



Pakistan

Quarterly Report

For the 3rd Quarter ended

March 31, 2016

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
N.I.T Nominee

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 Shahrah-e-Faisal, Karachi
Web: www.udpl.com.pk

Company Secretary

Mr. Adnan Ahmed Feroze
Company Secretary

CFO

Mr. Sohail Hasnain Ahmed
Chief Financial Officer

Legal Advisor

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

HR. Remuneration

Mr. Ayaz Abdulla
Chairman

Mr. Zubair Palwala
Member

Mr. Asad Abdulla
Member

Bankers

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

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 condensed interim financial information for the nine months ended March 31, 2016.

OPERATING RESULTS

	Nine months period ended March 31,	
	2016	2015
	----- (Rupees in '000') -----	
	(Restated)	
Net sales	241,437	277,586
Gross profit	67,932	58,554
Operating expenses	84,721	89,652
Operating Loss	(12,827)	(19,349)
Profit before taxation	91,342	110,834
Profit after taxation	56,046	99,796
Basic and diluted EPS in (Rs.)	2.77	4.94

The Company registered a net sale of Rs. 241.44 million as compared to Rs. 277.58 million over the corresponding period last year. Your Company is able to improve its gross profit with 16% over to the corresponding period last year due to sale of new brands and better product mix.

Your Company remains focused on cost economization thus resulting in reduction of operating expenses by 5.5%.

FUTURE OUTLOOK

We aim to attain a profitable and sustained 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 enhancement of customer base, and reducing the operating expenses that will help us to achieve the objectives 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

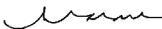
Karachi: April 26, 2016

Condensed Interim Balance Sheet

as at March 31, 2016

		(Un-audited) March 31, 2016	(Restated) (Audited) June 30, 2015
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	29,677	35,001
Intangible assets		210	248
Long-term investments	7	924,206	789,883
		954,093	825,132
CURRENT ASSETS			
Stock-in-trade		88,127	179,371
Trade debts		38,302	13,986
Loans and advances		471	546
Short-term deposits and prepayments		3,681	2,475
Other receivables	8	9,576	4,993
Tax refunds due from Government - Sales tax		-	562
Taxation - payments less provisions		24,624	24,914
Cash and bank balances		14,503	5,353
		179,284	232,200
TOTAL ASSETS		1,133,377	1,057,332
EQUITY AND LIABILITIES			
EQUITY			
Share capital		202,047	183,679
Reserves		737,972	675,385
		940,019	859,064
LIABILITIES			
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		406	742
Diminishing musharakah financing payables		6,247	9,774
Deferred taxation		70,481	40,209
		77,134	50,725
CURRENT LIABILITIES			
Trade and other payables	9	110,343	123,466
Accrued mark-up		352	624
Short term borrowings - running finance under mark-up arrangements		-	14,765
Current portion of liabilities against assets subject to finance lease		441	2,442
Current portion of diminishing musharakah financing payables		5,088	6,246
		116,224	147,543
TOTAL LIABILITIES		193,358	198,268
Commitments	10		
TOTAL EQUITY AND LIABILITIES		1,133,377	1,057,332

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

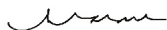
Condensed Interim Profit & Loss Account

(Un-audited)

for the period ended March 31, 2016

	Note	QUARTER ENDED March 31,		NINE MONTHS PERIOD ENDED March 31,	
		(Restated)		(Restated)	
		2016	2015	2016	2015
		----- (Rupees in '000') -----			
Revenue	11	58,561	54,105	241,437	277,586
Cost of sales		(42,014)	(53,309)	(173,505)	(219,032)
Gross profit		16,547	796	67,932	58,554
Distribution cost		(25,428)	(25,078)	(72,103)	(79,336)
Administrative expenses		(4,441)	(3,493)	(12,618)	(10,316)
Other income		464	2,666	3,962	11,749
Loss from operations		(12,858)	(25,109)	(12,827)	(19,349)
Finance cost		(863)	(1,011)	(3,143)	(7,758)
Share of profit from associate		32,353	41,412	107,312	137,941
Profit before taxation		18,632	15,292	91,342	110,834
Taxation		(6,518)	(4,658)	(35,296)	(11,038)
Profit after taxation		12,114	10,634	56,046	99,796
Basic and diluted earnings per share (Rupees)		0.60	0.53	2.77	4.94

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

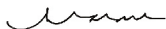
Condensed Interim Statement of Comprehensive Income

(Un-audited)

for the period ended March 31, 2016

	QUARTER ENDED March 31,		NINE MONTHS PERIOD ENDED March 31,	
	(Restated)		(Restated)	
	2016	2015	2016	2015
	----- (Rupees in '000') -----			
Profit after taxation	12,114	10,634	56,046	99,796
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Share of remeasurements of post employment benefit obligations of associate	-	(4,867)	(9,982)	(6,290)
Deferred tax relating to component of other comprehensive loss	-	487	1,248	629
	-	(4,380)	(8,734)	(5,661)
Items that may be subsequently reclassified to profit or loss				
Unrealized gain / (loss) on revaluation of available-for-sale investment	22,242	(28,658)	33,643	26,001
Total comprehensive income for the period	34,356	(22,404)	80,955	120,136

The annexed notes 1 to 14 form an integral part of this 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, 2016

	March 31, 2016	March 31, 2015
Note ----- (Rupees in '000') -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from / (used in) operations	12 40,140	(15,924)
Finance cost paid	(3,415)	(7,937)
Income tax paid	(3,486)	5,579
Net cash generated / (used in) operating activities	33,239	(18,282)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,313)	(907)
Purchase of Intangible asset	(128)	-
Proceed from redemption of short term investment	-	2,000
Return received on deposit account	-	32
Right Share Payment	(3,349)	-
Dividend received	1,340	7,829
Sale proceeds on disposal of property, plant and equipment	1,145	8,695
Net cash generated / (used in) from investing activities	(2,305)	17,649
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing - secured	-	8,617
Payment of liabilities against assets subject to finance leases	(2,335)	(4,360)
Repayment of amount received under musharika arrangements	(4,684)	(3,666)
Net cash generated / (used in) financing activities	(7,019)	591
Net (decrease) / increase in cash and cash equivalents	23,915	(42)
Cash and cash equivalents at the beginning of the period	(9,412)	(11,736)
Cash and cash equivalents at the end of the period	14,503	(11,778)

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

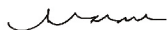
Condensed Interim Statement of Changes in Equity

(Un-audited)

for the period ended March 31, 2016

	RESERVES			Total	
	Share Capital	General Reserves	Unappropriated Profit		Gain on revaluation of available-for-sale investment
	----- (Rupees in '000') -----				
Balance as at July 1, 2014 as previously reported	183,679	28,548	392,914	-	605,141
Impact of re-statement - note - 5	-	-	64,182	40,300	104,482
Balance as at July 1, 2014 as restated	183,679	28,548	457,096	40,300	709,623
Profit for the period ended March 31, 2015 Un audited - restated	-	-	99,796	-	99,796
Other comprehensive income	-	-	(5,661)	26,001	20,340
Total comprehensive income	-	-	94,135	26,001	120,136
Balance at March 31, 2015	183,679	28,548	551,231	66,301	829,759
Balance as at July 1, 2015 as previously reported	183,679	28,548	502,820	-	715,047
Impact of re-statement - note - 5	-	-	72,183	71,834	144,017
Balance as at July 1, 2015 as restated	183,679	28,548	575,003	71,834	859,064
Bonus shares issued during the period in the ratio of 1 share for every 10 shares held	18,368	-	(18,368)	-	-
Profit for the period ended March 31, 2016 - Un audited	-	-	56,046	-	56,046
Other comprehensive income	-	-	(8,734)	33,643	24,909
Total comprehensive income	-	-	47,312	33,643	80,955
Balance at March 31, 2016	202,047	28,548	603,948	105,477	940,019

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

for the period ended March 31, 2016

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 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

This condensed interim financial information of the Company for the nine months ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange.

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, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2015, except as stated in note 5.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The estimated / 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.

for the period ended March 31, 2016

5. RE-STATEMENTS

LONG-TERM INVESTMENTS

- 5.1** During the current period, the recognition of share of profit from associate - FMC United (Private) Limited and concluded that in the light of requirement of International Accounting Standard 28 - 'Investment in Associates and Joint Ventures', share of profit from associate should be recognized at each reporting period. The share of profit was not previously accounted for in condensed interim financial information and instead was accounted for in annual financial statements with time lag of six months (i.e. December based results of the associate were incorporated in annual financial statements of the Company). Accordingly it has been re-stated the financial information retrospectively in accordance with International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors' by adjusting the opening balance of Long term Investments, Deferred taxation and Reserves for the earliest prior period presented.
- 5.2** Previously, investment in IBL HealthCare Limited was treated as an investment in associate on account of common directorship, using equity method of accounting based on latest available audited accounts till June 30, 2015. During the current period, the position has been revised regarding investment in IBL HealthCare Limited under equity method of accounting and concluded that in the light of requirement of International Accounting Standard 28 - 'Investment in Associates and Joint Ventures', IBL HealthCare Limited does not qualify as an associate, therefore, it has been carry the above investment as available for sale. Accordingly, it has been re-stated the financial information retrospectively in accordance with International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors', by adjusting the opening balance of Long term investments, Deferred taxation and Reserves for the earliest prior period presented. The valuation has been done on the basis of market price of IBL Healthcare Limited quoted on Karachi Stock Exchange (presently Pakistan Stock Exchange).

Notes to the Condensed Interim Financial Statement

(Un-audited)

for the period ended March 31, 2016

5.3 Effect of re-statements are as follows:

	As at July 1, 2014			As at June 30, 2015		
	As previously stated	As Restated	Restatement	As previously stated	As Restated	Restatement
Effect on balance sheet						
	----- (Rupees in '000') -----					
Long term investments						
Investment in associate - FMC United (Private) Limited - note 5.1	374,435	453,412	78,977	541,139	629,853	88,714
Available for sale investment - IBL HealthCare Limited - note 5.2	9,811	44,833	35,022	13,044	76,367	63,323
Deferred taxation	6,321	15,838	9,517	32,189	40,209	8,020
Reserves						
Unappropriated profit	392,914	457,096	64,182	502,820	575,003	72,183
Gain on revaluation of available-for sale investments	-	40,300	40,300	-	71,834	71,834
Increase in equity	-	-	104,482	-	-	144,017

	For the quarter ended March 31, 2015			For the nine months ended March 31, 2015		
	As previously stated	As Restated	Restatement	As previously stated	As Restated	Restatement
Effect on profit and loss account						
	----- (Rupees in '000') -----					
Other Income	2,666	3,187	521	11,749	12,270	521
Share of profit from associates	-	41,412	41,412	-	137,941	137,941
Taxation	(517)	(4,658)	(4,141)	2,756	(11,038)	(13,794)
Increase in profit after taxation			<u>37,792</u>			<u>124,668</u>

Effect on Other comprehensive income

Share of remeasurements of post employment benefit obligations of associate	-	(4,867)	(4,867)	-	(6,290)	(6,290)
Deferred tax relating to component of other comprehensive loss		487	487		629	629
Unrealized gain / (loss) on revaluation of available-for-sale investment	-	(28,658)	(28,658)	-	26,001	26,001
			<u>(33,038)</u>			<u>20,340</u>

Effect on Earning per share

	----- (Rupees in '000') -----					
Earning per share - basic and diluted	<u>(1.32)</u>	<u>0.53</u>	<u>1.85</u>	<u>(1.21)</u>	<u>4.94</u>	<u>6.15</u>

There was no cash flow impact as a result of the restatements.

for the period ended March 31, 2016

6. 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)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees in '000') -----			
Plant and Machinery	947	571	-	-
Computers	233	235	-	47
Office Equipment	132	86	23	259
Furniture and Fixtures	-	15	4	1,399
Vehicles	-	-	70	1,023
	<u>1,312</u>	<u>907</u>	<u>97</u>	<u>2,728</u>

7. LONG-TERM INVESTMENTS**Investment in associate****- FMC United (Private) Limited - note 5.1**

1,639,418 (June 30, 2015: 1,639,418)
fully paid ordinary shares of Rs. 10 each
Percentage holding 40% (June 30, 2015: 40%)
Cost Rs. 16,394,180
(June 30, 2015: Rs. 16,394,180)

Available for sale investments**- IBL Healthcare Limited - Listed - note 5.2**

864,155 (June 30, 2015: 669,889)
fully paid ordinary shares of Rs. 10 each
Percentage holding 2.22% (June 30, 2015: 2.24%)
Cost Rs. 4,533,180
(June 30, 2015: Rs. 4,533,180)

- International Brands Limited - (Holding Company) - Unlisted

7,386,568 (June 30, 2015: 7,386,568)
fully paid ordinary shares of Rs. 10 each
Percentage holding 5% (June 30, 2015: 5%)
Cost Rs. 83,663,056
(June 30, 2015: Rs. 83,663,056)

	(Restated)	
	Un-audited March 31, 2016	(Audited) June 30, 2015
	----- (Rupees in '000') -----	
	727,183	629,853
	113,360	76,367
	83,663	83,663
	<u>197,023</u>	<u>160,030</u>
	<u>924,206</u>	<u>789,883</u>

8. OTHER RECEIVABLES - unsecured

These include Rs. 6.57 million (June 2015: Rs. 4.64 million) receivable from related parties.

9. TRADE AND OTHER PAYABLES

These include Rs. 1.36 million (June 2015: Rs. 1.2 million) payable to related parties.

for the period ended March 31, 2016

10. COMMITMENTS

The facilities for opening letter of credit as at March 31, 2016 amounted to Rs. 250 million (June 30, 2015: Rs. 250 million). The amount remaining unutilised as at March 31, 2016 is Rs. 143 million (June 30, 2015: Rs. 170 million).

11. REVENUE

	March 31, 2016	March 31, 2015
----- (Rupees in '000') -----		
Gross Sales	292,299	412,900
Less: Trade discounts	(5,987)	(24,689)
Sales return	(15,387)	(56,995)
	270,925	331,216
Less: Sales tax	(29,488)	(53,630)
	241,437	277,586

12. CASH GENERATED FROM OPERATIONS

Profit before taxation	91,342	110,834
Adjustment for non-cash charges and other items		
Depreciation and amortization	6,702	8,269
Gain on disposal of property, plant and equipment	(1,048)	(6,009)
Return on deposit account	-	(32)
Finance costs	3,143	7,758
Dividend income	(1,340)	(4,029)
Share of profit of associates	(107,312)	(137,941)
	(99,855)	(131,984)
Cash used in operating activities before working capital changes	(8,513)	(21,150)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stock-in-trade	91,244	73,844
Trade debts	(24,316)	29,689
Loans and advances	75	1,301
Short-term deposits and prepayments	(1,206)	544
Other receivables	(4,583)	10,498
Tax refunds due from Government - Sales tax	562	-
	61,776	115,876
Decrease in trade and other payables	(13,123)	(110,650)
Cash generated from / (used in) operations	40,140	(15,924)

Notes to the Condensed Interim Financial Statement

(Un-audited)

for the period ended March 31, 2016

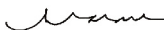
13. TRANSACTIONS WITH RELATED PARTIES

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

		March 31, 2016	March 31, 2015
----- (Rupees in '000') -----			
Nature of relationship	Nature of transactions		
i. Holding company	Corporate service charges	1,800	600
	Payments on behalf of Holding Company	1,635	-
	Dividend received	-	4,029
ii. Associated companies	Dividend received	1,340	3,800
	Receipts from associated Company	856	8,562
	IT services	276	90
	Warehouse rent	1,069	935
	Other income	328	3,227
	Other expense	25	-
iii. Employees' Provident Fund	Contribution paid	2,890	2,765
iv. Key Management Personnel	Salaries and other employee benefits	10,872	9,379
	Directors' fee	17	16

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue by the Board of Directors of the Company on April 26, 2016.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

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: +92-21-35116823
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e-mail: info@udpl.com.pk

web: www.udpl.com.pk