



Pakistan

# Spirit of Growth



**Quarterly Report**  
For the 3<sup>rd</sup> Quarter ended March 31, 2019  
(Un-audited)

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# Company Information

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## Board of Directors

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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

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Mr. Tahir Saeed  
Chairman

Mr. Zubair Palwala  
Member

Mr. Ayaz Abdulla  
Member

## Auditors

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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

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United Distributors Pakistan Limited  
9th Floor, NIC Building, Abbasi  
Shaheed Road, Off: Shahrah-e-Faisal,  
Karachi  
Web: [www.udpl.com.pk](http://www.udpl.com.pk)  
email: [info@udpl.com.pk](mailto:info@udpl.com.pk)

## Company Secretary

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Mr. Adnan Ahmed Feroze  
Company Secretary

## CFO

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Mr. Sohail Hasnain Ahmed  
Chief Financial Officer

## Legal Advisor

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

## HR & Remuneration Committee

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Mr. M. Salman Hussain Chawala  
Chairman

Mr. Zubair Palwala  
Member

Mr. Ayaz Abdulla  
Member

## Bankers

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Standard Chartered Bank Pakistan  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
Bank Al Habib Limited  
Silk Bank Limited  
MCB Bank Limited

## Registrar

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

# Directors' Report

The Board of Directors of United Distributors Pakistan Limited (UDPL) takes pleasure in presenting this un-audited condensed interim financial information for the nine months ended March 31, 2019.

The Company continued focus on its strategies and operational excellence for the period under review and delivered a profit after tax of Rs 48.68 million for the period ended March 31, 2019. The financial performance of the Company for the nine months ended March 31, 2019 is summarized below:

## FINANCIAL HIGHLIGHTS

|   | JULY - MARCH     |         |
|---|------------------|---------|
|   | 2019             | 2018    |
|   | (Rupees in '000) |         |
| Net sales                                 | 357,007          | 317,700 |
| Gross profit                              | 145,739          | 131,807 |
| Profit from operations                    | 16,892           | 16,225  |
| Profit before taxation                    | 64,709           | 67,516  |
| Profit after taxation                     | 48,680           | 60,985  |
| Basic and diluted earning per share (Rs.) | 1.59             | 1.99    |

- Net sales of the Company amounted to Rs. 357 million, registering a growth of 12% over the corresponding period of the last year. The growth in sales was mainly driven by good sales contribution of new products.

For and on behalf of the Board



**ASAD ABDULLA**  
Chief Executive Officer

Karachi: April 25, 2019



**SYED NADEEM AHMED**  
Director

\* اُردو کے لئے آخری صفحہ ملاحظہ فرمائیے۔

- The gross profit of the Company has grown by 10.5% over the corresponding period of the last year and gross margin remained at 41%.
- The Company faced significant challenges due to devaluation of the Pak Rupee which resulted in increase of exchange loss on import payments and had an adverse impact on liquidity and financial performance of the Company.

## FUTURE OUTLOOK

We aim to keep on our journey for the betterment of farmers through our best services and high quality products to enable them in getting the best crop yields and high quality of food for human beings. We anticipate the Company continues to face challenges of rapid escalation in cost owing to inflation, price hike and devaluation of the Pakistani rupee which may have an adverse impact on margins, cash flows and profitability of the Company. Notwithstanding, 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.

## 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.

# Financial Statement

# Condensed Interim Statement of Financial Position

as at March 31, 2019

|   |      | (Un-audited)<br>March 31,<br>2019 | (Audited)<br>June 30,<br>2018 |
|---|------|-----------------------------------|-------------------------------|
| <b>ASSETS</b>   | Note | ----- (Rupees in '000') -----     |                               |
| <b>NON-CURRENT ASSETS</b>   |      |                                   |                               |
| Property, plant and equipment   | 5    | 30,950                            | 19,537                        |
| Intangible assets   | 6    | 7,555                             | 5,915                         |
| Long-term investments   | 7    | 1,253,457                         | 1,257,612                     |
| Long-term loans   |      | 869                               | 874                           |
| Long-term deposits  |      | 3,550                             | 3,550                         |
|   |      | 1,296,381                         | 1,287,488                     |
| <b>CURRENT ASSETS</b>   |      |                                   |                               |
| Inventories   |      | 306,911                           | 152,040                       |
| Trade and other receivables   | 8    | 95,960                            | 78,655                        |
| Loans, advances and prepayments   |      | 5,306                             | 4,497                         |
| Current tax asset   |      | 39,129                            | 32,734                        |
| Cash and bank balances  |      | 3,223                             | 13,076                        |
|   |      | 450,529                           | 281,002                       |
| <b>TOTAL ASSETS</b>   |      | 1,746,910                         | 1,568,490                     |
| <b>EQUITY AND LIABILITIES</b>   |      |                                   |                               |
| <b>SHARE CAPITAL AND RESERVES</b>   |      |                                   |                               |
| <b>Share capital</b>  |      |                                   |                               |
| Issued, subscribed and paid up capital  |      | 306,707                           | 266,702                       |
| <b>Revenue Reserve</b>  |      |                                   |                               |
| Un-appropriated profits   |      | 874,781                           | 879,900                       |
| General reserve   |      | 28,548                            | 28,548                        |
|   |      | 903,329                           | 908,448                       |
| Revaluation reserve on investment at fair value through<br>other comprehensive income |      | 42,546                            | 89,608                        |
|   |      | 1,252,582                         | 1,264,758                     |
| <b>NON-CURRENT LIABILITIES</b>  |      |                                   |                               |
| Liabilities against assets subject to finance lease                                   |      | 13,330                            | 6,143                         |
| Deferred tax liability  |      | 133,540                           | 129,388                       |
|   |      | 146,870                           | 135,531                       |
| <b>CURRENT LIABILITIES</b>  |      |                                   |                               |
| Trade and other payables  | 9    | 291,918                           | 163,760                       |
| Current portion of liabilities against assets subject to finance lease                |      | 7,203                             | 3,708                         |
| Short-term borrowings - secured   | 10   | 47,541                            | -                             |
| Unclaimed dividend  |      | 796                               | 733                           |
|   |      | 347,458                           | 168,201                       |
| <b>TOTAL LIABILITIES</b>  |      | 494,328                           | 303,732                       |
| <b>COMMITMENTS</b>  |      |                                   |                               |
| Total equity and liabilities  | 11   | 1,746,910                         | 1,568,490                     |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASAD ABDULLA  
Chief Executive Officer



SYED NADEEM AHMED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Condensed Interim Profit or Loss (Un-audited)

for the nine months ended March 31, 2019

|  | Note | Quarter ended  |                        | Nine months ended |                        |
|--|------|----------------|------------------------|-------------------|------------------------|
|  |      | March 31, 2019 | March 31, 2018         | March 31, 2019    | March 31, 2018         |
| ----- (Rupees in '000') -----                          |      |                |                        |                   |                        |
| Revenue  | 12   | 90,998         | 76,089                 | 357,007           | 317,700                |
| Cost of sales  |      | (54,020)       | (43,510)               | (211,268)         | (185,893)              |
| Gross profit   |      | 36,978         | 32,579                 | 145,739           | 131,807                |
| Marketing and distribution expenses                    |      | (35,675)       | (33,536)               | (109,161)         | (103,106)              |
| Administrative and general expenses                    |      | (6,818)        | (6,022)                | (23,201)          | (17,951)               |
| Other operating expenses                               |      | 2              | (3,702)                | (8,750)           | (3,838)                |
| Other income   |      | 10,278         | 7,156                  | 12,265            | 9,313                  |
| Profit / (loss) from operations                        |      | 4,765          | (3,525)                | 16,892            | 16,225                 |
| Finance cost   |      | (2,393)        | 505                    | (3,474)           | (1,207)                |
| Share of profit/(loss) from associate                  |      | 10,066         | (7,428)                | 51,291            | 52,498                 |
| Profit / (loss) before income tax                      |      | 12,438         | (10,448)               | 64,709            | 67,516                 |
| Income tax expense                                     |      | (3,969)        | (3,302)                | (16,029)          | (6,531)                |
| Profit / (loss) after taxation                         |      | 8,469          | (13,750)               | 48,680            | 60,985                 |
| Basic and diluted earnings / (loss) per share (Rupees) |      | Rs. 0.28       | (Restated)<br>Rs. 0.45 | Rs. 1.59          | (Restated)<br>Rs. 1.99 |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASAD ABDULLA  
Chief Executive Officer



SYED NADEEM AHMED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

Condensed Interim

# Statement of Profit or Loss and Other Comprehensive Income

(Un-audited)

for the nine months ended March 31, 2019

|   | Quarter ended                |                | Nine months ended |                |
|---|------------------------------|----------------|-------------------|----------------|
|   | March 31, 2019               | March 31, 2018 | March 31, 2019    | March 31, 2018 |
|   | ----- (Rupees in '000) ----- |                |                   |                |
| Profit / (loss) for the period  | 8,469                        | (13,750)       | 48,680            | 60,985         |
| <b>OTHER COMPREHENSIVE INCOME (OCI)</b>   |                              |                |                   |                |
| Items that will not be subsequently reclassified to profit or loss                  |                              |                |                   |                |
| Unrealised (loss)/gain on revaluation of investment at fair value through OCI       | (10,279)                     | 1,662          | (47,062)          | (30,422)       |
| Share of remeasurements of post employment benefit obligations of associate Company | 507                          | 18,152         | (8,383)           | (42,354)       |
| Deferred tax thereon  | (77)                         | (2,269)        | 1,257             | 5,294          |
|   | 430                          | 15,883         | (7,126)           | (37,060)       |
| <b>Total comprehensive (loss) / gain for the period</b>                             | <b>(1,380)</b>               | <b>3,795</b>   | <b>(5,508)</b>    | <b>(6,497)</b> |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASAD ABDULLA  
Chief Executive Officer



SYED NADEEM AHMED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer



# Condensed Interim Statement of Cash Flow (Un-audited)

for the nine months ended March 31, 2019

|  |      | March 31,<br>2019             | March 31,<br>2018 |
|--|------|-------------------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                  | Note | ----- (Rupees in '000') ----- |                   |
| Cash (used in) / generated from operations                                   | 13   | (10,847)                      | 20,671            |
| Finance cost paid  |      | (12,124)                      | (4,931)           |
| Income tax paid  |      | (17,016)                      | (9,877)           |
| (Increase) / decrease in long term loans and deposits                        |      | 5                             | 34                |
| Net cash (used in) / generated from operating activities                     |      | (39,982)                      | 5,897             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                  |      |                               |                   |
| Payments for acquisition of property, plant and equipment                    |      | (19,319)                      | (4,270)           |
| Payments for acquisition of intangible assets                                |      | (3,391)                       | -                 |
| Returns received from deposit a/c  |      | -                             | 56                |
| Dividend received  |      | 1,184                         | 5,999             |
| Sale proceeds on disposal of property, plant and equipment                   |      | 100                           | 1,700             |
| Net cash (used in) / generated from investing activities                     |      | (21,426)                      | 3,485             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |      |                               |                   |
| Dividend paid  |      | (6,668)                       | -                 |
| Increase / (Decrease) of liabilities against assets subject to finance lease |      | 10,682                        | (2,628)           |
| Net cash generated from financing activities                                 |      | 4,014                         | 117               |
| Net (decrease) / increase in cash and cash equivalents                       |      | (57,394)                      | 6,754             |
| Cash and cash equivalents at beginning of the period                         |      | 13,076                        | 6,029             |
| Cash and cash equivalents at the end of period                               | 14   | (44,318)                      | 12,783            |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASAD ABDULLA  
Chief Executive Officer



SYED NADEEM AHMED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

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

for the nine months ended March 31, 2019

|  | Share Capital Issued, subscribed and paid up capital | REVENUE RESERVE |                       |   | Total            |
|--|--|-----------------|-----------------------|---|------------------|
|  |  | General Reserve | Unappropriated Profit | Revaluation reserve on investment at fair value through OCI |                  |
| ----- (Rupees in '000) -----   |  |                 |                       |   |                  |
| Balance as at July 1, 2017   | 242,456  | 28,548          | 773,457               | 127,175   | 1,171,636        |
| Bonus shares issued during the period in the ratio of 1 share for every 10 shares held | 24,246   | -               | (24,246)              | -   | -                |
| Profit for the period ended March 31, 2018   | -  | -               | 60,985                | -   | 60,985           |
| Other comprehensive loss   | -  | -               | (37,060)              | (30,422)  | (67,482)         |
| Total comprehensive loss   | -  | -               | 23,925                | (30,422)  | (6,497)          |
| Balance as at March 31, 2018   | <u>266,702</u>                                       | <u>28,548</u>   | <u>773,136</u>        | <u>96,753</u>   | <u>1,165,139</u> |
| Balance as at July 1, 2018   | 266,702  | 28,548          | 879,900               | 89,608  | 1,264,758        |
| Bonus shares issued during the period in the ratio of 1 share for every 15 shares held | 40,005   | -               | (40,005)              | -   | -                |
| Cash dividend paid   | -  | -               | (6,668)               | -   | (6,668)          |
| Profit for the period ended March 31, 2019   | -  | -               | 48,680                | -   | 48,680           |
| Other comprehensive loss   | -  | -               | (7,126)               | (47,062)  | (54,188)         |
| Total comprehensive loss   | -  | -               | 41,554                | (47,062)  | (5,508)          |
| Balance at March 31, 2019  | <u>306,707</u>                                       | <u>28,548</u>   | <u>874,781</u>        | <u>42,546</u>   | <u>1,252,582</u> |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



ASAD ABDULLA  
Chief Executive Officer



SYED NADEEM AHMED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer

# Notes to the (Un-audited) Condensed Interim Financial Information

for the nine months ended March 31, 2019

## 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. 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 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, 2019.

## 2. BASIS OF PREPARATION

These condensed interim financial statements of the Company for the period ended March 31, 2019 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, 2018.

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

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

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

# Notes to the (Un-audited) Condensed Interim Financial Information

for the nine months ended March 31, 2019

The changes laid down by these standards do not have any significant impact on these financial statements of the Company.

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

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2018, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in these condensed interim financial statements.

- (c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard that will be effective for the periods beginning on or after January 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance lease is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by this standard on its 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, 2018.

### 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, 2018.

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, 2018.

# Notes to the (Un-audited) Condensed Interim Financial Information

for the nine months ended March 31, 2019

## 5. PROPERTY, PLANT AND EQUIPMENT

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

|                        | Additions<br>(at cost)        |                   | Disposals<br>(at net book value) |                   |
|------------------------|-------------------------------|-------------------|----------------------------------|-------------------|
|                        | March 31,<br>2019             | March 31,<br>2018 | March 31,<br>2019                | March 31,<br>2018 |
|                        | ----- (Rupees in '000') ----- |                   |                                  |                   |
| Plant and Machinery    | 2,139                         | 241               | 125                              | -                 |
| Computers              | 73                            | 357               | -                                | -                 |
| Office Equipment       | 151                           | 145               | -                                | -                 |
| Furniture and Fixtures | 45                            | 27                | -                                | -                 |
| Vehicles               | 16,909                        | 3,500             | -                                | 1,662             |
|                        | <u>19,317</u>                 | <u>4,270</u>      | <u>125</u>                       | <u>1,662</u>      |

## 6. INTANGIBLE ASSETS

Additions to intangible assets during the period amounted to Rs. 3.39 million which represents cost of consultation fee for the implementation of SAP Enterprise Resource Planning (ERP) System.

## 7. LONG-TERM INVESTMENTS

|  | (Un-audited)<br>March 31,<br>2019 | (Audited)<br>June 30,<br>2018 |
|--|-----------------------------------|-------------------------------|
|  | ----- (Rupees in '000') -----     |                               |
| Investment in associate  |                                   |                               |
| – FMC United (Private) Limited - note 71<br>1,639,418 (June 30, 2018: 1,639,418)<br>fully paid ordinary shares of Rs. 10 each<br>Percentage holding 40% (June 30, 2018: 40%)<br>Cost: Rs. 16,394,180<br>(June 30, 2018: Rs. 16,394,180)                                    | 1,119,366                         | 1,076,459                     |
| Investments at fair value through OCI  |                                   |                               |
| – IBL HealthCare Limited - Listed<br>1,215,135 (June 30, 2018: 1,215,135)<br>fully paid ordinary shares of Rs. 10 each<br>Percentage holding 2.25% (June 30, 2018: 2.25%)<br>Cost: Rs. 7,882,580<br>(June 30, 2018: Rs. 7,882,580)   | 50,428                            | 97,490                        |
| – International Brands Limited (Holding Company) - Unlisted - note 72<br>11,079,852 (June 30, 2018: 11,079,852)<br>fully paid ordinary shares of Rs. 10 each<br>Percentage holding 4.71% (June 30, 2018: 4.71%)<br>Cost: Rs. 83,663,056<br>(June 30, 2018: Rs. 83,663,056) | 83,663                            | 83,663                        |
|  | <u>134,091</u>                    | <u>181,153</u>                |
|  | <u>1,253,457</u>                  | <u>1,257,612</u>              |

# Notes to the (Un-audited) Condensed Interim Financial Information

for the nine months ended March 31, 2019

## 7.1 MOVEMENT OF INVESTMENT IN ASSOCIATE

|  | (Un-audited)<br>March 31,<br>2019 | (Audited)<br>June 30,<br>2018 |
|--|-----------------------------------|-------------------------------|
|  | ----- (Rupees in '000') -----     |                               |
| Balance at beginning of the period               | 1,076,459                         | 934,822                       |
| Share of profit for the period                   | 51,290                            | 202,023                       |
| Share of other comprehensive loss for the period | (8,383)                           | (42,354)                      |
| Less: Dividend income for the period             | -                                 | (18,032)                      |
| Balance at end of the period                     | <u>1,119,366</u>                  | <u>1,076,459</u>              |

7.1.1 The amounts of share of profit and other comprehensive loss for the period are based on unaudited financial statements of FMC United (Private) Limited.

7.2 Consequent to the restructuring under Court order as explained in note 1, the Company holds shares of International Brands Limited (the Holding Company). These shares have been carried at cost.

7.3 Shares held as at March 31, 2019 include 31,343 shares (June 30, 2018: 31,343 shares) of IBL HealthCare Limited and 184,665 shares (June 30, 2018: 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.

## 8. TRADE AND OTHER RECEIVABLES

These include Rs. 10.8 million (June 2018: Rs. 115 million) receivables from related parties.

## 9. TRADE AND OTHER PAYABLES

These include Rs. 5.14 million (June 2018: Rs. 1.75 million) payables to related parties.

## 10. SHORT-TERM BORROWINGS - Secured

|                 | (Un-audited)<br>March 31,<br>2019 | (Audited)<br>June 30,<br>2018 |
|-----------------|-----------------------------------|-------------------------------|
|                 | ----- (Rupees in '000') -----     |                               |
| Running finance | <u>47,541</u>                     | <u>-</u>                      |

10.1 The Company obtained running finance facility from Habib Metropolitan Bank Limited at KIBOR + 2% (June 2018: Nil) per annum. This facility is secured by way of hypothecation on current assets of the Company.

## 11. COMMITMENTS

The facilities for opening letters of credit as at March 31, 2019 amounted to Rs. 300 million (June 30, 2018: Rs. 150 million). The amount remaining unutilised as at March 31, 2019 is 34.08 million (June 30, 2018: Rs. 67.02 million).

# Notes to the (Un-audited) Condensed Interim Financial Information

for the nine months ended March 31, 2019

## 12. REVENUE

|                   | (Un-audited)<br>March 31,<br>2019 | (Audited)<br>March 31,<br>2018 |
|-------------------|-----------------------------------|--------------------------------|
|                   | ----- [Rupees in '000'] -----     |                                |
| Gross Sales       | 415,759                           | 434,861                        |
| Less:             |                                   |                                |
| - trade discounts | (38,353)                          | (74,411)                       |
| - sales return    | (17,810)                          | (24,297)                       |
|                   | 359,596                           | 336,153                        |
| Less: Sales tax   | (2,589)                           | (18,453)                       |
|                   | 357,007                           | 317,700                        |

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

|  |           |          |
|--|-----------|----------|
| Profit before income tax                                 | 64,709    | 67,516   |
| Adjustment for non-cash incomes and expenses:            |           |          |
| Depreciation and amortisation                            | 9,532     | 8,534    |
| Finance cost   | 3,474     | 1,207    |
| Exchange Loss - Net                                      | 8,650     | 3,724    |
| Loss/(gain) on disposal of property, plant and equipment | 25        | (38)     |
| Return on saving accounts                                | -         | (56)     |
| Dividend Income  | (41,332)  | (7,729)  |
| Share of profit from associate                           | (51,291)  | (52,498) |
|  | (40,785)  | (46,856) |
| Profit before changes in working capital                 | 23,924    | 20,660   |
| Changes in working capital                               |           |          |
| Decrease / (increase) in current assets                  |           |          |
| Inventories  | (154,871) | (4,250)  |
| Trade and other receivables                              | (7,312)   | 19,610   |
| Loans, advances and prepayments                          | (809)     | (2,124)  |
|  | (162,992) | 13,236   |
| Increase / (decrease) in current liabilities             |           |          |
| Trade and other payables                                 | 128,221   | (13,225) |
| Cash (used in) / generated from operations               | (10,847)  | 20,671   |

# Notes to the (Un-audited) Condensed Interim Financial Information

for the nine months ended March 31, 2019

## 14. CASH AND CASH EQUIVALENTS

|                                 | (Un-audited)<br>March 31,<br>2019 | (Un-audited)<br>March 31,<br>2018 |
|---------------------------------|-----------------------------------|-----------------------------------|
|                                 | ----- (Rupees in '000') -----     |                                   |
| Cash and bank balances          | 3,223                             | 12,783                            |
| Short-term borrowings - note 10 | (47,541)                          | -                                 |
|                                 | (44,318)                          | 12,783                            |

## 15. TRANSACTIONS WITH RELATED PARTIES

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

| Nature of relationship         | Nature of transactions               | March 31, 2019                | March 31, 2018 |
|--------------------------------|--------------------------------------|-------------------------------|----------------|
|                                |                                      | ----- (Rupees in '000') ----- |                |
| i. Holding company             | Corporate service charges            | 3,600                         | 3,150          |
|                                | Receipts from Holding Company        | 12,489                        | 6,060          |
|                                | Dividend income                      | 9,991                         | -              |
| ii. Associated companies       | Dividend received                    | 1,006                         | 5,999          |
|                                | Receipts from associated Company     | 238                           | 3,817          |
|                                | IT services                          | 104                           | -              |
|                                | Warehouse rent                       | 749                           | 675            |
|                                | SAP ERP Implementation cost          | 3,390                         | -              |
| iii. Employees' provident fund | Contribution paid                    | 4,993                         | 4,701          |
| iv. Key management personnel   | Salaries and other employee benefits | 15,008                        | 14,555         |
|                                | Directors' fee                       | 9                             | 10             |

## 17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue on April 25, 2019 by the Board of Directors of the Company.



ASAD ABDULLA  
Chief Executive Officer



SYED NADEEM AHMED  
Director



SOHAIL HASNAIN AHMED  
Chief Financial Officer



## 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 نومبر ۲۰۱۹ء پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

- بنیادی طور پر روپے کی قدر میں نمایاں کمی کی وجہ سے درآمدی ادائیگی میں اضافہ اور مالیاتی کارکردگی پر منفی اثرات ہوئے۔

زراعت کے میدان میں یو ڈی پی ایل سلسلے کے ساتھ ایک مضبوط، فعال اور توانا کھیتی بننے کی جدوجہد کر رہی ہے۔

نومبر ۲۰۱۹ء کی مالیاتی جھلکیاں مختصر پیش کی گئی ہیں۔

### 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 نیکو اور حاصل ہو اور انسانوں / شہریوں کو اعلیٰ معیاری غذا فراہم کر سکیں۔ اگرچہ زراعت کے میدان میں مسابقت شدت اختیار کر گئی ہے، لیکن کھیتی ایسے اقدامات کر رہی ہے جس سے اس کی مسابقتی پوزیشن بہتر ہو جائے اور اپنی نمونہ میں اضافہ کر سکے۔

ہمیں امید ہے کہ کھیتی بہترین جراثیم 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 نمونہ حاصل ہوگی۔

### اعتراف

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام کسٹمرز، بینکرز 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 کھیتی کے تمام ملازمین کی انتھک محنت کی قدر دانی کرتا ہوں۔

- کھیتی کی خاص فروخت ۲۰۱۹ء میں رہی جو گزشتہ سال سے ۱۳ فیصد زیادہ رہی۔  
- کھیتی کے خام نتائج میں گزشتہ سال کی نسبت ۱۰.۵ فیصد زیادہ اضافہ ہوا۔ کھیتی کا خام منافع ۳۱ فیصد ہوا۔ نئی متعارف ہونے والی مصنوعات کی اہم شراکت کے باعث کھیتی کی فروخت میں اضافہ ہوا۔

### آپریٹنگ نتائج

| جولائی - مارچ |         |
|---------------|---------|
| 2018          | 2019    |
| 317,700       | 357,007 |
| 131,807       | 145,739 |
| 16,225        | 16,892  |
| 67,516        | 64,709  |
| 60,985        | 48,680  |
| 1.99          | 1.59    |

خاص فروخت  
خام منافع  
منافع آپریٹنگ  
منافع قبل از ٹیکس  
منافع بعد از ٹیکس  
فی شخص منافع (روپے میں)

برائے اور بورڈ کی جانب سے



سید ندیم احمد  
ڈائریکٹر



اسد عبداللہ  
چیف ایگزیکٹو آفیسر

کراچی: ۲۵ اپریل ۲۰۱۹ء

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