



Moving FORWARD

QUARTER AND NINE MONTHS ENDED
MARCH 31, 2022(Un-audited)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Munis Abdullah	Chairman
Mr. Hasan Tariq Khan	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Syed Nadeem Ahmed	Chief Executive Officer
Mr. Zubair Razzak Palwala	Non-Executive Director
Mr. Syed Qaiser Abbas	Non-Executive Director
Mr. Rizwan Ahmad	Executive Director

AUDIT COMMITTEE

Ms. Tayyaba Rasheed	Chairperson
Mr. Zubair Razzak Palwala	Member
Mr. Hasan Tariq Khan	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Hasan Tariq Khan	Chairman
Mr. Syed Nadeem Ahmed	Member
Mr. Syed Qaiser Abbas	Member

CHIEF FINANCIAL OFFICER

Mr. Shariq Ahmed

COMPANY SECRETARY

Mr. Farooq Akbar

INTERNAL AUDITORS

Grant Thornton Anjum Rahman,
Chartered Accountants

EXTERNAL AUDITORS

A.F. Ferguson & Company,
Chartered Accountants

LEGAL ADVISOR

Abdul Karim Khan & Company

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
Standard Chartered Bank (Pakistan) Limited
Silkbank Limited
Meezan Bank Limited
Al Baraka Bank Limited
Habib Metropolitan Bank Limited

REGISTERED OFFICE

2nd Floor, One IBL Center,
Block No. 7 & 8, DMMCHS,
Shahrah-e-Faisal, Karachi-75530
Tel: 37170183,
Fax: 35635530, 35682772

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, SMCHS
Shahra-e-Faisal, Karachi - 74400

WEBSITE

www.ubrandz.biz

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of United Brands Limited are pleased to present Directors' report together with the consolidated condensed interim financial information (unaudited) of the Company for nine months period ended March 31, 2022. This consolidated condensed interim financial information (unaudited) is prepared in accordance with Section 228 of the Companies Act, 2017.

Principal Activities

The principal activities of the Company are trading and distribution of consumer goods and allied products.

SUMMARY OF FINANCIAL PERFORMANCE

	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
Revenue	2,421,981	2,415,368
Gross profit	380,454	364,651
Gross margin (% of revenue)	15.7%	15.1%
Operating expenses	(346,781)	(301,868)
Other income	15,341	61,014
Finance cost	(25,916)	(36,846)
(Loss) /Profit for the period	(13,048)	39,801

FINANCIAL OVERVIEW

The revenue of Company has increased by PKR 6.6 million as compared to same period last year due to enhancement in logistics business. Gross margin depicts increase from 15.1% to 15.7% due to sales mix.

Operating expenses of Company have increased on account of logistics, transportation and warehousing cost linked with service income and execution of trading goods as a result of price hike in fuel cost and allied products and trade spend of consumer business lines. Finance cost has decreased by PKR 10.9 million due to repayment of Company's debt.

EARNINGS PER SHARE

(Loss) / Earnings per share for nine months period ended March 31, 2022 is PKR (0.14) (Mar 31, 2021: PKR 0.43).

DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

FUTURE OUTLOOK

The Company is in the process of revamping its business model as distribution of imported products is affected badly due to overall economic situation of the Country. Company is determined to improve its profitability for which company is actively involved in negotiations with new principles having local production.

ACKNOWLEDGMENT

The Directors would like to express their gratitude to the customers, principals, employees, and other stakeholders for their continued support.

Karachi.

Date: April 19, 2022



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director

فی حصص آمدنی:

۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی نو ماہ کی مدت میں فی حصص آمدنی میں (0.14) روپے رہی۔ (۳۱ مارچ ۲۰۲۱: 0.43 روپے) ہے۔

مستقبل پر ایک نظر:

کمپنی اپنے کاروباری ماڈل کو بہتر بنانے کے عمل میں ہے کیونکہ ملک کی مجموعی اقتصادی صورتحال کی وجہ سے درآمدی مصنوعات کی تقسیم بری طرح متاثر ہوئی ہے۔ کمپنی اپنے منافع کو بہتر بنانے کے لئے پرعزم ہے جس کے لئے کمپنی مقامی پیداوار کے نئے پرنسپلز کے ساتھ بات چیت میں مصروف عمل ہے۔

اعتراف:

ڈائریکٹرز اپنے صارفین، پرنسپلز، ملازمین اور دیگر اسٹیک ہولڈرز کا ان کے مستقل تعاون اور حوصلہ افزائی پر ان کا شکریہ ادا کرتے ہیں اور کمپنی کے ملازمین کی جانب سے انجام دی گئی قابل قدر خدمات پر انہیں خراج تحسین پیش کرتے ہیں۔

کراچی

۱۹ اپریل ۲۰۲۲ء



رضوان احمد
ڈائریکٹر



سید ندیم احمد
چیف ایگزیکٹو آفیسر

ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز بمسرت اپنی رپورٹ مع ۳۱ مارچ ۲۰۲۲ء کو ختم ہونے والی نو ماہ کی مدت کے لئے مستحکم مجموعی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پیش کر رہے ہیں۔ یہ مستحکم مجموعی عبوری معلومات کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۸ کے مطابق تیار کی گئی ہے۔

بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں اشیاء اور منافعہ مصنوعات کی تجارت اور تقسیم ہیں۔

مالیاتی کارکردگی کا جائزہ:

	Mar 31, 2022	Mar 31, 2021
	(Rupees in thousand)	
Revenue	2,421,981	2,415,368
Gross profit	380,454	364,651
Gross margin (% of revenue)	15.7%	15.1%
Operating expenses	(346,781)	(301,868)
Other income	15,341	61,014
Finance cost	(25,916)	(36,846)
(Loss) /Profit for the period	(13,048)	39,801

مالی جائزہ:

لاجسٹکس کے کاروبار میں اضافے کی وجہ سے کمپنی کی آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 6.6 ملین کا اضافہ ہوا ہے۔ مجموعی مارجن سیلز کس کی وجہ سے 15.1% سے 15.7% تک بڑھ گیا ہے۔

اینڈھن اور اس سے منسلک مصنوعات کی قیمتوں میں اضافے اور صارفین کی کاروباری لائنوں کے تجارتی اخراجات کے نتیجے میں سروس کی آمدنی اور تجارتی سامان کی پیمائش سے منسلک لاجسٹکس، نقل و حمل اور گودام کی لاگت کی وجہ سے کمپنی کے آپریٹنگ اخراجات میں اضافہ ہوا ہے۔ کمپنی کے قرض کی ادائیگی کی وجہ سے مالیاتی لاگت میں 10.9 ملین کی کمی واقع ہوئی ہے۔

UNCONSOLIDATED FINANCIAL STATEMENTS


UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

		(Unaudited) March 31, 2022	(Audited) June 30, 2021
ASSETS			
Non-current assets	Note	----- Rupees in '000 ----	
Property and equipment	5	7,109	9,133
Intangible assets		75	142
Investment in subsidiary		25,000	25,000
Long-term deposits		412	412
		32,596	34,687
Current assets			
Inventories	6	540,201	502,021
Trade and other receivables	7	390,809	354,703
Prepayments and advances	8	39,162	15,526
Taxation - payments less provision		35,475	38,653
Tax refunds due from Government - sales tax	9	45,923	67,112
Accrued Interest		-	196
Cash and bank balances		136,325	91,411
		1,187,894	1,069,622
Total assets		1,220,490	1,104,309
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		(943,287)	(862,939)
		(25,287)	55,061
LIABILITIES			
Non-current liabilities			
Long term borrowing		-	12,571
Deferred income - Government grant		-	267
		-	12,838
Current liabilities			
Trade and other payables	10	910,094	730,203
Current portion of long-term borrowings		-	29,344
Accrued mark-up	11	7,877	2,850
Short-term financing		327,806	274,013
		1,245,777	1,036,410
Total Liabilities		1,245,777	1,036,410
Contingency and commitments	12		
Total equity and liabilities		1,220,490	1,104,309

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Syed Nadeem Ahmed
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

	Quarter ended		Nine Months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note	Rupees in '000			
Revenue from contracts with customers 13	545,655	545,355	1,780,720	1,908,220
Cost of sales	(464,045)	(484,601)	(1,542,435)	(1,627,289)
Gross profit	81,610	60,754	238,285	280,932
Marketing and distribution expenses	(91,914)	(59,932)	(274,202)	(195,074)
Administrative and general expenses	(4,343)	(13,669)	(15,254)	(73,082)
Other operating expenses	(3,464)	(2,466)	(7,851)	(7,962)
Other income	259	4,001	11,698	59,872
(Loss) / Profit from operations	(17,853)	(11,312)	(47,324)	64,686
Finance costs	(6,287)	(8,376)	(24,278)	(36,266)
(Loss) / Profit before income tax	(24,140)	(19,687)	(71,602)	28,420
Income tax expense	(3,739)	(3,627)	(8,746)	(30,640)
(Loss) / Profit for the period	(27,878)	(23,314)	(80,348)	(2,220)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	(27,878)	(23,314)	(80,348)	(2,220)
Basic and diluted (loss) / earnings per share (Rupees)	(0.30)	(0.25)	(0.88)	(0.02)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Syed Nadeem Ahmed
 Chief Executive Officer


Rizwan Ahmad
 Director


Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

		March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES	Note	----- Rupees in '000 -----	
Cash generated from operations	14	58,141	542,053
Income taxes paid		(5,568)	(12,853)
Finance costs paid		(19,251)	(37,090)
Net cash inflows from operating activities		33,323	492,110
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(20)	(883)
Long-term deposit receipt		-	1,800
Net cash generated from / (used in) investing activities		(20)	917
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term financing		53,793	(514,137)
Repayment of long-term borrowing		(42,182)	41,219
Net cash inflow from financing activities		11,611	(472,918)
Net increase in cash and cash equivalents		44,914	20,109
Cash and cash equivalents at beginning of the period		91,411	41,794
Cash and cash equivalents at end of the period		136,325	61,903

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

	Share Capital	(Accumulated loss)	Total
----- Rupees in '000 -----			
Balance as at July 1, 2020	918,000	(866,666)	51,334
Total comprehensive loss for the nine months ended March 31, 2021	-	(2,220)	(2,220)
Balance at March 31, 2021 (unaudited)	918,000	(868,886)	49,114
Balance as at July 1, 2021	918,000	(862,939)	55,061
Total comprehensive loss for the nine months ended March 31, 2022	-	(80,348)	(80,348)
Balance at March 31, 2022 (unaudited)	918,000	(943,287)	(25,287)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Companies Act, 1913. The Company was renamed as UDL Industries Limited on March 16, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was again renamed as United Brands Limited, a public limited company on April 5, 2006 under the repealed Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 2nd Floor, One IBL Center, Block no. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahra-e-Faisal, Karachi.

The Company is a subsidiary of International Brands Limited, which is also the Company's ultimate parent.

The principal activities of the Company are trading and distribution of consumer goods and allied products.

2 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements do 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, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and, operations and, therefore, have not been disclosed in these financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2021.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

(Unaudited) March 31, 2022	(Audited) June 30, 2021
----------------------------------	-------------------------------

----- Rupees in '000 -----

5. PROPERTY AND EQUIPMENT

- Operating assets

7,109	9,133
7,109	9,133

(Unaudited) March 31, 2021	(Audited) June 30, 2020
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6. INVENTORIES

Finished goods:

- in hand

540,201	502,021
540,201	502,021

----- Rupees in '000 -----

7. TRADE AND OTHER RECEIVABLES

Trade receivables

Other receivables - note 7.1

Provision for doubtful debts

341,293	302,460
108,762	111,674
450,055	414,134
(59,246)	(59,431)
390,809	354,703

7.1 Other receivables

Considered good

- Others - note 7.1.1

108,762	111,674
108,762	111,674

7.1.1 These represent receivable from principals in respect of stock claims, expenses and other receivables.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

	(Unaudited) March 31, 2022	(Audited) June 30, 2021
----- Rupees in '000 -----		
8. PREPAYMENTS AND ADVANCES		
Prepayments	668	43
Advances - note 8.1	38,494	15,483
	39,162	15,526
8.1.	These include advance paid to commercial banks against letter of credit amounting to Rs. 21.52 million (June 30, 2021: Rs. 6.64 million) as per the BPRD Circular No. 02 of 2017 issued by the SBP under the Banking Companies Ordinance, 1962 for the import of goods.	
9. TAX REFUND DUE FROM GOVERNMENT - SALES TAX		
This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior periods for which no input was claimed due to dispute with Collector of Customs. The Collector of Customs raised an issue in relation to payment of Federal Excise Duty (FED) on the import of goods made by company during the month of June 2020. However, due to restriction placed on the "release of the said consignment" due to FED payment dispute, the sales tax paid could not be adjusted by the company in that month. The company had paid sales tax amounting to Rs. 42.43 million and Rs. 28.21 million in the months of June 2020 and June 2021 respectively for the above mentioned consignment. Since the sales tax has been paid in relation to the taxable supplies to be made, the Company intends to claim the same. The Company has asked Customs Department to issue a letter to Federal Board of Revenue requesting it to allow claim of input sales tax in the subsequent sales tax periods for the aforementioned amount.		
10. TRADE AND OTHER PAYABLES		
These include Rs.345 million (June 30, 2021: Rs. 225.51 million) payable to related parties.		
	(Unaudited) March 31, 2022	(Audited) June 30, 2021
11. SHORT-TERM FINANCING	----- Rupees in '000 -----	
Short-term finance facilities under:		
- Short-term loans - note 11.1	327,130	736,245
	327,130	736,245
11.1	These represent short-term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between April 2022 and September 2022.	
The arrangements carry mark-up ranging from 0.15% to 2.5% above six months KIBOR & 1.75% above three month KIBOR (2020: 0.15% to 2.5% above six months KIBOR and 1.75% above three month KIBOR).		

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2021 except as discussed below.

During the period the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million on account of short deduction of tax at the time of making certain payments. Subsequent to year end, the Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these interim financial statements.

12.2 Commitments

The facilities for opening letter of credit and guarantees as at March 31, 2022 amounted to Rs. 250 million (June 30, 2021: Rs. 450 million) and Rs.132.09 million (June 30, 2021: Rs. 132.09 million) respectively. The amount remaining unutilised as at reporting date for letter of credit and guarantees were Rs. 227.97 million (June 30, 2021: Rs. 443.15 million) and Nil (June 30, 2021: Nil) respectively.

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets and also the Parent Company has pledged 421,000 shares of The Searle Company Limited against the above mentioned letter of guarantee facilities.

13. REVENUE

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	----- Rupees in '000 -----	
Gross Revenue	1,924,010	2,096,224
Less:		
- Trade discounts	(63,545)	(73,822)
- Sales return	(79,746)	(114,182)
- Net Sales	1,780,720	1,908,220

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
14. CASH USED IN OPERATIONS		
(Loss) / profit before Income tax	(71,601)	28,419
Adjustment for non-cash charges and other items		
- Depreciation and amortisation	2,110	2,110
- Finance cost	24,278	36,266
	26,388	38,376
	(45,214)	66,795
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	(38,180)	91,123
Trade and other receivables	(35,910)	296,713
Prepayments and advances	(23,636)	109,241
Tax refunds due from Government - sales tax	21,189	(10,389)
	(76,536)	486,688
Increase / (decrease) in trade and other payables	179,891	(11,430)
Cash generated from operations	58,141	542,053

15. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	March 31, 2022	March 31, 2021
		----- Rupees in '000 -----	
Holding company	- Corporate shared services	9,000	-
Associated companies	- Shared expenses	41,789	47,604
	- Purchases	54,343	111,738
	- Sale of goods	-	349

UNITED BRANDS LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - (UNAUDITED)

15.1 The Company has an agreement with IBL Operations (Private) Limited - associated company, for sharing of expenses relating to sales and administrative infrastructure.

16. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 19, 2022.



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	Note	(Unaudited) March 31, 2022	(Audited) June 30, 2021
ASSETS			
Non-current assets			
----- Rupees in '000 -----			
Property and equipment		13,060	14,736
Intangible assets		128	452
Long-term deposits		2,532	2,532
		<u>15,720</u>	<u>17,720</u>
Current assets			
Inventories	5	682,676	620,883
Trade and other receivables	6	679,110	549,632
Prepayments and advances	7	57,487	22,963
Taxation - payments less provision		22,681	31,843
Tax refunds due from Government - sales tax	8	37,460	74,976
Accrued Interest		-	196
Cash and bank balances		176,955	133,800
		<u>1,656,369</u>	<u>1,434,293</u>
Total assets		<u>1,672,089</u>	<u>1,452,013</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		(822,219)	(809,170)
		<u>95,781</u>	<u>108,830</u>
LIABILITIES			
Non-current liabilities			
Long term borrowing	9	-	12,571
Deferred grant		-	267
		<u>-</u>	<u>12,838</u>
Current liabilities			
Trade and other payables	10	1,240,625	988,174
Short-term financing	11	327,806	307,621
Current portion of long-term borrowings		-	29,344
Current portion of deferred income - Government grant		-	1,781
Accrued mark-up		7,877	3,425
		<u>1,576,308</u>	<u>1,330,345</u>
		<u>1,576,308</u>	<u>1,343,183</u>
Contingency and commitments	12		
Total equity and liabilities		<u>1,672,089</u>	<u>1,452,013</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Syed Nadeem Ahmed
Chief Executive Officer

Rizwan Ahmad
Director

Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

Note	Quarter ended		Nine months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----			
Revenue from contracts with customers 13	765,954	732,702	2,421,981	2,415,368
Cost of sales and services	(635,951)	(645,263)	(2,041,527)	(2,050,717)
Gross profit	130,004	87,439	380,454	364,651
Marketing and distribution expenses	(110,109)	(64,985)	(319,013)	(205,978)
Administrative and general expenses	(4,899)	(18,595)	(18,066)	(87,928)
Loss allowance on trade receivables	-	-	-	(3,302)
Other operating expenses	(5,315)	(2,466)	(9,702)	(4,660)
Other income	2,201	4,600	15,341	61,014
Profit from operations	11,882	5,993	49,013	123,797
Finance costs	(6,854)	(8,601)	(25,916)	(36,846)
Profit / (loss) before income tax	5,027	(2,608)	23,097	86,951
Income tax expense	(13,510)	(11,026)	(36,146)	(47,150)
(Loss) / profit for the period	(8,483)	(13,634)	(13,048)	39,801
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	(8,483)	(13,634)	(13,048)	39,801
Basic and diluted (loss) / earnings per share (Rupees)	(0.09)	(0.15)	(0.14)	0.43

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

		March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES	Note	----- Rupees in '000 -----	
Cash generated from operations	14	116,657	574,169
Income taxes paid		(26,984)	(27,158)
Finance costs paid		(21,464)	(37,575)
Net cash inflow from operating activities		68,209	509,436
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(1,472)	752
Interest received		196	
Net cash outflow from investing activities		(1,276)	752
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(43,963)	41,219
Repayment of short-term financing - net		20,185	(498,777)
Net cash outflow from financing activities		(23,778)	(457,558)
Net increase / (decrease) in cash and cash equivalents		43,155	52,630
Cash and cash equivalents at beginning of the period		133,800	57,890
Cash and cash equivalents at end of the period		176,955	110,520

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


 Syed Nadeem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

	Share Capital	Accumulated Loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2020	918,000	(871,010)	46,990
Total comprehensive profit for the nine months ended March 31, 2021	-	39,801	39,801
Balance at March 31, 2021 (unaudited)	<u>918,000</u>	<u>(831,209)</u>	<u>86,791</u>
Balance as at July 1, 2021	918,000	(809,170)	108,830
Total comprehensive loss for the nine months ended March 31, 2022	-	(13,048)	(13,048)
Balance at March 31, 2022 (unaudited)	<u>918,000</u>	<u>(822,218)</u>	<u>95,782</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

	Unaudited March 31, 2022	Audited June 30, 2021
	----- Rupees in '000 -----	
5. INVENTORIES		
Raw and packing materials:		
- in hand	-	78,947
- in transit	-	17,201
		<hr/>
	-	96,148
Finished goods - manufactured:		
-in hand	-	31,800
Trading good:		
- in hand - note 5.1	682,676	441,712
- in transit	-	51,223
	<hr/>	<hr/>
	682,676	492,935
	<hr/>	<hr/>
	682,676	620,883

	Unaudited March 31, 2022	Audited June 30, 2021
	----- Rupees in '000 -----	
6. TRADE AND OTHER RECEIVABLES		
Trade receivables - note 6.1	538,812	424,395
Other receivables - note 6.2	140,298	125,237
	<hr/>	<hr/>
	679,110	549,632
	<hr/>	<hr/>

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

		Unaudited March 31, 2022	Audited June 30, 2021
6.1	Trade receivables	----- Rupees in '000 -----	
	Considered good		
	- Related parties	82,049	51,095
	- Others	456,578	373,300
	- Considered doubtful	60,345	60,345
		598,972	484,740
	Less: Loss allowance on doubtful receivables	(60,160)	(60,345)
		538,812	424,395
6.2	Other receivables	----- Rupees in '000 -----	
	Considered good		
	- Related parties	30,239	25,546
	- Others - note 6.2.1	110,059	99,691
		140,298	125,237
6.2.1	These represent receivable from principals in respect of stock claims, expenses and other receivables.		
		Unaudited March 31, 2022	Audited June 30, 2021
7.	PREPAYMENTS, ADVANCES AND DEPOSITS	----- Rupees in '000 -----	
	Prepayments	3,746	43
	Advances - note 7.1	52,474	22,110
	Deposits	1,267	810
		57,487	22,963
7.1	These include advance paid to commercial banks against letter of credit amounting to Rs. 21.52 million (June 30, 2021: Rs. 6.64 million) as per the BPRD Circular No. 02 of 2017 issued by the SBP under the Banking Companies Ordinance, 1962 for the import of goods.		

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX

This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior periods for which no input was claimed due to dispute with Collector of Customs. The Collector of Customs raised an issue in relation to payment of Federal Excise Duty (FED) on the import of goods made by company during the month of June 2020. However, due to restriction placed on the "release of the said consignment" due to FED payment dispute, the sales tax paid could not be adjusted by the company in that month. The company had paid sales tax amounting to Rs. 42.43 million and Rs. 28.21 million in the months of June 2020 and June 2021 respectively for the above mentioned consignment. Since the sales tax has been paid in relation to the taxable supplies to be made, the Company intends to claim the same. The Company has asked Customs Department to issue a letter to Federal Board of Revenue requesting it to allow claim of input sales tax in the subsequent sales tax periods for the aforementioned amount.

9. LONG-TERM BORROWING

	(Unaudited) March 31, 2022	(Audited) June 30, 2021
	----- Rupees in '000 -----	
Balance at beginning of the period	41,915	13,749
Disbursements during the year	-	44,940
Less:		
- Deferred income - Government grant	-	(4,516)
- Repayments	(14,672)	(16,409)
Unwinding of discount on salary refinancing	1,589	4,151
Less: Current maturity shown under short-term borrowings	(28,832)	(29,344)
Balance at end of the period	-	12,571
Current portion	-	29,344
Long-term portion	-	12,571
	-	41,915

10. TRADE AND OTHER PAYABLES

These include Rs. 345 million (June 30, 2021: Rs. 224 million) payable to related parties.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

11. SHORT-TERM FINANCING

- 11.1 These represent short term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between April and September 2022.

The arrangements carry mark-up ranging from 6 months KIBOR + 0.15% to 6 months KIBOR + 2% (June 30, 2021: 6 months KIBOR + 0.15% to 2.5% and 3 months KIBOR + 1.75%) per annum.

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2021 except as discussed below

During the period the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million on account of short deduction of tax at the time of making certain payments. Subsequent to year end, the Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these interim financial statements.

12.2 Commitments

The facilities for opening letter of credit and guarantees as at March 31, 2022 amounted to Rs. 300 million (June 30, 2021: Rs. 550 million) and Rs. 132.09 million (June 30, 2021: Rs. 132.09 million) respectively. The amount remaining unutilised as at reporting date for letter of credit and guarantees were Rs. 247.97 million (June 30, 2021: Rs. 536.94 million) and Nil (June 30, 2021: Nil) respectively.

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets and also the Parent Company has pledged 421,000 shares of The Searle Company Limited against the above mentioned letter of guarantee facilities.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from

- Goods

- Services

Less:

- Trade discounts

- Sales return

March 31, 2022	March 31, 2021
----- Rupees in '000 -----	
2,191,780	2,286,876
410,823	362,063
(86,847)	(119,389)
(93,775)	(114,182)
<u>2,421,981</u>	<u>2,415,368</u>

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
14 CASH GENERATED FROM OPERATIONS		
Profit before income tax	23,097	86,951
Adjustments for non-cash charges and other items		
Depreciation and amortisation	3,472	2,370
Finance costs	25,916	36,846
	29,388	39,216
	52,485	26,167
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	(61,793)	108,040
Trade and other receivables	(129,478)	186,995
Prepayments, advances and deposits	(34,524)	101,168
Tax refunds due from Government - sales tax	37,516	(7,331)
	(188,279)	388,872
Increase / (decrease) in current liabilities:		
Trade and other payables	252,451	59,130
Cash generated from operations	116,657	574,169

15 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	March 31, 2022	March 31, 2021
		----- Rupees in '000 -----	
i. Holding company	- Corporate shared services	9,000	-
ii. Associated companies	- Purchases	54,343	108,030
	- Sale of goods	-	349
	- Shared costs - note 15.2	41,789	102,004

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022 - UNAUDITED

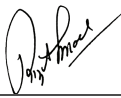
- 15.2** The Company has an agreement with IBL Operations (Private) Limited - associated company, for sharing of expenses relating to sales and administrative infrastructure.

16 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 19, 2022.



Syed Nadeem Ahmed



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

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