

The background of the slide features a large, abstract graphic. It consists of several overlapping, wavy, ribbon-like shapes in shades of orange and grey. These shapes flow across the frame, creating a sense of movement and depth. The central part of the image is dominated by a bright orange band where the title is located.

# Moving FORWARD

Nine months period ended - March 31, 2019 (Un-Audited)

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Rashid Abdulla  
Mr. Muhammad Khalid Dar  
Mr. Ayaz Abdulla  
Mr. Asad Abdulla  
Mr. Faisal Farooq  
Mr. Zubair Razzak Palwala  
Mr. Hasan Tariq Khan

Chairman  
Chief Executive Officer  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Independent Director

## AUDIT COMMITTEE

Mr. Hasan Tariq Khan  
Mr. Zubair Razzak Palwala  
Mr. Ayaz Abdulla

Chairman  
Member  
Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Hasan Tariq Khan  
Mr. Zubair Razzak Palwala  
Mr. Ayaz Abdulla

Chairman  
Member  
Member

## CHIEF FINANCIAL OFFICER

Mr. Shariq Ahmed

## COMPANY SECRETARY

Mr. Saad Lakhani

## INTERNAL AUDITORS

Grant Thornton Anjum Rahman, Chartered Accountants

## EXTERNAL AUDITORS

A.F. Ferguson & Company, Chartered Accountants

## LEGAL ADVISOR

Saleem & Khan Law Associates

## BANKERS

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

## REGISTERED OFFICE

8th Floor, NIC Building, Abbasi Shaheed Road, Karachi-75530  
Tel: 35683944-6, 35675111-7, Fax: 35635530, 35682772

## SHARE REGISTRAR

Central Depository Company of Pakistan 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 the Directors' Report together with the condensed interim financial information (unaudited) of the Company for the nine months ended March 31, 2019. This condensed financial information (unaudited) is prepared in accordance with Section 227 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 baby range, chocolates, confectionaries, flavored milk, dairy products, sweetener, beverages, cereals, deodorants, cosmetics and other similar products. We strive to be the best with an aim of serving as industry benchmark.

## Summary and Comparison of Financial Performance for the Period

	Nine Months Ended	
	March 31, 2019	March 31, 2018
	Rupees '000	
Revenue	3,138,118	2,684,544
Gross profit	934,347	692,649
Gross profit (% of revenue)	29.8%	25.8%
Profit/ (Loss) from Operations	102,348	153,328
Loss after taxation	(141,089)	(13,106)

## FINANCIAL OVERVIEW

The revenue of Company has grown by PKR 454 million that is 17% growth as compared to last period. Contribution of imported business line is 90% in total sales. GP has increased due to product mix. Due to change in expense allocation mechanism and significant variation in exchange rates, overall profitability of the Company has declined significantly. Further financial cost has increased extensively on account of borrowings to fulfill cash margin regulation.

Company has also engaged in new business avenue pertaining to warehousing and transportation. This business further added PKR 197 million in top line during the year.

## LOSS PER SHARE

Loss per share for the nine months ended March 31, 2019 are (Rs. 1.54) (March 2018: (Rs. 0.28) Re-stated).

## FUTURE OUTLOOK

The management of UB is confident of significant growth in the coming years. We are optimistic that the Company will recover from the current decline in profitability as we are focused on enhancing and improving our current business and tapping new opportunities. The whole organization is evolving to a new level and is going through significant changes to improve its functions and enhance productivity in each area.

## ACKNOWLEDGMENT

The Directors would like to express their gratitude to the customers, principals, employees and other stakeholders for their continued support, encouragement and place on record the appreciation of the valuable services rendered by the employees of the Company.

Karachi.

Date: April 26, 2019

  
Muhammad Khalid Dar  
Chief Executive Officer

  
Zubair Razzak Palwala  
Director

کمپنی ویزہ ہاؤسنگ اور ٹرانسپورٹیشن سے متعلق نئی کاروباری معاملات میں بھی سرگرم عمل ہے۔ اس کاروبار نے سال کے دوران ٹاپ لائن میں ۱۹ ملین پاک روپے کا مزید اضافہ کیا۔

### نقصان فی شیئر

۳۱ مارچ ۲۰۱۹ء کو ختم ہونے والی ۹ ماہ کی مدت کیلئے نقصان فی شیئر (۵۴ روپے) (مارچ ۲۰۱۸ء: ۲۸ روپے) دوبارہ درج شدہ (رہی)۔

### مستقبل پر ایک نظر

یونائیٹڈ برانڈز کی انتظامیہ آنے والے سالوں میں نمایاں ترقی اور بہتری کے لئے پراعتماد ہے۔ ہم پر امید ہیں کہ کمپنی منافع جات میں حالیہ کمی کو پورا کر لے گی کیونکہ ہم اپنے موجودہ کاروبار میں توسیع اور بہتری لانے کے ساتھ ساتھ نئے کاروباری مواقع بھی تلاش کرنے پر بھرپور توجہ دے رہے ہیں۔ پورا ادارہ ایک نئی سطح پر کام کر رہا ہے اور نمایاں تبدیلیوں کے ذریعے ترقی بہتری لانے پر عمل پیرا ہے تاکہ کارکردگی بہتر بنانے کے ساتھ ہر شعبے میں پیداواری صلاحیت کو بڑھایا جاسکے۔

### 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۔



زیر رزاق پال والا

ڈائریکٹر



محمد خالد ڈار

چیف ایگزیکٹو آفیسر

کراچی:

۲۶ اپریل ۲۰۱۹ء

## ڈائریکٹرز کی رپورٹ برائے کمپنی کے شیئر ہولڈرز

یونائیٹڈ برانڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت ۳۱ مارچ ۲۰۱۹ء کو ختم ہونے والی ۹ ماہ کی مدت کے لئے کمپنی کے مجموعی عبوری مالیاتی حسابات (غیر آڈٹ شدہ) کے ساتھ ڈائریکٹرز کی رپورٹ پیش کر رہے ہیں۔ یہ مجموعی مالیاتی حسابات (غیر آڈٹ شدہ) کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۷ کے مطابق تیار کئے گئے ہیں۔

### بنیادی سرگرمیاں

یونائیٹڈ برانڈز لمیٹڈ تیزی سے فروخت ہونے والی اشیاء (FMCG) اور منسلکہ مصنوعات کی تقسیم میں مصروف عمل ہے۔ ان پورٹ فولیو میں بچوں کا سامان، چاکلیٹس، کنفییکشنریز، فلیورڈ ملک، ڈیری مصنوعات، مٹھائیاں، بیوریتجز، دلیئے، خوشبو جات، کاسمیٹکس اور دیگر ملتی جلتی اشیاء شامل ہیں۔ ہم اس صنعت کے سرکردہ ادارے کی حیثیت سے بہترین خدمات کے مقصد کو اولیت دیتے ہیں۔

### سہ ماہی کیلئے مالیاتی کارکردگی کا جائزہ اور تقابل

31 مارچ 2018	31 مارچ 2019	
(روپے، ہزاروں میں)		
2,684,544	3,138,118	آمدنی
692,649	934,347	مجموع منافع
25.8%	29.8%	مجموع منافع (آمدنی کا فیصدی)
153,328	102,348	آپریٹنگ منافع / (نقصان)
(13,106)	(141,089)	نقصان بعد از ٹیکس

### مالیاتی جائزہ

کمپنی کا ریونیو ۴۵۴ ملین پاک روپے تک بڑھ گیا جو گزشتہ سال کی اس مدت کے مقابلے میں ۷ فیصد زائد ہے۔ مجموعی سیلز میں درآمدی کاروباری امور کا حصہ ۹۰ فیصد ہے۔ پروڈکٹ کس کے باعث جی پی میں اضافہ ہوا۔ اخراجات مختص کئے جانے کے نظام میں تبدیلی اور زرمبادلہ کی شرحوں میں نمایاں تغیر کے باعث کمپنی کے مجموعی منافع جات کی شرح میں بڑی حد تک کمی آئی۔ مزید برآں کیش مارجن کے ضوابط کو پورا کرنے کے ضمن میں قرضہ جات کے اکاؤنٹ پر مالیاتی اخراجات میں وسیع تر اضافہ ہو گیا۔

# Condensed Interim Statement of Financial Position

As At March 31, 2019

Note	Unaudited March 31, 2019	Audited June 30, 2018
	Rupees '000	
	3,657	4,523
	713	699
	25,000	25,000
	114	114
	<u>29,484</u>	<u>30,336</u>
4	1,374,756	970,112
	988,343	678,446
5	683,622	687,853
	40,170	53,151
	-	28,657
	69,830	175,515
	<u>3,156,721</u>	<u>2,593,734</u>
	<u>3,186,205</u>	<u>2,624,070</u>
	918,000	918,000
	(182,548)	(41,459)
	<u>735,452</u>	<u>876,541</u>
	1,017,466	941,827
	10,942	-
	371	591
	1,421,974	805,111
	<u>2,450,753</u>	<u>1,747,529</u>
	<u>3,186,205</u>	<u>2,624,070</u>

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

  
 Muhammad Khalid Dar  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Shariq Ahmed  
 Chief Financial Officer

# Condensed Interim Statement of Profit or Loss and other Comprehensive Income - (Unaudited)

For The Quarter And Nine Months Ended March 31, 2019

	Note	Quarter Ended		Nine Months Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees '000		Rupees '000	
Revenue	6	902,874	889,125	3,138,118	2,684,544
Cost of sales		(629,775)	(683,793)	(2,203,771)	(1,991,895)
Gross profit		273,099	205,332	934,347	692,649
Distribution cost		(197,052)	(137,820)	(635,676)	(424,237)
Administrative expenses		(34,543)	(31,484)	(111,856)	(78,095)
Other expenses		(13,475)	(1,975)	(84,467)	(36,989)
Operating profit		28,029	34,053	102,348	153,328
Finance cost		(46,266)	(23,031)	(100,973)	(57,503)
Profit / (loss) before taxation		(18,237)	11,022	1,375	95,825
Taxation		(40,806)	(33,536)	(142,464)	(108,931)
Loss after taxation		(59,043)	(22,514)	(141,089)	(13,106)
Other comprehensive income		-	-	-	-
Total comprehensive loss		(59,043)	(22,514)	(141,089)	(13,106)
Loss per share (Rupees)		(0.64)	(Re-stated) (0.49)	(1.54)	(Re-stated) (0.28)

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

  
Muhammad Khalid Dar  
Chief Executive Officer

  
Zubair Razzak Palwala  
Director

  
Shariq Ahmed  
Chief Financial Officer

# Condensed Interim Statement of Cash Flows - (Unaudited)

For The Quarter And Nine Months Ended March 31, 2019

	Note	Quarter ended	
		March 31, 2019	March 31, 2018
		Rupees '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	7	(492,186)	(259,316)
Income tax paid		(129,482)	(103,623)
Finance cost paid		(100,973)	(55,042)
Net cash used in operating activities		(722,641)	(417,981)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of property and equipment		168	(2,891)
Purchase of intangibles		(74)	(228)
Net cash generated from / (used in) investing activities		94	(3,119)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings		616,864	312,927
Long term loans		-	100,000
Dividends paid		-	(5,400)
Net cash generated from financing activities		616,864	407,527
Net decrease in cash and cash equivalents		(105,684)	(13,573)
Cash and cash equivalents at the beginning of the period		175,515	47,283
Cash and cash equivalents at the end of the period		69,831	33,710

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

  
Muhammad Khalid Dar  
Chief Executive Officer

  
Zubair Razzak Palwala  
Director

  
Shariq Ahmed  
Chief Financial Officer

# Condensed Interim Statement of Changes In Equity - (Unaudited)

For The Quarter And Nine Months Ended March 31, 2019

	Share Capital - Issued, subscribed and paid up capital	Accumulated Loss	Total Equity
	Rupees '000		
Balance as at July 1, 2017	108,000	(6,845)	101,155
Final dividend for the year ended June 30, 2017 @ Re. 0.5 per share	-	(5,400)	(5,400)
Profit for the nine months ended March 31, 2018	-	(13,106)	(13,106)
Other comprehensive income	-	-	-
Total comprehensive income	-	(13,106)	(13,106)
Balance at March 31, 2018	108,000	(25,351)	82,649
Balance as at July 1, 2018	918,000	(41,459)	876,541
Loss for the nine months ended March 31, 2019	-	(141,089)	(141,089)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(141,089)	(141,089)
Balance at March 31, 2019	918,000	(182,548)	735,452

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



Muhammad Khalid Dar  
Chief Executive Officer



Zubair Razzak Palwala  
Director



Shariq Ahmed  
Chief Financial Officer

# Notes To The Condensed Interim Financial Information - (Unaudited)

For The Quarter And Nine Months Ended March 31, 2019

## 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. The Company was again renamed as United Brands Limited, a public limited company on April 5, 2006 under the repealed Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 8th Floor, N.I.C.L Building, Abbasi Shaheed Road, Karachi.

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

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

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

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

These condensed interim financial statements are separate financial statements of the Company. Consolidated condensed interim financial statements have not been prepared as the Company has applied to Securities and Exchange Commission of Pakistan (SECP) for preparation of first financial statements of the subsidiary Company for a period of more than twelve months.

### 2.2 Accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2018.

# Notes To The Condensed Interim Financial Information - (Unaudited)

For The Quarter And Nine Months Ended March 31, 2019

## 3. ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

## 4. INVENTORIES

	Unaudited March 31, 2019	Audited June 30, 2018
	Rupees '000	
Stock in Hand	1,384,958	989,165
Less: Provision	(10,202)	(19,053)
	<u>1,374,756</u>	<u>970,112</u>

## 5. PREPAYMENTS AND ADVANCES

Prepayments - note 5.1	90,727	81,559
Advances - note 5.2	592,895	606,294
	<u>683,622</u>	<u>687,853</u>

### 5.1 Prepayments

Rent	2,150	3,207
Insurance	1,238	18
Others - note 5.1.1	87,339	78,264
	<u>90,727</u>	<u>81,489</u>

5.1.1 This represents amount paid to Red Bull Asia FZE in respect of Marketing Contribution as per the terms of the agreement. The amount is amortised on the basis of sales.

### 5.2 Advances

Employees	1,305	1,205
Advance against letter of credit - note 5.2.1	462,808	531,317
Others - note 5.2.2	128,782	73,772
	<u>592,895</u>	<u>606,294</u>

# Notes To The Condensed Interim Financial Information - (Unaudited)

For The Quarter And Nine Months Ended March 31, 2019

- 5.2.1 This represents advances paid as 100% margin as per the BPRD circular No. 02 of 2017 issued by SBP under the Banking Companies Ordinance, 1962 for the import of goods.
- 5.2.2 This amount represents advances given to clearing agents, shipping companies and regulatory authorities.

	Unaudited March 31, 2019	Unaudited March 31, 2018
	Rupees '000	
<b>6. REVENUE</b>		
Gross Sales	3,614,408	2,883,537
Service Income	196,741	-
Less:		
Trade Discounts	(499,399)	(168,171)
Sales Return	(173,631)	(30,822)
Net Sales	<u>3,138,119</u>	<u>2,684,544</u>
<b>7. CASH USED IN OPERATIONS</b>		
Profit before tax	1,375	95,825
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	758	439
Finance cost	100,973	57,503
	<u>101,731</u>	<u>57,942</u>
	103,106	153,767
<b>Effect on cash flow due to working capital changes (Increase) / decrease in current assets:</b>		
Inventories	(404,644)	(57,496)
Trade and other receivables	(309,897)	(22,451)
Prepayments and advances	4,231	(252,274)
Tax refunds due from government - sales tax	39,599	33,870
	<u>(670,711)</u>	<u>(298,351)</u>
Increase/(decrease) in trade and other payables	75,419	(114,732)
Cash used in operations	<u>(492,186)</u>	<u>(259,316)</u>

## 8. COMMITMENTS

The facilities for opening letter of credit and guarantees as at March 31, 2019 amounted to Rs. 890 million (June 30, 2018: Rs. 715 million) and Rs. 233 million (June 30, 2018: Rs. 233 million) respectively. The amount remaining unutilised as at March 31, 2019 for letter of credit and guarantees was Rs. 620 million (June 30, 2018: Rs. 269 million) and Rs. 70 million (June 30, 2018: Rs. 58 million) respectively.

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

# Notes To The Condensed Interim Financial Information - (Unaudited)

For The Quarter And Nine Months Ended March 31, 2019

## 9. RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions	Note	March 31, 2019	March 31, 2018
			Rupees '000	
Holding company	- Corporate Service Charges		9,000	7,928
Associated companies	- Shared expenses	9.1	171,526	97,647
	- Purchases		6,495	2,345
	- Sale of goods		3,638	3,174

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

## 10. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified wherever necessary to facilitate comparison. Further due to revision in Fourth Schedule to the Companies Act, 2017, following required changes have been made:

- Trade and other receivables which were previously classified separately on the face of statement of financial position have now been classified Trade and other receivables.
- Short term prepayments and advances which were previously classified separately on the face of statement of financial position have now been classified "Prepayment and Advances.
- Unclaimed dividend which was previously classified under trade and other payables has been separately disclosed as unclaimed dividend on the face of the statement of financial position.
- Accrued mark-up which were previously classified separately on the face of statement of financial position have now been classified under trade and other payables.

## 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 April 26, 2019.



Muhammad Khalid Dar  
Chief Executive Officer



Zubair Razzak Palwala  
Director



Shariq Ahmed  
Chief Financial Officer

# Statement of the Subsidiary Company

For The Quarter Ended March 30, 2019

United Brands Limited (the Company) has recently engaged in Logistics business with one of the leading bottlers company of Pakistan through its wholly owned subsidiary 'IBL LOGISTICS (PRIVATE) LIMITED' (the subsidiary Company) incorporated in April 2018. The operations of the subsidiary Company have not started yet. The Company has requested for relaxation from consolidation of Financial Statements from Securities and Exchange Commission of Pakistan, however the Company will provide detailed Financial Statements of the subsidiary Company upon request. The request can be sent at our registered office i.e. 8th Floor, NIC Building, Abbasi Shaheed Road, Karachi, and a copy shall be provided for inspection of members free of cost.

Following are the Financial Highlights of the Subsidiary Company

## FINANCIAL HIGHLIGHTS

	Quarter ended March 31, 2019
Operational Results:	---Amount in '000---
Other Income	323
Taxation	(68)
Profit / (Loss) after Taxation	255
	Unaudited As at March 31, 2019
Balance Sheet:	---Amount in '000---
Shareholders' Equity	25,277
Non-Current Liabilities	-
Current Liabilities	1,961
Non-Current Assets	-
Current Assets	27,238



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