



Pakistan

Spirit of Growth



Quarter Report

For the 1st Quarter ended
September 30, 2018 (Un-Audited)

Content

Company Information	02
Directors' Report to the Members	03
Condensed Interim Statement of Financial Position	05
Condensed Interim Profit or Loss Account	06
Condensed Interim Statement of Profit or Loss and Comprehensive Income	07
Condensed Interim Statement of Cash Flow	08
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Information	10

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: Shahrāh-e-Faisal,
Karachi
Web: www.udpl.com.pk
email: info@udpl.com.pk

Company Secretary

Mr. Adnan Ahmed Feroze
Company Secretary

CFO

Mr. Sohail Hasnain Ahmed
Chief Financial Officer

Legal Advisor

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

HR & Remuneration Committee

Mr. M. Salman Hussain Chawala
Chairman

Mr. Zubair Palwala
Member

Mr. Ayaz Abdulla
Member

Bankers

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

Registrar

Central Depository Company of
Pakistan Ltd.
CDC House # 99-B, Block 'B'
S.M.C.H.S, Main Shahrāh-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 statement for the first quarter ended September 30, 2018.

OPERATING RESULTS

	FIRST QUARTER ENDED	
	September 30, 2018	September 30, 2017
	----- (Rupees in '000) -----	
Net sales	147,692	138,094
Gross profit	57,160	55,060
Profit from operations	10,278	15,268
Profit before taxation	16,534	56,101
Profit after taxation	13,211	48,911
Basic and diluted EPS (Rs.)	0.5	1.83

UDPL is continuously striving to become a strong, dynamic and vibrant company in the agriculture sector of Pakistan. Financial performance of the Company for the quarter ended September 30, 2018 is summarized below:

- Net sales of the Company amounted to Rs 148 million, registering a growth of 6.9% over the corresponding period of the last year. The growth in sales was mainly driven by good sales contribution of new products/mixtures.
- Gross profit of the Company grew by 3.8% and stood at 38.7% as compared with 39.9% of the corresponding period of the prior year.
- Operating profit, profit before taxation and profit after taxation, of the company decreased significantly by 32.7%, 70.5% and 72.7% respectively.

* اُردو کے لئے آخری صفحہ ملاحظہ فرمائیے۔

The decline in operating profit is mainly on account of exchange loss suffered by the Company during the period. Further, a significant reduction in share of profit from associate registered which had an adverse impact on overall profitability of the Company for the period under review.

FUTURE OUTLOOK

We aim to keep on our journey for the betterment of farmers through our unique services and high quality products to enable them in getting the best crop yields and high quality of food for human beings. The Company continues to face challenges of rapid escalation in cost owing to inflation, price hike and devaluation of the Pakistani rupee. Notwithstanding, the Company would continue its efforts to improve productivity and cost containment in order to fuel its 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.

For and on behalf of the Board



ASAD ABDULLA
Chief Executive Officer

Karachi: October 29, 2018

Financial Statement

Condensed Interim Statement of Financial Position (Un-audited)

as at September 30, 2018

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	20,954	19,537
Intangible assets		8,721	5,915
Long-term investments	5	1,249,716	1,257,612
Long-term loans		1,898	874
Long-term deposits		3,550	3,550
		1,284,839	1,287,488
CURRENT ASSETS			
Inventories		86,137	152,040
Trade and other receivable		105,595	78,655
Loans, advances and prepayments		7,209	4,497
Current tax asset		31,626	32,734
Cash and bank balances		5,423	13,076
		235,990	281,002
TOTAL ASSETS		1,520,829	1,568,490
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid up capital		266,702	266,702
Revenue Reserve			
Un-appropriated profits		893,111	879,900
General reserve		28,548	28,548
		921,659	908,448
Revaluation reserve on available-for-sale investment		74,966	89,608
		1,263,327	1,264,758
LIABILITIES			
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		6,552	6,143
Deferred taxation		131,166	129,388
		137,718	135,531
CURRENT LIABILITIES			
Trade and other payables	7	114,897	163,760
Unclaimed dividend		733	733
Current portion of liabilities against assets subject to finance lease		4,154	3,708
		119,784	168,201
TOTAL LIABILITIES		257,502	303,732
COMMITMENTS			
Total equity and liabilities	8	1,520,829	1,568,490

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



SYED NADEEM AHMED
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

Condensed Interim Profit or Loss (Un-audited)

for the Quarter ended September 30, 2018

	QUARTER ENDED	
	September 30, 2018	September 30, 2017
	----- (Rupees in '000') -----	
Revenue	9 147,692	138,094
Cost of sales	(90,532)	(83,034)
Gross profit	57,160	55,060
Distribution costs	(36,668)	(34,385)
Administrative expenses	(7,667)	(5,376)
Other expense	(2,870)	(408)
Other income	323	377
Profit from operations	10,278	15,268
Finance cost	(491)	(499)
Share of profit from associate	6,747	41,332
Profit before taxation	16,534	56,101
Taxation	(3,323)	(7,190)
Profit after taxation	13,211	48,911
Basic and diluted EPS (Rupees)	<u>Rs. 0.50</u>	<u>(Restated) Rs. 1.83</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



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 Quarter ended September 30, 2018

	QUARTER ENDED	
	September 30, 2018	September 30, 2017
	----- (Rupees in '000') -----	
Profit after taxation	13,211	48,911
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be subsequently reclassified to profit or loss		
Unrealised (loss) / gain on revaluation of available-for-sale investment	(14,642)	1,528
Total comprehensive income / (loss) for the period	<u>(1,431)</u>	<u>50,439</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



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 Quarter ended September 30, 2018

		September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES	Note	----- (Rupees in '000') -----	
Cash generated from operations	10	3,541	2,594
Finance cost paid		(3,279)	(798)
Income tax paid		(437)	(1,773)
Decrease (increase) in long term loans and deposits		(1,024)	160
Net cash generated/(used) in operating activities		(1,199)	183
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,919)	(3,794)
Acquisition of intangible assets		(3,390)	-
Net cash used in from investing activities		(7,309)	(3,794)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in liabilities against assets subject to finance lease		855	1,672
Net Decrease in cash and cash equivalents		(7,653)	(1,939)
Cash and cash equivalents at beginning of the period		13,076	6,029
Cash and cash equivalents at the end of period		5,423	4,090

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



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 Quarter ended September 30, 2018

	Share Capital	RESERVES			Total
		General Reserve	Unappropriated Profit	Gain on revaluation of available-for-sale investment	
----- (Rupees in '000') -----					
Balance as at July 1, 2017	242,456	28,548	773,457	127,175	1,171,636
Profit for the quarter ended September 30, 2017	-	-	48,911	-	48,911
Other comprehensive income	-	-	-	1,528	1,528
Total comprehensive income	-	-	48,911	1,528	50,439
Balance as at September 30, 2017	<u>242,456</u>	<u>28,548</u>	<u>822,368</u>	<u>128,703</u>	<u>1,222,075</u>
Balance as at July 1, 2018	266,702	28,548	879,900	89,608	1,264,758
Profit for the period ended September 30, 2018	-	-	13,211	-	13,211
Other comprehensive income/(loss) for the quarter ended September 30, 2018	-	-	-	(14,642)	(14,642)
Total comprehensive income	-	-	13,211	(14,642)	(1,431)
Balance at September 30, 2018	<u>266,702</u>	<u>28,548</u>	<u>893,111</u>	<u>74,966</u>	<u>1,263,327</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



SYED NADEEM AHMED
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

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

for the Quarter ended September 30, 2018

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 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 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, 2018 has 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.

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, 2018.

2.1 Changes in accounting standards, interpretations and pronouncements

- (a) Standards, interpretations and amendments to published approved Standards, interpretations and amendments to published approved

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018 that may have an impact on the financial statements of the Company.

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.

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

for the Quarter ended September 30, 2018

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.

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 recognised. The only exceptions are short term and low value leases.

3. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial information 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 this condensed interim financial information.

Judgments and estimates made by the management in the preparation of this condensed interim financial information 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.

4. 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, 2018	September 30, 2017	September 30, 2018	September 30, 2017
----- (Rupees in '000) -----				
Plant and Machinery	380	29	-	-
Computers	-	237	-	-
Office Equipment	30	-	-	-
Furniture and Fixtures	-	28	-	-
Vehicles	3,509	3,501	-	-
	<u>3,919</u>	<u>3,795</u>	<u>-</u>	<u>-</u>

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

for the Quarter ended September 30, 2018

5. LONG-TERM INVESTMENTS

Investment in associate

- FMC United (Private) Limited
1,639,418 (June 30, 2018: 1,639,418)
fully paid ordinary shares of Rs. 10 each
Percentage holding 40% (June 30, 2018: 40%)
Cost: Rs. 16,394,180
(June 30, 2018: Rs. 16,394,180)

Available for sale investments

- IBL HealthCare Limited - Listed
1,215,135 (June 30, 2018: 1,215,135)
fully paid ordinary shares of Rs. 10 each
Percentage holding 2.25% (June 30, 2018: 2.25%)
Cost: Rs. 7,882,580
(June 30, 2018: Rs. 7,882,580)
- International Brands Limited (Holding Company) - Unlisted
11,079,852 (June 30, 2018: 11,079,852)
fully paid ordinary shares of Rs. 10 each
Percentage holding 4.71% (June 30, 2018: 4.71%)
Cost: Rs. 83,663,056
(June 30, 2018: Rs. 83,663,056)

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
	----- (Rupees in '000') -----	
	1,083,205	1,076,459
	82,848	97,490
	83,663	83,663
	166,511	181,153
	1,249,716	1,257,612

6. OTHER RECEIVABLES

This represents Rs. 1.08 million (June 2018: Rs. 1.15 million) receivable from related parties.

7. TRADE AND OTHER PAYABLES

These include Rs. 5.16 million (June 2018: Rs. 1.75 million) payable to related parties.

8. COMMITMENTS

The facilities for opening letter of credit as at September 30, 2018 amounted to Rs. 150 million (June 30, 2018: Rs. 150 million). The amount remaining unutilised as at September 30, 2018 is Rs.11.5 million (June 30, 2018: Rs. 63.84 million).

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

for the Quarter ended September 30, 2018

9. REVENUE

	September 30, 2018	September 30, 2017
	----- (Rupees in '000') -----	
Gross Sales	175,496	193,438
Less:		
- trade discounts	(24,217)	(46,603)
- sales return	(2,665)	(3,387)
	148,614	143,448
Less: Sales tax	(922)	(5,354)
	<u>147,692</u>	<u>138,094</u>

10. CASH GENERATED FROM OPERATIONS

Profit before taxation	16,534	56,101
Adjustment for non-cash charges and other items		
Depreciation and amortisation	3,084	3,055
Finance cost	491	499
Exchange Loss	2,788	299
Share of profit of associate	(6,747)	(41,332)
	<u>(384)</u>	<u>(37,479)</u>
Profit before changes in working capital	16,150	18,622
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	65,903	46,638
Trade and other receivable	(26,940)	(19,690)
Loans, advances and prepayments	(2,712)	(1,199)
	36,251	25,749
Decrease in trade and other payables	(48,860)	(41,777)
Cash generated from operations	<u>3,541</u>	<u>2,594</u>

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

for the Quarter ended September 30, 2018

11. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship		Nature of transactions	September 30, 2018	September 30, 2017
----- (Rupees in '000') -----				
i. Holding company	Corporate service charges	1,200	600	
	Receipts from Holding Company	2,905	-	
ii. Associated companies	Receipts from associated Company	239	1,563	
	IT services	35	-	
	Warehouse rent	239	217	
	SAP ERP Implementation cost	3,390	-	
iii. Employees' provident fund	Contribution paid	1,680	1,372	
iv. Key management personnel	Salaries and other employee benefits	6,340	7,046	
	Directors' fee	3	3	

12. DATE OF AUTHORISATION FOR ISSUE

This un-audited condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on October 29, 2018.



ASAD ABDULLA
Chief Executive Officer



SYED NADEEM AHMED
Director



SOHAIL HASNAIN AHMED
Chief Financial Officer

ڈائریکٹر 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 ختم شدہ ۳۰ ستمبر ۲۰۱۸ء پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

مستقبل پر ایک نظر

ہمارا عزم ہے کہ ہم منفرد اور اعلیٰ معیاری مصنوعات متعارف کروا کر کسانوں کی فلاح و بہبود کا سفر جاری رکھیں گے تاکہ انہیں فصلوں سے بہترین پیداوار حاصل ہو اور انسانوں اور شہریوں کو اعلیٰ معیاری غذا فراہم کر سکیں۔ مصنوعات کی قیمتوں میں حالیہ اضافہ، روپے کی قدر میں نمایاں کمی کا کہنی کو مسلسل سامنا ہے۔ اس کے باوجود کہنی اپنی پیداواری صلاحیت اور لاگت کو کنٹرول کرنے کی بھرپور کوشش کر رہی ہے۔

اعتراف

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

زراعت کے میدان میں یو ڈی پی ایل تسلسل کے ساتھ ایک مضبوط، فعال اور توانا کہنی بننے کی جدوجہد کر رہی ہے۔ سہ ماہی ختم شدہ ۳۰ ستمبر ۲۰۱۸ء کی مالیاتی جھلکیاں مختصر آئینہ کی گئی ہیں۔

آپریٹنگ نتائج

پہلی سہ ماہی ختم شدہ	
30 ستمبر 2017	30 ستمبر 2018
(روپے لاکھوں میں)	
138,094	147,692
55,060	57,160
15,268	10,278
56,101	16,534
48,911	13,211
1.83	0.5

خالص فروخت
خام منافع
منافع آپریشنز
منافع قبل از ٹیکس
منافع بعد از ٹیکس
فی شخص منافع (روپے میں)

- کہنی کی خالص فروخت ۱۳۸ ملین روپیہ جو کہ گزشتہ سال سے ۹.۹ فیصد زیادہ رہی۔
- کہنی کے خام منافع میں گزشتہ سال کی نسبت ۳.۸ فیصد زیادہ اضافہ ہوا۔ کہنی کا خام منافع ۳۸.۷ فیصد ہوا۔
- کہنی کا فعال منافع، منافع قبل از ادا دہی ٹیکس اور منافع بعد از ادا دہی ٹیکس میں ۳.۷، ۵.۵ اور ۷.۷ فیصد نمایاں کمی ہوئی۔

کہنی کے فعال منافع میں نمایاں کمی شرح زرمبادلہ میں نقصان میں درج ہوا۔ مزید برآں، متعلقہ ساتھی کہنی کے منافع میں بھی نمایاں کمی اندراج ہوئی جبکہ کہنی کے اس سہ ماہی کے منافع پر برا اثر ہوا۔

برائے اور بورڈ کی جانب سے

اسد عبداللہ
چیف ایگزیکٹو آفیسر

کراچی: ۲۹ اکتوبر ۲۰۱۸ء

Book Post

United Distributors Pakistan Limited

Under Certificate of posting

If undelivered please return to:

9th Floor, NIC Building, Abbasi
Shaheed Road, Karachi-75530

Tel: +92-21-35635516

Fax: +92-21-35635518

e-mail: info@udpl.com.pk

web: www.udpl.com.pk