

The background of the slide features a dark, abstract graphic with flowing, wavy lines in shades of dark red and grey. A bright, glowing arc of light in shades of orange and red curves across the upper right portion of the image.

# Moving FORWARD

First Quarter ended  
September 30, 2021 (Un-audited)

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Munis Abdullah  
Mr. Hasan Tariq Khan  
Ms. Tayyaba Rasheed  
Mr. Syed Nadeem Ahmed  
Mr. Zubair Razzak Palwala  
Mr. Syed Qaiser Abbas  
Mr. Rizwan Ahmed

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  
Mr. Hasan Tariq Khan

Chairperson  
Member  
Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

### 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](http://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 quarter ended September 30, 2021. This consolidated condensed interim financial information (unaudited) is prepared in accordance with Section 228 of the Companies Act, 2017.

## Principal Activities

United Brands Limited is engaged in distribution of fast-moving consumer goods and allied products. The portfolio includes cereals, snacks, baby care, personal care, milk modifiers, shaving blades, cosmetics and other allied products.

## SUMMARY OF FINANCIAL PERFORMANCE

	September 30, 2021	September 30, 2020
	(Rupees in '000)	
Revenue	834,640	1,002,602
<b>Gross profit</b>	<b>133,529</b>	166,899
Gross margin (% of revenue)	16%	16.65%
Operating expenses	(111,000)	(123,944)
Finance cost	(11,715)	(16,063)
<b>(Loss) / profit for the period</b>	<b>(2,182)</b>	26,815

## FINANCIAL OVERVIEW

The revenue of Company has decreased by PKR 168 million as compared to same period last year due to discontinuation of imported business. Gross margin remains almost same on 16% as majority of business had shifted to local accounts in last quarter. This shift has been made due to prevailing market conditions and Government focus on curtailment of imports. Service income from wholly owned subsidiary IBL Logistics (Private) Limited (included above) has shown growth by 17% amounting to PKR 22.45 million.

Operating expenses of Company have decreased by PKR 12.94 million due to cost control initiatives. Finance cost has decreased by PKR 4.3 million through repayment of bank's borrowings.

## EARNINGS PER SHARE

(Loss) / earning per share for the period ended September 30, 2021 is PKR (0.02) (Sep 30, 2020: PKR 0.29).

## FUTURE OUTLOOK

The management of the Company is confident of growth both in revenue and profitability in upcoming period. We are optimistic that the Company shall recover from current decline in profitability as we are focused on enhancing and improving our current business and exploring new opportunities.

# DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

## ACKNOWLEDGMENT

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

Karachi.

Date: October 27, 2021



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Syed Nadeem Ahmed  
Chief Executive Officer



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Zubair Razzak Palwala  
Director

## ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز ہمسرت اپنی رپورٹ مع ۳۰ ستمبر ۲۰۲۱ 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 کنینیر ایکٹ ۲۰۱۷ کے سیکشن ۲۲۸ کے مطابق تیار کی گئی ہے۔

### بنیادی سرگرمیاں:

یونائیٹڈ برانڈز لمیٹڈ FMCG اور منسلکہ مصنوعات کی تقسیم میں مصروف عمل ہے۔ پورٹ فولیو میں سیرینگلز، اسٹیکس، بے بی ریٹج، ملک موڈیفائیئر، ڈائپرز، پرسل کٹر، شیونگ بلڈرز، کاسٹیکس اور دیگر ملتی جلتی اشیاء شامل ہے۔

### مالیاتی کارکردگی کا جائزہ:

	Sep 30, 2021	Sep 30, 2020
	(Rupees in thousand)	
Revenue	834,640	1,002,602
Gross profit	133,529	166,899
Gross margin (% of revenue)	16%	16.65 %
Operating expenses	( 111,000)	( 123,944)
Finance cost	( 11,715)	( 16,063)
Profit / (loss) for the period	(2,182)	26,815

### مالی جائزہ:

کنپنی کی آمدنی میں پچھلے سال کے مقابلے میں 168 ملین روپے کی کمی واقع ہوئی ہے جسکی وجہ درآمدی کاروبار کا بند ہونا ہے۔ کنپنی کا مارجن تقریباً برابر ہے جس کی وجہ پچھلی سہ ماہی میں کنپنی کے کاروبار کا مقامی کاروبار میں تبدیل ہونا ہے۔ یہ تبدیلی موجودہ کاروباری حالات اور حکومت کی درآمد کم کرنے کی پالیسیوں کے عین مطابق ہے۔ کنپنی کی زیلی کنپنی IBL Logistics (Pvt.) Ltd کے کاروبار میں 22.45 ملین روپے کا اضافہ ہوا ہے جو کہ 17 فیصد کا اضافہ ہے۔

کاروباری لاگت میں 12.94 ملین روپے کی کمی ہوئی ہے جس کی وجہ خرچوں پر قابو پانا ہے۔ مالی لاگت میں بھی 12.94 ملین روپے کی کمی آئی ہے جس کی وجہ بینکوں کے قرضوں کی ادائیگی ہے۔

### فی حصص آمدنی:

۳۰ ستمبر ۲۰۲۱ کو ختم ہونے والے سال میں فی حصص (خسارہ) / آمدنی میں (0.02) روپے رہی۔ (۳۰ ستمبر ۲۰۲۰ 0.29 روپے) ہے۔

## ڈائریکٹرز رپورٹ برائے حصص کنندگان

### مستقبل پر ایک نظر:

کمپنی کی منجنت 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:

ڈائریکٹرز اپنے صارفین، سپلائرز، 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

۱۷ اکتوبر ۲۰۲۱ء



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, 2021

### ASSETS

#### Non-current assets

Property and equipment

Intangible assets

Investments in Subsidiary

Long-term deposits

#### Current assets

Inventories

Trade and other receivables

Prepayments and advances

Taxation-payments less provision

Tax refunds due from Government - sales tax

Accrued Interest

Cash and bank balances

#### Total assets

### EQUITY AND LIABILITIES

#### Share capital and reserves

Issued, subscribed and paid up capital

Accumulated losses

#### Liabilities

#### Non-current liabilities

Long-term borrowings

Deferred income - Government grant

#### Current liabilities

Trade and other payables

Short-term borrowings

Current portion of deferred income - Government grant

Current portion of long-term borrowings

Accrued mark-up

Unclaimed dividend

#### Total Liabilities

### CONTINGENCY AND COMMITMENTS

#### Total equity and liabilities

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

		Unaudited September, 30,2021	Audited June 30, 2021
	Note	----- Rupees in '000 -----	
		8,470	9,113
		119	142
		25,000	25,000
		412	412
		34,001	34,687
	4	544,966	502,021
	5	484,922	354,703
	6	16,252	15,526
		33,593	38,653
		52,031	67,112
		-	196
		31,049	91,411
		1,162,813	1,069,622
		1,196,814	1,104,309
		918,000	918,000
		(896,361)	(862,939)
		21,639	55,061
		7,335	12,571
		156	267
		7,491	12,838
		827,407	729,850
		293,138	272,232
		1,892	1,781
		34,580	29,344
		10,314	2,850
		353	353
		1,167,684	1,036,410
		1,175,175	1,049,248
	9	-	-
		1,196,814	1,104,309

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, 2021**

	Note	Quarter ended	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
Revenue from contracts with customers	7	622,851	842,562
Cost of sales		(546,548)	(716,012)
Gross profit		76,303	126,550
Marketing and distribution expenses		(68,944)	(93,616)
Administrative and general expenses		(22,754)	(19,174)
Other operating expenses		(3,565)	(1,978)
Other income		27	21,292
(Loss) / profit from operations		(18,933)	33,074
Finance cost		(11,040)	(15,954)
(Loss) / profit before Income tax		(29,973)	17,120
Income tax expense		(3,449)	(16,564)
(Loss) / profit for the period		(33,422)	556
Other comprehensive income		-	-
Total comprehensive (loss) / income		(33,422)	556
		(Rupees)	
Basic and diluted (loss) / earnings per share		(0.36)	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**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF**  
**CASH FLOWS - (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

		Quarter ended	
		September 30, 2021	September 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	8	(79,479)	292,956
Income taxes paid		1,611	(17,194)
Finance cost paid		(3,380)	(16,875)
Net cash (used in) / generated from operating activities		(81,248)	258,887
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of equipment		(20)	(43)
Net cash outflow from investing activities		(20)	(43)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment for short term financing		20,906	(291,626)
Net cash generated / (used in) from financing activities		20,906	(291,626)
<b>Net decrease in cash and cash equivalents</b>		(60,362)	(32,782)
Cash and cash equivalents at the beginning of the period		91,411	41,794
<b>Cash and cash equivalents at the end of the period</b>		31,049	9,012

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, 2021

	Share Capital - Issued, subscribed and paid up capital	Accumulated Loss	Total Equity
----- Rupees in '000 -----			
Balance as at July 1, 2020	918,000	(866,666)	51,334
Total comprehensive income for the quarter	-	556	556
<b>Balance at September 30, 2020</b>	<u>918,000</u>	<u>(866,110)</u>	<u>51,890</u>
Balance as at July 1, 2021	<b>918,000</b>	<b>(862,939)</b>	<b>55,061</b>
Total comprehensive loss for the quarter	-	<b>(33,422)</b>	<b>(33,422)</b>
<b>Balance as at September 30, 2021</b>	<u><b>918,000</b></u>	<u><b>(896,361)</b></u>	<u><b>21,639</b></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**

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

**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

### **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 (Pvt.) Limited - a private limited company incorporated in Pakistan which is also the Company's ultimate parent.

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

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 Shahrah-e-Faisal, Karachi.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of preparation**

These condensed interim financial statements of the Company for the quarter ended September 30, 2021 have 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 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, 2021. These condensed interim financial statements are unaudited.

#### **2.2 Accounting policies**

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

### **3. ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of condensed interim 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 financial statements.

# UNITED BRANDS LIMITED

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

### FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Estimates and judgments made by the management in the preparation of these condensed interim 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, 2021.

#### 4. INVENTORIES

Raw and packaging materials:

- in hand
- in transit

Finished goods - manufactured:

- in hand

Trading goods

- in hand
- in transit

**Total**

Unaudited September 30, 2021	Audited June 30, 2021
----- Rupees in '000 -----	
19,631	9,573
10,632	17,201
<u>30,263</u>	<u>26,774</u>
9,519	12,005
445,435	412,019
59,749	51,223
<u>505,184</u>	<u>463,242</u>
<u>544,966</u>	<u>502,021</u>

#### 5. TRADE AND OTHER RECEIVABLES

Trade receivables

Other receivables

301,387	243,029
183,535	111,674
<u>484,922</u>	<u>354,703</u>

#### 6. PREPAYMENTS AND ADVANCES

Prepayments

Advances

1,422	43
14,830	15,483
<u>16,252</u>	<u>15,526</u>

Unaudited September 30, 2021	Unaudited September 30, 2020
----- Rupees in '000 -----	

#### 7. REVENUE

Gross Sales

Trade Discounts

Sales Return

Net Sales

650,905	903,453
(20,824)	(26,132)
(7,230)	(34,759)
<u>622,851</u>	<u>842,562</u>

# UNITED BRANDS LIMITED

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

### FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Unaudited September 30, 2021	Unaudited September 30, 2020
	----- Rupees in '000 -----	
<b>8. CASH GENERATED FROM OPERATIONS</b>		
(Loss) / Profit before Income tax	(29,973)	17,120
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	706	694
Finance cost	11,040	15,594
	11,746	16,288
	(18,227)	33,408
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / Decrease in current assets:</b>		
Inventories	(42,945)	108,881
Trade and other receivables	(130,219)	88,312
Prepayments and advances	(726)	70,347
Tax refunds due from government - sales tax	15,081	17,720
	(158,809)	285,260
Increase / (Decrease) in trade and other payables	97,557	(25,172)
<b>Cash (used in) / generated from operations</b>	<b>(79,479)</b>	<b>292,956</b>

## 9. CONTINGENCY AND COMMITMENTS

### 9.1 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 is currently pending to be heard before the Commissioner Inland Revenue (Appeals-II) and shall be fixed for hearing subsequent to the year end. 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 unconsolidated financial statements.

# UNITED BRANDS LIMITED

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

### FOR THE QUARTER ENDED SEPTEMBER 30, 2021

#### 9.2 Commitments

The facilities for opening letter of credit and guarantees as at Sep 30, 2021 amounted to Rs. 450 million (June 30, 2021: Rs. 450 million) and Rs. 132.09 million (June 30, 2021: Rs. 132.09 million) respectively. The amount remaining unutilised at the year end for letter of credit and guarantees was Rs. 418.05 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. The Parent Company has pledged 421,000 shares of The Searle Company Limited for the guarantee provided on behalf of the Company.

#### 10. RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions		September 30, 2021	September 30, 2020
			----- Rupees in '000 -----	
Holding company	- Corporate Service		3,000	3,000
Associated companies	- Shared expenses	10.1	1,455	22,383
	- Sale of goods		24	24

- 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 27, 2021.



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, 2021

		Unaudited September 30, 2021	Audited June 30, 2021
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		14,022	14,736
Intangible assets		362	452
Long term deposits		2,532	2,532
		<u>16,916</u>	<u>17,720</u>
<b>Current assets</b>			
Inventories	4	655,425	620,883
Trade and other receivables	5	730,779	549,632
Prepayments and advances	6	33,792	22,963
Taxation - payments less provision		22,272	31,843
Tax refunds due from Government - sales tax		48,823	74,976
Accrued Interest		-	196
Cash and bank balances		92,323	133,800
		<u>1,583,414</u>	<u>1,434,293</u>
<b>Total assets</b>		<u>1,600,330</u>	<u>1,452,013</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		918,000	918,000
Accumulated losses		(811,352)	(809,170)
		<u>106,648</u>	<u>108,830</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings		7,335	12,571
Deferred income - Government grant		156	267
		<u>7,491</u>	<u>12,838</u>
<b>Current liabilities</b>			
Trade and other payables		1,125,885	987,821
Short-term borrowings		313,167	307,621
Current portion of deferred income - Government grant		1,892	1,781
Current portion of long-term borrowings		34,580	29,344
Accrued mark-up		10,314	3,425
Unclaimed dividend		353	353
		<u>1,486,191</u>	<u>1,330,345</u>
<b>Total liabilities</b>		<u>1,493,682</u>	<u>1,343,183</u>
<b>CONTINGENCY AND COMMITMENTS</b>	9	-	-
<b>Total equity and liabilities</b>		<u>1,600,330</u>	<u>1,452,013</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

## CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)

### FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	Quarter ended	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
Revenue from contracts with customers	7	834,640	1,002,602
Cost of sales and services		(701,111)	(835,703)
Gross profit		133,529	166,899
Marketing and distribution expenses		(69,653)	(98,042)
Administrative and general expenses		(37,782)	(23,924)
Other operating expenses		(3,565)	(1,978)
Other income		324	21,464
Profit from operations		22,853	64,419
Finance cost		(11,715)	(16,063)
Profit before Income tax		11,138	48,356
Income tax expense		(13,320)	(21,541)
(Loss) / profit for the period		(2,182)	26,815
Other comprehensive income		-	-
Total comprehensive (loss) / income		(2,182)	26,815
		(Rupees)	
Basic and diluted (loss) / earnings per share		(0.02)	0.29

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, 2021**

		Quarter ended	
		September 30, 2021	September 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
Cash generated from operations	<b>8</b>	<b>(51,585)</b>	409,237
Income taxes paid		<b>9,571</b>	(19,587)
Finance cost paid		<b>(4,630)</b>	(55,147)
Net cash used in operating activities		<b>(46,644)</b>	334,503
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of equipment		<b>(379)</b>	(276)
Net cash outflow from investing activities		<b>(379)</b>	(276)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term financing		<b>5,546</b>	(452,696)
Net cash generated from / (used in) financing activities		<b>5,546</b>	(452,696)
<b>Net decrease in cash and cash equivalents</b>		<b>(41,477)</b>	(118,469)
Cash and cash equivalents at the beginning of the period		<b>133,800</b>	203,854
<b>Cash and cash equivalents at the end of the period</b>		<b>92,323</b>	85,385

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, 2021

	Share Capital - Issued, subscribed and paid up capital	Accumulated Loss	Total Equity
	----- Rupees in '000 -----		
<b>Balance as at July 1, 2020</b>	918,000	(871,012)	46,988
Total comprehensive income for the quarter	-	26,815	26,815
<b>Balance at September 30, 2020</b>	<b>918,000</b>	<b>(844,197)</b>	<b>73,803</b>
<b>Balance as at July 1, 2021</b>	918,000	(809,170)	108,830
Total comprehensive loss for the quarter	-	(2,182)	(2,182)
<b>Balance at September 30, 2021</b>	<b>918,000</b>	<b>(811,352)</b>	<b>106,648</b>

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, 2021**

#### **1 THE COMPANY AND ITS OPERATIONS**

##### **1.1 The Group consists of:**

##### **Holding Company - United Brands Limited (the 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 Company is a subsidiary of International Brands (Pvt.) 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. During the year, the Company has started production of safety razors.

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 Shahrah-e-Faisal, Karachi.

Subsidiary companies are companies in which the Company owns over 50% of voting rights or companies directly or indirectly controlled by the Company. As at June 30, 2021, the Company owns 100% ordinary shares of IBL Logistics (Private) Limited (IBLPL).

##### **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 warehousing, transportation, supply chain management, logistics services, trading and distribution of goods.

- The registered office of the IBLPL is situated at 2nd Floor, One IBL Center, Block No. 7 & 8,
- The Company has a warehouse situated at Plot No. C-126, Sector 6-F, Mehran Town, Korangi,
- Pepsi North East Warehouse, Dera Gujran Near Quaid-e-Azam Interchange
- IBL Warehouse 26-KM Multan Road Near Loharan Wal Khoun, opposite ALhamd Marriage Hall, Maraka;
- IBL Pepsi Warehouse RB 241 Dhudhanwala Ghaziabad Near Machli Form Stop Lower Canal Road, Jarranwala Road, Faisalabad; and
- 18th KM, Ferozpur Road, Opposite Pak Arab Society, Near Medix Hospital, Lahore.

# **UNITED BRANDS LIMITED**

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

### **FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation**

These condensed interim financial statements of the Company for the quarter ended September 30, 2021 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 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, 2021. These condensed interim financial statements are unaudited.

### **2.2 Accounting policies**

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

## **3. ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of condensed interim 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 financial statements.

Estimates and judgments made by the management in the preparation of these condensed interim 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, 2021.

**UNITED BRANDS LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL INFORMATION - (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Unaudited September 30, 2021	Audited June 30, 2021
	----- Rupees in '000 -----	
<b>4. INVENTORIES</b>		
Raw and packaging materials:		
-in hand	89,004	78,947
-in transit	10,632	17,201
	<u>99,636</u>	<u>96,148</u>
Finished goods		
- manufactured	9,519	12,005
- assembled	19,795	19,795
Trading goods		
- in hand	466,726	441,712
- in transit	59,749	51,223
	<u>655,425</u>	<u>620,883</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	530,258	424,935
Other receivables	200,521	125,237
	<u>730,779</u>	<u>549,632</u>
<b>6. PREPAYMENTS AND ADVANCES</b>		
Prepayments	6,029	853
Advances	27,763	22,110
	<u>33,792</u>	<u>122,963</u>
	Unaudited September 30, 2021	Unaudited September 30, 2020
	----- Rupees in '000 -----	
<b>7. REVENUE</b>		
Gross Sales	715,602	941,625
Service Income	153,782	131,323
Less:		
Trade Discounts	(27,514)	(35,587)
Sales Return	(7,230)	(34,759)
	<u>834,640</u>	<u>1,002,602</u>



# UNITED BRANDS LIMITED

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Unaudited September 30, 2021	Unaudited September 30, 2020
----- Rupees in '000 -----	

### 8. CASH GENERATED FROM OPERATIONS

(Loss) / profit before Income tax	(2,182)	48,356
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	1,183	1,059
Finance cost	11,715	16,063
	12,898	17,122
	10,716	65,478
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Inventories	(34,542)	125,245
Trade and other receivables	(181,147)	63,377
Prepayments and advances	(10,289)	62,893
Tax refunds due from government - sales tax	26,153	15,917
	(200,365)	267,432
(Decrease) / increase in trade and other payables	138,064	(37,877)
<b>Cash generated from operations</b>	<b>(51,585)</b>	<b>295,033</b>

### 9. CONTINGENCY AND COMMITMENTS

#### 9.1 Contingency

During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue issued a notice of demand to the Holding Company 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 is currently pending to be heard before the Commissioner Inland Revenue (Appeals-II) and shall be fixed for hearing subsequent to the year end. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Group. Therefore, no provision has been made in these consolidated financial statements.

# UNITED BRANDS LIMITED

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

### FOR THE QUARTER ENDED SEPTEMBER 30, 2021

#### 9.2 Commitments

The facilities for opening letter of credit and guarantees as at September 30, 2021 amounted to Rs. 550 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 September 30, 2021 for letter of credit and guarantees was Rs. 494.88 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 Company's stocks and receivables.

#### 10. RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions		September 30, 2021	September 30, 2020
			----- Rupees in '000 -----	
Holding company	- Corporate Service	10.1	3,000	3,000
Associated companies	- Shared expenses		1,455	22,383
	- Sale of goods		95	24

- 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 27, 2021.



Syed Nadeem Ahmed  
Chief Executive Officer



Zubair Razzak Palwala  
Director



Shariq Ahmed  
Chief Financial Officer



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