



Moving FORWARD

First Quarter ended
September 30, 2023 (Un-audited)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Munis Abdullah

Mr. Abdul Samad

Ms. Tayyaba Rasheed

Mr. Syed Nadeem Ahmed

Mr. Zubair Razzak Palwala

Ms. Faiza Naeem

Mr. Rizwan Ahmad

Chairman

Independent Director

Independent Director

Chief Executive Officer

Non-Executive Director

Non-Executive Director

Executive Director

AUDIT COMMITTEE

Ms. Tayyaba Rasheed

Mr. Zubair Razzak Palwala

Ms. Faiza Naeem

Chairperson

Member

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abdul Samad

Mr. Zubair Razzak Palwala

Mr. Syed Nadeem Ahmed

Chairman

Member

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 Bank Limited

Standard Chartered Bank (Pakistan) Limited

Silkbank Limited

Meezan Bank Limited

Al Baraka Bank Limited

Habib Metropolitan Bank Limited

Telenor Microfinance Bank

REGISTERED OFFICE

2nd Floor, One IBL Center, Block no. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society,
Main Shahrah-e-Faisal, Karachi-75530 Tel: 37170183.

SHARE REGISTRAR

CDS 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 OF THE COMPANY

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 the quarter ended September 30, 2023. 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. The company has recently started offering services for telecom products.

The principal activities of the Subsidiary comprise primarily of transportation and warehousing, trading and distribution of goods and assembling of electrical goods.

SUMMARY OF FINANCIAL PERFORMANCE

	September 30, 2023	September 30, 2022
	(Rupees in '000)	
Revenue	647,289	688,871
Gross profit	88,598	100,804
Gross profit (% of revenue)	13.6%	14.6%
Operating expenses	(66,750)	(77,271)
Finance cost	(17,209)	(11,340)
Profit/(Loss) for the period	(6,354)	836

FINANCIAL OVERVIEW

Revenue of the Company has reduced by 6% due to non-availability of imported goods. Operating expenses have declined in absolute where as % of revenue they have increased due to rise cost of fuel, utilities and labour.

EARNINGS PER SHARE

(Loss) / earning per share for quarter ended September 30, 2023 is PKR (0.07) (Sep 30, 2022: PKR 0.01).

FUTURE OUTLOOK

Company's top and bottom line is impacted due to embargoes over imports and rising distribution costs. Company is focused on optimization of resources and managing efficient operations to entact and increase its bottom and top line.

ACKNOWLEDGMENT

The Directors appreciate the support of all the stakeholders, including the customers, managers, employees, and others.

Karachi.

Date: October 26, 2023



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director

ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز ہمسرت اپنی رپورٹ مع ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی سہ ماہ کی مدت کے لئے مستحکم مجموعی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پیش کر رہے ہیں۔ یہ مستحکم مجموعی عبوری معلومات کیپیٹرا ایکٹ ۲۰۱۷ کے سیکشن ۲۲۸ کے مطابق تیار کی گئی ہے۔

بنیادی سرگرمیاں:

یونائیٹڈ برانڈز لمیٹڈ FMCG اور منسلک مصنوعات کی تقسیم میں مصروف عمل ہے۔ کمپنی نے حال ہی میں ٹیلی کام سروسز کے لئے خدمات پیش کرنا شروع کیا ہے۔ ذیلی ادارے کی بنیادی سرگرمیاں بنیادی طور پر نقل و حمل اور گودام، سامان کی تجارت اور تقسیم اور برقی سامان کی اسمبلنگ پر مشتمل ہیں۔

مالیاتی کارکردگی کا جائزہ:

	Sep 30, 2023	Sep 30, 2022
	(Rupees in thousand)	
Revenue	647,289	688,871
Gross profit	88,598	100,804
Gross margin (% of revenue)	13.6%	14.6%
Operating expenses	(66,750)	(77,271)
Finance cost	(17,209)	(11,340)
Profit / (loss) for the period	(6,354)	836

مالی جائزہ:

درآمدی سامان کی عدم دستیابی کی وجہ سے کمپنی کے ریونیو میں 6% کمی ہوئی ہے۔ آپریٹنگ اخراجات میں مطلق کمی آئی ہے جہاں ایندھن، پوٹیلیم اور لیبر کی قیمتوں میں اضافے کی وجہ سے آمدنی شرح میں اضافہ ہوا ہے۔

فی حصص آمدنی:

۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والے سال میں فی حصص (خسارہ) / آمدنی میں (0.07) روپے رہی۔ (۳۰ ستمبر ۲۰۲۲: 0.01 روپے) ہے۔

مستقبل پر ایک نظر:

کمپنی کی ٹھنڈ کو یقین ہے کہ آگے آنے والوں وقتوں میں کاروبار اور منافع میں اضافہ ہوگا اور ہمیں امید ہے کہ کمپنی ان وقتی مشکلات سے ضرور نکلے گی کیونکہ ہماری پوری توجہ اپنے موجودہ کاروبار اور نئے کاروباری مواقع تلاش کرنے پر مرکوز ہے۔

اعتراف:

ڈائریکٹر 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

۱۶ اکتوبر ۲۰۲۳ء



زہیر رزاق پالوالا
ڈائریکٹر



سید ندیم احمد
چیف ایگزیکٹو آفیسر

UNCONSOLIDATED
FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

		Unaudited September 30, 2023	Audited June 30, 2023
ASSETS			
	Note	----- Rupees in '000 -----	
Non-current assets			
Property and equipment		3,906	4,334
Intangible assets		-	5
Investments in subsidiary		25,000	25,000
Long - term deposits		412	412
		<u>29,318</u>	<u>29,751</u>
Current assets			
Inventories	4	508,513	334,904
Trade and other receivables	5	337,146	267,781
Prepayments and advances	6	40,882	23,873
Taxation - payments less provision		29,765	35,146
Tax refunds due from Government - sales tax		71,024	63,537
Accrued interest		962	962
Cash and bank balances		36,352	97,583
		<u>1,024,644</u>	<u>823,686</u>
Total assets		<u>1,053,962</u>	<u>853,437</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		918,000	918,000
Accumulated losses		(1,051,504)	(1,026,844)
		<u>(133,504)</u>	<u>(108,844)</u>
Liabilities			
Current liabilities			
Trade and other payables		920,092	691,400
Short term borrowing		237,107	255,763
Accrued mark-up		29,914	14,765
Unclaimed dividend		353	353
		<u>1,187,466</u>	<u>962,281</u>
Total liabilities		<u>1,187,466</u>	<u>962,281</u>
CONTINGENCY AND COMMITMENTS	9		
Total equity and liabilities		<u>1,053,962</u>	<u>853,437</u>

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


 Syed Nadeem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
----- Rupees in '000 -----			
Revenue from contracts with customers	7	297,337	414,159
Cost of sales		(253,704)	(345,913)
Gross profit		43,633	68,246
Marketing and distribution expenses		(47,140)	(59,634)
Administrative and general expenses		(4,534)	(1,598)
Other operating expenses		-	(6,896)
Other income		33	8,013
Profit / (loss) from operations		(8,008)	8,131
Finance cost		(15,909)	(11,131)
(Loss) before Income tax		(23,917)	(3,000)
Income tax expense		(743)	(2,903)
(Loss) for the period		(24,660)	(5,903)
Other comprehensive income		-	-
Total comprehensive income		(24,660)	(5,903)
(Rupees)			
Basic and diluted (loss) per share		(0.27)	(0.06)

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



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	8	(46,453)	(48,463)
Income tax paid		4,638	8,157
Finance cost paid		(760)	(11,514)
Net cash used in operating activities		(42,575)	(51,820)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of equipment		-	(21)
Net cash outflow from investing activities		-	(21)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from short term financing		(18,656)	19,208
Payment for long-term borrowings		-	(14,671)
Net cash (used in) / generated from financing activities		(18,656)	4,537
Net decrease in cash and cash equivalents		(61,231)	(47,304)
Cash and cash equivalents at the beginning of the period		97,583	106,813
Cash and cash equivalents at the end of the period		36,352	59,509

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



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Share Capital - Issued, subscribed and paid up capital	Accumulated Loss	Total Equity
----- Rupees in '000 -----			
Balance as at July 1, 2022	918,000	(928,564)	(10,564)
Total comprehensive (loss) for the quarter	-	(5,903)	(5,903)
Balance at September 30, 2022	918,000	(934,467)	(16,467)
Balance as at July 1, 2023	918,000	(1,026,844)	(108,844)
Total comprehensive (loss) for the quarter	-	(24,660)	(24,660)
Balance as at September 30, 2023	918,000	(1,051,504)	(133,504)

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



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Company Act, 1913. The Company was renamed as UDL Industries Limited on March 16, 1987 under the Companies Ordinance, 1984. The Company was again renamed as United Brands Limited, a public limited company on April 5, 2006 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange.

The Company is a subsidiary of International Brands (Private) 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.

The geographical locations and addresses of Company's business units are as under:

Registered office of the Company is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi; and

The Company has various sale offices and distribution warehouses. Detailed list provided in audited financial statements for the year ended 30 June 2023 note no. 34.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed interim unconsolidated financial statements of the Company for the quarter ended September 30, 2023 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statement of the Company for the year ended June 30, 2023. These condensed interim financial statements are unaudited.

2.2 Accounting policies

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2023.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim unconsolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

UNITED BRANDS LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

However, management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim unconsolidated financial statements.

Estimates and judgments made by the management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2023.

	Unaudited September 30, 2023	Audited June 30, 2023
4. INVENTORIES		
	----- Rupees in '000 -----	
Raw and packaging materials:	29,007	28,929
Finished goods - manufactured:	5,341	5,542
Trading goods:	474,165	300,433
	<u>508,513</u>	<u>334,904</u>
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	138,656	141,358
Other receivables	198,490	126,323
	<u>337,146</u>	<u>267,681</u>
6. PREPAYMENTS AND ADVANCES		
Prepayments	2,260	-
Advances	38,622	23,873
	<u>40,882</u>	<u>23,873</u>
7. REVENUE		
	----- Rupees in '000 -----	
Gross Sales	312,957	470,733
Service Income	1,796	475
Trade Discounts	(4,094)	(11,257)
Sales Return	(13,295)	(45,792)
Net Sales	<u>297,337</u>	<u>414,159</u>

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Unaudited September 30, 2023	Unaudited September 30, 2022
----- Rupees in '000 -----		
8. CASH GENERATED FROM OPERATIONS		
(Loss) before Income tax	(23,917)	(3,000)
Adjustment for non-cash charges and other items		
Depreciation	433	701
Finance cost	15,909	11,131
	<u>16,342</u>	<u>11,832</u>
	(7,575)	8,832
Effect on cash flow due to working capital changes (Increase) / Decrease in current assets:		
Inventories	(173,609)	147,310
Trade and other receivables	(69,465)	12,441
Prepayments and advances	(17,009)	(14,203)
Tax refunds due from government - sales tax	(7,487)	32,937
	<u>(267,570)</u>	<u>178,485</u>
Increase / (Decrease) in trade and other payables	228,692	(235,780)
Cash (used in) operations	<u>(46,453)</u>	<u>(48,463)</u>

9. CONTINGENCY AND COMMITMENTS

9.1.1 Contingency

During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue issued a notice of demand under section 137(2) of the Income Tax Ordinance, 2001 (the Ordinance) dated January 31, 2020 for recovery of tax amounting to Rs. 94.66 million created pursuant to Order dated January 31, 2020 passed under section 122(1) for tax year 2018. The Company has filed a Constitutional Petition No. D-1421 of 2020 before the Honorable High Court of Sindh. The Honorable High Court of Sindh has restrained the Deputy Commissioner Inland Revenue from enforcing the impugned income tax demand till the decision of Commissioner Inland Revenue (Appeals-II). The appeal was heard on December 16, 2021 and is now reserved for order. The management based on the opinion of its tax advisor is confident that the outcome will be in favor of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

9.1.2 During the year, 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 under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. During the year, 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 favor of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

9.1.3 During the year, the Assistant / Deputy Commissioner Inland Revenue issued an order dated March 30, 2022 for recovery of withholding tax along with default surcharge amounting to Rs. 200.04 million under section 161(1) on account of short deduction of tax at the time of making certain payments for the tax year 2019. During the year, 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 favor of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

9.2 Commitments

The facilities for opening letter of credit and guarantees as at Sep 30, 2023 amounted to Rs. 188 million (June 30, 2023: Rs. 188 million) and Rs. 132.09 million (June 30, 2023: Rs. 132.09 million) respectively. The amount remaining unutilized at the quarter end for letter of credit and guarantees was Rs. 168.1 million (June 30, 2023: Rs. 168.1 million) and Nil (June 30, 2022: Nil) respectively.

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets. The Parent Company has pledged 1,078,873 shares of The Searle Company Limited against letter of guarantees.

10. RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions	September	September
		30, 2023	30, 2022
----- Rupees in '000 -----			
Holding company	- Corporate Service	-	-
Associated companies	- Shared expenses	6,008	7,098
	- Sale of goods	-	1,008
	- Purchase of goods	7,175	9,500
	- Logistic Cost	3,535	2,876

10.1 The Company has an agreement with IBL Operations (Private) Limited regarding sharing of expenses relating to sales and administrative infrastructure.

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on October 26, 2023.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

CONSOLIDATED
FINANCIAL STATEMENTS

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Unaudited September 30, 2023	Audited June 30, 2023
	----- Rupees in '000 -----	
Non-current assets	Note	
Property and equipment	10,989	9,703
Intangible assets	252	5
Long - term deposits	9,987	9,987
	<u>21,228</u>	<u>19,695</u>
Current assets		
Inventories	4 658,288	467,727
Trade and other receivables	5 805,383	638,920
Prepayments , deposits and advances	6 101,624	80,277
Taxation - payments less provisions	20,781	32,540
Tax refunds due from Government - sales tax	32,331	52,152
Accrued interest	962	962
Cash and bank balances	84,055	129,150
	<u>1,703,424</u>	<u>1,401,728</u>
Total assets	<u>1,724,652</u>	<u>1,421,423</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	918,000	918,000
Accumulated losses	(895,031)	(888,677)
	<u>22,969</u>	<u>29,323</u>
Liabilities		
Current liabilities		
Trade and other payables	1,413,183	1,101,056
Short term borrowings	257,063	275,443
Accrued mark-up	31,084	15,248
Unclaimed dividend	353	353
	<u>1,701,683</u>	<u>1,392,100</u>
Total liabilities		
CONTINGENCY AND COMMITMENTS	9	
	<u>1,724,652</u>	<u>1,421,423</u>
Total equity and liabilities		

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



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

		Quarter ended	
		September 30, 2023	September 30, 2022
		----- Rupees in '000 -----	
Revenue from contracts with customers	7	647,289	688,871
Cost of sales and services		(558,691)	(588,067)
Gross profit		88,598	100,804
Marketing and distribution expenses		(55,472)	(52,700)
Administrative and general expenses		(11,278)	(21,836)
Other operating expenses		-	(11,773)
Other income		674	9,038
Profit from operations		22,522	23,533
Finance cost		(17,209)	(11,340)
Profit before Income tax		5,313	12,193
Income tax expense		(11,667)	(11,357)
(Loss) / profit for the period		(6,354)	836
Other comprehensive income		-	-
Total comprehensive income / (loss)		(6,354)	836
		(Rupees)	
Basic and diluted (loss) / earning per share		(0.07)	0.01

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



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	(22,962)	(93,429)
Income tax		92	29,487
Finance cost paid		(1,373)	(11,723)
Net cash outflow from operating activities		(24,243)	(75,665)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of equipment		(2,472)	(319)
Net cash outflow from investing activities		(2,472)	(319)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for long term borrowing		-	(14,672)
Receipts from short term borrowing		(18,380)	19,208
Net cash generated from / (used in) financing activities		(18,380)	4,536
Net decrease in cash and cash equivalents		(45,095)	(71,448)
Cash and cash equivalents at the beginning of the period		129,150	149,685
Cash and cash equivalents at the end of the period		84,055	78,237

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



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Share Capital - Issued, subscribed and paid up capital	Accumulated Loss	Total Equity
----- Rupees in '000 -----			
Balance as at July 1, 2022	918,000	(787,414)	130,586
Total comprehensive profit for the quarters	-	836	836
Balance at September 30, 2022	918,000	(786,578)	131,422
Balance as at July 1, 2023	918,000	(888,677)	29,323
Total comprehensive loss for the quarter	-	(6,354)	(6,354)
Balance at September 30, 2023	918,000	(895,031)	22,969

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



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 CORPORATE AND GENERAL INFORMATION

1.1 The Group consists of:

Holding Company - United Brands Limited (the Holding Company)

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Company 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 Holding Company is a subsidiary of International Brands (Private) Limited, which is also the Holding Company's Ultimate Parent.

The principal activities of the Holding Company are trading and distribution of consumer goods and allied products. The Holding Company has recently started offering services for telecom products.

Registered office of the Company is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi; and

The Company has various sale offices and distribution warehouses. Detailed list is provided in audited financial statements for the year ended 30 June 2023 note no. 34.

Subsidiary Company - IBL Logistics (Private) Limited (IBLPL)

IBL Logistics is a private limited company incorporated and registered under the Companies Act, 2017 on April 23, 2018.

The principal activities of the Company comprises primarily of transportation and warehousing, trading and distribution of goods and assembling of electrical goods.

The geographical locations and addresses of the subsidiary's business units are as under:

- The registered office of the IBLPL is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi;
- The Company has a warehouse situated at Plot No. C-126, Sector 6-F, Mehran Town, Korangi, Karachi;
- Pepsi North East Warehouse, Dera Gujran Near Quaid-e-Azam Interchange;
- IBL Pepsi Warehouse RB 241 Dhudhanwala Ghaziabad Near Machli Form Stop Lower Canal Road, Jarranwala Road, Faisalabad; and
- Ferozpur Road, Opposite Pak Arab Society, Near Medix Hospital, Lahore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed interim consolidated financial statements of the Company for the quarter ended September 30, 2023 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

These condensed interim consolidated financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statement of the Company for the year ended June 30, 2023. These condensed interim consolidated financial statements are unaudited.

2.2 Accounting policies

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2023.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim consolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim consolidated financial statements.

Estimates and judgments made by the management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2023.

4. INVENTORIES

Raw and packaging materials:

Finished goods:

- manufactured
- assembled

- trading goods - in hand

Unaudited September 30, 2023	Audited June 30, 2023
----- Rupees in '000 -----	
29,007	112,861
5,341	5,542
-	3,534
5,341	9,076
623,940	345,790
658,288	467,727
585,745	489,349
219,638	140,571
805,383	638,920
7,475	46,551
94,149	33,726
101,624	80,277

5. TRADE AND OTHER RECEIVABLES

Trade receivables

Other receivables

6. PREPAYMENTS AND ADVANCES

Prepayments

Advances

UNITED BRANDS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Unaudited September 30, 2023	Unaudited September 30, 2022
7. REVENUE FROM CONTRACT WITH CUSTOMERS	----- Rupees in '000 -----	
Gross sales	373,716	572,773
Service Income	289,062	184,483
Less:		
- Trade Discounts	(6,319)	(21,062)
- Sales returns	(18,170)	(47,323)
	<u>647,289</u>	<u>688,871</u>
	Unaudited September 30, 2023	Unaudited September 30, 2022
8. CASH GENERATED FROM OPERATIONS	----- Rupees in '000 -----	
Profit / (loss) before Income tax	5,513	12,193
Adjustment for non-cash charges and other items		
Depreciation	939	1,006
Finance cost	17,209	11,340
	18,148	12,346
	23,461	24,539
Effect on cash flow due to working capital changes		
Decrease in current assets:		
Inventories	(190,561)	139,886
Trade and other receivables	(166,463)	(169,582)
Prepayments , deposits and advances	(21,347)	(14,800)
Tax refunds due from government - sales tax	19,821	38,741
	(358,550)	(5,755)
Increase / (decrease) in trade and other payables	312,127	(112,213)
Cash (used) in operations	<u>(22,962)</u>	<u>(93,429)</u>

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

9. CONTINGENCY AND COMMITMENTS

9.1 Contingency

9.1.1 During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue issued a notice of demand under section 137(2) of the Income Tax Ordinance, 2001 (the Ordinance) dated January 31, 2020 for recovery of tax amounting to Rs. 94.66 million created pursuant to Order dated January 31, 2020 passed under section 122(1) for tax year 2018. The Holding Company has filed a Constitutional Petition No. D-1421 of 2020 before the Honorable High Court of Sindh. The Honorable High Court of Sindh has restrained the Deputy Commissioner Inland Revenue from enforcing the impugned income tax demand till the decision of Commissioner Inland Revenue (Appeals-II). The appeal was heard on December 16, 2021 and is now reserved for order. The management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

9.1.2 During the year, 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 under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. During the year, the Holding 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 Holding Company. Therefore, no provision has been made in these consolidated financial statements.

9.1.3 During the year, the Assistant / Deputy Commissioner Inland Revenue issued an order dated March 30, 2022 for recovery of withholding tax along with default surcharge amounting to Rs. 200.04 million under section 161(1) on account of short deduction of tax at the time of making certain payments for the tax year 2019. During the year, the Holding 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 Holding Company. Therefore, no provision has been made in these consolidated financial statements.

9.2 Commitments

The facilities for opening letter of credit and guarantees as at September 30, 2023 amounted to Rs. 268 million (June 30, 2023: Rs. 268 million) and Rs. 132.09 million (June 30, 2023: Rs. 132.09 million) respectively. The amount remaining unutilised at the quarter end for letter of credit and guarantees was Rs. 189.13 million (June 30, 2023: Rs. 189.13 million) and Nil (June 30, 2023: Nil) respectively.

The facilities are secured by way of pari passu charge against hypothecation of Company's stocks and receivables.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

10. RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions		September 30, 2023	September 30, 2022
Holding company	- Corporate Service		-	-
Associated companies	- Shared expenses	10.1	6,008	7,098
	- Sale of goods / service		74,397	1,008
	- Purchase of goods		7,175	9,500
	- Logistics cost		3,535	2,876

- 10.1 The Company has an agreement with IBL Operations (Private) Limited regarding sharing of expenses relating to sales and administrative infrastructure.

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on October 26, 2023.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer



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