



Pakistan

# Quarterly Report

For the 1<sup>st</sup> Quarter ended

September 30, 2015

Un-Audited



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# Company Information

## 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  
N.I.T Nominee

## Audit Committee

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Mr. Tahir Saeed  
Chairman

Mr. Zubair Palwala  
Member

Mr. Ayaz Abdulla  
Member

## Auditors

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

## 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)

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

## HR. Remuneration

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Mr. Ayaz Abdulla  
Chairman

Mr. Zubair Palwala  
Member

Mr. Asad Abdulla  
Member

## Bankers

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Standard Chartered Bank Pakistan  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
Silk Bank Limited  
Muslim Commercial 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 to the Shareholders

The Board of Directors of United Distributors Pakistan Limited (UDPL) is pleased to present the un-audited financial information for the first quarter ended September 30, 2015.

## OPERATING RESULTS

	July - September	
	2015	2014
	---- (Rupees in '000) ----	
Net sales	106,825	122,617
Gross profit	22,710	32,492
Profit / (loss) before taxation	(3,998)	3,812
Profit / (loss) after taxation	(5,453)	2,385
EPS in Rs.	(0.30)	0.13

The Company posted a net sale of Rs. 106.82 million as compared to Rs.122.62 million over the corresponding period last year. The decline in sales volume during the period was due to low consumption of major products especially on rice crops. The gross margin was also shrinking due to product mix sales not attained as targeted.

The management's continuous focus to improve operational efficiencies has led to a reduction in expenses over the corresponding period last year.

## FUTURE OUTLOOK

We aim to keep on our journey of sustainable and profitable 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, product registrations, enhances the customer base, and reduction in operating expenses 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: October 27, 2015

# Condensed Interim Balance Sheet

as at September 30, 2015

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
<b>ASSETS</b>			
	Note	----- (Rupees in '000') -----	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	32,854	35,001
Intangible assets	5	287	248
Long term Loan		18	-
Long term investments	6	637,846	637,846
		<b>671,005</b>	<b>673,095</b>
<b>CURRENT ASSETS</b>			
Stock in trade		117,365	179,371
Trade debts		31,341	13,986
Taxations-net		24,290	24,914
Advances, deposits, prepayments and other receivables		9,472	8,167
Cash and bank balances		4,876	4,563
		<b>187,344</b>	<b>231,001</b>
<b>TOTAL ASSETS</b>		<b>858,349</b>	<b>904,096</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		183,679	183,679
General reserve		28,548	28,548
Unappropriated profit		497,367	502,820
		<b>709,594</b>	<b>715,047</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		632	742
Diminishing musharakah financing payables		8,212	9,774
Deferred taxation		32,067	32,189
		40,911	42,705
<b>CURRENT LIABILITIES</b>			
Current portion of liabilities against assets subject to finance lease		1,238	2,442
Current portion of diminishing musharakah financing		6,246	6,246
Trade and other payables		94,591	107,890
Short term borrowings - (secured)		-	14,765
Advances from dealers		5,769	15,001
		<b>107,844</b>	<b>146,344</b>
<b>TOTAL LIABILITIES</b>		<b>148,755</b>	<b>189,049</b>
Contingencies and commitments	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>858,349</b>	<b>904,096</b>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.



**ASAD ABDULLA**  
Chief Executive Officer



**ZUBAIR PALWALA**  
Director

# Condensed Interim Profit & Loss Account

(Un-audited)

for the first Quarter ended September 30, 2015

	First Quarter ended	
	September 30, 2015	September 30, 2014
Note	----- (Rupees in '000') -----	
Sales	106,825	122,617
Cost of goods sold	(84,115)	(90,125)
Gross Profit	22,710	32,492
Selling expenses	(20,385)	(22,781)
Distribution expenses	(2,736)	(4,313)
Administrative and general expenses	(3,738)	(3,389)
	(26,859)	(30,483)
Operating Profit / (loss)	(4,149)	2,009
Other Income	675	4,184
Finance cost	(524)	(2,381)
Share of profit of associates	6.1 -	-
Profit/ (loss) before taxation	(3,998)	3,812
Provision for taxation	(1,455)	(1,427)
<b>Profit / (loss) after taxation</b>	<b>(5,453)</b>	<b>2,385</b>
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income / (loss)</b>	<b>(5,453)</b>	<b>2,385</b>
<b>Earning / (loss) per share-basic and diluted (Rs.)</b>	<b>9 (0.30)</b>	<b>0.13</b>

The annexed notes 1 to 11 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 first Quarter ended September 30, 2015

	September 2015	September 2014
----- (Rupees in '000') -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	(3,998)	3,812
Adjustments for non-cash charges and other items:		
Depreciation	2,198	2,886
Amortization of intangible assets	89	86
Profit on deposit account	-	(25)
Finance costs	524	2,381
(Gain) / Loss on disposal of property, plant & equipment	-	(1,725)
Dividend	-	(2,015)
	2,811	1,588
Cash (used in) from operating activities before working capital changes	(1,187)	5,400
Decrease in current assets	43,345	79,062
(Decrease) in current liabilities	(21,996)	(84,811)
	21,349	(5,750)
Net cash generated in operating activities before financial charges and income tax	20,162	(350)
Income tax-net	(954)	(1,503)
Finance cost paid	(1,058)	(1,867)
	(2,012)	(3,371)
Net cash generated in operating activities	18,150	(3,720)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant & equipments	(50)	(153)
Purchase of intangible assets	(128)	-
Profit on deposit account	-	25
Dividend	-	5,294
Proceeds from disposal of property, plant & equipment	-	2,689
Long term loans	(18)	-
Net cash (used in) from investing activities	(196)	7,855
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings- Secured	(14,765)	1,732
Musharakah financing	(1,562)	(1,223)
Payment for liabilities against assets subject to finance lease	(1,314)	(1,331)
Net cash (used in) financing activities	(17,641)	(823)
Net increase in cash and cash equivalents	313	3,314
Cash and cash equivalents at the beginning of the period	4,563	4,559
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4,876</b>	<b>7,873</b>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.



**ASAD ABDULLA**  
Chief Executive Officer



**ZUBAIR PALWALA**  
Director

# Condensed Interim Statement of Changes in Equity

as at September 30, 2015

	Issued, Subscribed and Paid-up Share Capital	General Reserves	Unappropriated Profit / (Loss)	Total
----- (Rupees in '000') -----				
<b>Balance as at June 30, 2014 -(Restated)</b>	<b>183,679</b>	<b>28,548</b>	<b>392,914</b>	<b>605,141</b>
Profit for the period ended September 30, 2014 (un-audited)	-	-	2,385	2,385
<b>Balance as at September 30, 2014 - Restated</b>	<b>183,679</b>	<b>28,548</b>	<b>395,299</b>	<b>607,526</b>
Balance as at July 01, 2015	183,679	28,548	502,820	715,047
Loss for the period ended September 30, 2015 (un-audited)	-	-	(5,453)	(5,453)
<b>Balance as at September 30, 2015</b>	<b>183,679</b>	<b>28,548</b>	<b>497,367</b>	<b>709,594</b>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.



**ASAD ABDULLA**  
Chief Executive Officer



**ZUBAIR PALWALA**  
Director



for the first Quarter ended September 30, 2015

## 1. NATURE OF BUSINESS

- 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 in Pakistan. 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 period ended September 30, 2015 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 September 30, 2015 and profit and loss account, statement of changes in equity and the cash flow statement for the period ended September 30, 2015.

### 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, 2015.

## 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, 2015.

There are no IFRSs of 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 the Condensed Interim Financial Statement

for the first Quarter ended September 30, 2015

	(Un-audited) September 30, 2015	(Audited) June 30, 2015
----- (Rupees in '000') -----		
<b>4. FIXED ASSETS</b>		
<b>Property, plant and equipment</b>		
Opening written down value	35,001	39,054
Additions to owned assets and leased assets	50	9,636
Disposals	-	(12,263)
Depreciation on disposals	-	8,965
Depreciation charged	(2,198)	(10,391)
<b>Closing written down value</b>	<b>32,854</b>	<b>35,001</b>
<b>5. INTANGIBLE ASSETS</b>		
Opening written down value	248	594
Addition during the period	128	-
Amortization Charged for the period	(89)	(346)
<b>Closing written down value</b>	<b>287</b>	<b>248</b>
<b>6. LONG TERM INVESTMENTS</b>		
<b>Un-Quoted</b>		
FMC United (Private) Limited	541,139	541,139
<b>Quoted</b>		
IBL HealthCare Limited	13,044	13,044
<b>Investment available for sale</b>		
International Brands Limited	83,663	83,663
	<b>637,846</b>	<b>637,846</b>

6.1 Share of profit of associated companies account for on the basis of latest available audited financial statements. However, there is no audited financial statements of associated companies that enable to record share of profit of associates in the period.

## 7. CONTINGENCIES & COMMITMENTS

The facility for opening letters of credit (LCs) acceptances as at September 30, 2015 amounted to Rs. 25.23 million (June 30, 2015: Rs. 13.88 million).

## 8. TRANSACTIONS WITH RELATED PARTIES

Related party comprises associated company, holding company, companies with common directorship and key management personnel. Transaction of the Company with related parties and balance outstanding at the period ended are as follows:

for the first Quarter ended September 30, 2015

September 30, 2015	September 30, 2014
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----- (Rupees in '000') -----

**8.1 By Virtue of Investment in Holding Company and Common Directorship****International Brands (Private) Limited- Holding**

Dividend	-	2,015
Claimable expenses charged by UDPL	666	-
Claimable expenses charged by IBL	600	-
Current account (Receivable) / payable	1,134	-

**8.2 By Virtue of Investment in Associates and Common Directorship****IBL Operations (Private) Limited**

Claimable expenses charged by UDPL	594	530
Claimable expenses charged by IBL	30	30
Current account (Receivable) / payable	(3,165)	(2,086)

**FMC United (Private) Limited**

Dividend received	-	3,279
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**The Searle Company Limited**

Claimable Expense charged by UDPL	427	163
Sale of Fixed assets	-	2,010
Current account Receipts / (Payments)	-	2,010
Current account (Receivable) / payable	(2,463)	(424)

**9. EARNING/(LOSS) PER SHARE - BASIC AND DILUTED**

Profit / (Loss) after tax (Rupees'000)	(5,453)	2,385
Weighted average ordinary shares (Numbers'000)	18,368	18,368
<b>Earning / (loss) per share (Rupees)</b>	<b>(0.30)</b>	<b>0.13</b>

**10. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved by the board of directors of the Company and authorized for issue on October 27, 2015.

**11. CORRESPONDING FIGURES**

11.1 Figures have been rounded off to the nearest thousand rupees.

11.2 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.



**ASAD ABDULLA**  
Chief Executive Officer



**ZUBAIR PALWALA**  
Director

Book Post

United Distributors Pakistan Limited



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9<sup>th</sup> Floor, NIC Building, Abbasi  
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e-mail: [info@udpl.com.pk](mailto:info@udpl.com.pk)

web: [www.udpl.com.pk](http://www.udpl.com.pk)