




Pakistan

Quarterly Report

For the 3rd Quarter ended
March 31, 2015
Un-Audited

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Company Information

Board of Directors

Mr. Rashid Abdulla
Chairman

Mr. Asad Abdulla
Chief Executive Officer

Mr. Zubair Palwala
Director

Mr. Ayaz Abdulla
Director

Mr. S. Nadeem Ahmed
Director

Mr. Tahir Saeed
Director

Mr. M. Salman Hussain Chawala
N.I.T Nominee

Company Secretary

Mr. Adnan Ahmed Feroze
Company Secretary

CFO

Mr. Sohail Hasnain Ahmed
Chief Financial Officer

Legal Advisor

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

Audit Committee

Mr. Tahir Saeed
Chairman

Mr. Zubair Palwala
Member

Mr. Ayaz Abdulla
Member

HR & Remuneration Committee

Mr. Ayaz Abdulla
Chairman

Mr. Zubair Palwala
Member

Mr. Asad Abdulla
Member

Auditors

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

Bankers

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

Registered Office

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

Registrar

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

Directors' Report to the Shareholders

The Board of Directors of **United Distributors Pakistan Limited (UDPL)** is pleased to present the un-audited financial information for the third quarter ended March 31, 2015. This financial information is submitted in accordance with section 245 of the Companies Ordinance, 1984.

OPERATING RESULTS

	July - March	
	2015	2014
	----- (Rupees in '000') -----	
Net sales	277,586	296,770
Gross profit	58,554	79,989
Loss before taxation	(27,107)	(17,852)
Loss after taxation	(24,351)	(2,181)
EPS in Rs.	(1.33)	(0.19)

The Company reported a net sale of Rs. 277.59 million as compared to Rs. 296.77 million over the corresponding period last year. During the period under review, the products off takes were low due to un supporting weather and low application of sprays on seasonal crops. Therefore, the company was unable to achieve revenue target set for the period under review.

Further, the significant decline in margin resulted due to minimal contribution of fertilizer sale which keeps healthy margins as well as sales of other products realized with low margins for the period under review.

The Company is continuously focusing to rationalize its operating expenses .Hence, resulting 15% reduction of expenses over the corresponding period last year.

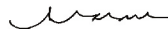
FUTURE OUTLOOK

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

ACKNOWLEDGMENTS

The Directors would like to express their gratitude to the Customer, Bankers and other Stakeholders for their continued support and encouragement and also place on record the appreciation of the valuable services rendered by the employees of the Company.

For and on behalf of the Board



ASAD ABDULLA
Chief Executive Officer

Karachi: April 23, 2015

Condensed Interim Balance Sheet

as at March 31, 2015

		(Un-audited) March 31, 2015	(Audited) June 30, 2014
ASSETS			
	Note	----- (Rupees in '000') -----	
NON CURRENT ASSETS			
Property, plant and equipment	4	29,224	39,054
Intangible assets	5	335	594
		29,559	39,648
Long term investments	6	459,420	463,220
		488,979	502,868
CURRENT ASSETS			
Stock in trade		164,220	238,064
Trade debts		31,845	61,534
Taxations-net		23,489	20,481
Short-term deposits, prepayments and advances		9,952	22,294
Short-term investments		-	2,000
Cash and bank balances		4,517	4,559
		234,023	348,932
TOTAL ASSETS		723,002	851,800
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		183,679	183,679
General reserve		28,548	28,548
Un-appropriated profit		364,342	388,693
		576,569	600,920
LIABILITIES			
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		854	3,517
Diminishing musharakah financing payables		5,635	9,341
Deferred taxation		11,684	5,853
		18,173	18,711
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		3,843	5,542
Current portion of diminishing musharakah financing		4,893	4,893
Trade and other payables		87,790	198,120
Short term borrowings		24,912	16,295
Advances from customers		6,822	7,319
		128,260	232,169
TOTAL LIABILITIES		146,433	250,880
Contingencies and commitments	7	-	-
TOTAL EQUITY AND LIABILITIES		723,002	851,800

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



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

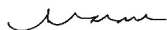
Condensed Interim Profit & Loss Account (Un-audited)

for the period ended March 31, 2015

	NINE MONTHS PERIOD ENDED March 31,		QUARTER ENDED March 31,	
	2015	2014	2015	2014
Note	----- (Rupees in '000') -----			
Sales	277,586	296,770	54,105	69,965
Cost of goods sold	(219,032)	(216,781)	(53,309)	(49,315)
Gross Profit	58,554	79,989	796	20,650
Selling expenses	(68,798)	(80,407)	(22,076)	(32,064)
Distribution expenses	(10,829)	(13,447)	(3,003)	(4,644)
Administrative and general expenses	(10,025)	(11,702)	(3,493)	(4,064)
	(89,652)	(105,556)	(28,572)	(40,772)
Operating loss	(31,098)	(25,567)	(27,776)	(20,122)
Other Income	11,749	17,889	2,666	4,413
Finance cost	(7,758)	(10,174)	(1,011)	(2,292)
Share of profit of associates	6.1	-	-	-
Loss before taxation	(27,107)	(17,852)	(26,121)	(18,001)
Provision for taxation	2,756	15,671	(517)	18,431
Profit/(loss) after taxation	(24,351)	(2,181)	(26,638)	430
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss)	(24,351)	(2,181)	(26,638)	430
Earning/(loss) per share-basic and diluted (Rupees) 9	(1.33)	(0.19)	(1.45)	0.04

* Comparative period EPS has been restated

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

for the period ended March 31, 2015

	Issued, Subscribed and Paid-up Share Capital	General Reserves	Unappropriated Profit / (Loss)	Total
----- (Rupees in '000') -----				
Balance as at June 30, 2013 -(Restated)	91,839	30,000	287,121	408,960
Share issue cost	-	(1,348)	-	(1,348)
Right share issue	91,840	-	-	91,840
(Loss) for the period ended March 31, 2014 (unaudited)			(2,181)	(2,181)
Balance as at March 31, 2014	183,679	28,652	284,940	497,271
Balance as at June 30, 2014	183,679	28,548	388,693	600,920
(Loss) for the period ended March 31, 2015 (unaudited)	-	-	(24,351)	(24,351)
Balance as at March 31, 2015	183,679	28,548	364,342	576,569

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 period ended March 31, 2015

	March 31, 2015	March 31, 2014
----- (Rupees in '000') -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(27,107)	(17,852)
Adjustments for non-cash charges and other items:		
Depreciation	8,009	9,407
Amortization of software cost	259	400
Provision for employee benefit	-	26
Profit on deposit account	(32)	-
Finance costs	7,758	10,174
Gain on disposal of property, plant & equipment	(6,009)	(12,761)
Dividend	(4,029)	(3,826)
	5,956	3,420
Cash generated from operating activities before working capital changes	(21,151)	(14,432)
(Decrease) in trade and other payables	(110,650)	(47,860)
Decrease in stock in trade	73,846	32,834
Decrease / (Increase) in trade debts	29,689	(23,546)
Decrease in advances, deposits, prepayments and other receivables	12,341	(270)
	5,226	(38,842)
Net cash utilized in operating activities before financial charges and income tax	(15,925)	(53,274)
Income tax-net	5,579	(6,655)
Finance cost paid	(7,937)	(10,227)
Gratuity paid	-	(3,880)
	(2,358)	(20,762)
Net cash (used) in operating activities	(18,283)	(74,035)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant & equipments	(907)	(20,025)
Proceeds of right issue	-	91,839
Issuance cost of right shares	-	(1,348)
Short term Investment	2,000	(30,000)
Profit on deposit account	32	-
Dividend received	7,829	9,424
Proceeds from disposal of property, plant & equipment	8,696	17,640
Long term loans	-	15
Net cash generated from investing activities	17,650	67,545
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings- Secured	8,617	(324)
Musharakah financing	(3,666)	15,457
Payment for liabilities against assets subject to finance lease	(4,360)	(3,971)
Net cash generated from financing activities	591	11,162
Net (decrease)/increase in cash and cash equivalents	(42)	4,672
Cash and cash equivalents at the beginning of the period	4,559	9,723
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,517	14,395

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



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 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 nine months period ended March 31, 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 March 31, 2015 and profit and loss account, statement of changes in equity and the cash flow statement for the nine months period ended March 31, 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, 2014.

3. ACCOUNTING POLICIES

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

There are no IFRSs 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 Statements

for the period ended March 31, 2015

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
----- (Rupees in '000') -----		
4. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	39,054	36,896
Additions to owned and leased assets	907	20,737
Disposals - Cost	(11,197)	(29,132)
Accumulated Depreciation on disposals	8,469	23,081
	(2,728)	(6,051)
Depreciation for the period	(8,009)	(12,528)
Closing balance -net book value	29,224	39,054
5. INTANGIBLE ASSETS		
Opening written down value	594	1,078
Addition during the period	-	50
Amortization Charged for the period	(259)	(534)
Closing balance -net book value	335	594
6. LONG TERM INVESTMENTS		
Un-Quoted		
FMC United (Private) Limited	366,467	369,746
	366,467	369,746
Quoted		
IBL HealthCare Limited	9,290	9,811
	9,290	9,811
Investment available for sale		
International Brands Limited	83,663	83,663
	83,663	83,663
	459,420	463,220

6.1 Share of profit of associate companies are based on the latest available audited financial statements. However, there is no signed audited financial statements available enabling to recognize share of profit of associates in the period.

7. CONTINGENCIES & COMMITMENTS

Commitments under letter of credit for the import of raw material / product as at March 31, 2015 amounted to Rs. 52.73 million (June 30, 2014: Rs. 11.94 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:

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2015

(Un-audited) March 31, 2015	(Un-audited) March 31, 2014
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----- (Rupees in '000') -----

8.1 By Virtue of Investment in Holding Company and Common Directorship

International Brands Limited- Holding

Dividend	4,029	3,826
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8.2 By Virtue of Investment in Associates and Common Directorship

IBL Operations (Private) Limited

Claimable expenses charged by UDPL	1,921	2,280
Claimable expenses charged by IBL	690	1,577
Current account Receipts / (Payments)	4,000	(2,410)
Current account Receivable	2,846	1,011

FMC United (Private) Limited

Dividend	3,279	4,918
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The Searle Company Limited

Claimable Expense charged by UDPL	500	831
Sale of fixed assets	2,010	-
Group tax relief	11,558	-
Current account Receipts / (Payments)	12,488	1,019
Current account Receivable	1,840	270

IBL Healthcare Limited

Sale of fixed assets	2,009	-
Dividend received	521	680
Current account Receipts / (Payments)	2,009	-
Current account Receivable / (payable)	-	-

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

Company and associates

Loss after tax (Rupees'000)	(24,351)	(2,181)
Weighted average ordinary shares (Numbers'000)	18,368	11,755
Earning / (loss) per share (Rupees)	(1.33)	(0.19)

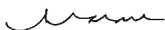
9.1 Comparative period earnings / loss per share has been restated due to change in weighted average number of ordinary shares.

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorized for issue on April 23, 2015.

11. CORRESPONDING FIGURES

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



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

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United Distributors Pakistan Limited



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e-mail: info@udpl.com.pk

web: www.udpl.com.pk