



Pakistan

Quarterly Report

For the 1st Quarter ended
September 30, 2016
Un-Audited



Company Information

Board of Directors

Mr. Rashid Abdulla
Chairman

Mr. Asad Abdulla
Chief Executive Officer

Mr. Zubair Palwala
Director

Mr. Ayaz Abdulla
Director

Mr. S. Nadeem Ahmed
Director

Mr. Tahir Saeed
Director

Mr. M. Salman Hussain Chawala
Director

Audit Committee

Mr. Tahir Saeed
Chairman

Mr. Zubair Palwala
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

Registered Office

United Distributors Pakistan Limited
9th Floor, NIC Building, Abbasi
Shaheed Road, Off: Shahrah-e-Faisal,
Karachi
Web: www.udpl.com.pk

Company Secretary

Mr. Adnan Ahmed Feroze
Company Secretary

CFO

Mr. Sohail Hasnain Ahmed
Chief Financial Officer

Legal Advisor

Shah & Co.
Barristers Corporate &
Tax Counselors

Remuneration Committee

Mr. Ayaz Abdulla
Chairman

Mr. Zubair Palwala
Member

Mr. Asad Abdulla
Member

Bankers

Standard Chartered Bank Pakistan
Habib Metropolitan Bank Limited
Habib Bank Limited
Silk Bank Limited
Muslim Commercial Bank Limited

Registrar

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

Directors' Report

On behalf of the Board of Directors of United Distributors Pakistan Limited (UDPL), I am pleased to present the un-audited condensed interim financial statements for the first quarter ended September 30, 2016.

OPERATING RESULTS

	FIRST QUARTER ENDED	
	September 30, 2016	September 30, 2015 <small>(Restated)</small>
	<small>(Rupees in '000)</small>	
Sales	121,168	106,825
Gross profit	46,537	22,710
Operating Profit / (loss)	12,037	(3,473)
Profit before taxation	90,908	53,311
Profit after taxation	77,269	44,693
EPS in Rs.	3.82	2.21

The Company registered net sales amounting Rs.121.17 million as compared to Rs. 106.82 million over the corresponding period last year. The sales revenue increased by 13.4% during the period under review mainly due to good contribution of pesticides brands over the corresponding period last year.

Further, the Company took various initiatives, consistent spending on quality products and providing the best services to its customers, resulting a substantial increase in gross profit during the period under review. The Company has earned a pre-tax operating profit Rs.12.04 million during the first quarter as compare to a pre-tax operating (loss) of Rs.3.47 million during the same period last year.

FUTURE OUTLOOK

We aim to attain a profitable and sustained growth in future. Your company continues to maintain a strong positive outlook in agriculture sector of the country.

We continue to focus and invest on the fundamental strengths i.e. our team, new brands enhancement of customer base, and reducing the operating expenses that will help us to achieve the objectives set out by the management.

ACKNOWLEDGEMENTS

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

Karachi: October 25, 2016

ASAD ABDULLA
Chief Executive Officer

Condensed Interim Balance Sheet

as at September 30, 2016

		(Un-audited) September 30, 2016	(Audited) June 30, 2016
ASSETS	Note	----- [Rupees in '000'] -----	
NON CURRENT ASSETS			
Property, plant and equipment	5	17,983	19,910
Intangible assets		4,127	4,158
Long-term investments	6	1,089,957	1,004,720
Long-term deposits		2,550	2,550
		1,114,617	1,031,338
CURRENT ASSETS			
Stock-in-trade		96,397	146,986
Trade debts		46,874	43,790
Loans, advances and prepayments		826	935
Other receivables		4,311	24,532
Short term investment	7	17,500	-
Tax refunds due from Government - sales tax		638	2,906
Taxation - payments less provisions		24,031	25,247
Cash and bank balances		22,132	10,561
		212,709	254,957
TOTAL ASSETS		1,327,326	1,286,295
SHARE CAPITAL AND RESERVES			
Share capital		202,047	202,047
Reserves		914,737	831,610
		1,116,784	1,033,657
LIABILITIES			
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		1,045	1,692
Deferred taxation		79,993	71,250
		81,038	72,942
CURRENT LIABILITIES			
Trade and other payables		126,702	176,169
Accrued mark-up	8	-	42
Current portion of liabilities against assets subject to finance lease		2,802	3,485
		129,504	179,696
TOTAL LIABILITIES		210,542	252,638
CONTINGENCIES AND COMMITMENTS			
Total equity and liabilities	9	1,327,326	1,286,295

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Condensed Interim Profit and Loss Account (Un-audited)

for the first Quarter ended September 30, 2016

	Note	Quarter ended	
		September 30, 2016	September 30, 2015 <small>(Restated)</small>
		----- (Rupees in '000') -----	
Sales-net	10	121,168	106,825
Cost of sales		(74,631)	(84,115)
Gross profit		46,537	22,710
Distribution cost		(30,241)	(23,120)
Administrative expenses		(5,031)	(3,738)
Other income		772	675
Profit / (loss) from operations		12,037	(3,473)
Finance cost		(508)	(524)
Share of profit from associate		79,379	57,308
Profit before taxation		90,908	53,311
Taxation		(13,639)	(8,618)
Profit after taxation		77,269	44,693
Basic and diluted earnings- per share (Rupees)		Rs. 3.82	Rs. 2.21

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Comprehensive Income

(Un-audited)

for the first Quarter ended September 30, 2016

	Quarter ended	
	September 30, 2016	(Restated) September 30, 2015
Note	-----	-----
	(Rupees in '000')	
Profit after taxation	77,269	44,693
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:	-	-
Items that may be subsequently reclassified to profit or loss:		
Unrealised gain on revaluation of available-for-sale investment	5,858	31,123
Total comprehensive income for the period	<u><u>83,127</u></u>	<u><u>75,816</u></u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

ASAD ABDULLA
Chief Executive Officer

ZUBAIR PALWALA
Director

Condensed Interim Statement of Cash Flow (Un-audited)

for the first Quarter ended September 30, 2016

	Note	Quarter ended	
		September 30, 2016	September 30, 2015 <small>(Restated)</small>
CASH FLOWS FROM OPERATING ACTIVITIES			
		----- (Rupees in '000') -----	
Cash generated from operations	11	34,663	20,162
Finance cost paid		(550)	(1,058)
Income tax paid		(3,679)	(954)
Net cash generated from operating activities		<u>30,434</u>	<u>18,150</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(263)	(50)
Purchase of Intangible asset		-	(128)
Short term investment		(17,500)	-
Profit on short-term investments		195	-
Long-term loans		-	(18)
Sale proceeds from disposal of property, plant and equipment		35	-
Net cash used in from investing activities		<u>(17,533)</u>	<u>(196)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowing - secured		-	(14,765)
Payment of liabilities against assets subject to finance leases		(1,330)	(2,876)
Net cash used in financing activities		<u>(1,330)</u>	<u>(17,641)</u>
Net increase in cash and cash equivalents		11,571	313
Cash and cash equivalents at the beginning of the period		10,561	4,563
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u><u>22,132</u></u>	<u><u>4,876</u></u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Changes in Equity (Un-audited)

for the first Quarter ended September 30, 2016

	Share Capital	RESERVES			Total
		General Reserve	Unappropriated Profit	Gain on revaluation of available-for-sale investment	
----- (Rupees in '000) -----					
Balance as at July 01, 2015	183,679	28,548	575,003	72,725	859,955
Profit for the quarter ended September 30, 2015	-	-	44,693	-	44,693
Other comprehensive income for the quarter ended September 30, 2015	-	-	-	31,123	31,123
Total comprehensive income	-	-	44,693	31,123	75,816
Balance at September 30, 2015 as restated	<u>183,679</u>	<u>28,548</u>	<u>619,696</u>	<u>103,848</u>	<u>935,771</u>
Balance as at July 01, 2016	202,047	28,548	657,669	145,393	1,033,657
Profit for the quarter ended September 30, 2016	-	-	77,269	-	77,269
Other comprehensive income for the quarter ended September 30, 2016	-	-	-	5,858	5,858
Total comprehensive income	-	-	77,269	5,858	83,127
Balance at September 30, 2016	<u>202,047</u>	<u>28,548</u>	<u>734,938</u>	<u>151,251</u>	<u>1,116,784</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

ASAD ABDULLA
Chief Executive Officer

ZUBAIR PALWALA
Director

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

for the first Quarter ended September 30, 2016

1. THE COMPANY AND ITS OPERATIONS

United Distributors Pakistan Limited (UDPL) was incorporated in Pakistan as a public company limited by shares and is listed on the Pakistan Stock Exchange of Pakistan. The registered office of the company is situated at 9th Floor, NIC Building, Abbasi Shaheed Road, 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 Honorable Sindh High Court 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 5,504,149 shares of International Brands Limited (the holding company).

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended September 30, 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange.

This condensed interim financial information does 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, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2016.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The estimated / judgments and associated assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the financial statements of the company for the year ended June 30, 2016.

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

for the first Quarter ended September 30, 2016

5. PROPERTY, PLANT AND EQUIPMENT

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

	Additions (at cost)		Disposals (at net book value)	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Rupees in '000') -----			
Plant and Machinery	177	5	13	-
Computers	71	31	-	-
Office Equipment	15	15	28	-
Furniture and Fixtures	-	-	-	-
Vehicles	-	-	-	-
	<u>263</u>	<u>51</u>	<u>41</u>	<u>-</u>

6. LONG-TERM INVESTMENTS

	(Un-audited) September 30, 2016	(Audited) June 30, 2016
	----- (Rupees in '000') -----	
Investment in associate		
– FMC United (Private) Limited 1,639,418 (June 30, 2016: 1,639,418) fully paid ordinary shares of Rs. 10 each Percentage holding 40% (June 30, 2016: 40%) Cost Rs. 16,394,180 (June 30, 2016: Rs. 16,394,180)	847,161	767,782
Available for sale investments		
– IBL HealthCare Limited - Listed 965,088 (June 30, 2016: 965,088) fully paid ordinary shares of Rs. 10 each Percentage holding 2.27% (June 30, 2016: 2.27%) Cost Rs. 7,882,580 (June 30, 2016: Rs. 7,882,580)	159,133	153,275
– International Brands Limited (Holding Company) - Unlisted 11,079,852 (June 30, 2016: 7,386,568) fully paid ordinary shares of Rs. 10 each Percentage holding 4.71% (June 30, 2016: 4.71%) Cost Rs. 83,663,056 (June 30, 2016: Rs. 83,663,056)	83,663	83,663
	<u>242,796</u>	<u>236,938</u>
	<u>1,089,957</u>	<u>1,004,720</u>

7. OTHER RECEIVABLES - UNSECURED

These include Rs. 4.31 million (June 2016: Rs. 24.50 million) receivable from related parties.

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

for the first Quarter ended September 30, 2016

8. TRADE AND OTHER PAYABLES

These include Rs. NIL (June 2016: Rs.3.98 million) payable to related parties.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no changes in the status of contingency as reported in the financial statements for the year ended June 30, 2016.

9.2 Commitments

The facilities for opening letter of credit as at September 30, 2016 amounted to Rs. 250 million (June 30, 2016: Rs. 250 million). The amount remaining unutilised as at September 30, 2016 is Rs. 135.09 million (June 30, 2016: Rs. 139.54 million).

10. REVENUE

	September 30, 2016	September 30, 2015
	----- (Rupees in '000') -----	
Gross Sales	189,707	127,158
Less:		
- trade discounts	(59,680)	(2,025)
- sales return	(5,085)	(5,944)
	124,942	119,189
Less: Sales tax	(3,774)	(12,364)
	121,168	106,825

11. CASH GENERATED FROM OPERATIONS

Profit before taxation	90,908	53,311
Adjustment for non-cash charges and other items		
Depreciation and amortisation	2,178	2,286
Loss on disposal of property, plant and equipment	6	-
Profit on short-term investments	(195)	-
Finance costs	508	524
Share of profit of associates	(79,379)	(57,308)
	(76,882)	(54,498)
Profit / (loss) before changes in working capital	14,026	(1,187)
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:		
Stock-in-trade	50,590	62,005
Trade debts	(3,084)	(17,355)
Loans, advances and prepayments	109	-
Other receivables	20,221	(1,305)
Tax refunds due from Government - sales tax	2,268	-
	70,104	43,345
Decrease in trade and other payables	(49,467)	(21,996)
Cash generated from operations	34,663	20,162

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

for the first Quarter ended September 30, 2016

12. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	September 30, 2016	September 30, 2015
		----- (Rupees in '000') -----	
i. Holding company	Corporate service charges	600	600
	Receipts from Holding Company	7,387	-
ii. Associated companies	Receipts from associated Companies	13,115	-
	IT services	-	30
	Warehouse rent	377	343
	Other income	-	247
iii. Employees' provident fund	Contribution paid	1,102	944
iv. Key management personnel	Salaries and other employee benefits	4,776	3,498
	Directors' fee	5	5

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on October 25, 2016.

14. GENERAL

- 14.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.
- 14.2 Some of the previous year figures have been rearranged where necessary, for the purpose of comparison and to facilitate better presentation in the current period

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 پہلی سہ ماہی ختمہ ۳۰ ستمبر ۲۰۱۶ء پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

مالیاتی کارکردگی کا جائزہ

پہلی سہ ماہی ختمہ	
دو ماہیاتی کارکردگی	
30 ستمبر 2016	30 ستمبر 2016
----- (روپے ہزاروں میں) -----	
106,825	121,168
22,710	46,537
(3,473)	12,037
53,311	90,908
44,693	77,269
2.21	3.82

سیلز
مجموعی منافع
آپریٹنگ منافع (نقصان)
منافع قبل از ٹیکس
منافع بعد از ٹیکس
آمدنی فی شیئر روپے میں

مستقبل کا جائزہ

ہم مستقبل میں منافع بخش اور ٹھوس بنیادوں پر ترقی کی امید رکھتے ہیں۔ آپ کی کمپنی ملک کے زرعی شعبے میں ایک مضبوط اور مثبت نظرئیے کے تحت سرگرمیاں جاری رکھے گی۔

ہم اپنی بنیادی قوتوں یعنی اپنی ٹیم، نئے برانڈز اور صارفین کا دائرہ وسیع کرنے پر مستقل توجہ دینے کے ساتھ ہی سرمایہ کاری کا سلسلہ جاری رکھیں گے اور اپنے آپریٹنگ اخراجات کو کم کرنے کی کوشش کریں گے جس سے انتظامیہ کی جانب سے طے کردہ اہداف کے حصول میں ہمیں بھرپور معاونت ملے گی۔

اظہار تشکر

ڈائریکٹرز اپنے صارفین، بینکرز اور دیگر اسٹیک ہولڈرز کا ان کے بھرپور اور مستقل تعاون، سرپرستی اور حوصلہ افزائی پر شکریہ ادا کرتے ہیں اور کمپنی کے ملازمین کی جانب سے انجام دی گئی ان کی گرانقدر خدمات پر انہیں خراج تحسین پیش کرتے ہیں۔

برائے اور بورڈ کی جانب سے

کمپنی نے ۱۲ اے ۱۲ اے ملین روپے مالیت کی خالص سیلز حاصل کی جب کہ اس کے مقابلے میں گزشتہ سال کی اس مدت کے دوران یہ تخم ۸۲ اے ۶ اے ۱۰ ملین روپے رہا تھا۔ اس زیر جائزہ مدت کے دوران گزشتہ سال کے مقابلے میں کبڑے مارادویات کے برانڈز کی بہتر شراکت کے باعث سیلز ریونیو میں ۱۳ اے ۱۳ اے فیصد اضافہ ہوا۔

مزید برآں کمپنی نے کئی نئے اقدامات کیے جن میں معیاری مصنوعات پر مستقل سرمایہ کاری اور اپنے صارفین کو بہترین خدمات کی فراہمی شامل ہے جس کے نتیجے میں زیر جائزہ مدت کے دوران مجموعی منافع جات میں قابل قدر اضافہ ہوا۔ کمپنی نے پہلی سہ ماہی کے دوران ۱۲ اے ۱۲ اے ۱۰ ملین روپے کی پرپی ٹیکس آپریٹنگ منافع حاصل کیا جبکہ اس کے برخلاف گزشتہ سال کی اسی مدت کے دوران ۱۲ اے ۱۲ اے ۱۰ ملین روپے کی پرپی ٹیکس آپریٹنگ (خسارہ) ہوا تھا۔

اسد عبداللہ
چیف ایگزیکٹو آفیسر

کراچی: ۲۵ اکتوبر ۲۰۱۶ء

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Shaheed Road, Karachi-75530

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