



Moving FORWARD

QUARTER AND NINE MONTHS ENDED
MARCH 31, 2021(Un-audited)

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

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

AUDIT COMMITTEE

Ms. Tayyaba Rasheed
Mr. Zubair Razzak Palwala
Mr. Syed Nadeem Ahmed

Chairperson
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Shariq Ahmed

COMPANY SECRETARY

Mr. Farooq Akbar

INTERNAL AUDITORS

Grant Thornton Anjum Rahman, Chartered Accountants

EXTERNAL AUDITORS

A.F. Ferguson & Company, Chartered Accountants

LEGAL ADVISOR

Abdul Karim Khan & Company

BANKERS

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

REGISTERED OFFICE

1st Floor, One IBL Center, Block no. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society,
Main Shahrah-e-Faisal, Karachi-75530 Tel: 37170183

SHARE REGISTRAR

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

WEBSITE

www.ubrandz.biz

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of United Brands Limited are pleased to present Directors' report together with the consolidated condensed interim financial information (unaudited) of the Company for nine months period ended March 31, 2021. This consolidated condensed interim financial information (unaudited) is prepared in accordance with Section 228 of the Companies Act, 2017.

Principal Activities

United Brands Limited is engaged in distribution of fast-moving consumer goods and allied products. The portfolio includes snacks, confectionaries, cereals, deodorants, diapers, cosmetics, and other similar products.

SUMMARY OF FINANCIAL PERFORMANCE

	March 31, 2021	March 31, 2020
	(Rupees in thousand)	
Revenue	2,415,368	2,502,974
Gross profit	364,651	725,457
Gross margin (% of revenue)	15%	29%
Operating expenses	(240,854)	(749,017)
Finance cost	(36,846)	(108,765)
Profit /(Loss) for the period	39,801	(244,416)

FINANCIAL OVERVIEW

The revenue of Company has decreased by PKR 87.6 million as compared to same period last year due to discontinuation of some businesses. Gross margin also decreased from 29% to 15% due to change of business portfolio and strategy from import based businesses to local accounts where margins are low. This paradigm shift in strategy is in line with prevailing market conditions and Government focus on curtailment of imports. Service income from wholly owned subsidiary IBL Logistics (Private) Limited (included above) has increased due to addition of new logistics business.

Operating expenses of Company have decreased as a result of cost control initiatives. Finance cost has also decreased by PKR 72 million due to repayment of Company's debt and lowering of interest rates by State bank of Pakistan.

EARNINGS PER SHARE

Earnings / (loss) per share for nine months period ended March 31, 2021 is PKR 0.43 (Mar 31, 2020: PKR (2.66)).

DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

FUTURE OUTLOOK

Company has been able to turn its bottom line from red to green which suggests that the rehabilitation strategy is working correctly. This has been made possible due to timely decisions on strategic basis and efforts of employees and assistance by other stakeholders. The Company is expected to continue to improve its profitability and the winning streak in coming years.

ACKNOWLEDGMENT

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

Karachi.

Date: April 21, 2021



Syed Qaisar Abbas
Chief Executive Officer



Rizwan Ahmad
Director

فی حصص آمدنی:

۳۱ مارچ ۲۰۲۱ کو ختم ہونے والی نو ماہ کی مدت میں فی حصص آمدنی میں 0.۴۳ روپے رہی۔ (۳۱ مارچ ۲۰۲۰: ۲.۶۶) روپے ہے۔

مستقبل پر ایک نظر:

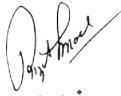
کمپنی اپنی ٹچل لائن کو سرخ سے سبز رنگ میں تبدیل کرنے میں کامیاب رہی ہے جس سے پتہ چلتا ہے کہ بحالی کی حکمت عملی صحیح طور پر کام کر رہی ہے۔ اسٹرٹجک بنیادوں پر بروقت فیصلوں اور ملازمین کی کوششوں اور دوسرے اسٹیک ہولڈرز کی مدد کی وجہ سے یہ ممکن ہوا ہے۔ توقع کی جارہی ہے کہ کمپنی آنے والے سالوں میں اپنے منافع اور فائدہ تسلسل کو بہتر بناتی رہے گی۔

اعتراف:

ڈائریکٹر اپنے صارفین، سپلائرز، ملازمین اور دیگر اسٹیک ہولڈرز کا ان کے مستقل تعاون اور حوصلہ افزائی پر ان کا شکریہ ادا کرتے ہیں اور کمپنی کے ملازمین کی جانب سے انجام دی گئی قابل قدر خدمات پر انہیں خراج تحسین پیش کرتے ہیں۔

کراچی

۱۲ اپریل ۲۰۲۱ء



رضوان احمد

ڈائریکٹر



سید قیصر عباس

چیف ایگزیکٹو آفیسر

ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز بمسرت اپنی رپورٹ مع ۳۱ مارچ ۲۰۲۱ء کو ختم ہونے والی نو ماہ کی مدت کے لئے مستحکم مجموعی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پیش کر رہے ہیں۔ یہ مستحکم مجموعی عبوری معلومات کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۸ کے مطابق تیار کی گئی ہے۔

بنیادی سرگرمیاں:

یونائیٹڈ برانڈز لمیٹڈ IFMCG اور منسلکہ مصنوعات کی تقسیم میں مصروف عمل ہے۔ پورٹ فولیو میں بے بی ریچ، کنفیکشریز، سیرینگلز، اسٹیکس خوشبو جات، ڈائپرز، کاسٹیکس اور دیگر ملتی جلتی اشیاء شامل ہے۔

مالیاتی کارکردگی کا جائزہ:

	Mar 31, 2021	Mar 31, 2021
	(Rupees in thousand)	
Revenue	2,415,368	2,502,974
Gross profit	364,651	725,457
Gross margin (% of revenue)	15%	29%
Operating expenses	(240,854)	(749,017)
Finance cost	(36,846)	(108,765)
Profit / (loss) for the period	39,801	(244,416)

مالی جائزہ:

کمپنی کی آمدنی میں پچھلے سال کے مقابلے میں ۶.۷۸ بلین روپے کی کمی واقع ہوئی ہے جسکی وجہ کچھ کاروباری لائسنز کا بند ہونا ہے۔ کمپنی کا مارجن بھی ۲۹ فیصد سے ۱۵ فیصد ہو گیا ہے جس کی وجہ برنس پورٹ فولیو میں تبدیلی اور کمپنی کے درآمدی کاروبار کا لوکل کاروبار میں تبدیل ہونا ہے جہاں مارجن عموماً کم ہوتے ہیں۔ حکمت عملی میں یہ تبدیلی موجودہ کاروباری حالات اور حکومت کی درآمدات کم کرنے کی پالیسی کے مطابق ہے۔ نئے لاجسٹک کاروبار کو شامل کرنے کے سبب ذیلی کمپنی IBL Logistics (Pvt.) Ltd. کی سروس آمدنی میں اضافہ ہوا ہے۔

کاروباری لاگت پر قابو پانے کے اقدامات کے نتیجے میں کمپنی کے اخراجات میں کمی آئی ہے۔ مالی لاگت میں ۲ بلین روپے کی کمی آئی ہے جسکی وجہ قرضوں کی ادائیگی اور اسٹیٹ بینک آف پاکستان کی شرح سود میں کمی ہے۔

UNCONSOLIDATED
FINANCIAL STATEMENTS


UNITED BRANDS LIMITED

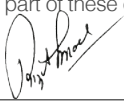
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
ASSETS			
Non-current assets	Note	----- Rupees in '000 ----	
Property and equipment	5	9,836	11,039
Intangible assets		207	232
Investment in subsidiary		25,000	25,000
Long-term deposits		114	1,914
		<u>35,157</u>	<u>38,185</u>
Current assets			
Inventories	6	618,127	709,250
Trade and other receivables	7	362,511	659,224
Prepayments and advances	8	34,215	143,456
Taxation - payments less provision		18,216	36,003
Tax refunds due from Government - sales tax		37,631	27,242
Cash and bank balances		61,903	41,794
		<u>1,132,603</u>	<u>1,616,969</u>
Total assets		<u>1,167,760</u>	<u>1,655,154</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		<u>(868,888)</u>	<u>(866,666)</u>
		49,112	51,334
LIABILITIES			
Non-current liabilities			
Long term borrowing		27,215	9,012
Deferred grant		3,568	-
		<u>30,783</u>	<u>9,012</u>
Current liabilities			
Trade and other payables	9	804,696	816,126
Current portion of long-term borrowings		24,185	4,737
Unclaimed dividend		353	353
Accrued mark-up		6,316	7,140
Short-term financing	10	252,315	766,452
		<u>1,087,865</u>	<u>1,594,808</u>
Contingency and commitments	11		
Total equity and liabilities		<u>1,167,760</u>	<u>1,655,154</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


 Qaisar Abbas
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

Note	Quarter ended		Nine Months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees in '000 -----				
Revenue from contracts with customers 12	545,355	651,678	1,908,220	2,302,800
Cost of sales	(484,601)	(480,329)	(1,627,290)	(1,728,420)
Gross profit	60,754	171,349	280,930	574,380
Distribution expenses	(59,932)	(146,787)	(195,074)	(437,863)
Administrative expenses	(13,669)	(13,576)	(73,082)	(66,272)
Loss allowance on trade receivables	-	-	(3,302)	(11,493)
Other expenses	(2,466)	(13,492)	(4,660)	(88,460)
Other income	4,001	15,398	59,872	28,785
Operating (Loss) / profit	(11,312)	12,892	64,685	(923)
Finance costs	(8,374)	(36,891)	(36,266)	(108,567)
(loss) / Profit before income tax	(19,686)	(23,999)	28,419	(109,490)
Taxation	(3,627)	(17,557)	(30,640)	(106,422)
Loss after taxation	(23,313)	(41,556)	(2,222)	(215,912)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(23,313)	(41,556)	(2,222)	(215,912)
Loss per share	(0.25)	(0.45)	0.02	(2.35)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Qaisar Abbas
 Chief Executive Officer


Rizwan Ahmad
 Director


Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS

- UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	542,053	780,837
Income tax paid		(12,853)	(76,975)
Finance cost paid		(37,090)	(108,088)
Net cash inflow from operating activities		492,110	595,774
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property and equipment		(883)	(24,781)
Long term deposits		1,800	-
Net cash generated from / (used in) investing activities		917	(24,781)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings		(514,137)	(747,550)
Long-term borrowings		41,219	
Net cash outflow from financing activities		(472,918)	(747,550)
Net increase / (decrease) in cash and cash equivalents		20,109	(176,557)
Cash and cash equivalents at beginning of the period		41,794	200,915
Cash and cash equivalents at end of the period		61,903	24,358

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Qaisar Abbas
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

- (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	Share Capital	Unappropriated Profit/ (Accumulated loss)	Total
----- Rupees in '000 -----			
Balance as at July 1, 2019	918,000	(610,990)	307,010
Loss for the nine months ended March 31, 2020	-	(215,912)	(215,912)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(215,912)	(215,912)
Balance at March 31, 2020	918,000	(826,902)	91,098
Balance as at July 1, 2020	918,000	(866,666)	51,334
Loss for the nine months ended March 31, 2021	-	(2,222)	(2,222)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(2,222)	(2,222)
Balance at March 31, 2021	918,000	(868,888)	49,112

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Qaisar Abbas
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed 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 1st 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 Limited, which is also the Company's ultimate parent.

The principal activities of the Company are trading and distribution of consumer goods and allied products. During the year, the Company has started production of safety razors through toll manufacturer.

2 BASIS OF PREPARATION

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

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

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

These unconsolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

3. SIGNIFICANT 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, 2020.

UNITED BRANDS LIMITED

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

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

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 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain 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, 2020. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2020.

UNITED BRANDS LIMITED

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

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

(Unaudited) March 31, 2021	(Audited) June 30, 2020
----------------------------------	-------------------------------

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

5. PROPERTY AND EQUIPMENT

- Operating assets - note 5.1
- Capital work in progress - note 5.2

9,836	2,590
-	8,449
9,836	11,039

5.1 Additions to operating assets during the period amount to Rs. 0.885 million (March 31, 2020: Rs. 24.7 million).

5.2 During the period, machinery items amounting to Rs. 8.45 million was transferred from capital work in progress to operating assets.

(Unaudited) March 31, 2021	(Audited) June 30, 2020
----------------------------------	-------------------------------

6. INVENTORIES

Finished goods:

- in hand
- in transit

539,279	550,823
78,848	158,427
618,127	709,250

7. TRADE AND OTHER RECEIVABLES

- Trade receivables
- Other receivables - note 7.1

286,070	503,235
133,656	210,088
419,726	713,323
(57,215)	(54,099)
362,511	659,224

Provision for doubtful debts

7.1 Other receivables

Considered good

- Related parties
- Others - note 7.1.1

-	2,179
133,656	207,909
133,656	210,088

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

UNITED BRANDS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
8. PREPAYMENTS AND ADVANCES	----- Rupees in '000 -----	
Prepayments	1,724	323
Advances - note 8.1	32,491	143,133
	34,215	143,456

- 8.1.** These include advance paid to commercial banks against letter of credit amounting to Rs.23 million (June 30, 2020: Rs. 102.9 million) as per the BPRD Circular No. 02 of 2017 issued by the SBP under the Banking Companies Ordinance, 1962 for the import of goods.

9. TRADE AND OTHER PAYABLES

These include Rs.289.76 million (June 30, 2020: Rs. 266.39 million) payable to related parties.

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
10. SHORT-TERM FINANCING	----- Rupees in '000 -----	
Short-term finance facilities under:		
- running finance under mark-up arrangement - note 10.1	782	30,207
- short-term loans - note 10.2	251,533	736,245
	252,315	766,452

- 10.1.** As at March 31, 2021, available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2020: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2020: 2.25% above one month KIBOR) to be determined on monthly basis.

- 10.2.** These represent short term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between January and June 2021.

UNITED BRANDS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

The arrangements carry mark-up ranging from 3 months KIBOR plus 0% to 6 months KIBOR plus 2.5% (June 30, 2020: 6 months KIBOR plus 0.15% and 2.5% to 3 month KIBOR plus 1.75%) per annum.

11. CONTINGENCY AND COMMITMENTS

11.1 Contingency

There has been no change in status of contingency reported in the financial statements for the year ended June 30, 2020.

11.2 Commitments

The facilities for opening letter of credit and guarantees as at March 31, 2020 amounted to Rs. 650 million (June 30, 2020: Rs. 650 million) and Rs. 150 million (June 30, 2020: Rs. 150 million) respectively. The amount remaining unutilised as at reporting date for letter of credit and guarantees were Rs. 628 million (June 30, 2020: Rs. 634 million) and Rs. 50 million (June 30, 2020: Rs. 50 million) respectively.

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

12. REVENUE

	(Unaudited) March 31, 2021	(Audited) March 31, 2020
	----- Rupees in '000 -----	
Gross Revenue	2,096,224	2,412,178
Service Income	-	-
Less:		
- Trade discounts	(73,822)	(63,865)
- Sales return	(114,182)	(45,513)
- Net Sales	<u>1,908,220</u>	<u>2,302,800</u>

UNITED BRANDS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	(Unaudited) March 31, 2021	(Unaudited) March 31, 2020
13. CASH GENERATED FROM OPERATIONS	----- Rupees in '000 -----	
Profit / (loss) before Income tax	28,419	(109,490)
Adjustments for non-cash charges and other items		
Depreciation and amortisation	2,110	21,856
Finance costs	36,266	108,567
	38,376	130,423
	66,795	20,933
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	91,123	288,905
Trade and other receivables	296,713	183,927
Prepayments and advances	109,241	218,067
Tax refunds due from Government - sales tax	(10,389)	(21,086)
	486,688	609,813
(Decrease) / increase in trade and other payables	(11,430)	150,091
Cash generated from operations	542,053	780,837

14. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	(Unaudited) March 31, 2021	(Unaudited) March 31, 2020
		----- Rupees in '000 -----	
i. Associated companies	- Shared expense	14.1 47,604	98,071
	- Purchases	111,738	9,474
	- Sale of goods	349	41,439

UNITED BRANDS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021


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

15. 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 21, 2021



Qaisar Abbas
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT March 31, 2021

	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
ASSETS			
Non-current assets			
----- Rupees in '000 -----			
Property and equipment	5	14,079	15,070
Intangible assets		619	949
Long-term deposits		114	1,914
		<u>14,812</u>	<u>17,933</u>
Current assets			
Inventories	6	703,553	811,593
Trade and other receivables	7	558,054	745,049
Prepayments and advances	8	53,185	154,353
Taxation - payments less provision		13,973	33,965
Tax refunds due from Government - sales tax		31,837	24,506
Cash and bank balances		110,520	57,890
		<u>1,417,122</u>	<u>1,827,356</u>
Total assets		<u>1,485,934</u>	<u>1,845,289</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		<u>(831,209)</u>	<u>(871,010)</u>
		86,791	46,990
LIABILITIES			
Non-current liabilities			
Long term borrowing		27,215	9,012
Deferred grant		<u>3,568</u>	<u>-</u>
		30,783	9,012
Current liabilities			
Trade and other payables	9	1,069,736	1,010,605
Current portion of long-term borrowings		24,185	4,737
Unclaimed dividend		353	353
Accrued mark-up		6,411	7,140
Short-term financing	10	267,675	766,452
		<u>1,368,360</u>	<u>1,789,287</u>
		1,399,143	1,798,299
Contingency and commitments			
	11		
Total equity and liabilities		<u>1,485,934</u>	<u>1,845,289</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Qaisar Abbas
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

Note	Quarter ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----			
Revenue from contracts with customers 12	732,702	709,134	2,415,368	2,502,974
Cost of sales and services	(645,263)	(495,371)	(2,050,717)	(1,777,517)
Gross profit	87,439	213,763	364,651	725,457
Marketing and distribution expenses	(64,985)	(204,269)	(205,978)	(594,686)
Administrative and general expenses	(18,595)	(18,292)	(87,928)	(79,777)
Loss allowance on trade receivables	-	-	(3,302)	(11,493)
Other operating expenses	(2,466)	(13,774)	(4,660)	(94,470)
Other income	4,600	15,649	61,014	31,409
Profit / (loss) from operations	5,993	6,923	123,797	(23,560)
Finance costs	(8,601)	(37,062)	(36,846)	(108,765)
Profit / (loss) before income tax	2,608	(43,985)	86,951	(132,325)
Income tax expense	(11,026)	(19,159)	(47,150)	(112,091)
Profit / (loss) for the period	13,634	(63,144)	39,801	(244,416)
Other comprehensive income	-	-	-	-
Total comprehensive profit / (loss) for the period	13,634	(63,144)	39,801	(244,416)
Basic and diluted earnings / (loss) per share (Rupees)	0.15	(0.69)	0.43	(2.33)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Qaisar Abbas
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			----- Rupees in '000 -----
Cash generated from operations	13	574,169	825,440
Income taxes paid		(27,158)	(77,439)
Finance costs paid		(37,575)	(108,286)
Net cash inflow from operating activities		509,436	639,715
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(1,048)	(842)
Long term deposits		(1,800)	-
Net cash inflow / (outflow) from investing activities		752	(33,171)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		41,219	-
Repayment of short-term financing - net		(498,777)	(747,550)
Net cash outflow from financing activities		(457,558)	(747,550)
Net increase / (decrease) in cash and cash equivalents		52,630	(141,006)
Cash and cash equivalents at beginning of the period		57,890	203,854
Cash and cash equivalents at end of the period		110,520	62,848

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


 Qaisar Abbas
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY- UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	Share Capital	Accumulated Loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2019	918,000	(611,464)	306,536
Total comprehensive loss for the nine month ended March 31, 2020	-	(244,416)	(244,416)
Balance at March 31, 2020 (unaudited)	<u>918,000</u>	<u>(855,880)</u>	<u>62,120</u>
Balance as at July 1, 2020	918,000	(871,010)	46,990
Total comprehensive income for the nine month ended March 31, 2021	-	39,801	39,801
Balance at March 31, 2021 (unaudited)	<u>918,000</u>	<u>(831,209)</u>	<u>86,791</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Qaisar Abbas
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed 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 1st 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 Limited, which is also the Company's ultimate parent.

The principal activities of the Company are trading and distribution of consumer goods and allied products. During the year, the Company has started production of safety razors through toll manufacturer.

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

The principal activities of the subsidiary company comprises primarily of warehousing, transportation, supply chain management, logistics services, trading and distribution of goods

2. BASIS OF PREPARATION

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

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

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

These unconsolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2020.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

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 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain 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, 2020. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2020.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
----- Rupees in '000 -----		
5. PROPERTY AND EQUIPMENT		
- Operating assets - note 5.1	14,079	6,621
- Capital work in progress - note 5.2	-	8,449
	14,079	15,070
5.1 Additions to operating assets during the period amount to Rs. 3.65 million (March 31, 2020: Rs. 0.728 million).		
5.2 During the period, machinery items amounting to Rs. 8.45 million was transferred from capital work in progress to operating assets.		
	(Unaudited) March 31, 2021	(Audited) June 30, 2020
----- Rupees in '000 -----		
6. INVENTORIES		
Finished goods:		
- in hand	621,951	653,166
- in transit	81,602	158,427
	703,553	811,593
7. TRADE AND OTHER RECEIVABLES		
Trade receivables	451,938	585,048
Other receivables - note 7.1	163,331	214,474
	615,269	799,522
Provision for doubtful debts	(57,215)	(54,473)
	558,054	745,049
7.1 Other receivables		
Considered good		
- Related parties	-	1,468
- Others - note 7.1.1	163,331	213,006
	163,331	214,474
7.1.1 These represent receivable from principals in respect of stock claims, expenses and other receivables.		

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

(Unaudited) March 31, 2021	(Audited) June 30, 2020
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----- Rupees in '000 -----

8. PREPAYMENTS AND ADVANCES

Prepayments	3,857	2,058
Advances - note 8.1	49,328	152,295
	53,185	154,353

- 8.1. These include advance paid to commercial banks against letter of credit amounting to Rs. 62.6 million (June 30, 2020: Rs. 102.9 million) as per the BPRD Circular No. 02 of 2017 issued by the SBP under the Banking Companies Ordinance, 1962 for the import of goods.

9. TRADE AND OTHER PAYABLES

These include Rs. 347 million (June 30, 2020: Rs. 409.20 million) payable to related parties.

(Unaudited) March 31, 2021	(Audited) June 30, 2020
----------------------------------	-------------------------------

10. SHORT-TERM FINANCING

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

Short-term finance facilities under:

- running finance under mark-up arrangement - note 11.1
- short-term loans - note 11.2

782	30,207
261,733	736,245
262,515	766,452

- 10.1 As at March 31, 2021, available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2020: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2020: 2.25% above one month KIBOR) to be determined on monthly basis.

- 10.2 These represent short term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between January and June 2021.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

- 10.2 The arrangements carry mark-up ranging from 6 months KIBOR plus 0% to 6 months KIBOR plus 2.5% (June 30, 2020: 6 months KIBOR plus 0.15% and 2.5% to 3 month KIBOR plus 1.75%) per annum.

11. CONTINGENCY AND COMMITMENTS

11.1 Contingency

There has been no change in status of contingency reported in the financial statements for the year ended June 30, 2020.

11.2 Commitments

The facilities for opening letter of credit and guarantees as at December 31, 2020 amounted to Rs. 750 million (June 30, 2020: Rs. 750 million) and Rs. 150 million (June 30, 2020: Rs. 150 million) respectively. The amount remaining unutilised as at reporting date for letter of credit and guarantees were Rs. 631 million (June 30, 2020: Rs. 733 million) and Rs. 50 million (June 30, 2020: Rs. 50 million) respectively.

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

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

(Unaudited) March 31, 2021	(Unaudited) March 31, 2020
----- Rupees in '000 -----	
Revenue from	
-Goods	2,286,876
-Services	362,063
	2,538,632
	118,877
Less:	
- Trade discounts	(119,389)
- Sales return	(114,182)
	(109,022)
	(45,513)
2,415,368	2,502,974

13. CASH GENERATED FROM OPERATIONS

Profit / (Loss) before income tax 86,951 (132,325)

Adjustments for non-cash charges and other items

Depreciation and amortisation

Finance costs

2,370	28,718
36,846	108,765
39,216	137,483
126,167	5,158

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

Effect on cash flow due to working capital changes

Decrease / (increase) in current assets:

Inventories	
Trade and other receivables	
Prepayments and advances	
Tax refunds due from Government - sales tax	

108,040	217,780
186,995	157,480
101,168	202,203
(7,331)	(20,994)
388,872	556,469
59,130	263,813
574,169	825,044

Decrease in current liabilities:

Trade and other payables

Cash generated from operations

14. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	(Unaudited) March 31, 2021	(Unaudited) March 31, 2020
		----- Rupees in '000 -----	
i. Associated companies	- Purchases	108,030	68,625
	- Sale of goods	349	216
	- Shared costs - note 19.1	102,004	98,071

14.1 The Company has an agreement with IBL Operations (Private) Limited - associated company, for sharing of expenses relating to sales and administrative infrastructure.

14.2 There are certain assets in the books of an associated company IBL Operations (Private) Limited which are being commonly used by both the companies.

21. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 21, 2021.


Qaisar Abbas
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

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