



Pakistan



# Financial **Statement**

For the Nine Months ended

# 2021

March 31, 2021 [un-audited]

# 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

## Audit Committee

Mr. Tahir Saeed  
Chairman

Mr. M. Salman Hussain Chawala  
Member

Mr. Ayaz Abdulla  
Member

## Company Secretary

Mr. M. Imran  
Company Secretary

## HR, & Remuneration Committee

Mr. M. Salman Hussain Chawala  
Chairman

Mr. Abdul Samie Cashmiri  
Member

Mr. Ayaz Abdulla  
Member

## Legal Advisor

M/s. Saleem & Khan  
Law Associates Advocate  
& Advisors

## Auditors

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

## CFO

Mr. Sohail Hasnain Ahmed  
Chief Financial Officer

## 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

## Registrar

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

## 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)

## Directors' Report

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the nine months ended March 31, 2021.

### Financial performance

The Company has been able to improve overall its financial performance during the period under review. The Company managed to achieve sales of Rs 476 million, registering a marginal increase over the corresponding period of the last year.

The gross profit amount of the Company also grew by 2% and gross margin remain stood same as compared to the same period last year. The operating expenses have been increased slightly which are attributable to inflation.

Particulars	July-March		
	2021	2020	Variance
	<b>Rs. In thousands</b>		
Net Sales	475,836	473,369	1%
Gross profit	179,553	175,569	2%
Profit from operations	45,657	42,792	7%
Loss before taxation	(101,004)	(305,379)	-67%
Loss after taxation	(85,123)	(254,298)	-67%
Loss per share in Rs.	(2.41)	(7.21)	

The Financial charges were decreased by 45% during the period due to reduction in short term borrowings and as well as interest rate as compared to the last year same period.

The associate company has reduced the loss significantly for the period under review. Hence, the UDPL recognizes share of loss from associate proportionately in accordance with relevant accounting framework.


### 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. We anticipate that the Company may face challenges of escalation in cost, owing to inflation and product price hike which may impact gross margins and profitability of the Company. Notwithstanding, the management of the Company would continue its efforts to improve productivity, cost containment and operational excellence in order to sustain the positive bottom line and fuel the growth.

### 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  
Karachi: April 27, 2021



**Tahir Saeed**  
Director

# ڈائریکٹرز رپورٹ

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

شریک کمپنی نے زیر جائزہ مدت میں نقصان ریکارڈ کیا لہذا UDPL نے اپنی کتاب میں متعلقہ اکاؤنٹنگ فریم ورک کے مطابق شریک کمپنی سے ہونیوالے نقصان کو تسلیم کیا ہے۔

## مستقبل پر ایک نظر

ہمارا عزم ہے کہ ہم منفرد اور اعلیٰ معیاری مصنوعات متعارف کروا کر کسانوں کی فلاح و بہبود کا سفر جاری رکھیں گے تاکہ انہیں فصلوں سے بہترین پیداوار حاصل ہو اور انسانوں / شہریوں کو اعلیٰ معیاری غذا فراہم کر سکیں۔ اگرچہ زراعت کے میدان میں مسابقت شدت اختیار کر گئی ہے لیکن کمپنی ایسے اقدامات کر رہی ہے جس سے اس کی مسابقتی پوزیشن بہتر ہو جائے اور اپنی ٹیم میں اضافہ کر سکے۔

ہمیں امید ہے کہ کمپنی بہترین ہر ایم کش ادویات اور کھاد کی مصنوعات کا مرکب سامنے لائے گی۔ ہم اپنی مسلسل توجہ اور سرمایہ بنیادی قوتوں پر مرکوز رکھیں گے جیسے کہ ہماری ٹیم، نئے برانڈ، مصنوعات کی رجسٹریشن، کسٹمرز کی تعداد میں اضافہ اور کاروبار چلانے کے اخراجات میں کمی لائیں گی جس سے ہمیں پائیدار نمو حاصل ہوگی۔

## اعتراف

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

کمپنی ۳۱ مارچ ۲۰۲۱ء کو ختم ہونے والی نو ماہی کے دوران اپنی مالی کارکردگی کو نمایاں طور پر بہتر کرنے میں کامیاب ہوئی۔

## آپریٹنگ نتائج

جولائی - مارچ	
2020	2021
473,369	475,836
175,569	179,553
42,792	45,657
(305,379)	(101,004)
(254,298)	(85,123)
(7.21)	(2.41)

خالص فروخت  
خام منافع  
منافع آپریٹنگ  
نقصان قبل از ٹیکس  
نقصان بعد از ٹیکس  
نقصان فی حصص منافع (روپے میں)

کمپنی کی خالص فروخت ۲۷۱ ملین روپیہ جو کہ گزشتہ سال سے ۱ فیصد زائد رہی۔ کمپنی کے خام منافع میں گزشتہ سال کی نسبت ۲ فیصد زیادہ اضافہ ہوا۔ خام منافع ۳۷ فیصد سے بڑھ کر ۳۸ فیصد ہو گیا۔ زیر جائزہ عرصے میں زیادہ فروخت کی وجہ سے تقسیم، مارکیٹ اور انتظامی اخراجات میں معمولی اضافہ ہوا۔

شرح سود میں کمی کی وجہ سے مالی اخراجات میں ۴۵ فیصد کمی ہوئی۔

برائے اور بورڈ کی جانب سے



طاہر سعید  
ڈائریکٹر



اسد عیالہ  
چیف ایگزیکٹو آفیسر

کراچی: ۱۷ اپریل ۲۰۲۱ء

**UNITED DISTRIBUTORS PAKISTAN LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021**

	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
Rupees in '000			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	31,368	37,080
Intangible assets		2,887	4,637
Investment in associate	6	612,967	768,530
Long-term investments	7	1,716,039	1,376,229
Long-term loans		113	-
Long-term deposits		3,122	3,122
		<u>2,366,496</u>	<u>2,189,598</u>
<b>CURRENT ASSETS</b>			
Inventories		149,412	265,925
Trade and other receivables	8	198,648	150,123
Loans, advances and prepayments		7,879	2,684
Short term investments		5,106	
Current tax asset		20,625	37,519
Cash and bank balances		17,708	3,585
		<u>399,378</u>	<u>459,836</u>
<b>TOTAL ASSETS</b>		<u><u>2,765,874</u></u>	<u><u>2,649,434</u></u>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Issued, subscribed and paid up capital		352,713	352,713
Revenue Reserve			
Un-appropriated profits		460,593	559,841
General reserve		28,548	28,548
		<u>489,141</u>	<u>588,389</u>
Revaluation reserve on investment at fair value through other comprehensive income		1,624,494	1,284,684
		<u>2,466,348</u>	<u>2,225,786</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term portion of liability under diminishing musharakah financing		4,979	5,632
Long-term lease liability		6,815	9,916
Salary refinancing	9	20,836	10,282
Deferred tax liability		43,240	65,977
		<u>75,870</u>	<u>91,807</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	169,625	245,937
Current portion of liability under diminishing musharakah financing		4,224	5,897
Current portion of long-term lease liability		6,274	7,324
Short- term borrowings	11	42,644	71,782
Unclaimed dividend		889	901
		<u>223,656</u>	<u>331,841</u>
<b>TOTAL LIABILITIES</b>		<u>299,526</u>	<u>423,648</u>
<b>COMMITMENTS</b>			
	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,765,874</u></u>	<u><u>2,649,434</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

**UNITED DISTRIBUTORS PAKISTAN LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED**

	Note	Quarter ended		Nine months ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		← Rupees in '000 →			
Revenue from contracts with customers	13	<b>147,367</b>	134,254	<b>475,836</b>	473,369
Cost of sales		<b>(93,467)</b>	(80,748)	<b>(296,283)</b>	(297,800)
Gross profit		<b>53,900</b>	53,506	<b>179,553</b>	175,569
Marketing and distribution expenses		<b>(37,017)</b>	(38,753)	<b>(120,525)</b>	(118,496)
Administrative and general expenses		<b>(7,267)</b>	(6,748)	<b>(22,562)</b>	(23,396)
Other operating expenses		<b>(169)</b>	-	<b>(721)</b>	(245)
Other income		<b>502</b>	(159)	<b>9,912</b>	9,360
Operating profit		<b>9,949</b>	7,846	<b>45,657</b>	42,792
Finance cost		<b>(1,441)</b>	(4,331)	<b>(7,715)</b>	(14,113)
Share of profit (loss) from associate		<b>1,027</b>	(174,032)	<b>(138,946)</b>	(334,058)
Profit / (loss) before income tax		<b>9,535</b>	(170,517)	<b>(101,004)</b>	(305,379)
Income tax credit		<b>83</b>	28,850	<b>15,881</b>	51,081
Profit / (loss) after income tax		<b>9,618</b>	(141,667)	<b>(85,123)</b>	(254,298)
Earning /(loss) per share - basic and diluted		<b>Rs. 0.27</b>	(Rs. 4.02)	<b>(Rs. 2.41)</b>	(Rs. 7.21)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

**UNITED DISTRIBUTORS PAKISTAN LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED**

	Quarter ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	← Rupees in '000 →			
Profit / (loss) after income tax	9,618	(141,667)	(85,123)	(254,298)
<b>Other comprehensive income / (loss)</b>				
<b>Items that will not be subsequently reclassified in profit or loss:</b>				
Change in fair value of investment carried at fair value through other comprehensive income (OCI)	(37,022)	(230,126)	339,810	113,397
Share of remeasurements of post employment benefit obligations of associate	-	-	(16,618)	(13,138)
Deferred tax relating to component of other comprehensive loss	-	-	2,493	1,971
	-	-	(14,125)	(11,167)
<b>Total comprehensive income / (loss) for the period</b>	<b>(27,404)</b>	<b>(371,793)</b>	<b>240,562</b>	<b>(152,068)</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

**UNITED DISTRIBUTORS PAKISTAN LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED**

	Note	March 31, 2021	March 31, 2020
		Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	14	43,488	41,965
Finance cost paid		(5,666)	(7,881)
Income tax refund / (paid)		12,532	(6,421)
(Increase) / decrease in long term loans and deposits		(113)	314
Net cash generated from operating activities		<u>50,241</u>	<u>27,977</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for acquisition of property, plant and equipment		(5,597)	(543)
Short term investment		(5,106)	-
Dividend received		2,368	9,381
Proceeds from disposal of property and equipment		412	426
Net cash (used in) / generated from investing activities		<u>(7,923)</u>	<u>9,264</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(7,668)
Lease rentals paid		(7,285)	(6,476)
Short term loan obtained		9,389	-
Decrease of liabilities against assets subject to diminishing musharakah financing arrangement		(2,326)	(5,402)
Net cash used in financing activities		<u>(222)</u>	<u>(19,546)</u>
Net increase in cash and cash equivalents		<u>42,096</u>	<u>17,695</u>
Cash and cash equivalents at beginning of the period		(32,909)	(60,608)
Cash and cash equivalents at the end of period	15	<u><u>9,187</u></u>	<u><u>(42,913)</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director



# UNITED DISTRIBUTORS PAKISTAN LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED

	SHARE CAPITAL  Issued, subscribed and paid up capital	REVENUE RESERVE		Revaluation reserve on investments held at fair value through OCI	Total
		General reserve	Unappropriated Profits		
← Rupees in '000 →					
Balance at July 1, 2019	306,707	28,548	844,182	1,111,511	2,290,948
Bonus shares issued during the period in the ratio of 1 share for every 15 shares held	46,006	-	(46,006)	-	-
Cash dividend paid @ Rs. 0.25 per share	-	-	(7,668)	-	(7,668)
Loss for the period ended March 31, 2020	-	-	(254,298)	-	(254,298)
Other comprehensive (loss) / income	-	-	(11,167)	113,397	102,230
Total comprehensive (loss) / income	-	-	(265,465)	113,397	(152,068)
Balance as at March 31, 2020	<u>352,713</u>	<u>28,548</u>	<u>525,043</u>	<u>1,224,908</u>	<u>2,131,212</u>
Balance as at July 1, 2020	352,713	28,548	559,841	1,284,684	2,225,786
Loss for the period ended March 31, 2021	-	-	(85,123)	-	(85,123)
Other comprehensive (loss) / income	-	-	(14,125)	339,810	325,685
Total comprehensive (loss) / income	-	-	(99,248)	339,810	240,562
Balance at March 31, 2021	<u>352,713</u>	<u>28,548</u>	<u>460,593</u>	<u>1,624,494</u>	<u>2,466,348</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

**UNITED DISTRIBUTORS PAKISTAN LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED MARCH 31, 2021 - UNAUDITED****1. THE COMPANY AND ITS OPERATIONS**

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

In 2011, the IBL Group decided to adopt the holding company structure wherein International Brands Limited holds at least 55% shareholding in all the subsidiary companies. This restructuring was undertaken to provide the platform to manage the long term Group expansion strategy, corporate compliance, operational efficiency, financial arrangements and tax benefits, thereby, resulting in improved returns to the shareholders.

After the approval of the scheme of Arrangement by the Honourable High Court of Sindh on May 25, 2011, International Brands Limited became the Group holding company. The operating activities of the Company were transferred to IBL Operations (Private) Limited and separate books were opened effective July 01, 2011. As a consequence of the above restructuring, United Distributors Pakistan Limited received shares of International Brands Limited (the holding company) which are held by the Company as at March 31, 2021.

During the period the Company has received a notice of public announcement of intention from Optimus Capital Management (Private) Limited (Manager to offer) on behalf of Genesis Holdings (Private) Limited (nominee of Mr. Shahid Abdulla, Mr. Asad Abdulla, director, Mr. Ayaz Abdulla, director and Ms. Aisha Zaid Zakaria, director) to acquire issued and subscribed voting shares of the Company.

**2. BASIS OF PREPARATION**

These condensed interim financial statements of the Company for the period ended March 31, 2021 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, Interim Financial Reporting and provisions of and directive issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

## **2.1 Changes in accounting standards, interpretations and pronouncements**

### **a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's accounting period which began on July 1, 2020. However, these do not have any significant impact on these condensed interim financial statements.

### **b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after July 1, 2020 are considered not to be relevant to these condensed interim financial statements and hence have not been detailed here.

### **c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's accounting periods beginning on or after July 1, 2020. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

## **4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Rupees in '000	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Owned operating assets	6,059	5,712
Right-of-use assets	25,309	31,368
	<u>31,368</u>	<u>37,080</u>

Following are additions to / disposals of property, plant and equipment during the period:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	← Rupees in '000 →			
<b>Owned operating assets</b>				
Plant and machinery	1,893	324	4	1
Computers	184	-	-	-
Office equipment	-	219	58	-
	<u>2,077</u>	<u>543</u>	<u>62</u>	<u>1</u>
<b>Right-of-use assets</b>				
Rental Property	1,571	-	-	-
Vehicles	3,520	-	-	-
	<u>5,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7,168</u>	<u>543</u>	<u>62</u>	<u>1</u>

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Rupees in '000	
<b>6. INVESTMENT IN ASSOCIATE</b>		
Balance at beginning of the period	768,530	1,131,793
Effect of change in accounting policy due to adoption of IFRS 9 accounted for during the year 2020	-	(28,320)
Share of loss for the period	(138,945)	(313,607)
Share of other comprehensive loss for the period	(16,618)	(13,139)
Less: Dividend income for the period	-	(8,197)
Balance at end of the period	<u>612,967</u>	<u>768,530</u>

- 6.1** This represents shareholding of 40% (June 30, 2020: 40%) comprising of 1,639,418 shares (June 30, 2020: 1,639,418 shares) of FMC United (Private) Limited, original cost of the shares was Rs. 16.39 million.
- 6.2** The amounts of share of loss and other comprehensive loss for the period are based on unaudited financial statements of FMC United (Private) Limited as at March 31, 2021.

**(Unaudited)**                      **(Audited)**  
**March 31,**                      **June 30,**  
**2021**                              **2020**  
**Rupees in '000**

**7. LONG-TERM INVESTMENTS**

**Investments at fair value through other comprehensive income**

**- IBL HealthCare Limited - Listed - note 7.1**

1,215,135 (June 30, 2020: 1,215,135)  
 fully paid ordinary shares of Rs. 10 each

Percentage holding 2.19%  
 (June 30, 2020: 2.19%)

Cost: Rs. 7,882,580  
 (June 30, 2020: Rs. 7,882,580)

**- International Brands Limited (Holding Company) - Unlisted - note 7.1, 7.2 and 7.3**

11,079,852 (June 30, 2020: 11,079,852)  
 fully paid ordinary shares of Rs. 10 each

Percentage holding 4.71%  
 (June 30, 2020: 4.71%)

Cost: Rs. 83,663,056  
 (June 30, 2020: Rs. 83,663,056)

110,650	94,112
1,605,389	1,282,117
<u>1,716,039</u>	<u>1,376,229</u>

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

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

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

**7.3** Consequent to the restructuring under Court order as explained in note 1, the Company holds shares of International Brands Limited (the Holding Company) which have been carried at fair value through other comprehensive income.

## **8. TRADE AND OTHER RECEIVABLES**

These include Nil (June 30, 2020: Nil) receivables from related parties.

## **9. SALARY REFINANCING**

This represents salary refinancing amounting to Rs. 36.15 million (June 30, 2020: Rs. 13.70 million) in relation to the Company availing the State Bank of Pakistan's (SBP) payroll refinance facility as a part of measures for countering COVID-19. The Company will pay a quarterly mark up at a discounted rate of 3% per annum, with eight equal quarterly installments starting from January 2021.

	<b>(Unaudited)</b> <b>December 31,</b> <b>2020</b>	<b>(Audited)</b> <b>June 30,</b> <b>2020</b>
	<b>Rupees in '000</b>	
Salary refinancing	36,159	13,709
Current portion	15,323	3,427
Non-current portion	20,836	10,282

**10. TRADE AND OTHER PAYABLES**

These include Rs. 5.2 million (June 30, 2020: Rs. 5.7 million) payables to related parties.

	<b>(Unaudited)</b> <b>March 31,</b> <b>2021</b>	<b>(Audited)</b> <b>June 30,</b> <b>2020</b>
	<b>Rupees in '000</b>	
<b>11. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Running finance under mark-up arrangement - note 11.1	8,521	36,494
Short-term loan (Tijarah) - note 11.2	-	13,061
<b>Unsecured</b>		
Current portion of salary refinancing - note 9	15,323	3,427
Short- term loan - note 11.3	18,800	18,800
	<u>42,644</u>	<u>71,782</u>

**11.1** The Company obtained running finance facility from Habib Metropolitan Bank Limited at 3 months KIBOR + 2% per annum (June 30, 2020: 3 months KIBOR + 2% per annum). This facility is secured by way of hypothecation of current assets of the Company.

**11.2** The Company obtained short-term loan (Tijarah) Financing facility from Al Baraka Bank (Pakistan) Limited at 3 months KIBOR + 2.5% per annum (June 30, 2020: 3 months KIBOR + 2.5% per annum). This facility is secured by way of hypothecation of current assets of the Company.

**11.3** This represents short term loan obtained from Genesis Holding (private) Limited, a related party.

**12. COMMITMENTS**

The facilities for opening letters of credit as at March 31, 2021 amounted to Rs. 350 million (June 30, 2020: Rs. 300 million). The amount remaining unutilised as at March 31, 2021 is Rs. 264.35 million (June 30, 2020: Rs. 139.89 million).

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Rupees in '000</b>	
<b>13. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Gross Revenue	533,301	541,958
Less:		
- discounts	(6,062)	(23,176)
- sales return	(47,044)	(42,092)
- sales tax	(4,359)	(3,321)
	<u>475,836</u>	<u>473,369</u>
<b>14. CASH GENERATED (USED IN) / FROM OPERATIONS</b>		
Loss before income tax	(101,004)	(305,379)
Adjustment for non-cash incomes and expenses:		
Depreciation and amortisation	14,565	13,260
Finance cost	7,715	14,113
Gain on disposal of property, plant and equipment	(350)	(426)
Dividend Income	(2,368)	(1,184)
Share of loss from associate	138,946	334,058
	<u>158,508</u>	<u>359,821</u>
Profit before changes in working capital	<u>57,504</u>	<u>54,442</u>
Changes in Working Capital:		
Decrease / (increase) in current assets:		
Inventories	116,513	80,459
Trade and other receivables	(48,525)	(47,628)
Loans, advances and prepayments	(5,195)	(602)
	<u>62,793</u>	<u>32,229</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(76,797)	(44,706)
Unclaimed dividend	(12)	-
Cash generated from operations	<u>43,488</u>	<u>41,965</u>
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	17,708	1,514
Short-term borrowings - note 11	(8,521)	(44,427)
	<u>9,187</u>	<u>(42,913)</u>



## 16. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	March 31, 2021	March 31, 2020
Rupees in '000			
i. Holding company	- Corporate service charges	4,500	4,500
	- Payment on behalf of Holding Company	863	13,015
	- Receipts from Holding Company	-	11,900
ii. Associated companies	- Rent charged	349	-
	- IT services	35	104
	- Warehouse rent	450	-
	- Dividend received	2,013	1,184
	- Interest charged	791	-
	- Repairs and maintenance	140	-
	- Dividend income	2,368	9,381
	- Contribution paid	5,443	5,293
iii. Employees' Provident Fund	- Salaries and other employee benefits	18,206	15,847
	- Directors' fee	15	8

## 17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on **April 27, 2021**.



Chief Financial Officer



Chief Executive



Director