

The background of the slide features a large, abstract graphic. It consists of flowing, wavy lines in shades of dark red and maroon, set against a dark grey background. The lines create a sense of movement and depth, resembling a stylized landscape or a dynamic wave pattern.

# Moving FORWARD

HALF YEARLY REPORT **DECEMBER 2024**

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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

## AUDIT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## CHIEF FINANCIAL OFFICER

Mr. Mehboob Yasin

## COMPANY SECRETARY

Ms. Mahnoor Zulfiqar

## 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  
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

## SHARE REGISTRAR

CDC 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

The Directors of United Brands Limited present their report together with the unconsolidated condensed interim financial information (unaudited) for six months period ended December 31, 2024. The Directors' Report is prepared in accordance with Section 227 of the Companies Act, 2017.

## PRINCIPAL ACTIVITIES

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

## SUMMARY OF FINANCIAL PERFORMANCE

	December 31, 2024	December 31, 2023
	(Rupees in '000)	
Revenue	769,163	597,253
<b>Gross profit</b>	<b>108,380</b>	<b>98,030</b>
Gross Profit (% of revenue)	14.09%	16.41%
Operating profit / (loss)	12,937	(17,495)
<b>Loss for the period</b>	<b>(370)</b>	<b>(47,206)</b>

## FINANCIAL OVERVIEW

During the period, the Company's revenue was increased by 28.78% compared to last period. This was primarily due to induction of new brands. Moreover, the Company successfully adopted strategies to expand its current customer range.

On the cost management front, the Company remained focused on aligning its operating expenses with the existing business scale, resulting in modest reduction of PKR 27.21 million.

On a positive note, finance costs were significantly reduced by 56.65%, reflecting the proactive repayment of financing facilities and prudent liquidity management, which strengthened our financial position and provided greater operational flexibility.

## HOLDING COMPANY

International Brands (Private) Limited is the holding Company of United Brands Limited. As at December 31, 2024, International Brands (Private) Limited held 88,200,462 shares of PKR 10 each (96.08%).

## BASIC / DILUTED EARNINGS PER SHARE

Basic / diluted loss per share for six months period ended December 31, 2024 was PKR (0.004) (December 31, 2023: PKR (0.5142)).

## STATEMENT OF ETHICS AND BUSINESS PRACTICES

Performance with integrity is central to operating at United Brands Limited. The Board of Directors have adopted principle of ethics and integrity as the focal value for the organization.

# DIRECTORS' REPORT

All employees are informed and aware of it and are required to observe these rules of conduct in relation to business and regulations.

## FUTURE OUTLOOK

The economic environment in Pakistan remains complex, with escalating operational costs and evolving consumer behaviors driven by a reduction in disposable incomes. These challenges continue to shape the market dynamics, but we remain confident in the long-term growth potential within the consumer and logistics sectors.

In response to these shifting conditions, our Company has taken proactive steps to diversify its revenue streams, focusing on securing new local accounts to mitigate the impact of subdued import activities. This strategic pivot towards deepening local partnerships and exploring emerging market opportunities is strongly supported by the Board of Directors, who are committed to driving the Company's resilience and growth in these uncertain times.

We firmly believe that with a forward-thinking approach, we can not only protect but also enhance shareholder value, while delivering exceptional service to our customers.

## ACKNOWLEDGMENT

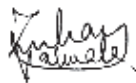
The Directors would like to express their heartfelt gratitude to all our stakeholders for their unwavering support and collaborative spirit, which will be instrumental as we navigate these challenges and pursue sustainable, long-term growth.

Karachi

Date: February 27, 2025



Syed Nadeem Ahmed  
Chief Executive Officer



Zubair Razzak Palwala  
Director

## ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والی چھ ماہ کی مدت کے لیے غیر متفقہ کنڈینسڈ عبوری مالیاتی معلومات (غیر آڈٹ شدہ) کے ساتھ اپنی رپورٹ پیش کرتے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، 2017 کے سیکشن 227 کے مطابق تیار کی گئی ہے۔

### بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں اشیاء صرف اور متعلقہ مصنوعات کی تجارت اور تقسیم ہیں۔

### مالیاتی کارکردگی کا جائزہ:

	Dec 31, 2024	Dec 31, 2023
	( Rupees in '000 )	
Revenue	769,163	597,253
<b>Gross profit</b>	<b>108,380</b>	<b>98,030</b>
Gross profit (% of revenue)	14.09%	16.41%
Operating profit / (loss)	12,397	(17,495)
<b>Loss for the period</b>	<b>(370)</b>	<b>(47,206)</b>

### مالی جائزہ:

اس عرصے کے دوران کمپنی کی آمدنی میں گزشتہ مدت کے مقابلے میں 28.78 فیصد اضافہ ہوا۔ یہ بنیادی طور پر نئے برانڈز کی شمولیت کی وجہ سے تھا۔ مزید برآں، کمپنی نے اپنی موجودہ کسٹمر بیج کو بڑھانے کے لیے کامیابی کے ساتھ حکمت عملی اپنائی۔

لاگت کے انتظام کے حماز پر، کمپنی اپنے آپریٹنگ اخراجات کو موجودہ کاروباری پیمانے کے ساتھ ہم آہنگ کرنے پر مرکوز رہی، جس کے نتیجے میں PKR 27.21 ملین کی معمولی کمی واقع ہوئی۔

ایک مثبت نوٹ پر، مالیاتی اخراجات میں نمایاں طور پر 56.65% کی کمی واقع ہوئی، جو مالیاتی سہولیات کی فعال ادائیگی کی عکاسی کرتی ہے اور محتاط لیکویڈیٹی مینجمنٹ، جس نے ہماری مالی پوزیشن کو مضبوط کیا اور زیادہ آپریشنل لچک فراہم کی۔

### ہولڈنگ کمپنی:

انٹرنیشنل برانڈز (پرائیویٹ) لمیٹڈ یونائیٹڈ برانڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔ 31 دسمبر 2024 تک، انٹرنیشنل برانڈز (پرائیویٹ) لمیٹڈ کے پاس 88,200,462 حصص 10PKR ہر ایک (96.08%) تھے۔

## بنیاد/سکائی فی شیئر:

31 دسمبر 2024 کو ختم ہونے والی چھ ماہ کی مدت کے لیے فی شیئر بنیادی/کمزور نقصان (0.004) PKR تھا (31 دسمبر 2023: 0.5142) PKR۔  
(نصف)۔

## اخلاقیات اور کاروباری طریقوں کا بیان:

دیانتداری کے ساتھ کارکردگی یونائیٹڈ برانڈز لمیٹڈ میں کام کرنے میں مرکزی حیثیت رکھتی ہے۔ بورڈ آف ڈائریکٹرز نے اخلاقیات اور دیانتداری کے اصول کو تنظیم کے لیے بنیادی قدر کے طور پر اپنایا ہے۔ تمام ملازمین کو اس کے بارے میں مطلع اور آگاہ کیا جاتا ہے اور کاروبار اور ضوابط کے سلسلے میں ان قواعد و ضوابط پر عمل کرنے کی ضرورت ہوتی ہے۔

## مستقبل پر ایک نظر:

پاکستان میں معاشی ماحول پیچیدہ بنا ہوا ہے، جس میں آپریشنل اخراجات میں اضافہ اور سپورٹسٹیل آمدنی میں کمی کی وجہ سے صارفین کے رویے میں اضافہ ہوتا ہے۔ یہ چیلنجز مارکیٹ کی حرکیات کو تشکیل دیتے رہتے ہیں، لیکن ہم صارفین اور لاجسٹکس کے شعبوں میں طویل مدتی ترقی کی صلاحیت پر پر اعتماد ہیں۔

ان بدلتے ہوئے حالات کے جواب میں، ہماری کمپنی نے اپنی آمدنی کے سلسلے کو متنوع بنانے کے لیے فعال اقدامات کیے ہیں، درآمدی سرگرمیوں کے اثرات کو کم کرنے کے لیے نئے مقامی اکاؤنٹس کو محفوظ بنانے پر توجہ مرکوز کی ہے۔ مقامی شراکت کو گہرا کرنے اور ابھرتی ہوئی مارکیٹ کے مواقع کو تلاش کرنے کے لیے اس اسٹریٹجک محور کو بورڈ آف ڈائریکٹرز کی بھرپور حمایت حاصل ہے، جو ان غیر یقینی وقتوں میں کمپنی کی پلک اور ترقی کو آگے بڑھانے کے لیے پرعزم ہیں۔

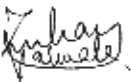
ہم پختہ یقین رکھتے ہیں کہ آگے کی سوچ کے ساتھ، ہم اپنے صارفین کو غیر معمولی خدمات فراہم کرتے ہوئے نہ صرف تحفظ فراہم کر سکتے ہیں بلکہ شیئر ہولڈرز کی قدر میں اضافہ بھی کر سکتے ہیں۔

## اعتراف:

ڈائریکٹرز اپنے تمام اسٹیک ہولڈرز کا ان کی غیر متزلزل حمایت اور باہمی تعاون کے جذبے کے لیے تہ دل سے شکریہ ادا کرنا چاہیں گے، جو ان چیلنجوں کو نیو گیٹ کرنے اور پائیدار، طویل مدتی ترقی کے حصول کے لیے مددگار ثابت ہوگا۔

کراچی

۲۷ فروری ۲۰۲۵ء



زہیر رزاق پالوالا

ڈائریکٹر



سید ندیم احمد

چیف ایگزیکٹو آفیسر

**INDEPENDENT AUDITOR'S REVIEW REPORT****TO THE MEMBERS OF UNITED BRANDS LIMITED****REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS****Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of United Brands Limited as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Junaid Mesia.

**A. F. Ferguson & Co.**  
**Chartered Accountants**  
**Karachi**

**Date: February 28, 2025**

**UDIN: RR202410611tPlvKsd3V**

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



# UNITED BRANDS LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		(Unaudited) December 31, 2024	(Audited) June 30, 2024
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		3,412	4,076
Investment in subsidiary		25,000	25,000
		28,412	29,076
CURRENT ASSETS			
Inventories	4	464,485	505,384
Trade and other receivables	5	326,936	273,762
Prepayments and advances	6	12,206	18,498
Taxation - payments less provision		31,827	30,923
Tax refund due from Government - sales tax	7	33,239	76,564
Accrued interest		392	551
Cash and bank balances		44,175	75,368
		913,260	981,050
<b>TOTAL ASSETS</b>		<b>941,672</b>	<b>1,010,126</b>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		918,000	918,000
Accumulated losses		(1,086,204)	(1,085,834)
		(168,204)	(167,834)
LIABILITIES			
Trade and other payables	8	1,010,553	1,077,534
Short-term borrowing	9	97,352	98,108
Accrued mark-up		1,618	1,965
Unclaimed dividend		353	353
		1,109,876	1,177,960
<b>TOTAL LIABILITIES</b>		<b>1,109,876</b>	<b>1,177,960</b>
CONTINGENCIES AND COMMITMENTS			
<b>TOTAL EQUITY AND LIABILITIES</b>	10	<b>941,672</b>	<b>1,010,126</b>

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.




Chief Executive Officer



Director



Chief Financial Officer

# UNITED BRANDS LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

### FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half Year ended		Quarter ended	
	December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
Note ----- Rupees in '000 -----				
Revenue from contracts with customers 11	769,163	597,253	346,672	299,916
Cost of sales	(660,783)	(499,223)	(300,975)	(245,519)
<b>Gross profit</b>	<b>108,380</b>	<b>98,030</b>	<b>45,697</b>	<b>54,397</b>
Marketing and distribution expenses	(75,146)	(95,392)	(38,340)	(48,252)
Administrative and general expenses	(16,809)	(20,741)	(8,981)	(16,207)
Loss allowance on trade receivables	(6,839)	(702)	(6,839)	(702)
Other operating income / (expenses)	1,117	(1,912)	1,117	(1,912)
Other income	2,234	3,222	2,225	3,189
<b>Profit / (loss) from operations</b>	<b>12,937</b>	<b>(17,495)</b>	<b>(5,121)</b>	<b>(9,487)</b>
Finance costs 12	(11,398)	(26,295)	(5,468)	(10,386)
<b>Profit / (loss) before levies and income tax</b>	<b>1,539</b>	<b>(43,790)</b>	<b>(10,589)</b>	<b>(19,873)</b>
Levies - minimum tax 13	(1,377)	(2,719)	103	(1,976)
<b>Profit / (loss) before income tax</b>	<b>162</b>	<b>(46,509)</b>	<b>(10,486)</b>	<b>(21,849)</b>
Income tax expense 14	(532)	(697)	1,505	(697)
<b>Loss for the period</b>	<b>(370)</b>	<b>(47,206)</b>	<b>(8,891)</b>	<b>(22,546)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive Loss for the period</b>	<b>(370)</b>	<b>(47,206)</b>	<b>(8,891)</b>	<b>(22,546)</b>
<b>Basic and diluted loss per share (Rupees)</b>	<b>(0.0040)</b>	<b>(0.5142)</b>	<b>(0.0978)</b>	<b>(0.2456)</b>

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

*M. H. L.*

*[Signature]*

Chief Executive Officer

*[Signature]*

Director

*[Signature]*

Chief Financial Officer

UNITED BRANDS LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Share Capital	Accumulated Losses	Total
	----- Rupees in '000 -----		
Balance as at July 01, 2023	918,000	(1,026,844)	(108,844)
Total comprehensive loss for the period	-	(47,206)	(47,206)
<b>Balance at December 31, 2023</b>	<b>918,000</b>	<b>(1,074,050)</b>	<b>(156,050)</b>
Balance as at July 01, 2024	918,000	(1,085,834)	(167,834)
Total comprehensive loss for the period	-	(370)	(370)
<b>Balance at December 31, 2024</b>	<b>918,000</b>	<b>(1,086,204)</b>	<b>(168,204)</b>

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

UNITED BRANDS LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CASH FLOWS (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

		December 31, 2024	December 31, 2023
Note		----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Cash (used in) / generated from operations	15 (18,034)	182,435
	Income taxes paid	(2,813)	(3,568)
	Finance costs paid	(11,745)	(36,217)
	Net cash (used in) / generated from operating activities	(32,592)	142,650
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Interest received	2,393	2,693
	Purchase of property and equipment	(238)	(61)
	Net cash generated from investing activities	2,155	2,632
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Short-term financing paid - net	(756)	(133,117)
	Net cash used in financing activities	(756)	(133,117)
	<b>Net (decrease) / increase in cash and cash equivalents</b>	(31,193)	12,165
	Cash and cash equivalents at the beginning of the period	43,276	65,491
	<b>Cash and cash equivalents at the end of the period</b>	16 12,083	77,656

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

  
  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE HALF YEAR ENDED DECEMBER 31, 2024

#### 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 Limited. 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 (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 and production of safety razors through toll manufacturing.

**1.1** The Company has investment in subsidiary company - IBL Logistics (Private) Limited (the Subsidiary) incorporated in Pakistan. These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

**1.2** Management has prepared these unconsolidated condensed interim financial statements on a going concern basis, which assumes the realisation of assets and the settlement of liabilities in the normal course of business. As at December 31, 2024, the Company had negative shareholders' equity of Rs. 168.20 million (June 30, 2024: Rs. 167.83 million), net current liability position of Rs. 196.62 million (June 30, 2024: Rs. 196.91 million) and negative operating cashflows of Rs. 32.59 million (December 31, 2023: positive operating cashflows of Rs. 142.65 million). For the half year ended December 31, 2024, the Company has made a net loss of Rs. 0.37 million (December 31, 2023: Rs. 47.21 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. The 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 future.

#### 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

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE HALF YEAR ENDED DECEMBER 31, 2024

International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 / IFAS, 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 a full set of financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2024.

The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2023.

These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited vide section 237 of the Companies Act, 2017.

## 2.2 Basis of measurement

These unconsolidated condensed interim financial statements do not include all the information required for a full set of financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2024.

## 2.3 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

## 2.4 Accounting estimates, judgements and financial risk management

The preparation of unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan for interim financial reporting, 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. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting

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# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE HALF YEAR ENDED DECEMBER 31, 2024

estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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 were applied to the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual unconsolidated financial statements as at and for the year ended June 30, 2024.

#### 2.5 Changes in accounting standards, interpretations and pronouncements

##### (a) Standards and amendments to the accounting and reporting standards that are effective during the current period

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, 2024. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these unconsolidated condensed interim financial statements.

##### (b) Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

There are certain standards, other amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Company's unconsolidated condensed interim financial statements except for:

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Profit or Loss' with certain additional disclosures in the financial statements

#### 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended June 30, 2024.

**3.1** During the year ended June 30, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) withdrew the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued a Guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said Guidance required taxes paid under minimum and final tax regime to be shown

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED  
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

separately as a levy instead of showing it in current tax. This change in accounting policy was adopted in the unconsolidated condensed interim financial statements of the Company for the year ended June 30, 2024. The comparative information in the unconsolidated condensed interim statement of profit or loss and other comprehensive income has been restated to reflect the above change.

	For the half year ended December 31, 2024			For the half year ended December 31, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees in '000					
Effect on unconsolidated condensed interim statement of profit or loss						
Levies - minimum tax	-	(1,377)	(1,377)	-	(2,719)	(2,719)
Profit / (loss) before income tax	1,539	(1,377)	162	(43,790)	(2,719)	(46,509)
Income tax expense	(1,909)	1,377	(532)	(3,416)	2,719	(697)

There has been no impact on the comparative information in the unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows.

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
4. INVENTORIES	Rupees in '000	
Trading goods		
- in hand - note 4.1	432,997	470,570
- in transit	-	2,361
	432,997	472,931
Raw and packing materials - in hand	28,929	28,929
Finished goods - manufactured - in hand	2,559	3,524
	464,485	505,384

4.1 As at December 31, 2024 the provision against stock of trading goods is Rs. 34.12 million (June 30, 2024: Rs. 35.72 million)



# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----		
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables - note 5.1	180,814	146,200
Other receivables - note 5.2	146,122	127,562
	<u>326,936</u>	<u>273,762</u>
<b>5.1. Trade receivables</b>		
Related parties	2,985	2,422
Others	226,072	185,182
	<u>229,057</u>	<u>187,604</u>
Less: Loss allowance on doubtful receivables	(48,243)	(41,404)
	<u>180,814</u>	<u>146,200</u>
<b>5.2. Other receivables</b>		
Related parties	24,926	34,845
Others - note 5.2.1	121,196	92,717
	<u>146,122</u>	<u>127,562</u>

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

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----		
<b>6 PREPAYMENTS AND ADVANCES</b>		
Advances	10,439	15,955
Prepayments	1,767	2,543
	<u>12,206</u>	<u>18,498</u>
<b>7. TAX REFUND DUE FROM GOVERNMENT - SALES TAX</b>		
Sales tax refundable - note 7.1	79,007	86,658
Sales tax payable	(45,768)	(10,094)
	<u>33,239</u>	<u>76,564</u>

7.1 This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior period for which no input was claimed due to dispute with Collector of Customs. The Collector of Customs raised an issue in relation to payment of Federal Excise Duty (FED) on the import of goods made by Company during the month of June 2020. However, due to restriction placed on the "release of the said consignment" due to FED payment dispute, the sales tax paid could not be adjusted by the Company in that month. The Company had paid sales tax amounting to Rs. 42.43 million

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE HALF YEAR ENDED DECEMBER 31, 2024

and Rs. 28.21 million in the months of June 2020 and June 2021 respectively for the above mentioned consignment. Since, the sales tax has been paid in relation to the taxable supplies to be made, the Company intends to claim the same. The Company has asked Customs Department to issue a letter to Federal Board of Revenue requesting it to allow claim of input sales tax in the subsequent sales tax periods for the aforementioned amount.

On behalf of the above request by the Company, the Collectorate of Customs Appraisalment (EAST) vide their letter No. "C.NO. SI/MISC/164/KAPE/AC-I/2022" has issued intimation to the Large Tax Payer Unit for recognition of sales tax amounting to Rs. 42.43 million and Rs. 28.21 million. On the basis of letter issued, the Company has filed an application to the Commissioner Inland Revenue, for issuance of refund of the above sales tax amount.

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----		
8. TRADE AND OTHER PAYABLES		
Trade creditors	218,970	337,655
Accrued liabilities	150,768	134,478
Payable to IBL Operations (Private) Limited	501,370	497,867
Payable to IBL Healthcare Limited	97,547	63,027
Payable to International Brands (Private) Limited	31,595	31,595
Payable to The Searle Company Limited	2,123	2,123
EOBI and SESSI payable	4,237	3,902
Payable to employees' provident fund	468	431
Tax deducted at source and payable to statutory authorities	395	3,296
Others	3,080	3,160
	<u>1,010,553</u>	<u>1,077,534</u>

## 9. SHORT-TERM BORROWING

This represents Tijarah facility obtained from Al Baraka Bank Pakistan Limited, having limit of Rs. 100 million (June 30, 2024: Rs. 100 million) out of which Rs. 3 million (June 30, 2024: Rs. 2 million) remains unutilised for Tijarah facility at the reporting date. The arrangement carries a mark-up of 2% above average six months KIBOR (June 30, 2024: ranging from 1.75% to 2% above average six months KIBOR).

The facility is secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These have maturity dates ranging between May 2025 and June 2025 (June 30, 2024: November 2024 and December 2024).

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

**10.1.1** 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

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# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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 favour of the Company. Therefore, no provision has been made in these unconsolidated condensed interim financial statements.

**10.1.2** During the year ended June 30, 2022, 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. The Company filed an appeal before Commissioner Inland Revenue Appeal [CIR(A)]. The CIR(A) vide its order dated September 25, 2023 has set aside the matter and directed the officer to allow sufficient time to the company to provide relevant records and reach a judicious conclusion after rebutting each and every argument. An appeal has been submitted to ATIR, focusing on legal issues and not acknowledging the details presented during the monitoring proceedings or appeal hearing. Consequently, the case has been remanded to address the issues that need to be rectified or annulled in the given circumstances. 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 condensed interim financial statements.

**10.1.3** During the year ended June 30, 2022, 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. The Company has filed an appeal before Commissioner Inland Revenue Appeal [CIR(A)]. The CIR(A) vide its order dated September 25, 2023 has set aside the matter and directed the officer to allow sufficient time to the Company to provide relevant records and reach a judicious conclusion after rebutting each and every argument. An appeal has been submitted to ATIR, focusing on legal issues and not acknowledging the details presented during the monitoring proceedings or appeal hearing. Consequently, the case has been remanded to address the issues that need to be rectified or annulled in the given circumstances. 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 condensed interim financial statements.

**10.1.4** During the year ended June 30, 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax along with default surcharge amounting to Rs. 98.98 million under section 11(2) of Sales Tax Act, 1990. The Company has filed an appeal in the Appellate Tribunal Inland Revenue. 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 condensed interim financial statements.

**10.1.5** During the year ended June 30, 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax for the fiscal year 2016-17 along with default surcharge amounting to Rs. 10.76 million under section 11(2) of Sales Tax Act,



# UNITED BRANDS LIMITED

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1990. The Company has filed an appeal in the Appellate Tribunal Inland Revenue. 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 condensed interim financial statements.

**10.1.6** During the year ended June 30, 2024, the Sindh Revenue Board (SRB) issued order dated December 21, 2023 for the period from July 2014 to June 2015 creating a demand of Rs. 246.67 million under section 23 read with section 47 of the Sindh Sales Tax on Services Act, 2011. The demand is created on the basis that the Company acted as Commission Agent and is working locally as agent for foreign based companies and earning commission by selling, trading and distributing goods on behalf of principal which are located outside Pakistan. Thus, entire revenue from sale of goods declared in the unconsolidated condensed interim financial statements was held subject to SST at the applicable rate. The Company challenged the order before Commissioner (Appeals), SRB who granted stay against recovery of demand, however, the hearing of the main appeal is still pending. The management, based on the opinion of its tax advisor, considers that the legal and factual aspects of the case have not been considered and is confident that the matter will ultimately be decided in favour of the Company. Therefore, no provision has been made in these unconsolidated condensed interim financial statements.

### 10.2 Commitments

The facilities for opening letter of credit and guarantees as at December 31, 2024 amounted to Rs. 7.87 million (June 30, 2024: Rs. 8.60 million) and Rs. 132.09 million (June 30, 2024: Rs. 132.09 million) respectively.

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets. The Parent Company has pledged 3,553,873 shares of The Searle Company Limited - an associated company against a letter of guarantee.

		(Unaudited)			
		Half Year ended		Quarter ended	
11.	REVENUE FROM CONTRACTS WITH CUSTOMERS	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
----- Rupees in '000 -----					
	Gross revenue from sale of goods	973,470	744,485	434,093	377,320
	Revenue from services	-	2,548	-	779
	Less:				
	- Trade discounts	(20,708)	(14,170)	(10,177)	(10,076)
	- Sales return	(36,879)	(25,934)	(22,038)	(12,639)
	- Sales tax	(146,720)	(109,383)	(55,206)	(55,175)
	- Provincial sales tax	-	(293)	-	(293)
		<u>769,163</u>	<u>597,253</u>	<u>346,672</u>	<u>299,916</u>

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	(Unaudited) December 31, 2024	(Unaudited) December 31, 2023
12. FINANCE COST	----- Rupees in '000 -----	
Exchange loss - net	77	243
Bank charges	853	1,266
Finance charges on short-term financing	10,468	24,786
	<u>11,398</u>	<u>26,295</u>

	Half Year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- Rupees in '000 -----			
13. LEVIES - MINIMUM TAX				
Minimum tax	1,377	2,719	(103)	1,976
14. INCOME TAX EXPENSES				
Current	2,098	697	61	697
Prior	(1,566)	-	(1,566)	-
	<u>532</u>	<u>697</u>	<u>(1,505)</u>	<u>697</u>

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

(Unaudited)  
December 31,  
2024

(Unaudited)  
December 31,  
2023

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

### 15. CASH (USED IN) / GENERATED FROM OPERATIONS

Profit / (loss) before levies and income tax

1,539

(43,790)

#### Adjustments for non-cash charges and other items

Depreciation and amortisation

902

965

Profit on Term Deposit Receipts

(2,213)

(3,178)

Profit on savings accounts

(21)

(44)

Finance costs

11,398

26,295

Provision for doubtful debts

6,839

702

16,905

24,740

18,444

(19,050)

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

Decrease / (increase) in current assets:

Inventories

40,899

(57,773)

Trade and other receivables

(60,013)

71,891

Prepayments and advances

6,292

16,754

Tax refund due from Government - sales tax

43,325

(11,237)

30,503

19,635

(Decrease) / increase in current liabilities:

Trade and other payables

(66,981)

181,850

Cash (used in) / generated from operations

(18,034)

182,435

### 16. CASH AND CASH EQUIVALENTS

Cash and bank balances excluding term  
deposit receipt - note 16.1

12,083

77,656

**16.1** Short term investment amounting to Rs. 32.09 million (December 31, 2023: Rs. 32.09 million) is excluded from cash and bank balances as it includes term deposit receipt which is held as a lien against the guarantee issued by the Silk Bank Limited.

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# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

### 17. TRANSACTIONS WITH RELATED PARTIES

**17.1** Related parties comprise the parent company, subsidiary company, 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 appointment / employment.

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 unconsolidated condensed interim financial statements or as per their terms of employment / entitlement.

Nature of relationship	Nature of transactions	(Unaudited) December 31, 2024	(Unaudited) December 31, 2023
		Rupees '000	
i. Subsidiary Company	- Shared costs		
	- Funds received	12,797	-
	- Cross charged to IBL Logistics (Private) Limited	2,153	792
	- Sales of goods	62	81
	- Services rendered	2,545	8,361
ii. Associated companies	- Purchases	81,116	26,696
	- Sale of goods	1,755	1,201
	- Funds received	26,500	66,500
	- Shared costs - note 17.2		
	Cross charged from IBL Operations (Private) Limited	13,356	18,952
	Cross charged to IBL Operations (Private) Limited	18,779	29,982
	- Expenses incurred on behalf of The Searle Company Limited	-	143
iii. Employees' provident fund	- Contribution paid	1,420	2,954
iv. Key management personnel	- Salaries and other employee benefits	7,033	6,566
	- Fee for attending meetings to Directors	720	383

**UNITED BRANDS LIMITED**  
**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED**  
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

- 17.2**     The Company has an agreement with IBL Operations (Private) Limited - associated company, for sharing of expenses relating to sales and administrative infrastructure.
- 17.3**     There are certain assets in the books of an associated company IBL Operations (Private) Limited which are being commonly used by both the companies.
- 18.       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 February 27, 2025.

*M. J. L.*



Chief Executive Officer



Director



Chief Financial Officer



# Consolidated Financial Statements

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# DIRECTORS' REPORT

The Directors of United Brands Limited present their report together with the consolidated condensed interim financial information (unaudited) for six months period ended December 31, 2024. The Directors' Report is prepared in accordance with Section 227 of the Companies Act, 2017.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are trading and distribution of consumer goods and allied products. The subsidiary of the Company is engaged in transportation and warehousing, assembly and trading of electrical goods.

## SUMMARY OF FINANCIAL PERFORMANCE

	December 31, 2024	December 31, 2023
	(Rupees in '000)	
Revenue	1,585,264	1,238,098
<b>Gross profit</b>	<b>194,434</b>	<b>136,357</b>
Gross profit (% of revenue)	12.27%	11.01%
Operating profit / (loss)	46,338	(6,784)
<b>Loss for the period</b>	<b>(3,595)</b>	<b>(59,460)</b>

## FINANCIAL OVERVIEW

During the period, the Company's revenue was increased by 28.04% compared to last period. This was primarily due to induction of new brands. Moreover, the Company successfully adopted strategies to expand its current customer range.

On the cost management front, the Company remained focused on aligning its operating expenses with the existing business scale, resulting in modest reduction of PKR 2.69 million.

On a positive note, finance costs were significantly reduced by 60.24%, reflecting the proactive repayment of financing facilities and prudent liquidity management, which strengthened our financial position and provided greater operational flexibility.

## HOLDING COMPANY

International Brands (Private) Limited is the holding Company of United Brands Limited. As at December 31, 2024, International Brands (Private) Limited held 88,200,462 shares of PKR 10 each (96.08%).

## BASIC / DILUTED EARNINGS PER SHARE

Basic / diluted loss per share for six months period ended December 31, 2024 was PKR (0.04) (December 31, 2023: PKR (0.65)).

# DIRECTORS' REPORT

## STATEMENT OF ETHICS AND BUSINESS PRACTICES

Performance with integrity is central to operating at United Brands Limited. The Board of Directors have adopted principle of ethics and integrity as the focal value for the organization. All employees are informed and aware of it and are required to observe these rules of conduct in relation to business and regulations.

## FUTURE OUTLOOK

The economic environment in Pakistan remains complex, with escalating operational costs and evolving consumer behaviors driven by a reduction in disposable incomes. These challenges continue to shape the market dynamics, but we remain confident in the long-term growth potential within the consumer and logistics sectors.

In response to these shifting conditions, our Company has taken proactive steps to diversify its revenue streams, focusing on securing new local accounts to mitigate the impact of subdued import activities. This strategic pivot towards deepening local partnerships and exploring emerging market opportunities is strongly supported by the Board of Directors, who are committed to driving the Company's resilience and growth in these uncertain times.

We firmly believe that with a forward-thinking approach, we can not only protect but also enhance shareholder value, while delivering exceptional service to our customers.

## ACKNOWLEDGMENT


The Directors would like to express their heartfelt gratitude to all our stakeholders for their unwavering support and collaborative spirit, which will be instrumental as we navigate these challenges and pursue sustainable, long-term growth.

Karachi

Date: February 27, 2025



Syed Nadeem Ahmed  
Chief Executive Officer



Zubair Razzak Palwala  
Director

## ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والی چھ ماہ کی مدت کے لیے کنسولیدٹڈ کنڈینسڈ عبوری مالیاتی معلومات (غیر آڈیٹ شدہ) کے ساتھ اپنی رپورٹ پیش کرتے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، 2017 کے سیکشن 227 کے مطابق تیار کی گئی ہے۔

### بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں اشیائے صرف اور متعلقہ مصنوعات کی تجارت اور تقسیم ہیں۔ کمپنی کا ذیلی ادارہ نقل و حمل اور گودام، اسمبلی اور برقی سامان کی تجارت میں مصروف ہے۔

### مالیاتی کارکردگی کا جائزہ:

	Dec 31, 2024	Dec 31, 2023
	(Rupees in '000)	
Revenue	1,585,264	1,238,098
Gross profit	194,434	136,357
Gross profit (% of revenue)	12.27%	11.01%
Operating profit / (loss)	46,338	(6,784)
Loss for the period	(3,595)	(59,460)

### مالی جائزہ:

اس عرصے کے دوران کمپنی کی آمدنی میں گزشتہ مدت کے مقابلے میں 28.04 فیصد اضافہ ہوا۔ یہ بنیادی طور پر نئے برانڈز کی شمولیت کی وجہ سے تھا۔ مزید برآں، کمپنی نے اپنی موجودہ کسٹمر بنچ کو بڑھانے کے لیے کامیابی کے ساتھ حکمت عملی اپنائی۔

لاگت کے انتظام کے مجاز پر، کمپنی اپنے آپریٹنگ اخراجات کو موجودہ کاروباری پیمانے کے ساتھ ہم آہنگ کرنے پر مرکوز رہی، جس کے نتیجے میں 2.69PKR ملین کی معمولی کمی واقع ہوئی۔

ایک مثبت نوٹ پر، مالیاتی اخراجات میں نمایاں طور پر 60.24% کی کمی واقع ہوئی، جو مالیاتی سہولیات کی فعال ادائیگی اور سمجھداری سے لیکوئیٹی منجمنٹ کی عکاسی کرتی ہے، جس نے ہماری مالی پوزیشن کو مضبوط کیا اور زیادہ آپریشنل چیک فراہم کی۔

### ہولڈنگ کمپنی:

انٹرنیشنل برانڈز (پرائیویٹ) لمیٹڈ یونائیٹڈ برانڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔ 31 دسمبر 2024 تک، انٹرنیشنل برانڈز (پرائیویٹ) لمیٹڈ کے پاس 88,200,462 حصص 10PKR ہر ایک (96.08%) تھے۔

## بنیاد/کمائى فی شیر:

31 دسمبر 2024 کو ختم ہونے والی چھ ماہ کی مدت کے لیے فی شیر بنیادی/کمزور نقصان (0.04) PKR (31 دسمبر 2023: PKR 0.65 فیصد) تھا۔

## اخلاقیات اور کاروباری طریقوں کا بیان:

دیانتداری کے ساتھ کارکردگی یونائیٹڈ برانڈز لمیٹڈ میں کام کرنے میں مرکزی حیثیت رکھتی ہے۔ بورڈ آف ڈائریکٹرز نے اخلاقیات اور دیانتداری کے اصول کو تنظیم کے لیے بنیادی قدر کے طور پر اپنایا ہے۔ تمام ملازمین کو اس کے بارے میں مطلع اور آگاہ کیا جاتا ہے اور کاروبار اور روابط کے سلسلے میں ان قواعد و ضوابط پر عمل کرنے کی ضرورت ہوتی ہے۔

## مستقبل پر ایک نظر:

پاکستان میں معاشی ماحول پیچیدہ بنا ہوا ہے، جس میں آپریشنل اخراجات میں اضافہ اور ڈسپوزیبل آمدنی میں کمی کی وجہ سے صارفین کے رویے میں اضافہ ہوتا ہے۔ یہ چیلنجز مارکیٹ کی حرکیات کو تشکیل دیتے رہتے ہیں، لیکن ہم صارفین اور لاجسٹکس کے شعبوں میں طویل مدتی ترقی کی صلاحیت پر پراعتماد ہیں۔

ان بدلتے ہوئے حالات کے جواب میں، ہماری کمپنی نے اپنی آمدنی کے سلسلے کو متنوع بنانے کے لیے فعال اقدامات کیے ہیں، درآمدی سرگرمیوں کے اثرات کو کم کرنے کے لیے نئے مقامی کانٹریکٹس کو محفوظ بنانے پر توجہ مرکوز کی ہے۔ مقامی شراکت کو گہرا کرنے اور ابھرتی ہوئی مارکیٹ کے مواقع کو تلاش کرنے کے لیے اس اسٹریٹجک محور کو بورڈ آف ڈائریکٹرز کی بھرپور حمایت حاصل ہے، جو ان غیر یقینی وقتوں میں کمپنی کی چلک اور ترقی کو آگے بڑھانے کے لیے پرعزم ہیں۔

ہم پختہ یقین رکھتے ہیں کہ آگے کی سوچ کے ساتھ، ہم اپنے صارفین کو غیر معمولی خدمات فراہم کرتے ہوئے نہ صرف تحفظ فراہم کر سکتے ہیں بلکہ شیر ہولڈر کی قدر میں اضافہ بھی کر سکتے ہیں۔

## اعتراف:

ڈائریکٹرز اپنے تمام اسٹیک ہولڈرز کا ان کی غیر متزلزل حمایت اور باہمی تعاون کے جذبے کے لیے تہ دل سے شکریہ ادا کرنا چاہیں گے، جو ان چیلنجز کو نیو گیٹ کرنے اور پائیدار، طویل مدتی ترقی کے حصول کے لیے مددگار ثابت ہوگا۔

کراچی

۲۷ فروری ۲۰۲۵ء



سید ندیم احمد

چیف ایگزیکٹو آفیسر



ذہیر رزا قالوالا

ڈائریکٹر

# UNITED BRANDS LIMITED

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		(Unaudited) December 31, 2024	(Audited) June 30, 2024
<b>ASSETS</b>	<b>Note</b>		
<b>----- Rupees in '000 -----</b>			
<b>Non-current assets</b>			
Property and equipment		13,998	13,302
Long - term deposits		14,273	13,963
		<u>28,271</u>	<u>27,265</u>
<b>Current assets</b>			
Inventories	6	632,906	634,144
Trade and other receivables	7	1,127,208	832,190
Prepayments , deposits and advances	8	53,576	39,207
Taxation - payments less provisions		14,368	22,116
Tax refunds due from Government - sales tax	9	33,239	9,668
Accrued interest		392	551
Cash and bank balances		85,280	96,822
		<u>1,946,969</u>	<u>1,634,698</u>
<b>Total assets</b>		<u>1,975,240</u>	<u>1,661,963</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		918,000	918,000
Accumulated losses		(938,191)	(934,596)
		<u>(20,191)</u>	<u>(16,596)</u>
<b>Liabilities</b>			
Trade and other payables	10	1,833,471	1,578,133
Short term borrowings	11	97,352	98,108
Sales Tax Payable		62,637	-
Accrued mark-up		1,618	1,965
Unclaimed dividend		353	353
		<u>1,995,431</u>	<u>1,678,559</u>
<b>Total liabilities</b>		<u>1,995,431</u>	<u>1,678,559</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>Total equity and liabilities</b>		<u>1,975,240</u>	<u>1,661,963</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**UNITED BRANDS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF**  
**PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Half Year Ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Note ----- Rupees in '000 -----				
Revenue from contracts with customers <b>13</b>	<b>1,585,264</b>	1,238,098	<b>764,958</b>	590,809
Cost of sales and services	<b>(1,390,830)</b>	(1,101,741)	<b>(667,548)</b>	(543,050)
Gross profit	<b>194,434</b>	136,357	<b>97,410</b>	47,759
Marketing and distribution expenses	<b>(125,800)</b>	(123,895)	<b>(76,936)</b>	(68,423)
Administrative and general expenses	<b>(20,102)</b>	(21,668)	<b>(8,587)</b>	(10,390)
Loss allowance on trade receivables	<b>(6,839)</b>	(702)	<b>(6,839)</b>	(702)
Other operating income / (expenses) <b>14</b>	<b>1,117</b>	(1,912)	<b>1,117</b>	(1,912)
Other income <b>15</b>	<b>3,528</b>	5,036	<b>2,605</b>	4,362
Profit / loss from operations	<b>46,338</b>	(6,784)	<b>8,770</b>	(29,306)
Finance cost <b>16</b>	<b>(11,729)</b>	(29,497)	<b>(5,711)</b>	(12,288)
Profit / (loss) before levies and income tax	<b>34,609</b>	(36,281)	<b>3,059</b>	(41,594)
Levies - minimum tax	<b>(18,665)</b>	(17,434)	<b>(2,460)</b>	(11,667)
Profit / (loss) before income tax	<b>15,944</b>	(53,715)	<b>599</b>	(53,261)
Income tax expense	<b>(19,539)</b>	(5,745)	<b>(14,267)</b>	155
Loss for the period	<b>(3,595)</b>	(59,460)	<b>(13,668)</b>	(53,106)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<b>(3,595)</b>	(59,460)	<b>(13,668)</b>	(53,106)
Basic and diluted loss per share (Rupees)	<b>(0.04)</b>	(0.65)	<b>(0.15)</b>	(0.58)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

UNITED BRANDS LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Share Capital	Accumulated Losses	Total
----- Rupees in '000 -----			
Balance as at July 1, 2023	918,000	(888,677)	29,323
Total comprehensive loss for the half year ended December 31,2023	-	(59,460)	(59,460)
<b>Balance at December 31, 2023</b>	<b>918,000</b>	<b>(948,137)</b>	<b>(30,137)</b>
Balance as at July 1, 2024	918,000	(934,596)	(16,596)
Total comprehensive loss for the half year ended December 31,2024	-	(3,595)	(3,595)
<b>Balance at December 31, 2024</b>	<b>918,000</b>	<b>(938,191)</b>	<b>(20,191)</b>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer



**UNITED BRANDS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF**  
**CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

		<b>December 31, 2024</b>	December 31, 2023
<b>Note</b>		<b>----- Rupees in '000 -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	17	<b>30,884</b>	192,724
Cash generated from operations		<b>(30,456)</b>	(20,316)
Income taxes paid		<b>(12,076)</b>	(39,902)
Finance costs paid		<b>(11,648)</b>	132,506
Net cash (used in) / generated from operating activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>3,687</b>	4,507
Purchase of property and equipment		<b>(2,825)</b>	(2,982)
Net cash generated from investing activities		<b>862</b>	1,525
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term financing paid		<b>(756)</b>	(152,797)
Net cash used in financing activities		<b>(756)</b>	(152,797)
<b>Net (decrease) in cash and cash equivalents</b>			
		<b>(11,542)</b>	(18,766)
Cash and cash equivalents at beginning of the period		<b>64,730</b>	129,150
<b>Cash and cash equivalents at end of the period</b>			
	18	<b>53,188</b>	110,384

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

### 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 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 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 and production of safety razors through toll manufacturing.

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 2024 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 Subsidiary 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 BASIS OF PREPARATION

These consolidated condensed interim financial statements of the Company for the half year ended December 31, 2024 has been prepared in accordance with the requirements of the

# **UNITED BRANDS LIMITED**

## **NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

### **FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

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 consolidated 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, 2024. These consolidated condensed interim financial statements are unaudited.

### **3. MATERIAL ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these consolidated 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, 2024.

### **4. ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of consolidated 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 consolidated condensed interim financial statements.

Estimates and judgments made by the management in the preparation of these consolidated 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, 2024.

### **5. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended June 30, 2024.

5.1 During the year ended June 30, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) withdrew the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued a Guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said Guidance required taxes paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

This change in accounting policy was adopted in the consolidated condensed interim financial statements of the Company for the year ended June 30, 2024. The comparative information in the consolidated condensed interim statement of profit or loss and other comprehensive income has been restated to reflect the above change.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	For the half year ended December 31, 2024			For the half year ended December 31, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporatin g effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	← Rupees in '000 →					
Effect on consolidated condensed interim statement of profit or loss						
Levies - minimum tax	-	(18,665)	(18,665)	-	(17,434)	(17,434)
Profit / (loss) before income tax	34,609	(18,665)	15,944	(36,281)	(17,434)	(53,715)
Income tax expense	(38,204)	18,665	(19,539)	(23,179)	17,434	(5,745)

### 6. INVENTORIES

Raw and packaging materials  
Finished goods - manufactured  
Finished goods - assembled  
Trading goods - in hand  
- in transit

(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----	
28,929	125,240
170,980	3,524
-	2,845
432,997	500,174
-	2,361
<u>632,906</u>	<u>634,144</u>

### 7. TRADE AND OTHER RECEIVABLES

Trade receivables  
Other receivables

898,385	696,002
228,823	136,188
<u>1,127,208</u>	<u>832,190</u>

### 8. PREPAYMENTS, DEPOSITS AND ADVANCES

Prepayments and deposits  
Advances

8,020	14,634
45,556	24,573
<u>53,576</u>	<u>39,207</u>

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE HALF YEAR ENDED DECEMBER 31, 2024

#### 9. TAX REFUNDS DUE FROM GOVERNMENT - SALES TAX

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

On behalf of the above request by the Holding Company, the Collectorate of Customs Appraisalment (EAST) vide their letter No. "C.NO. SI/MISC/164/KAPE/AC-I/2022" has issued intimation to the Large Tax Payer Unit for recognition of sales tax amounting to Rs. 42.43 million and Rs. 28.21 million. On the basis of letter issued, the Holding Company has filed an application to the Commissioner Inland Revenue, for issuance of refund of the above sales tax amount.

#### 10. TRADE AND OTHER PAYABLES

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----		
Trade creditors	379,328	365,840
Accrued liabilities	439,210	374,256
Payable to IBL Operations (Private) Limited	781,394	584,804
Payable to IBL Healthcare Limited	97,547	87,446
Payable to International Brands (Private) Limited	31,595	63,027
Payable to The Searle Company Limited	2,123	31,595
EOBI and SESSI payable	4,237	52,909
Payable to employees' provident fund	2,502	1,085
Tax deducted at source and payable to statutory authorities	73,359	3,902
Others	22,176	13,269
	<u>1,833,471</u>	<u>1,578,133</u>

#### 11. SHORT-TERM BORROWINGS

11.1 This represents Tijarah facility obtained from Al Baraka Bank Pakistan Limited, having limit of Rs. 100 million (June 30, 2024: Rs. 100 million) out of which Rs. 3 million (June 30, 2024: Rs. 2 million) remains unutilised for Tijarah facility at the reporting date. The arrangement carries a mark-up of 2% above average six months KIBOR (June 30, 2024: ranging from 1.75% to 2% above average six months KIBOR).

The facility is secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These have maturity dates ranging between May 2025 and June 2025 (June 30, 2024: November 2024 and December 2024).

# **UNITED BRANDS LIMITED**

## **NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

### **FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

#### **12. CONTINGENCIES AND COMMITMENTS**

##### **12.1 Contingencies**

12.1.1 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.

**12.1.2** During the year ended June 30, 2022, 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. The Holding Company filed an appeal before Commissioner Inland Revenue Appeal [CIR(A)]. The CIR(A) vide its order dated September 25, 2023 has set aside the matter and directed the officer to allow sufficient time to the holding company to provide relevant records and reach a judicious conclusion after rebutting each and every argument. An appeal has been submitted to ATIR, focusing on legal issues and not acknowledging the details presented during the monitoring proceedings or appeal hearing. Consequently, the case has been remanded to address the issues that need to be rectified or annulled in the given circumstances. 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 condensed interim financial statements.

**12.1.3** During the year ended June 30, 2022, 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. The Holding Company has filed an appeal before Commissioner Inland Revenue Appeal [CIR(A)]. The CIR(A) vide its order dated September 25, 2023 has set aside the matter and directed the officer to allow sufficient time to the Holding Company to provide relevant records and reach a judicious conclusion after rebutting each and every argument. An appeal has been submitted to ATIR, focusing on legal issues and not acknowledging the details presented during the monitoring proceedings or appeal hearing. Consequently, the case has been remanded to address the issues that need to be rectified or annulled in the given circumstances. 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 condensed interim financial statements.

**12.1.4** During the year ended June 30, 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax along with default surcharge amounting to Rs. 98.98 million under section 11(2) of Sales Tax Act, 1990. The Holding Company has filed an appeal in the Appellate Tribunal Inland Revenue. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Holding Company. Therefore, no provision has been made in these consolidated condensed interim financial statements.

**12.1.5** During the year ended June 30, 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax for the fiscal year 2016-17 along with default surcharge amounting to Rs. 10.76 million under section 11(2) of Sales Tax Act, 1990. The Holding Company has filed an appeal in the Appellate Tribunal Inland Revenue. 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 condensed interim financial statements.

**12.1.6** During the year ended June 30, 2024, the Sindh Revenue Board (SRB) issued order dated December 21, 2023 for the period from July 2014 to June 2015 creating a demand of Rs. 246.67 million under section 23 read with section 47 of the Sindh Sales Tax on Services Act, 2011. The demand is created on the basis that the Holding Company acted as Commission Agent and is working locally as agent for foreign based companies and earning commission by selling, trading and distributing goods on behalf of principal which are located outside Pakistan. Thus, entire revenue from sale of goods declared in the consolidated condensed interim financial statements was held subject to SST at the applicable rate. The Holding Company challenged the order before Commissioner (Appeals), SRB who granted stay against recovery of demand, however, the hearing of the main appeal is still pending. The management, based on the opinion of its tax advisor, considers that the legal and factual aspects of the case have not been considered and is confident that the matter will ultimately be decided in favour of the Holding Company. Therefore, no provision has been made in these consolidated condensed interim financial statements.

#### **12.2 Commitments**

The facilities for opening letter of credit and guarantees as at December 31, 2024 amounted to Rs. 7.87 million (June 30, 2024: Rs. 17.23 million) and Rs. 132.09 million (June 30, 2024: Rs. 132.09 million) respectively.

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets. The Parent Company has pledged 3,553,873 shares of The Searle Company Limited against letter of guarantees.

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FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	(Unaudited) December 31, 2024	(Unaudited) December 31, 2023
	----- Rupees in '000 -----	
<b>13. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Gross sales	1,298,826	875,506
Service Income	602,294	531,258
Less:		
- Trade Discounts	(35,900)	(22,576)
- Sales returns	(46,670)	(36,414)
- Sales tax	(194,901)	(109,383)
- Provincial Sales tax	(38,385)	(293)
	<u>1,585,264</u>	<u>1,238,098</u>
<b>14. OTHER OPERATING INCOME / (EXPENSE)</b>		
Provision for expired and damaged stock	-	(1,912)
Over provisioning	1,117	-
	<u>1,117</u>	<u>(1,912)</u>
<b>15. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Profit on savings accounts	1,315	1,858
Profit on Term Deposit Receipts	2,213	3,178
	<u>3,528</u>	<u>5,036</u>
<b>16. FINANCE COST</b>		
Exchange loss - net	77	243
Bank charges	1,184	4,468
Finance charges on short-term financing	10,468	24,786
	<u>11,729</u>	<u>29,497</u>



# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	(Unaudited) December 31, 2024	(Unaudited) December 31, 2023
<b>17. CASH GENERATED FROM OPERATIONS</b>	<b>----- Rupees in '000 -----</b>	
Profit before Income tax	34,609	19,200
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	2,129	2,355
Finance costs	11,729	17,600
Interest income	(3,528)	(1,538)
	10,330	18,417
	44,939	37,617
<b>Effect on cash flow due to working capital changes</b>		
<b>Decrease / (increase) in current assets</b>		
Inventories	1,238	(69,424)
Trade and other receivables	(295,018)	(59,146)
Prepayments, deposits and advances	(14,679)	(38,168)
Tax refunds due from government - sales tax	(23,571)	21,588
	(332,030)	(145,150)
<b>Decrease / (increase) in current liabilities</b>		
Increase in trade and other payables	255,338	229,755
Sales tax payable	62,637	-
	317,975	229,755
<b>Cash generated from operations</b>	<b>30,884</b>	<b>122,222</b>

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	(Unaudited) December 31, 2024	(Unaudited) December 31, 2023
	----- Rupees in '000 -----	
18. CASH AND CASH EQUIVALENTS		
Cash and bank	53,188	110,384

19. RELATED PARTY TRANSACTIONS

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

		December 31, 2024	December 31, 2023
		----- Rupees in '000 -----	
Nature of relationship	Nature of transactions		
Associated companies	- Shared costs	19.1	
	Cross charged from IBL Operations (Private) Limited	107,926	83,749
	Cross charged to IBL Operations (Private) Limited	18,779	29,982
	- Sale of goods	1,823	1,808
	- Services rendered	137,835	138,339
	- Funds received	139,736	66,500
Employees' provident fund	- Purchase of goods	81,116	26,696
	Contribution paid	3,521	4,860
Key management personnel	Salaries and other employee benefits	22,428	11,336
	Fee for attending meetings to Directors	890	562

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

**20. DATE OF AUTHORISATION FOR ISSUE**

These consolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on February 27, 2025.



Chief Executive Officer



Director



Chief Financial Officer

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