



Pakistan

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COMPANY INFORMATION

<i>BOARD OF DIRECTORS</i>	Mr. Rashid Abdulla	Chief Executive
	Mr. Khalid Malik	Director
	Mr. Asad Abdulla	Director
	Mr. Ayaz Abdulla	Director
	Mr. Munis Abdulla	Director
	Mr. Zubair Razzak Palwala	Director
	Mr. Abdullah Ghulam Ali	N.I.T. Nominee

*COMPANY SECRETARY
& CHIEF FINANCIAL OFFICER* Syed Salman Hissam

AUDITORS Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

BANKERS Habib Bank Limited
Meezan Bank Limited
Emirates Global Islamic Bank Limited
Habib Metropolitan Bank Limited

REGISTERED OFFICE 9th Floor, N.I.C. Building, Abbasi Shaheed Road,
Karachi.

REGISTRAR Gangjees Registrar Services (Pvt.) Limited
516 - Clifton Centre, Khayaban-e-Roomi,
Kehkashan, Block-5, Clifton, Karachi-75600



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of UNITED DISTRIBUTORS PAKISTAN LIMITED will be held at The Institute of Chartered Accountants of Pakistan, Clifton, Karachi on Monday October 26th, 2009 at 6:00 p.m. to transact the following business:

1. To confirm the minutes of the last Annual General Meeting held on Friday October 24th, 2008.
2. To receive, consider and approve the audited accounts of the Company for the year ended June 30th, 2009 together with the Director's and Auditor's reports thereon.
3. To approved cash dividend of Re. 1 (one) per ordinary share of Rs. 10/- each (10%) as recommended by the Directors .
4. To appoint Auditors and fix their remuneration for the year 2009-2010. The present Auditors M/s. Baker Tilly Mehmood Idrees Qamar, Chartered Accountants retires and being eligible, offer themselves for reappointment as auditors of the Company.

SPECIAL BUSINESS:

5. To approve the issue of bonus shares in the ratio of ten shares for every hundred shares held (i.e. 10%) as recommended by the Board of Directors and, if thought appropriate, to pass with or without modification(s) the following resolution as an ordinary resolution.

"RESOLVED that a sum of Rs. 8,349,000/- out of the un-appropriated profits of the Company be capitalized and applied towards the issue of 834,900/- ordinary shares of Rs. 10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at October 18, 2009, in the proportion of ten (10) shares for every hundred (100) shares held and that such new shares shall rank pari passu with the existing ordinary shares".

"FURTHER RESOLVED that in the event of any share holder holding less than ten shares or number of shares which is not an exact multiple of ten, the Directors be and are hereby authorized to sell in the stock market such fractional entitlement and to pay the proceeds of sale when realized to a recognized charitable institution as may be selected by the Directors."

"FURTHER RESOLVED that Chief Executive and / or the Company Secretary be and hereby authorized to take all necessary steps on behalf of the Company."

By Order of the Board

Karachi : September 29, 2009

Syed Salman Hissam
Company Secretary



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NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. The shares transfer books of the Company will remain closed from October 19, 2009 to October 26, 2009 (both days inclusive). Transfers (if any) should be received at the office of our Registrar M/s. GANGJEES REGISTRAR SERVICES (Pvt.) LIMITED, Room No. 516, Clifton Centre, Kehkashan, Block-5, Clifton, Karachi-75600, latest by the close of the business on October 18th, 2009.
2. A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
3. Proxies in order to be effective must be received by the Company's Registrar not less than 48 hours before the meeting.
4. Members are requested to notify any changes in their addresses immediately to the Company's share Registrar, GANGJEES REGISTRAR SERVICES (Pvt.) LIMITED.
5. In pursuance of Circular No. 1 of 2000 of SECP dated January 26th, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their National Identity Card (NIC) or passport for identification purpose at the time of attending the meeting. The form of the proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and NIC numbers must be mentioned on the form, alongwith attested copies of the NIC or passport of the beneficial owner and the proxy.
6. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

Statement under section 160(1)(B) of the Companies Ordinance, 1984

In the opinion of the Directors, the financial position of the Company justifies a bonus shares in the ratio 10:100. The Directors are interested in this business only to the extent of their entitlement to bonus shares as share holders.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Pakistan

The Board of Directors of United Distributors Pakistan Limited (UDPL) is pleased to present the 27th Annual Report and Audited Accounts of the Company for the year ended June 30, 2009. The report covers UDPL activities for the year 2008-09 and describes the financial, operating and social performance of the company.

The Director Report is prepared under section 236 of the Companies Ordinance, 1984 and Clause XIX of the Code of Corporate Governance.

OPERATING AND FINANCIAL RESULTS

Following is the summary of comparative financial results:

	July - June 2009 Rupees	July - June 2008 Rupees	Percentage Increase
Net Sales	773,324,221	504,512,961	53.28%
Profit before tax	84,593,227	22,306,702	279.23%
Profit after taxation	78,244,988	14,577,710	436.74%
EPS (in Rupees)	9.37	* 1.75	

* Restated EPS for the year 2008

Overview

Your Company continues its journey on the path of progressive and steady growth. During the year the Company has made several positive steps to secure its current and future prosperity.

Despite facing several challenges, the Company has achieved good results both in terms of sales and profitability for the year ended June 30, 2009. The overall sales performance of the Company for the year under review recorded sales Rs.773.3 million as compared to Rs.504.5 million over the same period last year showing a significant improvement of 53.3%, which is highly encouraging. This achievement is attributed once again to the hard work of our dedicated sales and distribution network to provide the agricultural community with top quality products and services.

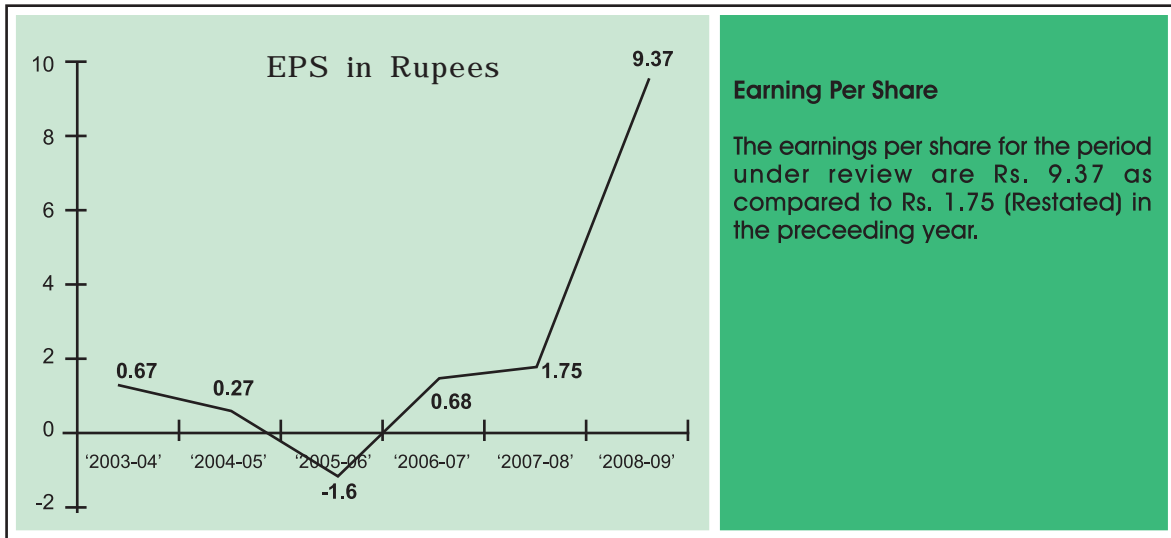
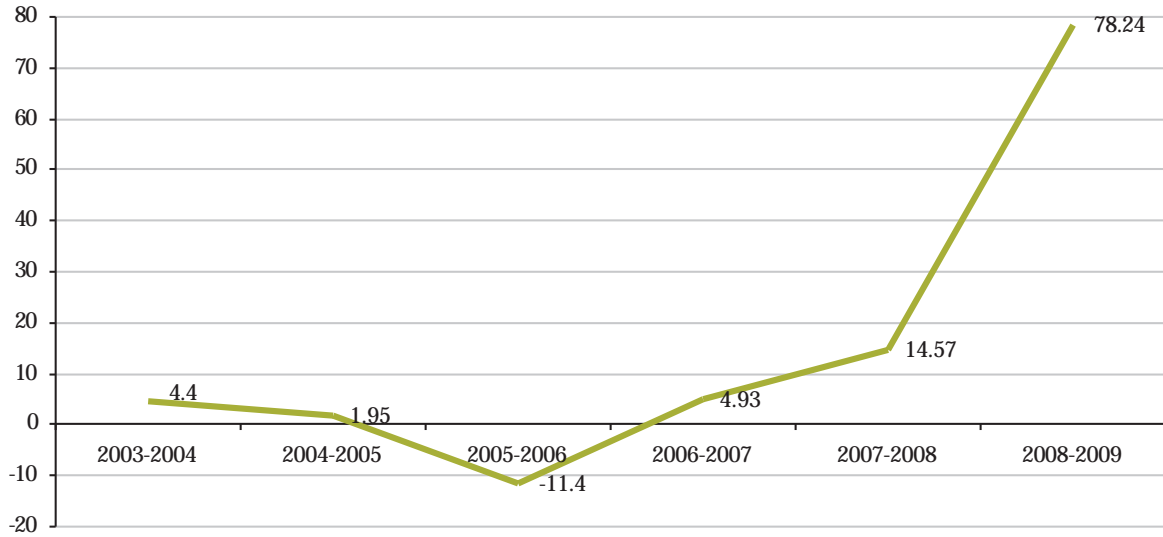
Summary of key operating and financial data of six years at a glance

Below is a summary of key operating and financial results for six years and includes the financial results for the year under review:

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
(..... Rupees in million)						
Net Sales	773.32	505.51	257.37	100.40	79.10	64.42
Cost of Goods Sold	(585.93)	(389.80)	(198.38)	(79.80)	(57.89)	(47.94)
Gross Profit	187.39	114.71	58.98	20.6	21.21	16.49
%age of Sales	24.23%	22.74%	22.92%	20.51%	26.81%	25.60%
Profit after tax	78.24	14.57	4.93	(11.40)	1.95	4.40
Cash Dividend	-	-	-	-	-	6.60
Bonus Shares	-	10.9	-	-	6.6	
Percentage	-	15%	-	-	10%	10%
Earning per share (Rs.)	9.37	1.75	0.68	(1.60)	0.27	0.67

DIRECTORS' REPORT TO THE SHAREHOLDERS

Profit after Tax (Rupees in Million)





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DIRECTORS' REPORT TO THE SHAREHOLDERS

Appropriations

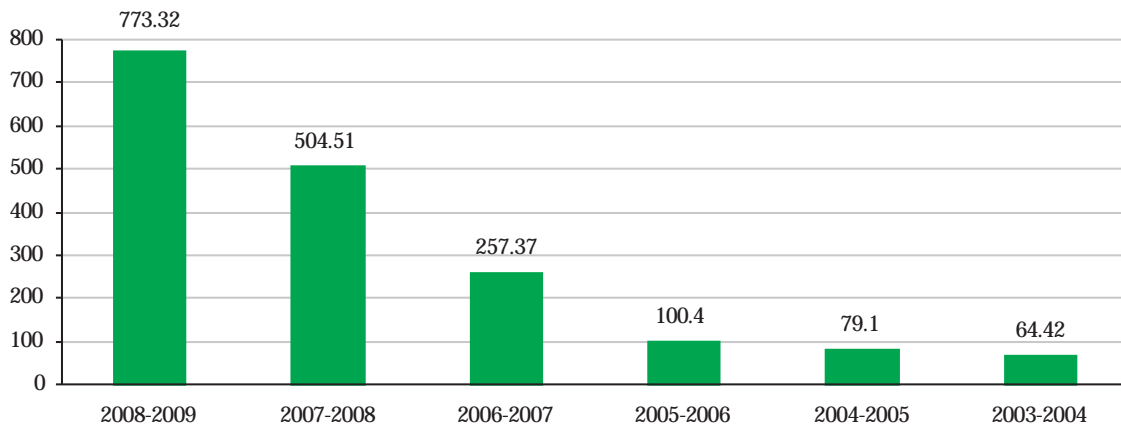
Last year the Company issued Bonus Shares in the proportion of 15 shares for every 100 shares held i.e. 15% to its shareholders. This year, it has been recommended by the Board of Directors to issue Bonus Shares in the proportion of 10 shares for every 100 shares held i.e. 10% and 10% cash dividend for the year ended June 30, 2009.

Sales Turnover

An overall sale of the Company has increased by 53.28% as compared to last year's performance. The volume of products has also increase from 1,966,950 ltr. / kg to 2,454,631 ltr. / kg this year. This is due to several factors of which the significant ones are:

- i. The addition of sales team members has helped to provide services and products to those areas that were previously untapped. In order to improve the quality of services several territories have been broken down into smaller ones.
 - a. Increased sales territories from 56 to 78.
 - i. 21 new products were launched during this period that has added over Rs. 150 million in sales turnover.
 - ii. Increased level of field activities that include, larger number of field officers, increase in the number of high profile, medium profile and village level farmer meetings.

SALES (Rupees in Million)





DIRECTORS' REPORT TO THE SHAREHOLDERS

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The continuous focus on farmer services and providing quality products has created goodwill from not only the farmer network but also the dealer's network that supports UDPL fully and it shows from the sales performance at individual territory levels.

Distribution Services

Distribution fee has shown a significant rise this year due to better sales turnover of FMC United. The total volume handled by the UDPL branch network (FMC plus its own) is 14,357,540 (Ltr. / Kg) versus 10,613,651 (Ltr. / Kg) in the preceding year.

The Company has also revised its distribution fee structure with FMC United effective January 1, 2009, to account for the rise in fuel prices and overall increase in expenses occurred in this department. This will in turn positively affect future profitability.

The Company has in operation, 13 permanent branches as compared with 9 last year. UDPL has by far the largest network of branches amongst all agrochemical companies. With the increase in branches and the Induction of its own fleet of vehicles, the Company has made its distribution operations very efficient.



List of Operating Branches:

- | | |
|-----------------|----------------------------|
| 1. Hyderabad | 8. Vehari |
| 2. Sukkur | 9. Sahiwal |
| 3. Quetta | 10. Sargodha |
| 4. Rahimyarkhan | 11. Lahore |
| 5. Bahawalpur | 12. Gujranwala |
| 6. Multan | 13. Mardan |
| 7. D. G. Khan | 14. Mirpurkhas (Temporary) |

Share of Associates

Profit from associated companies also shows a significant rise as all the companies invested in have all performed well during the year.



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DIRECTORS' REPORT TO THE SHAREHOLDERS

Activities During the Year

The Directors would also like to take this opportunity to note the significant activities that have taken place during the year that have helped achieve the goals for the year and secure a better future for the Company:

- i. Agency Agreements – UDPL has signed agency agreements with several companies giving access to market and sell their products in Pakistan.
 - a. Granular Corp (Thailand) – Focused on “Chelated Granular Micronutrients”
 - b. Indigrow (UK) – Focused on all nutrients
 - c. Isagro (Italy) – Leading agrochemical company
 - d. R. B. Avari – Local company
- i. Granular Formulation – UDPL has set up its own granular formulation plant that will help in achieving better margins, maintaining high quality products and providing timely supplies.

2009 - 2010

The next year will be challenging once again. The overall world market conditions make it difficult to plan too far into the future. However, the management of UDPL has learned quickly on how to adapt to the fast changing environment around us.

- i. A further increase in the Company's sales team is expected in the upcoming year as there are still several areas that have been left uncovered. Focus will remain on increasing farmer coverage and to contribute to the agriculture growth in Pakistan.
- ii. The increase in BT Cotton means that companies have to look elsewhere to maintain and grow their business. UDPL has focused its efforts towards other crops e.g. Rice, Maize, Potato, Melons, Mango etc. and next year it will launch a full campaign on Wheat.
- iii. New product additions to the portfolio are also in pipeline. UDPL will be launching anywhere between 10-15 new products in the year.

The Company is also looking at setting up liquid and powder formulation plants that will give similar benefits as the granular formulation set up.

Future Outlook

Your Company has developed a high quality team that is ready to take on any and all challenges. The management has worked hard in establishing UDPL once again as a leading, agrochemicals company in the market. The future however will take UDPL beyond just agrochemicals. The Company's focus is on establishing new businesses to secure its future. These businesses include:

- i. Fertilizers
- ii. Animal Health and Nutrition
- iii. Corporate Farming
- iv. Produce Marketing



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DIRECTORS' REPORT TO THE SHAREHOLDERS

Corporate Social Responsibility (CSR)

The Company efforts focused on the areas of health and education by support to employees and other stakeholders. We also continued food supports to eligible employees of the Company in order to compensate the current inflation rate.

Employee's Benefit Schemes

The Company is operating funded Provident Fund and unfunded Gratuity Fund. The provident fund has been appropriately invested in Government securities and is audited annually by independent auditors.

Meetings Of Board Of Directors

During the year 2008-09 four Board meetings held and attended as follows:

S.No.	Name of Directors	Number of Meetings Attended
1	Mr. Rashid Abdulla	4
2	Mr. Khalid Malik	4
3	Mr. Asad Abdulla	4
4	Mr. Ayaz Abdulla	3
5	Mr. Munis Abdulla	3
6	Mr. Zubair Razzak Palwala	3
7	Mr. Abdullah Ghulam Ali	4

Leaves of absence were granted to the Directors who could not attend some of the Board Meetings.

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

Rashid Abdulla
Chief Executive

Karachi: September 29, 2009



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STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 of listing regulations of the Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange in Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages the representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board of Directors includes ten non-executive directors out of whom one independent non-executive director represent minority shareholder. The Board has only one executive director i.e. Chief Executive.
2. The Directors have confirmed that none of them is serving as a director in more than ten listed companies.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two Casual vacancies occurred on the Board on July 01, 2007 and September 26, 2007. The Directors filled all vacancies within thirty days thereof and the concerned directors have given a declaration in their consent under clause (ii) of the Code of Corporate Governance.
5. The company has prepared a "Statement of Ethics and Business Practices" which has been signed by all the directors and employees upto the level of Deputy Manager of the company.
6. The Board has developed a vision/mission statement, overall corporate strategy and framed significant policies as required by the Code. The Board, however, will consider any amendment to these policies or any new policy(s) as and when required. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. Directors are well conversant with the listing regulations, legal requirements and operational imperatives of the Company, and as such fully aware of their duties and responsibilities. Further, the company has been updating them, in the board meetings held during the year, regarding their duties and responsibilities.
9. The Board has approved appointment, remuneration and terms and conditions for the appointment of CEO. The Board has also approved the appointment of the Company Secretary and CFO including remuneration and terms and conditions of employment, as determined by the CEO. On the basis of legal advice received, the Company believes that in its case, the same person can act as Company Secretary and CFO. There was no new appointment of head of internal audit during the year.
10. The Director's report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.



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STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE

12. The directors, CEO and executives do not hold any interest in the shares of the other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the Code.
14. The Board has formed an Audit Committee. It comprises three members; all are non-executive directors including the chairman of the committee. The terms of reference of the audit committee has been defined by the Board of Directors as detailed in para (xxxii) of code of Corporate Governance.
15. The meeting of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the code. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The Board has set up an effective internal audit function that is involved in internal audit activities on a full time basis.
17. The statutory auditors of the Company have confirmed that they are maintaining a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listings regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all other material principles contained in the Code have been complied with.

Karachi : September 29, 2009

For and on behalf of the Board

RASHID ABDULLA
Chief Executive



Pakistan

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE
WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE



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QAMAR

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We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2009 prepared by the Board of Directors of UNITED DISTRIBUTORS PAKISTAN LIMITED to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects that status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's Statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2009.

Baker Tilly Mehmood Idrees Qamar

Chartered Accountants
Name of Audit Engagement Partner
Idrees Dawson - FCA
Karachi : September 29, 2009



Lahore Office: 188-D-1, Model Town, Lahore-Pakistan. Tel: +92-(042)-584-2491, 586-0550, Fax: +92-(042)-584-4034



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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of UNITED DISTRIBUTORS PAKISTAN LIMITED as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, (hereinafter referred to as financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts, and are further in accordance with the accounting policies consistently applied.
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2009, and of the profit, its cash flow and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Baker Tilly Mehmood Idrees Qamar

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
Name of Audit Engagement Partner
Idrees Dawson - FCA
Karachi : September 29, 2009



Pakistan

BALANCE SHEET

AS AT JUNE 30, 2009

	Note	2009 Rupees	2008 Rupees
EQUITY AND LIABILITIES			
Share Capital	5	83,490,000	72,600,000
General Reserve		30,000,000	30,000,000
Unappropriated profit/(loss)		<u>96,279,149</u>	<u>28,924,160</u>
		209,769,149	131,524,160
LIABILITIES			
NON-CURRENT LIABILITIES:			
Liabilities against assets subject to finance leases	6	37,804,864	7,112,889
Deferred Employee Benefits - Staff Gratuity	7	3,471,314	3,027,102
Deferred taxation	8	10,246,017	13,532,392
Deferred income	11	<u>1,939,496</u>	<u>-</u>
		53,461,691	23,672,383
CURRENT LIABILITIES:			
Current portion of liabilities against assets subject to finance leases	6	<u>19,696,734</u>	<u>8,082,559</u>
Trade and other payables	9	425,981,459	300,347,143
Short term Borrowing - (Secured)	10	4,500,000	40,000,000
Provision for Taxation		<u>16,377,967</u>	<u>6,743,352</u>
		466,556,160	355,173,054
CONTINGENCIES & COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>729,787,000</u>	<u>510,369,597</u>
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	13	82,304,577	39,574,341
Long term investment in associated companies	14	191,318,665	149,304,579
Long term lease deposits		4,356,050	1,367,750
Long term loans	15	<u>121,650</u>	<u>74,750</u>
		278,100,942	190,321,420
CURRENT ASSETS			
Stock-in-Trade	16	<u>353,481,265</u>	<u>271,235,550</u>
Trade debts (Secured)	17	3,218,382	4,345,627
Advance income tax		24,888,391	22,518,084
Advances, deposits, prepayments and other receivables	18	40,214,615	18,670,350
Cash and bank balances	19	<u>29,883,405</u>	<u>3,278,566</u>
		451,686,058	320,048,177
TOTAL ASSETS		<u>729,787,000</u>	<u>510,369,597</u>

The annexed notes 1 to 34 form an integral part of these financial statements

Asad Abdulla
Director

Rashid Abdulla
Chief Executive



Pakistan

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009 Rupees	2008 Rupees
Sales - net	20	773,324,221	504,512,961
Cost of good sold	21	(585,931,954)	(389,802,642)
Gross profit		187,392,267	114,710,319
Distribution fees for handling of products		40,524,431	28,489,694
		<u>227,916,698</u>	<u>143,200,013</u>
Selling expenses	22	(119,199,384)	(83,114,147)
Distribution expenses	23	(38,925,674)	(31,251,623)
Administrative and general expenses	24	(20,620,937)	(15,114,821)
		<u>(178,745,995)</u>	<u>(129,480,591)</u>
Finance costs	25	(19,831,509)	(12,253,656)
Other Income	26	13,239,948	16,544,118
Profit before taxation		42,579,142	18,009,884
Share of profit of associates	14.1	42,014,086	4,296,819
Taxation	27	(6,348,239)	(7,728,993)
Profit after taxation		<u>78,244,989</u>	<u>14,577,710</u>
Earning per share - Basic and diluted			
Company and associates	31.1	<u>9.37</u>	<u>1.75</u>
Company	31.2	<u>4.34</u>	<u>1.23</u>

The annexed notes 1 to 34 form an integral part of these financial statements

Asad Abdulla
Director

Rashid Abdulla
Chief Executive



Pakistan

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2009

	2009 Rupees	2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	42,579,142	18,009,883
Adjustments for:		
Depreciation	13,492,751	8,924,797
Provision for employee benefit	2,048,548	1,622,345
Profit on deposit account	(131,331)	(19,975)
Financial costs	19,831,509	12,253,657
Gain on disposal property, plant & equipment	(2,397,956)	(1,999,768)
Gain on sale and lease back	(114,088)	-
Interest on short term loan	-	(9,941,918)
	<u>32,729,433</u>	<u>10,839,138</u>
Cash generated from operating activities before working capital changes	<u>75,308,575</u>	<u>28,849,021</u>
Increase in trade and other payables	125,634,316	114,914,421
(Increase) in stock-in-trade	(82,245,715)	(142,941,096)
Decrease/(Increase) in trade debts	1,127,245	(551,757)
(Increase)/Decrease in advances, deposits, prepayments and other receivables	(21,544,265)	12,185,054
	<u>22,971,581</u>	<u>(16,393,378)</u>
Net cash generated from operating activities before financial charges and income tax	<u>98,280,156</u>	<u>12,455,644</u>
Income tax paid	(7,829,902)	(8,123,890)
Income tax refund	5,459,594	-
Finance cost paid	(21,050,616)	(11,507,251)
Gratuity paid	(1,962,671)	(639,485)
	<u>(25,383,595)</u>	<u>(20,270,626)</u>
Net cash generated from / (used in) operating activities	72,896,561	(7,814,982)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant & equipment	(15,865,646)	(17,401,791)
Investment in associates	-	(87,527,586)
Short term loans - net	(35,500,000)	20,000,000
Profit on deposit account	131,331	19,975
Long term loan paid	(46,900)	-
Proceeds from disposal of property, plant & equipment	3,890,200	3,240,775
Long term lease deposits	(2,988,300)	77,400
Net cash used in investing activities	(50,379,315)	(81,591,227)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short term borrowing	-	70,000,000
Increase interest on short term borrowing	-	17,527,586
Gain on sale on leaseback	1,939,496	-
Payment received ag. Sale and leaseback assets	15,157,947	-
Payment for liabilities against assets subject to finance lease	(13,009,850)	(5,055,616)
Net cash generated from financing activities	4,087,593	82,471,970
Net increase / (decrease) in cash and cash equivalents	26,604,839	(6,934,239)
Cash and cash equivalents at the beginning of the year	3,278,566	10,212,807
Cash and cash equivalents at the end of the year	<u>29,883,405</u>	<u>3,278,566</u>

The annexed notes 1 to 34 form an integral part of these financial statements

Asad Abdulla
Director

Rashid Abdulla
Chief Executive