



# Moving FORWARD

QUARTER AND NINE MONTHS ENDED  
MARCH 31, 2024 (Un-audited)

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Munis Abdullah	Chairman
Mr. Abdul Samad	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Syed Nadeem Ahmed	Chief Executive Officer
Mr. Zubair Razzak Palwala	Non-Executive Director
Ms. Faiza Naeem	Non-Executive Director
Mr. Rizwan Ahmad	Executive Director

Telenor Microfinance Bank

## REGISTERED OFFICE

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

## AUDIT COMMITTEE

Ms. Tayyaba Rasheed	Chairperson
Mr. Zubair Razzak Palwala	Member
Ms. Faiza Naeem	Member

## SHARE REGISTRAR

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abdul Samad	Chairman
Mr. Syed Nadeem Ahmed	Member
Mr. Zubair Razzak Palwala	Member

## WEBSITE

[www.ubrandz.biz](http://www.ubrandz.biz)

## 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  
Silkbank Limited  
Meezan Bank Limited  
Al Baraka Bank Pakistan Limited  
Habib Metropolitan Bank Limited

# DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of United Brands Limited are pleased to present Directors' review report together with the condensed interim financial information (unaudited) of the Company for nine months period ended March 31, 2024. This 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.

## SUMMARY OF FINANCIAL PERFORMANCE

	March 31, 2024	March 31, 2023
	(Rupees in thousand)	
Revenue	865,242	1,070,733
<b>Gross profit</b>	<b>141,419</b>	<b>165,416</b>
Gross margin (% of revenue)	16.3%	15.4%
Operating expenses	(158,360)	(202,268)
Finance cost	(33,670)	(36,085)
<b>Loss for the period</b>	<b>(51,463)</b>	<b>(66,768)</b>

## FINANCIAL OVERVIEW

The revenue of Company has decreased by 19% during the current period. This is primarily due to unavailability of stock of imported portfolio like Kellogg's & Pringles, Ovaltine, and Schick etc.,

Operating expenses have also decreased by 16% due to control over distribution and selling expenses.

Finance cost has increased due to rise in KIBOR rate during the period.

## LOSS PER SHARE

Loss per share for six months period ended March 31, 2024 is PKR (0.56) (Mar 31, 2023: PKR (0.73)).

## FUTURE OUTLOOK

United Brands likewise other imported companies in Pakistan has also suffered losses due to supply issues in import of products. Also, since fuel and ancillary costs have gone up, the profitability has completely been wiped off. The policy rate increase has added fuel to fire, hence in the prevailing economic crisis, the Company has adopted the strategy of moving complete portfolio towards locally manufactured goods.

In this connection, few other brands are in the process of induction that will assist in sustaining the topline and securing the profitability.

# DIRECTORS' REPORT TO THE SHAREHOLDERS

## ACKNOWLEDGMENT

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

Karachi.

Date: April 29, 2024



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Syed Nadeem Ahmed  
Chief Executive Officer



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Rizwan Ahmad  
Director

## ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2024ء کو ختم ہونے والی نو ماہ کی مدت کے لئے کمپنی کی مختصر عبوری غیر آڈٹ شدہ مالی حسابات کے ساتھ مل کر ڈائریکٹرز کی جائزہ رپورٹ پیش کرنے پر خوش ہیں۔ یہ مختصر عبوری غیر آڈٹ شدہ مالی حسابات کمپنیز ایکٹ 2017 کے سیکشن 228 کے مطابق تیار کیا گیا۔

### بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں صارفین کے سامان اور اس سے وابستہ مصنوعات کی تجارت اور تقسیم ہیں۔ کمپنی نے حال ہی میں ٹیلی کام کی مصنوعات کے لئے تقسیم کی خدمات کی پیش کش شروع کر دی ہے۔

### مالیاتی کارکردگی کا جائزہ:

	Mar 31, 2024	Mar 31, 2023
	(Rupees in thousand)	
Revenue	865,242	1,070,733
<b>Gross profit</b>	<b>141,419</b>	<b>165,416</b>
Gross margin (% of revenue)	16.3%	15.4%
Operating expenses	(158,360)	(202,268)
Finance cost	(33,670)	(36,085)
<b>Loss for the period</b>	<b>(51,463)</b>	<b>(66,768)</b>

### مالی جائزہ:

موجودہ مدت کے دوران کمپنی کی آمدنی میں 19% کی نمایاں کمی واقع ہوئی ہے۔ اس کی بنیادی وجہ درآمد شدہ مصنوعات جیسے کیلوگ، پنگلر، اوولٹائن، اور شکلب وغیرہ کی عدم دستیابی کی وجہ سے ہے۔ آپریٹنگ اور فروخت کے اخراجات میں 16% کی کمی آئی ہے جس کی وجہ گاڑیوں کے کرائے اور ڈسٹری بیوشن میں کنٹرول کرنا ہیں۔ کیپور کی شرح کے اضافے کی وجہ سے بھی مابیت کی لاگت میں اضافہ ہوا ہے۔

## فی حصص نقصان:

31 مارچ 2024 کو ختم ہونے والی نو ماہ کی مدت میں فی حصص نقصان میں (0.56) روپے۔ (31 مارچ 2023: (0.73) روپے) ہے۔

## مستقبل پر ایک نظر:

یونائیٹڈ برانڈز اسی طرح پاکستان میں دیگر درآمدی کمپنیوں کو بھی مصنوعات کی درآمد میں رسد کے مسائل کی وجہ سے نقصان اٹھانا پڑا ہے۔ نیز، چونکہ ایندھن اور ذیلی اخراجات میں اضافہ ہوا ہے، منافع پوری طرح ختم ہو گیا ہے۔ پالیسی ریٹ میں اضافے نے آگ کو بھڑکا دیا ہے، اس لیے موجودہ معاشی بحران میں، کمپنی نے مکمل پورٹ فولیو کو مقامی طور پر تیار کردہ ایشیا کی طرف منتقل کرنے کی حکمت عملی اپنائی ہے۔

## اعتراف:

ڈائریکٹر صارفین، پرنسپل، انتظامیہ، ملازمین اور دیگر اسٹیک ہولڈرز کے ساتھ ان کی مسلسل مدد کے لئے اظہار تشکر کرنا چاہتے ہیں۔

کراچی

۱۲۹ اپریل ۲۰۲۳ء



رضوان احمد

ڈائریکٹر



سید ندیم احمد

چیف ایگزیکٹو آفیسر

UNCONSOLIDATED  
FINANCIAL STATEMENTS

# UNITED BRANDS LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
----- Rupees in '000 -----			
Property and equipment		2,978	4,334
Intangible assets		-	5
Investment in subsidiary		25,000	25,000
Long-term deposits		411	412
		<u>28,389</u>	<u>29,751</u>
<b>Current assets</b>			
Inventories	5	331,795	334,904
Trade and other receivables	6	247,258	267,681
Prepayments, advances and deposits	7	20,486	23,873
Taxation - payments less provision		33,621	35,146
Tax refunds due from Government - sales tax	8	59,858	63,537
Accrued interest		1,491	962
Cash and bank balances		49,141	97,583
		<u>743,650</u>	<u>823,686</u>
<b>Total assets</b>		<u><b>772,039</b></u>	<u><b>853,437</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		918,000	918,000
Accumulated losses		(1,078,308)	(1,026,844)
		<u>(160,308)</u>	<u>(108,844)</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings		-	-
Deferred income - Government grant		-	-
		-	-
<b>Current liabilities</b>			
Trade and other payables	9	814,167	691,400
Short-term financing	10	104,939	255,763
Current portion of deferred income - Government grant		-	-
Current portion of long-term borrowings		-	-
Unclaimed dividend		353	353
Accrued mark-up		12,888	14,765
		<u>932,347</u>	<u>962,281</u>
<b>Contingency and commitments</b>	11	<u>932,347</u>	<u>962,281</u>
<b>Total equity and liabilities</b>		<u><b>772,039</b></u>	<u><b>853,437</b></u>

  
 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, 2024 - (UNAUDITED)**

Note	Quarter ended		Nine months ended		
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
	----- Rupees in '000 -----				
Revenue from contracts with customers	12	267,989	365,353	865,242	1,070,733
Cost of sales		(224,600)	(311,713)	(723,823)	(905,317)
Gross profit		43,389	53,640	141,419	165,416
Marketing and distribution expenses		(33,658)	(39,390)	(129,051)	(129,375)
Administrative and general expenses		(5,712)	(6,708)	(26,453)	(26,392)
Loss allowance on trade receivables		-	(2,568)	(702)	(14,952)
Other operating expenses		(243)	(1,777)	(2,155)	(31,549)
Other income		997	69	4,219	14,518
Loss from operations		4,773	3,266	(12,721)	(22,334)
Finance costs		(7,375)	(12,058)	(33,670)	(36,085)
Loss before income tax		(2,602)	(8,792)	(46,391)	(58,419)
Income tax expense		(1,656)	(2,372)	(5,072)	(8,349)
Loss for the period		(4,258)	(11,164)	(51,463)	(66,768)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(4,258)	(11,164)	(51,463)	(66,768)
Basic and diluted loss per share (Rupees)		(0.05)	(0.12)	(0.56)	(0.73)

  
 Syed Nabeem 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, 2024 - (UNAUDITED)

		March 31, 2024	March 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Note	----- Rupees in '000 -----	
Cash (used in) /generated from operations	13	141,946	(10,166)
Income taxes paid		(3,547)	(1,860)
Finance costs paid		(35,547)	(18,200)
Net cash (used in) / generated from operating activities		102,852	(30,226)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of property and equipment		-	-
Interest received		(469)	1,513
Net cash generated from / (used in) investing activities		(469)	1,513
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term financing		(150,824)	5,696
Repayment of long-term financing		-	(14,672)
Net cash (used in) / generated from financing activities		(150,824)	(8,976)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(48,442)	(37,689)
Cash and cash equivalents at beginning of the period		97,583	106,813
<b>Cash and cash equivalents at end of the period</b>	14	49,141	69,124

The annexed notes 1 to 16 form an integral part of these consolidated 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, 2024 - (UNAUDITED)

	Share capital	Accumulated loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2022	918,000	(928,564)	(10,564)
Total comprehensive loss for the nine months ended March 31, 2023	-	(66,768)	(66,768)
<b>Balance at March 31, 2023 (unaudited)</b>	<b>918,000</b>	<b>(995,332)</b>	<b>(77,332)</b>
Balance as at July 1, 2023	918,000	(1,026,844)	(108,844)
Total comprehensive loss for the nine months ended March 31, 2023	-	(51,464)	(51,464)
<b>Balance at March 31, 2024 (unaudited)</b>	<b>918,000</b>	<b>(1,078,308)</b>	<b>(160,308)</b>

  
 Syed Nabeem 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, 2024 - (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 on the 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 (Pvt.) Limited, which is also the Company's ultimate parent.

The Company's principal activities are trading and distribution of consumer goods and allied products. During the period, the Company has entered into distribution agreements whereby the Company will distribute a variety of products of Livvel and Dipitt brands.

**1.1** Management prepared these financial statements on a going concern basis, which assumes the realisation of assets and the satisfaction of liabilities in the normal course of business. As at March 31, 2023, the Company had net deficit of Rs. 160.31 million (June 2023: Rs. 108.84 million), net current liability position of Rs. 188.72 million (June 2023: Rs. 138.59 million) and operating cash inflows of Rs. 102.85 million (March 2023: cash outflows of Rs. 30.23 million). For the nine months period ended March 31, 2024, the Company has incurred a loss of Rs. 51.46 million (March 2023: Rs. 66.76 million). Furthermore, the prevalent economic conditions of the country including depleting foreign exchange reserves and high inflation is impacting the overall business activity including imports.

The Company has been closely monitoring the cash flows and forecasts on a monthly basis. Management performed analysis over their cash flow forecast to factor in the impact of a decline in both revenue and collection from customers. The Company will continue to receive support for at least the next twelve months from the date of issuance of these financial statements, if needed, from the Ultimate Parent Company. Based on above analysis and support from the Ultimate Parent Company, management has adequate financing lines to be able to maintain liquidity in order to repay its creditors in the foreseeable.

### 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.

# **UNITED BRANDS LIMITED**

## **NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

### **FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - (UNAUDITED)**

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, 2023.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

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

#### **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 01, 2023. However, these do not have any significant impact on the Company's financial reporting.

##### **b) Standards and amendments to approved accounting standards that 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, 2023. 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 unconsolidated 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 judgements, 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 judgements 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, 2023.

# UNITED BRANDS LIMITED

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - (UNAUDITED)

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, 2023.

	<b>(Unaudited) March 31, 2024</b>	(Audited) June 30, 2023
	----- Rupees in '000 -----	
<b>5. INVENTORIES</b>		
Finished goods - manufactured:		
- in hand	<b>331,795</b>	334,904
	<b>331,795</b>	334,904
<b>6. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	<b>174,797</b>	175,794
Other receivables - note 6.1	<b>107,581</b>	126,323
	<b>282,378</b>	302,117
Provision for doubtful debts	<b>(35,120)</b>	(34,436)
	<b>247,258</b>	267,681
<b>6.1 Other receivables</b>		
Considered good		
- Others - note 6.1.1	<b>107,581</b>	126,323
	<b>107,581</b>	126,323
<b>6.1.1</b>		
These represent receivable from principals in respect of stock claims, expenses and other receivables		
	<b>(Unaudited) March 31, 2024</b>	(Audited) June 30, 2023
	----- Rupees in '000 -----	
<b>7. PREPAYMENTS, ADVANCES AND DEPOSITS</b>		
Prepayments	<b>1,074</b>	-
Advances	<b>16,057</b>	23,873
Deposits - note 7.1	<b>3,355</b>	-
	<b>20,486</b>	23,873

# **UNITED BRANDS LIMITED**

## **NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

### **FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - (UNAUDITED)**

#### **8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX**

This includes an amount of Rs. 70.64 million relating to the sales tax paid in the prior periods for which no input was claimed due to a dispute with the Collector of Customs. The Collector of Customs raised an issue in relation to the payment of Federal Excise Duty (FED) on the import of goods made by the Company during the month of June 2020. However, due to restrictions placed on the "release of the said consignment" due to the 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 requested Customs Department to issue a letter to the Federal Board of Revenue (FBR) requesting it to allow the claim of input sales tax in the subsequent sales tax periods for the aforementioned amount. During the period, the Company has filed a refund claim adjustment with FBR.

#### **9. TRADE AND OTHER PAYABLES**

These include Rs. 432.91 million (June 30, 2023: Rs. 349.02 million) payable to related parties.

#### **10. SHORT-TERM FINANCING**

**10.1** 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 February and May 2024.

The arrangements carry mark-up of 2% above six months KIBOR (2023: 0.15% to 2% above six months KIBOR and 1.75% above three months KIBOR) with a maximum aggregate limit of Rs. 135 million (2023: Rs. 256 million).

**10.2** The Company also has an available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2023: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2023: 2.25% above one month KIBOR) to be determined on monthly basis.

#### **11. CONTINGENCY AND COMMITMENTS**

##### **11.1 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, 2023.

##### **11.2 Commitments**

The facilities for opening letter of credit and guarantees as at March 31, 2024 amounted to Rs. 150 million (June 30, 2023: Rs. 200 million) and Rs. 132.09 million (June 30, 2023: Rs. 132.09 million) respectively. The amount remaining unutilised as at reporting date for letter of

# UNITED BRANDS LIMITED

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - (UNAUDITED)

credit and guarantees were Rs. 150 million (June 30, 2023: Rs. 200 million) and Nil (June 30, 2023: 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 1,078,873 shares of The Searle Company Limited against the above mentioned letter of guarantee facilities.

	<b>(Unaudited) March 31, 2024</b>	(Unaudited) March 31, 2023
	----- Rupees in '000 -----	
<b>12. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Gross revenue from sale of goods	915,882	1,202,112
Revenue from services	2,274	2,620
Less:		
- Trade discounts	(20,527)	(21,084)
- Sales return	(32,387)	(112,915)
	<b>865,242</b>	<b>1,070,733</b>
	<b>(Unaudited) March 31, 2024</b>	(Unaudited) March 31, 2023
	----- Rupees in '000 -----	
<b>13. CASH GENERATED FROM OPERATIONS</b>		
Loss before Income tax	(46,392)	(58,419)
<b>Adjustment for non-cash charges and other items</b>		
- Depreciation and amortisation	1,357	1,891
- Deferred income - Government grant	-	(267)
- Profit on savings accounts	(59)	(2,112)
- Finance cost	33,670	36,085
- Provision for doubtful debts	702	14,952
	<b>35,670</b>	<b>50,549</b>
	<b>(10,722)</b>	<b>(7,870)</b>

# UNITED BRANDS LIMITED

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - (UNAUDITED)

(Unaudited)  
March 31,  
2024

(Unaudited)  
March 31,  
2023

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

### Effect on cash flow due to working capital changes

Decrease / (increase) in current assets:

Inventories

3,109 249,081

Trade and other receivables

19,721 42,510

Prepayments, advances and deposits

3,387 (18,700)

Tax refunds due from Government - sales tax

3,679 53,948

29,897 326,839

Increase / (decrease) in current liabilities trade and other payables

122,772 (329,135)

### Cash generated from operations

141,946 (10,166)

(Unaudited)  
March 31,  
2024

(Unaudited)  
March 31,  
2023

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

## 14. CASH AND CASH EQUIVALENTS

Cash and bank balances

49,141 69,124

## 15. TRANSACTIONS WITH RELATED PARTIES

### 15.1

Related parties comprise the parent company, subsidiary companies, associated companies or undertakings, directors of the Company, key management personnel and staff retirement funds.

The Company continues to have a policy whereby transactions with related parties are entered into at mutually agreed terms and conditions. Remuneration of key management personnel are in accordance with their terms of engagement.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Head of Departments to be its key management personnel. There are no transactions with key management personnel other than those disclosed in these condensed interim financial statements or as per their terms of employment / entitlement.

# UNITED BRANDS LIMITED

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - (UNAUDITED)

Nature of relationship	Nature of transactions	(Unaudited)	(Unaudited)
		March 31, 2024	March 31, 2023
----- Rupees in '000 -----			
Holding company	- Corporate shared services	-	-
Associated companies	- Purchases	47,361	31,990
	- Sale of goods	2,085	2,714
	- Shared costs - Note 15.2	29,485	80,139

**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 unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 29, 2024.

  
 Syed Nabeem 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, 2024

	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
----- Rupees in '000 -----			
Property and equipment		10,222	9,703
Intangible assets		113	5
Long-term deposits		9,986	9,987
		<u>20,321</u>	<u>19,695</u>
<b>Current assets</b>			
Inventories	5	496,095	467,727
Trade and other receivables	6	870,676	638,920
Prepayments, advances and deposits	7	55,783	80,277
Taxation - payments less provision		33,621	32,540
Tax refunds due from Government - sales tax	8	7,777	52,152
Accrued interest		1,491	962
Cash and bank balances		74,541	129,150
		<u>1,539,984</u>	<u>1,401,728</u>
<b>Total assets</b>		<u><b>1,560,305</b></u>	<u><b>1,421,423</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		918,000	918,000
Accumulated losses		(961,059)	(888,677)
		<u>(43,059)</u>	<u>29,323</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings		-	-
Deferred income - Government grant		-	-
<b>Current liabilities</b>			
Trade and other payables	9	1,477,716	1,101,056
Short-term financing	10	104,939	275,443
Taxation - payments less provisions		-	-
Tax refunds due from Government - sales tax		-	-
Current portion of deferred income - Government grant		-	-
Current portion of Long-term borrowings		-	-
Taxation - payments less provisions		6,998	-
Unclaimed dividend		353	353
Accrued mark-up		13,358	15,248
		<u>1,603,364</u>	<u>1,392,100</u>
		<u>1,603,364</u>	<u>1,392,100</u>
<b>Contingency and commitments</b>	11		
<b>Total equity and liabilities</b>		<u><b>1,560,305</b></u>	<u><b>1,421,423</b></u>

The annexed notes 1 to 16 form an integral part of these consolidated 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, 2024 - UNAUDITED**

Note	Quarter ended		Nine months ended		
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
----- Rupees in '000 -----					
Revenue from contracts with customers	12	567,096	692,463	1,805,194	1,955,963
Cost of sales		(504,193)	(612,909)	(1,605,934)	(1,733,884)
Gross profit		62,903	79,554	199,260	222,079
Marketing and distribution expenses		(41,503)	(53,159)	(165,398)	(172,676)
Administrative and general expenses		(6,105)	(6,708)	(27,773)	(26,392)
Loss allowance on trade receivables		-	(2,568)	(702)	(14,952)
Other operating expenses		(8,068)	(5,293)	(9,980)	(43,518)
Other income		1,625	428	6,661	19,041
(Loss) / profit from operations		8,852	12,254	2,068	(16,418)
Finance costs		(8,169)	(12,109)	(37,666)	(36,886)
(Loss) / profit before income tax		683	145	(35,598)	(53,304)
Income tax expense		(13,605)	(11,548)	(36,784)	(32,448)
Loss for the period		(12,922)	(11,403)	(72,382)	(85,752)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(12,922)	(11,403)	(72,382)	(85,752)
Basic and diluted loss per share (Rupees)		(0.14)	(0.12)	(0.79)	(0.93)

The annexed notes 1 to 16 form an integral part of these consolidated 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, 2024 - UNAUDITED

		March 31, 2024	March 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	----- Rupees in '000 -----	
Cash (used in) / generated from operations	13	189,817	(76,992)
Increase in long term deposits		1	(5,424)
Income tax paid		(30,867)	31,196
Finance cost paid		(39,556)	(19,001)
Net cash (used in) / generated from operating activities		<u>119,395</u>	<u>(70,221)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of equipment		(3,031)	(783)
Interest received		(469)	1,513
Net cash (used in) / generated from investing activities		<u>(3,500)</u>	<u>730</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		-	(14,672)
Receipts / (repayment) of short term financing		(170,504)	5,696
Net cash used in financing activities		<u>(170,504)</u>	<u>(8,976)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(54,610)</u>	<u>(78,467)</u>
Cash and cash equivalents at beginning of the period		<u>129,150</u>	<u>149,685</u>
<b>Cash and cash equivalents at end of the period</b>	<b>14</b>	<u><u>74,541</u></u>	<u><u>71,218</u></u>

The annexed notes 1 to 16 form an integral part of these consolidated 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, 2024 - UNAUDITED

	Share capital	Accumulated loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2022	918,000	(809,170)	108,830
Total comprehensive loss for the nine months ended March 31, 2023	-	(85,752)	(85,752)
Balance at March 31, 2023 (unaudited)	918,000	(894,922)	23,078
Balance as at July 1, 2023	918,000	(888,677)	29,323
Total comprehensive loss for the nine months ended March 31, 2024	-	(72,382)	(72,382)
Balance at March 31, 2024 (unaudited)	918,000	(961,059)	(43,059)

The annexed notes 1 to 16 form an integral part of these consolidated 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, 2024 - UNAUDITED

### 1. THE COMPANY AND ITS OPERATIONS

#### 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)**

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

The principal activities of the subsidiary 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.

# UNITED BRANDS LIMITED

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED

### 2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company for the nine months ended March 31, 2024 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 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.

### 3. SIGNIFICANT 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.

### 4. 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.

### 5. INVENTORIES

Finished goods - manufactured:  
-in hand

<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
----- Rupees in '000 -----	
<b>496,095</b>	467,727
<b>496,095</b>	467,727

# UNITED BRANDS LIMITED

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED

	<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
<b>6. TRADE AND OTHER RECEIVABLES</b>	----- Rupees in '000 -----	
Trade receivables	<b>748,959</b>	498,349
Other receivables - note 6.1	<b>156,837</b>	140,571
Provision for doubtful debt	<b>(35,120)</b>	-
	<b>870,676</b>	<b>638,920</b>
<b>7. PREPAYMENTS, ADVANCES AND DEPOSITS</b>		
Prepayments	<b>5,308</b>	46,551
Advances	<b>47,120</b>	33,726
Deposits	<b>3,355</b>	-
	<b>55,783</b>	<b>80,277</b>
<b>8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX</b>		

This includes an amount of Rs. 70.64 million relating to the sales tax paid in the prior periods for which no input was claimed due to a dispute with the Collector of Customs. The Collector of Customs raised an issue in relation to the payment of Federal Excise Duty (FED) on the import of goods made by the Company during the month of June 2020. However, due to restrictions placed on the "release of the said consignment" due to the 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 requested Customs Department to issue a letter to the Federal Board of Revenue (FBR) requesting it to allow the claim of input sales tax in the subsequent sales tax periods for the aforementioned amount. During the period, the Company has filed a refund claim adjustment with FBR.

### 9. TRADE AND OTHER PAYABLES

These include Rs. 606.25 million (June 30, 2023: Rs. 514.61 million) payable to related parties.

### 10. SHORT-TERM FINANCING

**10.1** 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 February and May 2024.

# UNITED BRANDS LIMITED

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED

The arrangements carry mark-up of 2% above six months KIBOR (2023: 0.15% to 2% above six months KIBOR and 1.75% above three months KIBOR) with a maximum aggregate limit of Rs. 135 million (2023: Rs. 256 million).

**10.2** The Company also has an available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2023: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2023: 2.25% above one month KIBOR) to be determined on monthly basis.

### 11. CONTINGENCY AND COMMITMENTS

#### 11.1 Contingency

**11.1.1** 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, 2023.

#### 11.2 Commitments

The facilities for opening letter of credit and guarantees as at March 31, 2024 amounted to Rs. 150 million (June 30, 2023: Rs. 200 million) and Rs. 132.09 million (June 30, 2023: Rs. 132.09 million) respectively. The amount remaining unutilised as at reporting date for letter of credit and guarantees were Rs. 150 million (June 30, 2023: Rs. 200 million) and Nil (June 30, 2023: 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 1,078,873 shares of The Searle Company Limited against the above mentioned letter of guarantee facilities.

	<b>March 31, 2024</b>	March 31, 2023
<b>12. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	----- Rupees in '000 -----	
Gross Sales	<b>1,130,927</b>	1,596,839
Service Income	<b>762,920</b>	564,531
Less:		
- Trade discounts	<b>(41,234)</b>	(71,100)
- Sales return	<b>(47,419)</b>	(134,307)
	<b><u>1,805,194</u></b>	<u>1,955,963</u>

# UNITED BRANDS LIMITED

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024

- UNAUDITED

	March 31, 2024	March 31, 2023
	----- Rupees in '000 -----	
<b>13 CASH GENERATED FROM OPERATIONS</b>		
(Loss) / profit before Income tax	(35,598)	(53,304)
<b>Adjustments for non-cash charges and other items</b>		
Depreciation and amortisation	2,535	2,670
Deferred income - Government grant	-	(267)
Profit on savings accounts	(59)	(2,112)
Finance costs	37,636	36,886
Provision for doubtful debts	702	14,952
	40,814	52,129
<b>Effect on cash flow due to working capital changes</b>		
<b>Decrease / (increase) in current assets:</b>		
Inventories	(28,368)	243,978
Trade and other receivables	(217,899)	(245,611)
Prepayments , deposits and advances	24,485	(54,183)
Tax refunds due from government - sales tax	44,375	39,969
	(177,407)	(15,847)
(Decrease) / increase in trade and other payables	362,008	(59,970)
<b>Cash (used in) / generated from operations</b>	<b>189,817</b>	<b>(76,992)</b>
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	74,541	71,218

# UNITED BRANDS LIMITED

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

### FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED

#### 15 RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions	March 31,	March 31,
		2024	2023
----- Rupees in '000 -----			
i. Holding company	- Corporate services charges	-	-
ii. Associated companies	- Purchases	47,361	31,990
	- Sale of goods	2,085	2,714
	- Shared costs - note 15.1	29,485	80,139

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

#### 16 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 April 29, 2024.



Syed Nadeem Ahmed  
Chief Executive Officer



Rizwan Ahmad  
Director



Shariq Ahmed  
Chief Financial Officer

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