised balance at year end amounted to Rs. 153.61 million (2020: Rs. 139.89 million).

## 23. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2021	2020
	----- (Rupees in '000') -----	
Gross Revenue from sale of goods	718,973	730,055
Less: Discounts	(7,469)	(26,627)
Sales returns	(61,493)	(55,101)
Sales tax	(5,878)	(4,009)
Net revenue from sale of goods	644,133	644,318
Revenue from toll manufacturing	2,493	-
	<b>646,626</b>	<b>644,318</b>

## 24. COST OF SALES

	2021	2020
	----- (Rupees in '000') -----	
Raw materials consumed	242,675	285,339
Manufacturing charges to third party	3,694	3,886
Salaries, wages and benefits	7,675	6,349
Freight expense	6,439	6,115
Depreciation	5,165	5,069
Repairs and maintenance	878	1,126
Utilities and communication	891	576
Rent, rates and taxes	318	614
Entertainment expenses	279	292
Sampling	142	702
Charge for defined contribution plan	110	90
Insurance expense	101	127
Travelling and conveyance	77	129
Printing and stationery	27	20
Others	-	286
Reversal / provision for slow moving and obsolete Inventories	(1,059)	1,496
Cost of goods manufactured	267,412	312,216
Add: Opening inventory of finished goods	216,222	259,547
Add: Purchases	41,232	52,791
Less: Closing inventory of finished goods	(127,698)	(216,222)
	<b>129,756</b>	96,116
	<b>397,168</b>	408,332

## 25. MARKETING AND DISTRIBUTION EXPENSES

	2021	2020
	----- (Rupees in '000') -----	
Salaries, wages and benefits	76,429	73,452
Vehicle running	27,139	26,456
Commission and incentives	13,842	15,146
Depreciation and amortisation	13,010	13,111
Sales promotion and advertisement	10,876	8,031
Distribution freight	8,099	9,205
Travelling and transportation	1,991	2,502
Charge for defined contribution plan	1,972	1,939
Entertainment expenses	969	678
Utilities and communication	1,667	2,017
Research and development	1,447	2,330
Repairs and maintenance	1,313	1,038
Rent, rates and taxes	1,172	860
Safety and security	1,073	1,021
Insurance expense	1,353	1,312
Printing and stationery	272	319
Legal and professional charges	-	359
Fee, subscription and periodicals	348	-
	<b>162,974</b>	159,776

## 26. ADMINISTRATIVE AND GENERAL EXPENSES

	2021	2020
	----- (Rupees in '000') -----	
Salaries, wages and benefits	13,025	11,225
Corporate expenses	6,000	6,000
Auditors' remuneration- note 26.1	1,942	1,821
Travelling and conveyance	1,530	693
Fee, subscription and periodicals	1,415	2,253
Depreciation and amortisation	1,282	1,309
Legal and professional charges	1,029	1,189
Vehicle running	928	658
Repairs and maintenance	710	825
Charge for defined contribution plan	654	597
Utilities and communication	628	243
Printing and stationery	329	457
Sales promotion and advertisement	183	384
Entertainment expenses	116	109
Insurance expense	11	10
Rent, rates and taxes	388	-
Others	636	2,530
	<b>30,806</b>	30,303

### 26.1 AUDITORS' REMUNERATION

	2021	2020
	----- (Rupees in '000') -----	
Audit fee	690	600
Fee for review of half yearly financial statements, special certifications and others	622	600
Taxation services	350	350
Out of pocket expenses	280	271
	<b>1,942</b>	1,821

## 27. OTHER OPERATING EXPENSES

	2021	2020
	----- (Rupees in '000') -----	
Sindh Workers' Welfare Fund	1,100	-

## 28. OTHER INCOME

### Income from financial assets

Exchange gain-net	3,558	1,165
Dividend income on investments - note 28.1	2,368	1,184
Grant recognised as income - note 17	1,652	21

### Income from non-financial assets

Gain on disposal of property, plant and equipment	1,085	426
Scrap sales	610	4
Rental income	600	250
Others	33	5,238

	2021	2020
	----- (Rupees in '000') -----	
	3,558	1,165
	2,368	1,184
	1,652	21
	<b>7,578</b>	2,370
	1,085	426
	610	4
	600	250
	33	5,238
	2,328	5,918
	<b>9,906</b>	8,288

28.1 THIS REPRESENTS DIVIDEND INCOME FROM IBL HEALTHCARE LIMITED.

## 29. FINANCE COST

Mark-up on running finance	3,580	8,885
Mark-up on salary refinancing	2,666	34
Interest on lease liability	2,024	3,102
Mark-up on diminishing musharakah financing	1,180	2,311
Interest on short-term loan	947	2,701
Mark-up on short-term loan (Tijarah)	743	104
Bank charges and commission	282	270

	2021	2020
	----- (Rupees in '000') -----	
	3,580	8,885
	2,666	34
	2,024	3,102
	1,180	2,311
	947	2,701
	743	104
	282	270
	<b>11,422</b>	17,407

## 30. INCOME TAX EXPENSE

Current		
- for the year	10,017	11,072
- for prior year	(3,134)	-

### Deferred

	2021	2020
	----- (Rupees in '000') -----	
	10,017	11,072
	(3,134)	-
	<b>6,883</b>	11,072
	(17,905)	(64,852)
	<b>(11,022)</b>	(53,780)

30.1 DURING THE YEAR CURRENT INCOME TAX EXPENSE CALCULATED UNDER NORMAL TAX REGIME HAS BEEN SET OFF AGAINST MINIMUM TAX CREDITS FROM PREVIOUS YEARS UNDER SECTION 113 OF THE INCOME TAX ORDINANCE, 2001.

## 30.2 RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT:

### Accounting profit before tax

Tax at applicable rate of 29%	25,955	80,278
Effect of share of loss from associate	(23,877)	(54,489)
Effect of minimum / final tax regime	(26,276)	(84,957)
Effect of business losses carry forward	10,970	7,945
Effect of tax other than temporary differences	1,559	(1,632)
Effect of provision for slow moving and obsolete inventory	647	(925)

	2021	2020
	----- (Rupees in '000') -----	
	<b>(89,499)</b>	(276,819)
	25,955	80,278
	(23,877)	(54,489)
	(26,276)	(84,957)
	10,970	7,945
	1,559	(1,632)
	647	(925)
	<b>(11,022)</b>	(53,780)

## 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)

	2021	2020
	----- (Rupees in '000') -----	
	<b>(78,477)</b>	(223,039)
	<b>35,271</b>	35,271
	<b>(Rs. 2.22)</b>	(Rs 6.32)

### 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, 2021 and 2020 which would have any effect on the loss per share if the option to convert is exercised.

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

### Loss before income tax

Adjustments for non-cash incomes and expenses:

Depreciation and amortisation	19,458	19,489
Finance cost	11,422	17,407
Government grant recognised in income	(1,652)	(21)
Gain on disposal of property, plant and equipment	(1,085)	(426)
Dividend income	(2,368)	(1,184)
Share of loss from associate	142,561	313,607
(Reversal) / provision for slow moving and obsolete inventories	(1,059)	1,496

### Changes in Working Capital:

(Increase) / decrease in current assets

Inventories	118,072	14,816
Trade and other receivables	(98,430)	(69,851)
Loans, advances and prepayments	(304)	1,684

(Decrease) / increase in current liabilities

Trade and other payables	(105,444)	18,009
Unclaimed dividend	(68)	383

	2021	2020
	----- (Rupees in '000') -----	
	(89,499)	(276,819)
	19,458	19,489
	11,422	17,407
	(1,652)	(21)
	(1,085)	(426)
	(2,368)	(1,184)
	142,561	313,607
	(1,059)	1,496
	<b>77,778</b>	73,549
	118,072	14,816
	(98,430)	(69,851)
	(304)	1,684
	19,338	(53,351)
	(105,444)	18,009
	(68)	383
	(105,512)	18,392
	<b>(8,396)</b>	38,590

### 33. CASH AND CASH EQUIVALENTS

Cash and bank balances - note 11  
Running finance under mark-up arrangement - note 20

	2021	2020
	----- (Rupees in '000') -----	
	9,205	3,585
	(49,697)	(36,494)
	<b>(40,492)</b>	<b>(32,909)</b>

### 34. RELATED PARTY TRANSACTIONS

34.1 THE COMPANY ENTERED INTO TRANSACTIONS AND HAS ARRANGEMENTS / AGREEMENTS IN PLACE WITH THE FOLLOWING RELATED PARTIES:

S.No.	Company	Basis of Association	Aggregate % of Shareholding
1.	Genesis Holdings (Private) Limited	Holding Company - note 124	85.23%
2.	Trax Online (Private) Limited	Associated Company	N/A
3.	FMC United (Private) Limited	Associate	40%

34.2 THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES DURING THE YEAR:

	Nature of relationship	Nature of transactions	2021	2020
			----- (Rupees in '000') -----	
i.	Holding Company	Payments made to CEO on behalf of Holding Company	18,132	19,482
		Corporate service charges	6,000	6,000
		Receipts for CEO's Salary from holding company	15,999	15,206
		Loan paid on behalf of the Company	18,800	-
		Loan received from holding company	18,800	-
ii.	Associated Companies	IT maintenance fee	120	322
		Repairs and maintenance	761	165
		Rent charged	214	409
		Utilities	142	-
iii.	Employees' Provident Fund	Contribution paid	7,537	6,904
iv.	Key Management Personnel	Salaries and other employee benefits	25,277	23,475
		Advance recovered	745	1,740
		Advance provided	1,500	-
v.	Directors	Directors' fee	22	11

34.3 THE STATUS OF OUTSTANDING BALANCES WITH RELATED PARTIES AS AT JUNE 30, 2021 IS INCLUDED IN THE RESPECTIVE NOTES TO THE FINANCIAL STATEMENTS. THESE ARE SETTLED IN THE ORDINARY COURSE OF BUSINESS.

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

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	
	2021	2020	2021	2020	2021	2020
	----- (Rupees in '000') -----					
Managerial remuneration	-	-	-	-	9,726	8,943
Bonus	-	-	-	-	1,488	1,591
Company's contribution to provident fund	-	-	-	-	1,002	841
House rent allowance	-	-	-	-	5,522	4,205
Car rental	-	-	-	-	1,680	1,140
Leave encashment	-	-	-	-	261	244
EOBI	-	-	-	-	23	21
Commission and incentives	-	-	-	-	5,575	6,490
					<b>25,277</b>	<b>23,475</b>
Number of Persons	<b>1</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>3</b>

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

Fee paid to five directors for attending Board of Directors meetings during the year amounted to Rs. 22,000 (2020: Rs. 11,000).

### 36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

i) Financial assets and liabilities by category and their respective maturities

	Interest / Mark-up bearing			Non interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
	----- (Rupees in '000') -----						
<b>FINANCIAL ASSETS</b>							
<b>Loans and receivables</b>							
Trade and other receivables	-	-	-	246,633	-	246,633	246,633
Loans, advances, prepayments and deposits	-	-	-	-	3,122	3,122	3,122
Cash and bank balances	-	-	-	9,205	-	9,205	9,205
Long-term investments	-	-	-	-	1,489,400	1,489,400	1,489,400
	<b>2021</b>	<b>2020</b>		<b>255,838</b>	<b>1,492,522</b>	<b>1,748,360</b>	<b>1,748,360</b>
				<b>151,627</b>	<b>1,379,351</b>	<b>1,530,978</b>	<b>1,530,978</b>
<b>FINANCIAL LIABILITIES</b>							
Trade and other payables	-	-	-	128,890	-	128,890	128,890
Short term borrowings	100,835	-	100,835	-	-	-	100,835
Lease liability	5,120	5,986	11,106	-	-	-	11,106
Unclaimed Dividend	-	-	-	833	-	833	833
	<b>2021</b>	<b>2020</b>		<b>105,955</b>	<b>5,986</b>	<b>111,941</b>	<b>129,723</b>
				<b>79,106</b>	<b>9,916</b>	<b>89,022</b>	<b>233,925</b>
<b>Off balance sheet items</b>							
Letters of credit and guarantee	<b>2021</b>						<b>118,393</b>
	<b>2020</b>						<b>160,105</b>

## ii) CREDIT RISK

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. Out of the total financial assets of Rs. 1,748.36 million (2020: Rs. 1,530.98 million) the financial assets exposed to the credit risk amount to Rs. 1,550.36 million (2020: Rs. 1,356.98 million) which mainly comprise of long-term investments.

The Company attempts to control credit risk associated with the carrying amount of its receivables by monitoring credit sales limits and securing credits through bank and personal guarantees.

The cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of A or above as assigned by credit rating agencies.

Loans to employees are not exposed to any material credit risk as these are secured against the employees retirement benefits.

The management does not expect any losses from non-performance by these counterparts.

## iii) LIQUIDITY RISK

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements. Management monitors rolling forecast of the Company's liquidity reserve which comprises of undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flow.

## iv) MARKET RISK

### a) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Company's exposure to exchange risk comprises mainly due to accounts payable in foreign currency. At June 30, 2021, trade and other payables of Rs. 39.34 million (2020: Rs. 90.25 million) are exposed to foreign currency risk.

As at June 30, 2021, if the Pak Rupee had weakened / strengthened by 10% (2020: 10%) against US Dollar with all other variables held constant, loss before income tax for the year would have been higher / lower by Rs. 3.93 million (2020: Rs. 8.74 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 value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2021, the Company is not materially exposed to interest rate risk.

### 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 Limited and classified in the statement of financial position as fair value through OCI. The maximum exposure to price risk as at June 30, 2021 amounts to Rs. 135.03 million and Rs. 1,354.36 million (2020: Rs. 94.11 million and Rs. 1,282.11 million) respectively.

As at June 30, 2021, if the market prices of the equity securities had increased / decreased by 1% with all other variables held constant, other comprehensive income for the year would have been higher / lower by Rs. 22.33 million (2020: Rs. 13.76 million).

## v) 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2021, all financial assets and financial liabilities are carried at amortised cost except for investments in IBL HealthCare Limited and International Brands Limited which are being carried at fair value.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

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 (eg. significant increases / decreases in activity); and
- changes in inputs used in valuation techniques (eg. 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, 2021:

	2021			
	Level 1	Level 2	Level 3	Total
(Rupees in '000')				
FINANCIAL ASSETS				
Recurring FV measurement of FVOCI investments	135,038	-	1,354,362	1,489,400
2020				
(Rupees in '000')				
FINANCIAL ASSETS				
Recurring FV measurement of FVOCI investments	94,112	-	1,282,117	1,376,229

### 37. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard Company's ability to continue as a going concern in order to provide adequate returns for shareholders and benefit for other stakeholders. The Company finances its operations through equity. The Company has long-term borrowing, short-term borrowings and running finance arrangement issued to meet its working capital and capital expenditure requirement.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratios at June 30, 2021 and at June 30, 2020 were as follows:

	2021	2020
	(Rupees in '000')	
Total borrowings	115,870	93,593
Cash and bank	(9,205)	(3,585)
Net debt	106,665	90,008
Equity	2,246,355	2,225,786
Total capital	2,353,020	2,315,794
Debt to capital ratio	0.05	0.04

### 38. PLANT CAPACITY AND PRODUCTION

	2021		2020	
	Annual Production	Annual Capacity	Annual Production	Annual Capacity
	(Kilograms)			
Packaging				
Powder Products	469,705	197,127	145,947	197,127
Granular Products	898,821	1,351,728	1,088,075	1,351,728
	(Litres)			
Liquid Products	144,593	1,633,338	136,297	1,633,338

Production during the year was as per market demand.

### 39. NUMBER OF EMPLOYEES

	2021	2020
Number of employees as at June 30	90	92
Average number of employees during the year	92	93

### 40. CORRESPONDING FIGURES

Comparative information has been reclassified or re-arranged in these financial statement for better presentation. Major recalssifications are as follows:

Reclassification from component	Reclassification to component	Rupees in '000'
<b>Statement of Financial Position</b>		
To present the amount of government grant as a separate liability		
Long- term portion of Salary refinancing	Deferred income - Government grant	922
To present accrued mark-up seperately	Accrued mark-up	4,154
Accruals		
To present goods received / invoice not received liability in accruals	Accruals	3,122
Creditors		
<b>Statement of profit or loss</b>		
To present government grant income recognised during the year seperately	Government Grant recognised in income	21
Mark-up on salary refinancing		
To present provision for employee welfare in other expenses	Other expenses	428
Donations		

### 41. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **October 29, 2021** by the Board of Directors.

  
ASAD ABDULLA  
Chief Executive Officer

  
TAHIR SAEED  
Director

  
SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Pattern of Shareholding

as at June 30, 2021

## Stakeholders Information

Categories of Shareholders	Shareholders	Shares Held	% age
<b>DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN</b>			
Muhammad Abdul Samie Cashmiri	1	25	0.00
Tahir Saeed	1	959	0.00
Asad Abdulla	1	30,498	0.09
Ayaz Abdulla	1	2,382	0.01
Aisha Zaid Zakaria	1	500	0.00
Muhammad Salman Hussain Chawala	1	200	0.00
<b>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>			
NIT and ICP	2	376	0.00
<b>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES</b>			
INSURANCE COMPANIES	1	5,913	0.02
<b>MUTUAL FUNDS</b>			
GENERAL PUBLIC	5	2,150,369	6.10
a. Local	1199	2,294,326	6.50
b. Foreign	2	12,500	0.04
<b>FOREIGN COMPANIES</b>			
OTHERS	2	12,286	0.03
	24	845,757	2.40
<b>Totals</b>	<b>1,245</b>	<b>35,271,133</b>	<b>100.00</b>

Share holders holding 10% or more	Shares Held	Percentage
GENESIS HOLDINGS (PRIVATE) LIMITED	29,913,533	84.81

DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN

S.No.	Folio No.	Name of Shareholder	Number of Shares	% age
1	3094	Muhammad Abdul Samie Cashmiri	25	0.00
2	03277-16216	Tahir Saeed	959	0.00
3	03277-20909	Asad Abdulla	30,498	0.09
4	03277-21385	Ayaz Abdulla	2,382	0.01
5	03277-44040	Aisha Zaid Zakaria	500	0.00
6	0629-32378	Muhammad Salman Hussain Chawala	200	0.00
			<b>6</b>	<b>34,564</b>
				<b>0.10</b>

ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES

01.	12732-8506	Genesis Holdings (Private) Limited	29,913,533	84.81
			<b>1</b>	<b>29,913,533</b>
				<b>84.81</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	% age
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.	2529	First Udl Modaraba	116	0.00
03.	2666	First Ibl Modaraba	39,999	0.11
04.	03277-1651	First Udl Modaraba	396,303	1.12
05.	14902-21	Cdc - Trustee National Investment (Unit) Trust	1,691,881	4.80
			<b>5</b>	<b>2,150,369</b>
				<b>6.10</b>

GENERAL PUBLIC FOREIGN

01.	03277-110638	Rizwan Ul Islam	500	0.00
02.	06452-25768	Faizan Kamran Khan	12,000	0.03
			<b>2</b>	<b>12,500</b>
				<b>0.04</b>

FOREIGN COMPANIES

01.	2351	Boston Safe Deposit & Trust Co	522	0.00
02.	00695-14603	Efg Hermes Oman Llc	11,764	0.03
			<b>2</b>	<b>12,286</b>
				<b>0.03</b>

OTHERS

01.	2347	International Brands Limited	117,332	0.33
02.	3015	Mr. The Company Secretary (B-2015)	802	0.00
03.	3026	M/s. Temporary Folio-withhold Bonus Shares of Court Cases (B-2015)	124,434	0.35
04.	3027	M/s. FBR-nominee Shareholding.against Tax on Bonus Shares (B-2015)	9,686	0.03
05.	3031	Mr. The Company Secretary (B-2016)	794	0.00
06.	3036	Temporary Folio-withhold Bonus Shares of Court Cases (B-2016)	230,047	0.65
07.	3037	Fbr-nominee Shareholding Against Tax on Bonus Shares (B-2016)	12,507	0.04
08.	3065	Mr. The Company Secretary (B-2017)	585	0.00
09.	3066	Temporary Folio-withhold Bonus Shares of Court Cases B-2017	125,983	0.36
10.	01917-33	Prudential Securities Limited	19	0.00
11.	02113-3850	Capital Financial Services (Pvt.) Limited	2,461	0.01
12.	03277-45147	Edujlee Dinshaw (Pvt.) Limited	44,084	0.12
13.	03277-78335	Trustee National Bank of Pakistan Employees Pension Fund	78,037	0.22
14.	03277-82127	Trustee National Bank of Pakistan Emp Benevolent Fund Trust	2,734	0.01
15.	03277-89483	Trustees of First UDL Modaraba Staff Provident Fund	166	0.00
16.	03277-103742	Khoja (Pirhai) Shia Isna Ashari Jamat	1,200	0.00
17.	03277-105440	IBL Operations (Private) Limited	36,320	0.10
18.	03293-38	S.H. Bukhari Securities (Pvt) Limited	417	0.00
19.	03525-87235	Maple Leaf Capital Limited	1	0.00
20.	04705-87224	Federal Board of Revenue	27,135	0.08
21.	05587-48203	Stock Master Securities (Pvt.) Ltd	92	0.00
22.	05868-28	Cliktrade Limited	185	0.00
23.	14241-22	Fikrees (Private) Limited	5,736	0.02
24.	16857-26	Mra Securities Limited - Mf	25,000	0.07
			<b>24</b>	<b>845,757</b>
				<b>2.40</b>

GENERAL PUBLIC LOCAL

			<b>1199</b>	<b>2,294,326</b>
				<b>6.5</b>

TOTAL

			<b>1245</b>	<b>35,271,133</b>
				<b>100.00</b>

No. of Shareholders	Shareholdings/Slab			Total Shares Held
568	1	to	100	6,628
255	101	to	500	69,142
136	501	to	1000	101,837
183	1001	to	5000	422,622
45	5001	to	10000	295,461
17	10001	to	15000	209,045
6	15001	to	20000	110,307
6	20001	to	25000	138,374
5	25001	to	30000	138,872
1	30001	to	35000	30,498
5	35001	to	40000	189,937
2	40001	to	45000	84,682
2	45001	to	50000	93,156
2	55001	to	60000	113,666
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	130001	to	135000	132,402
1	145001	to	150000	145,360
1	195001	to	200000	195,314
1	230001	to	235000	230,047
1	395001	to	400000	396,303
1	1690001	to	1695000	1,691,881
1	29910001	to	29915000	29,913,533
<b>1245</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 November 26, 2021  
 and / or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Signature on Revenue  
Stamp of Rs. 5/-

Witnesses: (A)

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 CNIC / Passport No. \_\_\_\_\_

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

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

AFFIX  
CORRECT  
POSTAGE



Pakistan

دی کنٹینی سیکریٹری  
یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ  
پلاٹ نمبر 105، سیکٹر 7-ا، مہران ٹاؤن،  
کورنگی انڈسٹریل ایریا، کراچی۔

AFFIX  
CORRECT  
POSTAGE

## 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 ذرائع سے بی ڈی او اور ایٹم 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، اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس، ریٹائر اور بحیثیت اہل ہونے کے، خود کو دوبارہ تفرزی کے لئے پیش کرتے ہیں۔ مجلس منتظمین ان کی دوبارہ تفرزی بطور کمپنی کے قانونی محاسبہ کار، محاسبہ کمپنی کی تجویز کی توثیق کرتی ہے برائے مالیاتی اختتام سال ۲۰۲۳ رجون

۲۰۲۲ء باہمی طے شدہ فیس پر۔

## حصص میں شراکتی داری کا نمونہ

کمپنی میں حصص کاری کا نمونہ بطور ۳۰ رجون ۲۰۲۱ء، بشمول ضروری معلومات، ہمراہ رپورٹ لہذا منسلک ہے۔

## مستقبل کا نظریہ:

ہمارا مقصد بہترین خدمات اور اعلیٰ معیاری حل کے ذریعہ کسانوں کی بہتری کیلئے اپنا سفر جاری رکھنا ہے تاکہ وہ فصل کی بہترین پیداوار اور انسانوں کیلئے صحت مند کھانا حاصل کرنے میں اہل بن سکیں۔

توقع ہے کہ فصلوں کو تحفظ فراہم کرنے والی مارکیٹ بنیادی طور پر ٹڈی دل کے حملے اور روئی کی فصل کی کم ہوائی کے ممکنہ اثرات کے باعث آنے والے دنوں میں دباؤ میں رہے گی۔ ان عوامل کو مد نظر رکھتے ہوئے ہم توقع کرتے ہیں کہ مارکیٹ میں مسابقت میں مزید اضافہ ہو سکتا ہے جس سے آمدنی اور بروقت مانعات کی دستیابی متاثر ہو سکتے ہیں۔ تاہم کمپنی نے ان چیلنجز کو بہتر سطح پر کم کرنے کیلئے مناسب اقدامات کئے ہیں۔

کمپنی کارکردگی کو برقرار رکھنے اور زیادہ سے زیادہ قیمت کی تخلیق کو برقرار رکھنے کیلئے پیداواری صلاحیت، لاگت میں کمی اور آپریشنل کارکردگی کو بہتر بنانے کیلئے اپنی کوششیں جاری رکھے گی۔

## 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۔

# پراکسی فارم

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

میں / ہم \_\_\_\_\_ پسر ادختر ازوجہ / خاوند \_\_\_\_\_ شیئر ہولڈر \_\_\_\_\_ بابت یونائیٹڈ سٹری بیوٹرز پاکستان لمیٹڈ حامل عمومی شیئرز بذریعہ لہذا \_\_\_\_\_ جو میرا ہمیری \_\_\_\_\_ (رشتے کی نوعیت بیان کریں) (اگر کوئی ہو) مع پراکسی حکومتی ضوابط کے مطابق ضروری) اور پسر ادختر ازوجہ / خاوند \_\_\_\_\_ حامل \_\_\_\_\_ کمپنی کے عمومی شیئرز فولیو نمبر \_\_\_\_\_ کے تحت) حکومت کی جانب سے درکار] بطور میرا / ہمارا پراکسی کمپنی کے مورخہ ۲۶ نومبر ۲۰۲۱ء 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 / گا گی اور ایسا کسی دوسری کارروائی میں حصہ لے گا گی۔

دستخط آج بروز _____ بتاریخ _____ ۲۰۲۱ء	
گواہ (اے):	۵ روپے کار یونیوا سٹیپ
دستخط: _____	
نام: _____	
پتہ: _____	
سی این آئی سی / پاسپورٹ نمبر: _____	
گواہ (بی):	دستخط نمبر (ممبران)
دستخط: _____	
نام: _____	
پتہ: _____	
سی این آئی سی / پاسپورٹ نمبر: _____	

اہم نکات:

۱۔ ممبران سے درخواست ہے کہ:

- جس مذکورہ بالا جگہ پر نشاندہی کی گئی ہے وہاں -/ ۵ روپے کار یونیوا سٹیپ چسپاں کریں۔
- ریونیوا سٹیپ پر اسی طرح دستخط کریں جس طرز میں کمپنی کے پاس رجسٹرڈ ہو۔
- اس کا فولیو نمبر درج کریں۔

۲۔ منوثر 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 شیئر ہولڈرز یا ان کے پراکسیز اپنی شناخت میں سہولت کے لئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ بشمول پارٹیشنٹ 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۔

نمبر شمارہ	نام منتظم	شرکت کردہ اجلاس
01.	جناب طاہر سعید	4
02.	جناب ایاز عبداللہ	4
03.	جناب محمد سلمان حسین چاؤلہ	4

## 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، کھادا اور دیگر متعلقہ مصنوعات کی تیاری، تجارت اور ڈسٹری بیوشن ہے۔

### کاروباری کارکردگی:

کپاس کی فصل کی کم کاشت کی وجہ سے مالی سال ۲۰۲۱ء ایک مشکل سال تھا جو کہ ایک بہت بڑی فصل ہے اور کمپنی کو خاطر خواہ آمدنی حاصل ہوتی ہے، اس کے علاوہ درآمدی ترسیل کی تاخیر سے آمدنے کاروباری کام کو بھی متاثر کیا ہے کیونکہ کوویڈ 19 وبا کی امراض کی وجہ سے سپلائی چین میں خلل پڑا اور مصنوعات کا بروقت انتظام ایک بڑا چیلنج تھا۔ ان چیلنجوں کے باوجود ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کے لئے کمپنی کی کارکردگی نے پچھلے سال کے مقابلے میں اپنی آمدنی کو برقرار رکھے اور منافع کو بہتر بنانے کے قابل ہوئی۔

۳۰ جون ۲۰۲۱ء کو ختم ہونے والے مالی سال کیلئے کمپنی کی مختصر مالیاتی کارکردگی درج ذیل ہے:

	FY June-2020	FY June-2021	
			(روپے، ہزاروں میں) -----
مجموعی فروخت	644,318	646,626	0.4%
جملہ منافع	235,986	249,458	5.7%
فعال منافع	54,195	64,484	19.0%
نقصان قبل از ادائیگی ٹیکس	(276,819)	(89,499)	-67.7%
نقصان بعد از ادائیگی ٹیکس	(223,039)	(78,477)	-64.8%
نقصان فی حصص روپے میں	[Rs. 6.32]	[Rs. 2.22]	

- کمپنی نے اپنی آمدنی کو برقرار رکھا اور ۶۴ ملین روپے کی خالص فروخت ریکارڈ کی۔
- کمپنی کے مجموعی منافع میں ۷.۵ فیصد اضافہ ہوا اور جی پی مارجن بھی ۶.۶ فیصد سے بڑھ کر ۳۸.۶ فیصد ہو گیا۔
- مجموعی مارجن میں اضافہ نئے براہنڈ کے بہتر بیلنس کے ذریعے حاصل کیا گیا ہے جن کا معقول مارجن ہے۔ آپریٹنگ منافع میں بھی پچھلے سال کی اسی مدت کے مقابلے میں ۱۹ فیصد اضافہ ہوا۔

آپریٹنگ منافع میں اضافہ بنیادی طور پر مجموعی مارجن اور ٹول آمدنی میں اضافے سے ہوا۔

- آپریٹنگ اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں ۱.۹ فیصد اضافہ ہوا جو کہ اخراجات میں عام افراط زر کی وجہ سے ہے۔

### شریک کمپنیوں سے بیمہ کا خسارہ:

سال ۲۰۲۱ء کے دوران شریک کمپنی ایف ایم سی یونائیٹڈ (پرائیویٹ) لمیٹڈ مجموعی مارجن اور بھاری مالیاتی لاگت میں نمایاں کمی کی وجہ سے شریک کمپنی کو زبردانہ مدت میں ۴.۴ ملین روپے نقصان کا سامنا کرنا پڑا۔ لہذا UDPL نے اپنی کتابوں میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ ’۲۸ انویسٹمنٹ این ایسوی ایٹس اینڈ جوائنٹ ڈیپنرز‘ کے تحت شریک کمپنیوں سے ہونے والے نقصان کے حصول کو تسلیم کیا ہے۔

ایف ایم سی یونائیٹڈ (پرائیویٹ) لمیٹڈ میں بوڈی پی ایل ۴۰ فیصد کیونکی اسٹیک کی حامل ہے۔

### فی شیئر خسارہ:

بعد از ٹیکس بنیادی خسارہ فی شیئر (۲.۲۲) روپے (۲۰۲۰ : ۶.۳۲ روپے) ہوا۔ منفی EPS پوسٹ کیا گیا جس کی وجہ شریک کمپنیوں سے ریکارڈ شدہ سسٹمیٹشل شیئر کا خسارہ ہے۔

کمپنی کے شیئر کی بنیادی آمدنی پر عمل دخل کا کوئی اثر نہیں پڑتا کیوں کہ ۳۰ جون ۲۰۲۱ء اور ۲۰۲۰ء 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 معینہ 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 کی مالیاتی کارکردگی سے متصادم ہو سکتے ہیں۔ کمپنی ان خطرات کو قابل قبول حد تک یا تخفیف کرنے پر مشرک کام کرتی ہے۔

## حامل کمپنی

جینیسیس ہولڈنگز(پرائیویٹ) کمپنی جو یونائیٹڈ ڈسٹری بیوٹرز پاکستان لمیٹڈ کی حامل کمپنی ہے جس کے پاس اس کمپنی میں ۵۳.۲۳ فیصد حصص ہیں۔ بمطابق ۳۰ جون ۲۰۲۱ء، جینیسیس کے پاس ۱۰ روپے والے ۲۱۶،۰۶۱،۳۰۰ حصص ہیں۔

### ڈیویڈنڈ

مارکیٹ سے لیکویڈٹی کی پیداوار کیلئے زبردانہ سال کافی مشکل سال تھا۔ بورڈ آف ڈائریکٹرز نے کیش فلو کو تحفظ فراہم کرنے کیلئے ۲۹ اکتوبر ۲۰۲۱ء کو منعقدہ اپنے اجلاس میں ۳۰ جون ۲۰۲۱ء کے اختتامی سال کیلئے کیش ڈویڈنڈ کی سفارش نہیں کی ہے۔

### 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 شراکت کرنے کی کوشش کرتی ہے۔ سال کے دوران کمپنی نے صحت، تعلیم اور دیگر سماجی سرگرمیوں کے لئے عطیات دیے۔

چونکہ کوویڈ ۱9 سال کے دوران صحت اور حفاظت کا ایک بڑا مسئلہ رہا ہے۔ انتظامیہ نے خطرے کو کم کرنے کے لئے مختلف اقدامات کیے ہیں جس میں باقاعدگی سے اگاہی کے سیشن، ہینڈ سینیٹائزرز کی فراہمی، درجہ حرارت کی نگرانی، احاطے کی باقاعدگی سے صفائی، ماسک کی ضرورت اور سماجی دوری شامل ہیں۔

### ہیومن ریسورس:

ہم ہمیشہ غیر معمولی نتائج حاصل کرنے میں ہماری ٹیم کے اہم کردار پر یقین رکھتے ہیں۔ یہ ہمارے لوگوں کی محنت اور تعاون ہے جس نے ہماری کمپنی کو ان مشکل وقتوں میں اپنے اہداف حاصل کرنے کے قابل بنایا ہے۔ ہماری ٹیم نہ صرف ہمارے حصص یافتگان بلکہ معیشت اور معاشرے کے لئے قدر پیدا کرنے کی کوشش کرتی ہے۔ سمجھتے ہیں کہ انسانی وسائل میں سرمایہ کاری مجموعی پیداواری صلاحیت کو بڑھانے میں مدد دے گی، جو کہ آخر کار ہمیں پائیدار کاروباری نتائج پیدا کرنے میں مدد دے گی یہی وجہ ہے کہ کمپنی لوگوں میں سرمایہ کاری کرنے سے کبھی نہیں ہچکچاتی۔ ہم ہمیشہ بوڈی پی ایل کو عزت، دیانتداری اور ٹیم ورک کی بنیاد پر ایک مضبوط کلچر بنا کر انتخاب کا آجر بنانے کی کوشش کرتے ہیں۔

### طویل سروس ایوارڈ:

طویل سروس ایوارڈ زان ملازمین کی عقیدت اور وفاداری کو تسلیم کرنے اور انعام دینے کے لئے فراہم کیے جاتے ہیں جن کا کمپنی کے ساتھ طویل عرصے تک کام ہوتا ہے۔ مالی سال ۲۱- ۲۰۲۰ کے دوران بیس ملازمین کو ان ایوارڈز سے نوازا گیا۔

### 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:

آپریٹنگ /مالیاتی ڈیٹا کی جھلکیاں 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۔

### جیئر مین کے جائزے:

کمپنی کے ڈائریکٹر جیئر 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 کمپنیز (ادارتی انتظامی ضابطہ) قواعد 2017 میں درکار اہلیت سے مستثنیٰ قرار دیئے جاتے ہیں۔

### ملازمین کے اختتام ملازمت پرفوائد کا منصوبہ

کمپنی اپنے ملازمین کو اختتامی فوائد پرویڈنٹ 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۔

پروویڈنٹ فنڈ کی سرمایہ کاری لاگت ان کے محاسب کردہ کھاتوں کی بنیاد پر بمطابق ۳۰ رجون ۲۰۲۱ء اور بمطابق ۳۰ جون ۲۰۲۰ء بالترتیب درج ذیل تھی:

2020	2021	
----- (روپے، ہزاروں میں) -----		
121,529	131,277	پروویڈنٹ فنڈ سرمایہ کاری کی شفاف لاگت

### 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 کمپنی میں شرکت کردہ اجلاس کی مد میں ہے۔
- بورڈ اپنے منتظمین کیلئے بورڈ اور کمپنی میں شرکت کا معاوضہ طے کرنے کا مجاز ہے۔

# ڈائریکٹرز رپورٹ

## مجلس منتظمین کے اجلاس

سال کے دوران، کمپنی نے ایک بصیرت مند لیڈر، پُر جوش مرکوز، کاروباری اور زندگی بھر سیکھنے کے شوقین جناب راشد عبداللہ کو کھو دیا۔ کمپنی کے بورڈ آف ڈائریکٹرز اپنے بورڈ ممبر اور چیئرمین کے انتقال پر گہرے دکھ اور نقصان کا اظہار کرتے ہیں۔  
دوران سال، مجلس منتظمین کے چھ اجلاس منعقد کئے گئے۔ ہر ایک تنظیم کی شرکت درج ذیل تھی:

نمبر شمارہ	نام تنظیم	شرکت کردہ اجلاس
01.	جناب یاز عبداللہ	5
02.	جناب اسد عبداللہ	6
03.	محترمہ عائشہ بیگز کریا	1
04.	جناب ایس۔ ندیم احمد	4
05.	جناب عبدالسیح کا شمیری	2
06.	جناب طاہر سعید	6
07.	جناب محمد سلمان حسین چاؤلہ	5

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

## بورڈ کی کمیٹیاں:

بورڈ نے دو ذیلی کمیٹیاں آڈٹ کمیٹی اور ایسوسی ایٹڈ ریویژن (معاوضہ) کمیٹی تشکیل دیں۔ کمیٹی تین ممبران پر مشتمل ہے۔ تمام غیر ایگزیکٹو ڈائریکٹرز ہیں اور کمیٹیوں کا چیئرمین ایک آزاد ڈائریکٹر ہے۔

## آڈٹ کمیٹی:

- جناب طاہر سعید
- جناب یاز عبداللہ
- جناب محمد سلمان حسین چاؤلہ

## ایسوسی ایٹڈ ریویژن (معاوضہ) کمیٹی:

- جناب محمد سلمان حسین چاؤلہ
- جناب یاز عبداللہ
- جناب عبدالسیح کا شمیری

یونائیٹڈ سٹری بیوٹرز پاکستان لمیٹڈ (یو ڈی پی ایل) کی مجلس منتظمین کو رپورٹ ہذا پیش کرتے ہوئے خوشی ہے، بشمول کمپنی کی محاسب کردہ مالیاتی تفصیلات برائے اختتام سال ۲۰۲۱ء۔

رپورٹ ہذا کو کمپنی کی سالانہ عمومی مجلس منعقد مورخہ ۲۶ نومبر ۲۰۲۱ء 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	*05
(ب)	خاتون	01

مجلس منتظمین کے نام اور تشکیل بمطابق ۳۰ جون ۲۰۲۱ء درج ذیل ہیں۔

نمبر شمارہ	تشکیل	منتظمین کی کل تعداد
-۱	آزاد تنظیمیں	جناب طاہر سعید جناب محمد سلمان حسین چاؤلہ
-۲	دیگر غیر اعلیٰ تنظیمیں	محترمہ عائشہ بیگز کریا جناب ایس۔ ندیم احمد جناب عبدالسیح کا شمیری جناب یاز عبداللہ
-۳	افراطی	جناب اسد عبداللہ

جناب سید ندیم احمد نے 21 جون 2021 کو کمپنی کے ڈائریکٹرز کے عہدے سے استعفیٰ دے دیا اور خالی جگہ بعد میں پُر کی گئی۔

www.jamapunji.pk

**Jama Punji**

سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,  
Be safe**

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

## Key features:

📄 Licensed Entities Verification

📊 Scam meter\*

🎮 Jamapunji games\*

📊 Tax credit calculator\*

🔍 Company Verification

📄 Insurance & Investment Checklist

?? FAQs Answered

📈 Stock trading simulator  
(based on live feed from KSE)

📖 Knowledge center

📊 Risk profiler\*

📄 Financial calculator

📱 Subscription to Alerts (event notifications, corporate and regulatory actions)

📱 Jamapunji application for mobile device

📄 Online Quizzes

jamapunji.pk

@jamapunji\_pk

\*Mobile apps are also available for download for android and ios devices



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan