



Pakistan

Half Yearly Report

For the Half Year ended
December 31, 2014

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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
N.I.T Nominee

Company Secretary

Mr. Adnan Ahmed Feroze
Company Secretary

CFO

Mr. Sohail Hasnain Ahmed
Chief Financial Officer

Legal Advisor

A.K. Brohi & Co
153-K, Block 2, PECHS, Karachi.

Audit Committee

Mr. Tahir Saeed
Chairman

Mr. Zubair Palwala
Member

Mr. Ayaz Abdulla
Member

HR. Remuneration

Mr. Ayaz Abdulla
Chairman

Mr. Zubair Palwala
Member

Mr. Asad Abdulla
Member

Auditors

Baker Tilly Mehmood Idress Qammar
Chartered Accountant
4th Floor, Central Hotel Building Civil
Lines, Mereweather Road, Karachi

Bankers

Standard Chartered Bank Pakistan Limited.
Habib Metropolitan Bank Limited
Habib Bank Limited
Silk Bank Limited

Registered Office

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

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 to the Shareholders

The Board of Directors of United Distributors Pakistan Limited (UDPL) is pleased to present the un-audited financial information of the Company for the half year ended December 31, 2014. This financial information is submitted in accordance with section 245 of the Companies Ordinance, 1984.

OPERATING RESULTS

	July - December	
	2014	2013
	----- (Rupees in '000') -----	
Net sales	223,480	226,805
Gross Profit	57,757	59,339
(Loss) / Profit before taxation	(986)	149
Profit after taxation	2,287	(2,611)
EPS in Rs.	0.12	(0.22)

Your Company achieved a net sale of Rs 223.48 million as compared to Rs.226.81 million for the same period last year. The expectation of sales for the period under review was higher but due to flood in last spell of cotton and mid spell of rice crops in Northern Punjab affected the business growth significantly.

The new macro fertilizer product Golden Haryali (Nitrophos- NP) continues to go from strength to strength with the period and increasing awareness of the farmers both of the product and its benefits. However, the Company successfully achieved NP sales volume 74,675 Kg i.e. 6% of the sales for the period under review. The management is focusing to continue farmers/dealers awareness programs & meetings and also extend its field work in order to grab potential market.

The operating expenses and finance cost has been reduced by 6% and 14% respectively as compared to the same period last year by efficient working & effective utilization of resources.

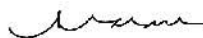
FUTURE OUTLOOK

We aim to carry on our journey of sustainable and profitable growth in the future. We continue to focus and invest on the fundamental strengths ie. Our team, product development, product registrations & renewals, revamping of plant facility and enhance the customer base that will help us to achieve the objective set out by the management.

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: February 24, 2015

Auditor's report to the Members on review of Condensed Interim Financial Information



BAKER TILLY
MEHMOOD IDREES
QAMAR
CHARTERED ACCOUNTANTS

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Civil Lines, Mercatether Road,
Karachi - Pakistan.
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Email: unit@unitandco.com

We have reviewed the annexed condensed interim balance sheet of UNITED DISTRIBUTORS PAKISTAN LIMITED as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim changes in equity and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and the presentation of the interim condensed information in accordance with approved accounting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is expressing a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

We conducted our review in accordance with the International Standards on Review Engagements 2410 "Review of Condensed Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed condensed interim financial information as of and for the half year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for the condensed interim financial reporting.

Without qualifying our report we draw your attention to the matters stated in note no. 6 of the condensed interim financial information. The company is holding 6,715,062 shares of International Brands Limited, the holding company, amounting to Rs. 83,663,000/-.

Engagement Partner:

MEHMOOD A. RAZZAK

Karachi

Date: February 24, 2015

Condensed Interim Balance Sheet

as at December 31, 2014

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	31,368	39,054
Intangible assets	5	421	594
Long term investments	6	459,418	463,220
		491,207	502,868
CURRENT ASSETS			
Stock in trade		164,729	238,064
Trade debts		69,471	61,534
Advances, deposits, prepayments and other receivables		8,884	22,294
Taxation - net		21,583	20,481
Short term investment		-	2,000
Cash and bank balances		17,520	4,559
		282,187	348,932
TOTAL ASSETS		773,394	851,800
EQUITY			
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		183,679	183,679
General reserve		28,548	28,548
Unappropriated profit		390,980	388,693
		603,207	600,920
LIABILITIES			
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		956	3,517
Diminishing musharaka financing		6,859	9,341
Deferred taxation		343	5,853
		8,158	18,711
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		5,044	5,542
Current portion of diminishing musharaka financing		4,893	4,893
Trade and other payables		117,310	198,120
Short term borrowings - secured		29,620	16,295
Advance from dealers		5,162	7,319
		162,029	232,169
TOTAL LIABILITIES		170,187	250,880
Contingencies and commitments	7	-	-
TOTAL EQUITY AND LIABILITIES		773,394	851,800

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



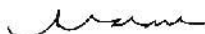
ZUBAIR PALWALA
Director

Condensed Interim Profit and Loss Account (Un-audited)

for the Half Year ended December 31, 2014

	HALF YEAR ENDED December 31		QUARTER ENDED December 31	
	2014	2013	2014	2013
Note	----- (Rupees in '000') -----			
Sales - net	223,480	226,805	100,863	111,949
Cost of goods sold	(165,723)	(167,466)	(75,598)	(80,507)
Gross Profit	57,757	59,339	25,265	31,442
Selling expenses	(46,722)	(48,343)	(23,941)	(22,922)
Distribution expenses	(7,826)	(8,803)	(3,513)	(4,436)
Administrative and general expenses	(6,531)	(7,638)	(3,142)	(4,420)
	(61,079)	(64,784)	(30,596)	(31,778)
Operating (Loss)	(3,322)	(5,445)	(5,331)	(336)
Other income	9,083	13,476	4,899	2,149
Finance cost	(6,747)	(7,882)	(4,366)	(3,207)
(Loss) / Profit Before Taxation	(986)	149	(4,798)	(1,394)
Provision for Taxation	3,273	(2,760)	4,700	(1,615)
Profit / (Loss) After Taxation	2,287	(2,611)	(98)	(3,009)
Other comprehensive income	-	-	-	-
Total Comprehensive Income / (Loss)	2,287	(2,611)	(98)	(3,009)
Earnings / (Loss) Per Share-basic And Diluted	0.12	(0.22)	(0.01)	(0.26)

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



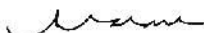
ZUBAIR PALWALA
Director

Condensed Interim Statement of Cash Flow (Un-audited)

for the Half Year ended December 31, 2014

	(Un-audited) December 31, 2014	(Un-audited) December 31, 2013
----- (Rupees in '000') -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(986)	149
Adjustments for non - cash charges and other items		
Depreciation	5,533	6,203
Amortization of software cost	173	267
Provision for employee benefit	-	26
Profit on deposit account	(32)	-
Finance costs	6,747	7,882
(Gain) on disposal of property, plant and equipment	(5,697)	(8,819)
Dividend received	(2,015)	(3,826)
	4,709	1,733
Cash inflow from operating activities before working capital changes	3,723	1,882
Decrease in current assets	78,808	36,157
(Decrease) in current liabilities	(82,967)	(63,788)
	(436)	(25,750)
Income tax paid	(3,339)	(3,300)
Finance cost paid	(6,747)	(7,609)
Gratuity paid	-	(128)
	(10,086)	(11,037)
Net cash (used in) operating activities	(10,522)	(36,787)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(575)	(10,285)
Redemption for short term investment	2,000	-
Profit on deposit account	32	-
Dividend received	5,817	9,424
Proceeds from disposal of property, plant and equipment	8,425	12,767
Long term loans	-	13
Net cash inflow from investing activities	15,699	11,919
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - secured	13,325	13,630
Payment for diminishing musharaka financing	(2,482)	7,872
Payment for liabilities against assets subject to finance lease	(3,059)	(2,716)
Net cash inflow from financing activities	7,784	18,786
Net increase / (decrease) in cash and cash equivalents	12,961	(6,082)
Cash and cash equivalents at the beginning of the year	4,559	9,723
Cash and cash equivalents at the end of the period	17,520	3,642

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer

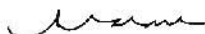


ZUBAIR PALWALA
Director

Condensed Interim Statement of Change in Equity (Un-audited) for the Half Year ended December 31, 2014

	Issued, Subscribed and Paid-up Share Capital	General Reserves	Unappropriated Profit	Total
	----- (Rupees in '000') -----			
Balance as at June 30, 2013	91,839	30,000	287,121	408,960
(Loss) for the half year ended December 31, 2013 - unaudited	-	-	(2,611)	(2,611)
Balance as at December 31, 2013	91,839	30,000	284,510	406,349
Balance as at June 30, 2014	183,679	28,548	388,693	600,920
Profit for the half year ended December 31, 2014 - unaudited	-	-	2,287	2,287
Balance as at December 31, 2014	183,679	28,548	390,980	603,207

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

Notes to and Forming Part of the Condensed Interim Financial Information for the Half Year ended December 31, 2014

1. NON CURRENT ASSETS

- 1.1 United Distributors Pakistan Limited (UDPL) is incorporated in Pakistan as a public company limited by shares and is listed on all Stock Exchanges. The registered office of the Company is situated at 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi. The principal business activities of the Company are manufacturing, trading and distribution of pesticides, fertilizers and other allied products.
- 1.2 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

2.1 Statement of Compliances

These condensed interim financial statements of the company for the six months period ended 31 December 2014 have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

These condensed interim financial statements comprise of the balance sheet as at 31 December 2014 and profit and loss account, statement of changes in equity and the cash flow statement for the six months period ended 31 December 2014 which have been subjected to a review but not audited.

2.2 Accounting Estimates and Judgments

The estimates / 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, 2014.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the statement of financial information of the Company for the year ended June 30, 2014.

There are no IFRSs or IFRIC interpretations becoming effective during the period that would be expected to have a material impact on the company's condensed interim financial information.

Notes to and Forming Part of the Condensed Interim Financial Information for the Half Year ended December 31, 2014

	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	----- (Rupees in '000') -----	
4. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	39,054	36,896
Additions to owned assets and leased assets	575	20,737
Disposals-Cost	(10,167)	(29,132)
Accumulated Depreciation on disposals	7,439	23,081
	(2,728)	(6,051)
Depreciation charged	(5,533)	(12,528)
Closing balance-net book value	31,368	39,054
5. INTANGIBLE ASSETS		
Opening written down value	594	1,078
Additions during the period	-	50
Amortization charged for the period	(173)	(534)
Closing written down value	421	594
6. LONG TERM INVESTMENTS		
The company's interest in associated companies is as follows		
Unquoted		
FMC United (Private) Limited	366,465	369,746
Quoted		
IBL HealthCare Limited	9,290	9,811
Investment available for sale		
International Brands Limited	83,663	83,663
	459,418	463,220

6.1 Accounting Estimates and Judgments

Share of profit of associate companies are based on the latest available audited financial statements. However, there is no audited Financial Statement available for the period for recording of share of profit of associates.

7. CONTINGENCIES AND COMMITMENTS

Commitments under letter of credit for the import of raw material / product as at December 31, 2014 amounted to Rs.20.74 million (June 30, 2014: Rs. 11.94 million).

Notes to and Forming Part of the Condensed Interim Financial Information for the Half Year ended December 31, 2014

		(Un-audited) December 2014	(Un-audited) December 2013
8. COST OF GOODS SOLD	Note	----- (Rupees in '000') -----	
Opening stock finished goods		180,109	138,552
Add: Purchase of finished goods		21,593	5,169
Cost of goods manufactured	8.1	126,324	111,886
Stock available for sale		328,026	255,607
Less: Closing stock finished goods		(155,852)	(79,779)
Reversal / provision for obsolete stock		(6,451)	(8,362)
Cost of goods sold		165,723	167,466
8.1 Cost of Goods Manufactured			
Opening stock			
Raw material		52,858	22,267
Packing material		14,622	9,252
In transit		-	8,780
Add: Purchases		67,480	40,299
Raw material - Imported		23,733	22,891
Raw material - Local		35,804	59,771
Packing material		5,364	9,829
		64,901	92,491
Available for consumption		132,381	132,790
Less: Closing stock			
Raw materials		(4,755)	(17,214)
Packing material		(7,195)	(8,366)
In transit		-	(640)
		(11,950)	(26,220)
Raw and packing materials consumed		120,431	106,570
Add: Processing costs		5,893	5,316
		126,324	111,886
9. PROVISION FOR TAXATION			
Current			
For the period		2,237	2,760
Deferred		(5,510)	-
		(3,273)	2,760
10. TRANSACTIONS WITH RELATED PARTIES			
Related party comprises of associated company, holding company, companies with common directorship, key management personnel etc. Transactions of the Company with related parties and balance outstanding at the year end are as follows:			

Notes to and Forming Part of the Condensed Interim Financial Information for the Half Year ended December 31, 2014

	(Un-audited) December 2014	(Un-audited) December 2013
10.1 By Virtue of Investment in Holding Company and Common Directorship		
International Brands Limited		
Dividend received	2,015	3,826
10.2 By Virtue of Investment in Associates and Common Directorship		
FMC United (Private) Limited		
Dividend received	3,279	4,918
The Searle Company Limited		
Claimable expenses charged by United Distributors Pakistan Limited	327	561
Sale of fixed assets	2,010	-
Current account receipts	2,488	1,019
Current account receivable	109	-
IBL HealthCare Limited		
Sale of fixed assets	2,009	-
Current account receipts	2,009	-
Dividend received	521	680
IBL Operations (Private) Limited		
Claimable expense charged by IBL Operations (Private) Limited	60	1,429
Claimable expenses charged by United Distributors Pakistan Limited	1,289	1,349
Current account receipts / (payments)	4,000	(2,410)
Current account receivable	829	218
11. EARNING / (LOSS) PER SHARE - BASIC AND DILUTED		
Profit / (loss) after taxation	2,287	(2,611)
Weighted average number of ordinary shares (000)	18,368	11,755
Earning / (Loss) Per Share	0.12	(0.22)

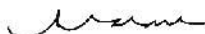
11.1 Comparative period earnings / loss per share has been restated due to change in weighted average number of ordinary shares.

12. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the board of directors of the Company and authorized on February 24, 2015.

13. GENERAL

Figures have been rounded off to the nearest thousand rupees.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

Book Post

United Distributors Pakistan Limited



Under Certificate of posting

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e-mail: info@udpl.com.pk

web: www.udpl.com.pk