

The background features a large, abstract geometric shape composed of overlapping triangles in teal, orange, and green. A white rectangular box is centered over the teal section, containing the text 'FOCUSING success'.

# FOCUSING success

Annual Report 2017





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## VISION STATEMENT

United Brands Limited is committed to being a profitable customer-driven and socially responsible organization. We aim to become the leaders of our industry and set benchmark for others.

## Overall Corporate Strategy

UBL is a dynamic organization and plans to grow by expanding the coverage network further within Pakistan. Expansion plans also include introducing new international brands in the local market.



# MISSION STATEMENT

We strive to be the best distributor and want to serve as an industry standard. We empower our employees for continuous growth and enable them to ensure success for our partner companies, principals and customers.

## Core Values

- Integrity
- Courage
- Passion
- Partnership
- Excellence
- Innovation
- Responsibility
- Humility

# PRODUCTS

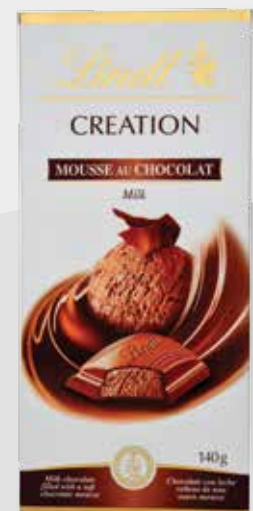














# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Rashid Abdulla	Chairman
Mr. Arshad Anis	Chief Executive Officer
Mr. Munis Abdullah	Director
Mr. Ayaz Abdulla	Director
Mr. Asad Abdulla	Director
Mr. Zubair Razzak Palwala	Director
Mr. Hasan Tariq Khan	Director

## AUDIT COMMITTEE

Mr. Hasan Tariq Khan	Chairman
Mr. Zubair Razzak Palwala	Member
Mr. Asad Abdulla	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Zubair Razzak Palwala	Chairman
Mr. Arshad Anis	Member
Mr. Ayaz Abdulla	Member

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Shariq Ahmed

## HEAD OF INTERNAL AUDIT

Mr. Muhammad Ali Rasheed



#### 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)



## NOTICE OF 53<sup>rd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that 53<sup>rd</sup> Annual General Meeting of the members of M/s. United Brands Limited will be held on Tuesday, 31<sup>st</sup> October, 2017 at 07:00 p.m. at 9<sup>th</sup> floor, NIC building, Abbasi Shaheed Road, Karachi to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of the last Extra Ordinary General Meeting of the Company held on June 16<sup>th</sup>, 2017.
2. To receive, consider and adopt annual audited financial statements for the year ended June 30, 2017 together with the Directors' and Auditors' Report thereon.
3. To consider and approve final cash dividend for the year ended June 30, 2017, @ Rs. 0.5 per share, equivalent to 5% as recommended by the board of directors.
4. To appoint auditor for the next financial year ending June 30, 2018 and fix their remuneration. The present auditor, M/s. A.F. Ferguson & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS

#### Ordinary Resolutions:

5. To give effect of SRO 470 (1) 2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan ("SECP"), members' approval is being sought to allow the Company to circulate its Annual Report through CD/DVD/USB to all members. The Company, however shall place on its website a Standard Request Form to enable intimation to the Company by those members who require hard copy of the Annual Report instead of through CD/DVD/USB. In this regard, the following resolutions are proposed to be passed, with or without modification(s), as ordinary resolution:



**RESOLVED** that the Company transmit the annual balance sheet and profit and loss account, auditors' report and directors' report, to its members through CD/DVD/USB instead of hard copy at their registered addresses.

**FURTHER RESOLVED** that the Standard Request Form be and is hereby placed on Company's website for the purpose of communication of the requisition of annual report through hard copy.

#### OTHER BUSINESS

6. To transact any other business with the permission of the Chair.

Date: October 10, 2017  
Place: Karachi

By the order of the board

**Shariq Ahmed**  
Company Secretary

#### Statement pursuant to section 134(3) of The Companies Act, 2017 pertaining to Special Business

##### Item 5

In order to implement SECP directives with respect to transmission/circulation of annual audited accounts through CD/DVD/USB instead of hard copies, resolution is part of the notice for approval of shareholders to adopt the newly introduced mode of transmission.

## Notes

### A. Book closure:

- i. The share transfer books will remain closed from October 25, 2017 to October 31, 2017 (both days inclusive) for entitlement of 5% final cash dividend. Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 by close of the business on October 24, 2017 will be treated in time for the purpose of attending the annual general meeting and entitlement of cash dividend.
- ii. All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need to be a member of the Company. Proxies in order to be effective must be received by the Company's Registered Office: 8th Floor, NIC Building, Abbasi Shaheed Road, Karachi – 75530 not less than 48 hours before the meeting.
- iii. In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

iv) Members are requested to intimate any changes in address immediately to Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

### B. Submission of copy of CNIC (Mandatory)

In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) S.R.O. 779(I) 2011 dated August 18, 2011, dividend warrants should bear Computerized National Identity Card (CNIC) number of the registered shareholder. Shareholders who have not yet submitted copy of their valid CNIC or National Tax Number (in case of corporate entities) are requested to submit the same to the Company's Share Registrar, Central Depository Company of Pakistan Limited, with members' Folio number(s)/Participant ID CDS Account number(s) mentioned thereon, before book closure date. It may kindly be noted that in case of non-receipt of the copy of valid CNIC, the Company would be constrained to withhold dispatch of dividend warrants.

### C. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001:

- a) Pursuant to the provisions of the Finance Act 2017 effective July 1, 2017, the rate of deduction of income tax from dividend payments has been revised as follows:
  - i. Rate of tax deduction for filers of income tax return – 15%
  - ii. Rate of tax deduction for non-filers of income tax return – 20%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

- b) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.
- c) Further, according to clarification received from FBR, withholding tax will be determined separately on "Filer/ Non-filer" status of principle shareholder as well as joint-holder(s) based on their shareholding proportions. In this regard all shareholders who hold Company's shares jointly are requested to provide shareholding proportions or principle shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to Company's Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC	Shareholding Proportion (No. of Shares)

The required information must reach Company's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by the principal shareholder and joint holder(s).

- d) The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the Company name and their respective folio numbers.

#### D. Dividend Mandate

The Companies Act, 2017, which was promulgated on May 30, 2017 through their section 242 requires that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Through this notice all shareholders of the Company are requested to update their bank accounts details immediately to Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400.

#### E. Unclaimed Dividend and Shares

Section 244 of the Act requires that any shares that remained unclaimed for a period of three years (or more) as well as any dividend which remained unpaid for period of three years (or more) are to vest with the Federal Government. The law requires the Company to deposit any unclaimed or unpaid amount to the credit of the Federal Government, if no claim is made before the Company after giving due notices to the shareholders. Through this notice all shareholders who by any reason could not claim their dividend or shares are advised to immediately collect / enquire about their unclaimed dividend or pending shares, if any with Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400.





# CHAIRMAN'S REVIEW REPORT

(Under Section 192 of the Companies Act, 2017)

An annual evaluation of the Board of Directors' overall performance is conducted in compliance with the requirement of the Code of Corporate Governance and the Companies Act, 2017. The purpose of this evaluation is to ensure that the Board of Directors' (the Board) performance is measured in the context of overall corporate objectives and governance structure of the Company. For the financial year ended 30 June 2017, the Board's overall performance and effectiveness has been assessed as 'Satisfactory'.

The following sections summarize how the overall performance of the Board is assessed as satisfactory in achieving Company's objectives:

## 1. Corporate governance structure and Compliance with regulations

The Company has a well-developed corporate governance system which is the combination of processes established and executed by the Board that are reflected in the Company's structure with the aim of achieving objectives of the Company as a whole to ensure compliance with all the statutory and regulatory requirements applicable upon the Company.

The General Meeting(s) of the Company is the highest decision-making body in the Company. The shareholders are responsible for appointing the Board Members at the General Meeting of the Company. The shareholders also appoint the external auditors in General Meeting(s) who report to the shareholders on the annual and half yearly financial performance of the Company in their annual auditors' report and half-yearly review report respectively.

## 2. Board of Directors

The appointment, roles and responsibilities of the Board of the Company are outlined in Articles of Association of the Company. Throughout the year, the membership balance criteria set down in the Code of Corporate Governance in relation to executive, non-executive and independent members of the Board was maintained by the Company together with an appropriate level of skills, experience and capabilities across the membership.

The Board of the Company complies with all relevant rules and regulations. The Board comprises of well-known business professionals who add real value to the Board through their expertise, experience and strong value systems. The Board has laid down policies and procedures to ensure a professional corporate environment that promotes timely disclosure, accountability, high ethical standards, and compliance with applicable laws, regulations and corporate governance.

During the year under review, the Board has effectively discharged its responsibilities towards the Company and participated in all strategic affairs diligently. All quarterly, half yearly and annual financial results were thoroughly reviewed and the Board extended its guidance to the management on regular basis. The Board also played a key role in monitoring of management performance and focus on major risk areas.

### 3. Committees to the Board

The Board's Audit Committee and Human Resource & Remuneration Committee have also discharged their responsibilities as per relevant laws, norms and best practices throughout the year. The Board carefully monitors their performance on periodic basis.

### 4. Vision, mission and values

The Board members are familiar with the current vision, mission and values and support them.

### 5. Engagement in strategic planning

The Board has a clear understanding of its stakeholders and a strategic vision of how the organisation should be evolving over the next three to five years. The Board identifies goals and targets for the management in all major performance areas and key indicators for tracking progress.

### 6. Formulation of policies

The Board has established policies that cover all essential areas of the Board's responsibilities.

### 7. Monitoring of organisation's business activities

The Board is aware of the Company's current business activities and is updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants.

### 8. Monitoring of financial resources

The Board is knowledgeable about key aspects relating to managing the financial resources of the Company and provides appropriate direction and oversight on a timely basis. The Board ensures that the budget reflects the priorities established in the annual plan and the strategic plan. The Board complies with regulations governing the external audit/ review of annual and/ or interim accounts of the Company and pays due consideration to the recommendations made by the external auditors and internal auditors from time to time.



**Rashid Abdulla**  
Chairman  
September 27, 2017



# DIRECTORS' REPORT TO SHAREHOLDERS

The Directors of United Brands Limited take pleasure in presenting their report together with the audited Financial Statements for the year ended June 30, 2017. The Directors' Report 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 products include Baby range, chocolates, confectionaries, flavored milk, tea, sweetener, beverages, cereals, deodorants, cosmetics and many more. We strive to be the best with an aim of serving as industry benchmark.

## Summary of Financial Performance

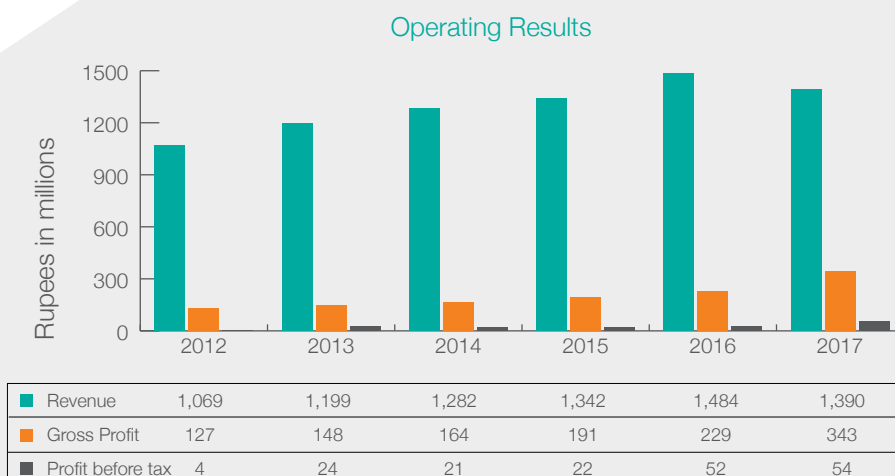
	2017	2016
	(Rupees in thousand)	
Revenue	1,389,745	1,483,737
Gross profit	342,931	229,244
Gross profit as a percentage of revenue	24.68%	15.45%
Operating profit	69,541	57,705
Profit after taxation	6,021	28,441

## Financial Performance:

The revenue of the Company declined by 6.3% as compared to last year where growth was 10.5% as compared to FY 2015. The main reason for decline is lower sales of Johnson & Johnson which suffered due to discontinuation of a number of SKUs from the portfolio. Lindt sales also suffered as the product could not be supplied against some orders due to technical reasons. New Business lines such as RedBull, Axe, Pringles, Mars, Kellogg, Heinz, Canderel and Schick have cumulatively added Rs.431m to the revenue. Gross profit as a percentage of revenue has improved from 15.45% to 24.68% for the current fiscal year. The reason for the increase is addition of new business lines with higher margin and revision in prices of certain items.

Distribution and selling expenses are out of line with the previous years due to inclusion of new business lines and the reflection of their extraordinary expenses during the year. There is a significant marketing expense on account of RedBull and an extraordinary expense due to settlement of expiries and damages in some business lines. The process of expiries and damages has now been stream lined and the incidence of such expense will be marginal in future.

Operating profit has improved from 3.9% to 5% of Revenue as compared to last year due to improved gross margin on the new business lines. The finance cost has more than doubled due to increased borrowing on account of all imported products where the Company now has to make upfront payment of all stocks due to change in import regulations. The increased finance cost, loss in sales and settlement of expiries adversely impacted the net profit which declined by 1.5% as a percentage of sales.

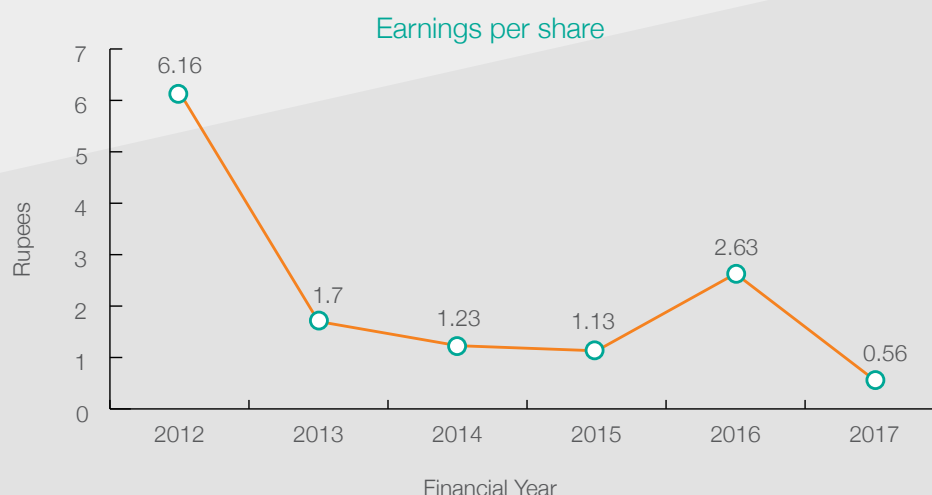


## Holding Company

International Brands Limited is the holding Company of United Brands Limited. As at June 30, 2017, International Brands Limited held 10,381,225 shares of PKR 10 each (96.12%).

## Basic / diluted earnings per share

Basic / diluted earnings per share were PKR 0.56 (2016: PKR 2.63)



## Dividends

The Board of Directors have recommended cash dividend of Rs. 5.4 million for the year ended June 30, 2017.

## Statement of Ethics and Business Practices

Performance with integrity is central to operating at United Brands Limited. The Board of Directors has adopted a statement of ethics and business practices. All employees are informed and aware of it and are required to observe these rules of conduct in relation to business and regulations.

## Principal Risks and uncertainties

Principal risk associated with the entity includes:

Nature of Risk	Description
Operational / Business Risk	Piling of stock leading to product expiries, increased storage cost and working capital blockage. Loss of revenue due to parallel imports
Regulatory Risk	Change in custom tariffs of taxes, duties, regulations & foreign exchange rate variation deteriorating the margin and profitability.
Liquidity Risk	Shortage of funds affecting timely financing of operating & investing activities.

## Risk Management

The Company's overall risk management program focuses on minimizing potential adverse effects on the Company's performance. The overall risk assessment of the Company is undertaken by the Senior Management, governed under the supervision of Group's Corporate Centre, the results of which are shared with the Board of Directors. Risk identification, assessment and management process entails identifying, evaluating and addressing strategic, financial, commercial and operational risks faced by the Company. Based on the risk assessment, key challenges are addressed and opportunities identified, action plans developed and executed to achieve the long-term strategic objectives of the Company.

## Corporate Social Responsibility

'We make a living by what we get, but we make a life by what we give' – William Churchill

At United Brands, our aim has always been to make useful contributions to the economy we operate-in. One of the primary areas of focus has been the creation of employment opportunities to support large distribution and sales workforce.

Our business is driven by our core values which ensures the commitment of all those involved in everything we do. We recognize that we must integrate our business values and operations to meet the expectations of our stakeholders i-e; employees, customers, suppliers, the community in which we work and the environment.

## Board of Directors

Directors of the Company were re-elected in the extra ordinary general Meeting of the Company held on June 16, 2017. Mr. Syed Nadeem Ahmed retired as Director and Mr. Asad Abdulla was appointed in his place respectively. The Board places on record its appreciation for the valuable contribution made by the outgoing Director and welcomes the new Director.

## Financing facility obtained during the year

During the year, Company has obtained financing of Rs. 352 M from its sister concern M/s IBL Operations (Private) Limited to meet the working capital requirements. The Company has also obtained Tijarah financing from M/s Bank Al-Baraka of Rs. 196 M. Both arrangements are interest based.

## Meetings of the Board of Directors

During the Year 2017, four Board meetings were held and attended as follows:

Name of Directors	Meeting Attended
Mr. Rashid Abdulla	2
Mr. Arshad Anis	4
Mr. Munis Abdullah	2
Mr. Ayaz Abdulla	4
Mr. Syed Nadeem Ahmed	4
Mr. Zubair Razzak Palwala	4
Mr. Hasan Tariq Khan	4

## Audit Committee

The committee comprises of three members, all are non-executive Directors and the Chairman of the Committee is an independent director.

The terms of reference of the Committee have been determined by the Board of Directors in accordance with the guidelines provided in the listing Regulations and advised to the Committee for compliance. The committee held four meetings during the year.

An independent audit function reporting to the Board's audit committee reviews risks and controls across the organization.

During the year 2017, four audit committee meetings were held and attended as follows:

Members	Meeting Attended
Mr. Hasan Tariq Khan	4
Mr. Zubair Razzak Palwala	4
Mr. Syed Nadeem Ahmed	4

## Human Resource and Remuneration Committee

The committee comprises of three members, two of them are non-executive Directors including the Chairman of the Committee.

## Directors Training

There were no training programs conducted during the year. However, the Board is compliant with the training requirement and the criteria as prescribed in the CCG.

## Financial statements and auditors

The financial statements of the company have been audited and approved without qualification by the auditors, A.F. Ferguson & Co. Chartered Accountants. Further, the present auditors, A.F. Ferguson & Co. Chartered Accountants, retired and being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their reappointment as Auditors of the company for the year ending June 30, 2018, at a fee to be mutually agreed.

## Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report except dividend announcement.

## Value of Investments of Provident Fund

The fair value of investment of provident fund as per its financial statements at June 30, 2017 is PKR 7.11 million (June 30, 2016 is PKR 10.227 million).

## Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The financial statements are prepared in accordance with International Financial Reporting Standards, as applicable in Pakistan.
- The Company maintains a sound internal control system which gives reasonable assurance against any material misstatements or loss. The internal control is regularly reviewed. This has been formulized by the Board's Audit Committee and updated as and when needed.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Code of Corporate Governance as detailed in the listing regulations.



## Future Outlook

The management of UB is confident of significant growth in the coming years. 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 of operation. None more so than in sales where each sale person's productivity is in sharp focus and the company is in the process of employing latest technology to ensure we do not miss out on opportunities in the market place.

We are confident that we can generate increased value for our shareholders as well as deliver better products and services to our customers.

We also take this opportunity to thank our employees for their continued contribution in the achievement of Company's results.

## Shareholding Information

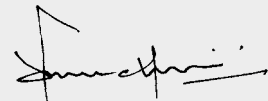
The Company's shares are traded on Pakistan Stock Exchange. The pattern of Shareholding as at June 30, 2017 and other related information is set out on page 60 and 61.

None of the Directors, CEO, CFO and Company Secretary and their spouses and minor children has carried out any trades in the shares of the Company.

Karachi.  
Date: September 27, 2017



**Zubair Razzak Palwala**  
Director



**Arshad Anis**  
Chief Executive Officer

## مستقبل پر ایک نظر

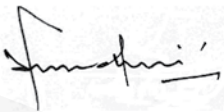
یونائیٹڈ برانڈز کی انتظامیہ آنے والے سالوں میں مستحکم شرح نمو اور ترقی کے حصول کیلئے پراعتماد ہے۔ ہم نے اپنے موجودہ کاروبار کو بڑھانے اور بہتر بنانے کے ساتھ نئے مواقع حاصل کرنے پر توجہ مرکوز کر رکھی ہے۔ پورا ادارہ ایک نئے مرحلے کیلئے کوشاں ہے اور متعدد اہم تبدیلیوں سے گزر رہا ہے تاکہ اپنے امور میں بہتری اور آپریشن کے ہر ایک شعبے میں پیداواری صلاحیتوں کو بڑھا سکے۔ یہ صرف سیلز کے شعبے میں جہاں پر ہر ایک سیل فرد کی پیداواری صلاحیت پر خاص توجہ ہے اور کمپنی جدید ترین ٹیکنالوجی کے نفاذ کے مرحلے سے بھی گزر رہی ہے تاکہ ہم مارکیٹ میں کسی بھی نئے مواقع کو ضائع نہ کرنے کو یقینی بنا سکیں۔

ہم پراعتماد ہیں کہ ہم اپنے شیئر ہولڈرز کے منافع میں اضافہ کرنے کے ساتھ ساتھ اپنے صارفین کو بہتر مصنوعات اور سروسز فراہم کرتے ہیں۔ ہم کمپنی کے حاصل کردہ احواف کو تکمیل تک پہنچانے کے لئے اپنے ملازمین کی انتھک جدوجہد پر ان کے بھی شکر گزار ہیں۔

## شیئر ہولڈنگ کی معلومات

کمپنی کے شیئرز کی پاکستان اسٹاک ایکسچینج میں تجارت ہوتی ہے۔ ۳۰ جون ۲۰۱۷ء کے مطابق شیئر ہولڈنگ کا طریقہ کار اور دیگر معلومات صفحہ نمبر ۶۰ اور ۶۱ پر درج ہیں۔

کسی بھی ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کا کمپنی کے شیئرز میں تجارت کا کوئی حصہ نہیں۔



ارشاد نیس  
چیف ایگزیکٹو



زہیر رزاق پال والا  
ڈائریکٹر

کراچی  
۲۷ ستمبر ۲۰۱۷ء

## ڈائریکٹرز ٹریننگ:

سال کے دوران کوئی ٹریننگ پروگرام منعقد نہیں کئے گئے تاہم بورڈ ٹریننگ کی شرائط پر عمل کر رہا ہے اور اس کی اہلیت کا معیاری سی جی (CCG) کے مطابق مقرر کردہ ہے۔

## مالیاتی اسٹیٹمنٹ اور آڈیٹرز

کمپنی کے مالیاتی اسٹیٹمنٹ آڈیٹرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹینٹس کی جانب سے بغیر کوالیفیکیشن آڈٹ اور منظور کئے گئے ہیں۔ مزید برآں موجودہ آڈیٹرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹینٹس سبکدوش ہو رہے ہیں اور اہل ہونے کی بناء پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارشات پر انہیں باہمی طے کردہ معاوضے پر ۳۰ جون ۲۰۱۸ء کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کی حیثیت سے دوبارہ تقرری کی توثیق کرتا ہے۔

## بعد از آں ہونے والے واقعات

کمپنی کے مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کوئی ایسی ترامیم یا معاہدے نہیں کئے گئے جو کمپنی کی مالیاتی پوزیشن پر اثرات مرتب کریں۔ تاہم صرف منافع منقسمہ کا اعلان کیا گیا ہے۔

## پراویڈنٹ فنڈ کی سرمایہ کاریوں کی مالیت

۳۰ جون ۲۰۱۷ء کو پراویڈنٹ فنڈ کی درست مالیت مطابق اس کے مالیاتی حسابات ۱۱ ملین پاک روپے تھی (۲۲۷ ملین پاک روپے: ۳۰ جون ۲۰۱۶ء)۔

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی حسابات اس کے تمام کاروباری امور، اس کے آپریشن کے نتائج، نقدی بہاؤ اور اس کی ایکویٹی میں تبدیلی کو شفاف انداز میں پیش کرتے ہیں۔
- کمپنی کے حسابات کی باقاعدہ کتب تیار کی جاتی ہیں۔
- موزوں ترین اکاؤنٹنگ پالیسیاں مالیاتی حسابات اور اکاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پر لاگو کی جاتی ہیں اور یہ مناسب اور محتاط فیصلوں پر منحصر ہوتی ہیں۔
- مالیاتی حسابات پاکستان میں نافذ العمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرز کے مطابق تیار کئے جاتے ہیں۔
- کمپنی ایک مستحکم اور ٹھوس اندرونی کنٹرول کے نظام کی حامل ہے جو کمپنی کو کسی بھی اہم خطرے یا نقصان کے خلاف مثبت یقین دہانی کراتا ہے۔ اندرونی کنٹرول سسٹم پر باقاعدگی سے نظر ثانی کی جاتی ہے۔ یہ بورڈ کی آڈٹ کمیٹی کی جانب سے تشکیل دیا گیا اور جب اور جہاں ضرورت پڑے اسے اپ ڈیٹ کیا جاتا ہے۔
- اس امر میں کوئی شبہ نہیں کہ کمپنی کا مستقبل مستحکم ہے۔
- کوڈ آف کارپوریٹ گورننس کے بہترین طریقہ کار سے قطعی روگردانی نہیں کی جاتی جیسا کہ لسٹنگ ریگولیشنز میں درج ہے۔

## بورڈ آف ڈائریکٹرز کے اجلاس

سال ۲۰۱۷ء کے دوران بورڈ کے ۴ اجلاس منعقد ہوئے اور ان میں حاضری درج ذیل کے مطابق رہی:

ڈائریکٹرز کے نام	اجلاس میں حاضری
جناب راشد عبداللہ	2
جناب ارشد انیس	4
جناب مولس عبداللہ	2
جناب ایاز عبداللہ	4
جناب سید ندیم احمد	4
جناب زبیر رزاق پال والا	4
جناب حسن طارق خان	4

## آڈٹ کمیٹی

کمیٹی تین ممبران پر مشتمل ہے، تمام نان۔ ایگزیکٹو ڈائریکٹرز ہیں اور کمیٹی کے چیئر مین ایک خود مختار ڈائریکٹر ہیں۔

کمیٹی کے ٹرمز آف ریفرنس کا تعین بورڈ آف ڈائریکٹرز کی جانب سے لسٹنگ ریگولیشنز میں فراہم کردہ رہنما ہدایات اور عملدرآمد کے لئے کمیٹی کی ہدایات کے مطابق کیا جاتا ہے۔ کمیٹی نے سال کے دوران ۴ اجلاس طلب کئے۔

بورڈ کی آڈٹ کمیٹی کو رپورٹ کرتے ہوئے ایک آزادانہ آڈٹ فنکشن پورے ادارے میں خدشات و خطرات اور انتظام کا جائزہ لیتا ہے۔

سال ۲۰۱۷ء کے دوران آڈٹ کمیٹی کے ۴ اجلاس منعقد ہوئے اور ان میں حاضری درج ذیل کے مطابق رہی:

ارکان	اجلاس میں حاضری
جناب حسن طارق خان	4
جناب زبیر رزاق پال والا	4
جناب سید ندیم احمد	4

## ہیومن ریسورس اینڈ ریمونریشن کمیٹی

یہ کمیٹی تین ممبران پر مشتمل ہے، ان میں سے دو بشمول کمیٹی چیئر مین نان۔ ایگزیکٹو ڈائریکٹرز ہیں۔

ریگولیٹری خطرات  
ٹیکسز، ڈیوٹیز کے کسٹم ٹیرف اور ریگولیشنز میں تبدیلی اور غیر ملکی زرمبادلہ کے نرخوں میں  
اُتار چڑھاؤ جس سے منافع جات متاثر ہوں۔

لیکویڈیٹی کے خطرات  
فنڈز کی قلت جس سے آپریٹنگ کی بروقت فنانسنگ اور سرمایہ کاریوں کی سرگرمیاں متاثر ہوں۔

### خطرات کا بندوبست (Risk Management)

کمپنی کا مجموعی خطرات سے نمٹنے کا انتظامی پروگرام کمپنی کی کارکردگی پر منفی اثرات کو کم کرنے کے لئے خصوصاً توجہ دیتا ہے۔ کمپنی کے خطرات کی مجموعی جانچ پڑتال گروپ کے کارپوریٹ سینٹر کی نگرانی کے تحت سینئر انتظامیہ کی جانب سے انجام دی جاتی ہے جس کے نتائج سے بورڈ آف ڈائریکٹرز کو آگاہ کر دیا جاتا ہے۔ خطرات کی شناخت، جانچ اور انتظامی عمل کمپنی کو درپیش اسٹریٹجک، فنانشل، کمرشل اور آپریشنل خطرات کی شناخت، جانچ پڑتال اور اس سے نمٹنے کا طریقہ کار طے کرتا ہے۔ خطرات کی جانچ پر مبنی بنیادی چیلنجوں سے کمپنی کے طویل مدتی اسٹریٹجک اہداف اور مقاصد کو حاصل کرنے کے لئے مواقع کی نشاندہی، ایکشن پلان تیار کرنے اور اسے انجام دینے میں معاونت ملی ہے۔

### کارپوریٹ سوشل ریسپانسیبیلٹی (CSR)

”ہم جو حاصل کرتے ہیں اُس سے ہم زندگی کو چلاتے ہیں لیکن ہم جو دیتے ہیں اُس سے زندگی بناتے ہیں“۔ ولیم چرچل۔

یونائیٹڈ برانڈز میں ہمارا مقصد ہمیشہ کارآمد شریک کار بننا ہے بالخصوص اس معیشت میں جہاں ہم کاروبار کر رہے ہیں۔ ان بنیادی شعبوں میں ایک جہاں خصوصی توجہ دی جاتی ہے وہ روزگار کے مواقع پیدا کرنا ہے تاکہ ڈسٹری بیوشن اور سیلز کی افرادی قوت کو مستحکم بنایا جائے۔

ہمارا کاروبار ہمارے بنیادی اصولوں پر قائم ہے جو اس امر کو یقینی بناتا ہے کہ ہم ان تمام باتوں پر قائم ہیں جن کا ہم نے وعدہ کر رکھا ہے۔ ہم تسلیم کرتے ہیں کہ ہمیں لازماً اپنے کاروباری اصولوں اور آپریشنز کو مربوط بنانا ہے تاکہ ہم اپنے اسٹیک ہولڈرز، ملازمین، صارفین، سپلائرز اور کمیونٹی کی توقعات پر پورا اتر سکیں جس میں ہم کام کر رہے ہیں۔

### بورڈ آف ڈائریکٹرز

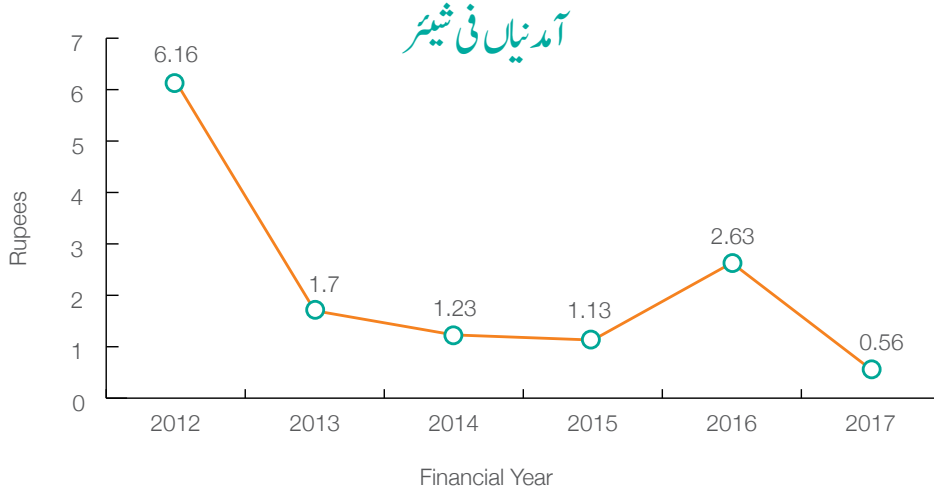
کمپنی کے ڈائریکٹرز کا دوبارہ انتخاب کمپنی کے غیر معمولی اجلاس عام منعقدہ ۱۶ جون ۲۰۱۷ء کو کیا گیا۔ جناب سید ندیم احمد ڈائریکٹر کی حیثیت سے سبکدوش ہوئے اور جناب اسد عبداللہ کا ان کی جگہ پر تقرر کیا گیا۔ بورڈ سبکدوش ہونے والے ڈائریکٹر کی قابل ذکر اور نمایاں خدمات پر انہیں خراج تحسین پیش کرتا ہے اور نئے ڈائریکٹر کو خوش آمدید کہتا ہے۔

### سال کے دوران حاصل شدہ فنانسنگ کی سہولت

سال کے دوران کمپنی نے اپنے ایک منسلک ادارے میسرز آئی بی ایل آپریشنز (پرائیویٹ) لمیٹڈ سے اپنے ورکنگ کیپٹل کی ضروریات کو پورا کرنے کیلئے ۳۵۲ ملین روپے کی فنانسنگ حاصل کی۔ کمپنی نے میسرز بینک البراکہ سے بھی ۱۹۶ ملین روپے کی تجارتی فنانسنگ حاصل کی۔ دونوں سرمایہ کاریاں منافع کی بنیاد پر کی گئیں۔

## بنیادی/معتدل آمدنیاں فی شیئر

بنیادی/معتدل آمدنیاں فی شیئر ۵۶ روپے ۰۰ پاک روپے رہی۔ (۲۰۱۶: ۲۰۱۳ پاک روپے)



## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے سال ختم ۳۰ جون ۲۰۱۷ء کیلئے ۵۶ ملین روپے کے نقد منافع منقسمہ کی سفارش کی ہے۔

## ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ

یونائیٹڈ برانڈز لمیٹڈ میں کارکردگی کے ساتھ دیانتداری کو بنیادی حیثیت حاصل ہے۔ بورڈ آف ڈائریکٹرز نے ضابطہ اخلاق اور کاروباری طریقہ کار کا ایک اسٹیٹمنٹ رائج کیا ہے۔ تمام ملازمین کو اس سے مطلع اور آگاہ کر دیا گیا ہے اور سب کے لئے یہ ضروری ہے کہ وہ کاروبار اور ضابطوں سے متعلق ان اصولوں پر عملدرآمد کریں۔

## بنیادی خطرات اور غیر یقینی صورتحال

ادارے سے منسلک بنیادی خطرات میں درجہ ذیل شامل ہیں:

### تفصیل

### خطرے کی نوعیت

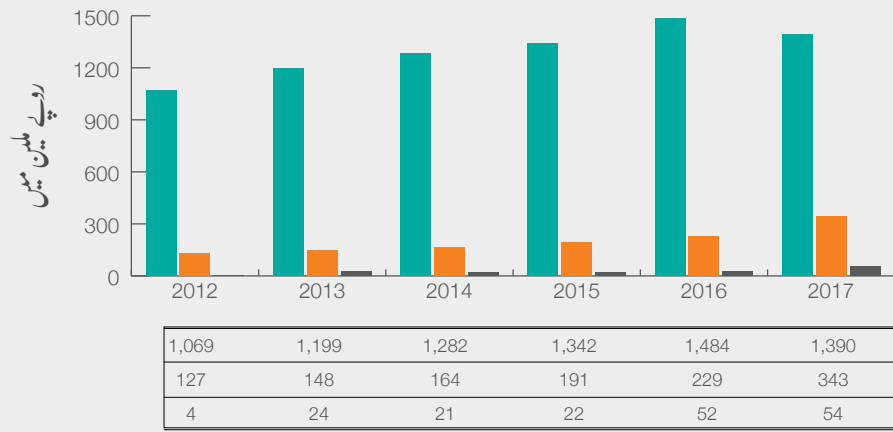
آپریشنل/کاروباری خطرات  
 اسٹاک بڑھ جانے کے باعث پروڈکٹ کے استعمال کی مدت ختم ہو جانا، اسٹوریج کے اضافی اخراجات اور ورکنگ کیپٹل کا منجمد ہو جانا۔  
 مساوی/ہم پلہ درآمدات کے باعث نقصانات۔



ڈسٹری بیوٹن اور فروخت کے اخراجات گزشتہ سالوں کی حد سے باہر نکل گئے اور اس کا سبب نئی بزنس لائنز کا اضافہ اور سال کے دوران ان کے غیر معمولی اخراجات کا رد عمل تھا۔ ریڈ بل کے ضمن میں نمایاں مارکیٹنگ اخراجات اور چند بزنس لائنز میں مصنوعات کی اختتامی مدت اور نقصانات کے سیٹلمنٹ کے باعث غیر معمولی اخراجات صرف کئے گئے۔ مصنوعات کی اختتامی مدت اور اشیاء کے ضیاع کے طریقہ کار کو اب درست کر لیا گیا ہے اور مستقبل میں اس نوعیت کے اخراجات میں خاطر خواہ کمی آئے گی۔

آپریٹنگ منافع جات مجموع آمدنی کے مقابلے میں گزشتہ سال کے مقابلے میں ۳۹ فیصد سے بہتر ہو کر ۵ فیصد ہو گئے اور اس کی بنیادی وجہ نئی بزنس لائنز پر شرح منافع کا بہتر ہونا تھا۔ فنانس کے اخراجات تمام تر درآمدی مصنوعات کے ضمن میں بڑھتے ہوئے قرضے کے باعث دو گئے ہو گئے جہاں کمپنی کو اب درآمدی ضوابط میں تبدیلی کے باعث تمام اسٹاکس کی اپ فرنٹ کی ادائیگی کرنی ہے۔ بڑھتے ہوئے فنانس اخراجات، فروخت میں خسارہ اور پروڈکٹس کے ضیاع پر سیٹلمنٹ مجموعی منافع پر بری طرح اثر انداز ہوئے اور مجموعی آمدنی فیصد کے طور پر ۵۵ فیصد تک کم ہو گیا۔

### آپریٹنگ نتائج



### ہولڈنگ کمپنی

انٹرنیشنل برانڈز لمیٹڈ یونائیٹڈ برانڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔ ۳۰ جون ۲۰۱۷ء کے مطابق انٹرنیشنل برانڈز لمیٹڈ ہر ایک ۱۰ پاک روپے مالیت کے ۲۲۵،۳۸۱،۱۰ شیئرز (۹۶.۱۲ فیصد) کی ملکیت کی حامل تھی۔



## ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ مع سال ختمہ ۳۰ جون ۲۰۱۷ء کے لئے آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ ۲۰۱۷ء کی دفعہ ۲۲۷ کے مطابق تیار کی گئی ہے۔

### بنیادی سرگرمیاں

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

### مالیاتی کارکردگی کا خلاصہ

2016 2017  
(روپے، ہزاروں میں)

آمدنی	1,389,745	1,483,737
مجموع منافع جات	342,931	229,244
مجموع منافع جات کی شرح بہ نسبت آمدنی	24.68%	15.45%
آپریٹنگ منافع جات	69,541	57,705
منافع بعد از ٹیکس	6,021	28,441

### مالیاتی کارکردگی

کمپنی کی آمدنی میں گزشتہ سال کے مقابلے میں ۶.۳ فیصد کمی آئی جبکہ گزشتہ مالیاتی سال میں یہ شرح ۱۰.۵ فیصد رہی تھی ۲۰۱۵ء کے مالیاتی سال کے مقابلے میں۔ کمی کیلئے بنیادی وجہ جانسن اینڈ جانسن کیلئے آمدنی میں کمی آنا تھا۔ جو کہ پورٹ فولیو سے ایس کے یوز (SKUs) کی تعداد کے عدم تسلسل کے باعث متاثر ہوا۔ لنڈٹ (Lindt) کی سلیز بھی متاثر ہوئی کیونکہ ٹیکنیکی وجوہات کے باعث چند آرڈرز کی سپلائی بروقت نہ ہو سکی تھی۔ نئی بزنس لائنز (Business Lines) مثلاً ریڈبل، ایکس، پرنگلز، مارس، کیلوگ، ہیمیز، کینڈرل اور شیک (Schick) نے مجموعی طور پر آمدنی کیلئے ۴۳۱ ملین روپے کا اضافہ کیا۔ مجموعی منافع جات کی شرح بہ نسبت آمدنی ۱۵.۴۵ فیصد سے بہتر ہو کر رواں مالی سال کیلئے ۲۴.۶۸ فیصد ہو گیا۔ اضافے کیلئے بنیادی وجہ نئی بزنس لائنز کا بلند تر منافع کی شرح کے ساتھ اضافہ اور کچھ آئٹمز کے نرخوں پر نظر ثانی کرنا تھا۔

# Financial Highlights

## Operational Results:

	---Amount in '000---						
	2017	2016	2015	2014	2013	2012	2011
Sales	1,389,745	1,483,737	1,342,485	1,282,432	1,198,620	1,069,166	831,475
Gross Profit	342,931	229,244	191,265	164,301	148,223	126,923	91,818
Operating Profit / (Loss)	69,541	57,705	31,736	33,874	36,720	28,127	(2,181)
Financial Charges	15,395	6,076	9,932	12,462	12,597	24,490	29,967
Profit / (Loss) before Taxation	54,146	51,629	21,904	21,412	24,353	3,863	(31,984)
Profit / (Loss) after Taxation	6,021	28,441	12,248	13,298	15,621	7,396	(34,513)
Proposed Dividend	5,400	-	10,800	10,800	10,800	-	-

## Balance Sheet:

	---Amount in '000---						
	2017	2016	2015	2014	2013	2012	2011
Shareholders' Equity	101,155	95,134	77,493	76,045	73,548	(38,073)	(45,469)
Non-Current Liabilities	212,000	-	-	-	-	96,764	84,255
Current Liabilities	1,455,424	726,256	643,916	495,870	307,116	208,301	212,596
Non-Current Assets	1,349	1,492	2,267	2,709	5,976	7,263	8,745
Current Assets	1,767,230	819,898	719,142	569,206	374,688	259,730	242,636

## Financial Ratios:

	2017	2016	2015	2014	2013	2012	2011
Turnover on Profit / (Loss) before Tax	3.90%	3.48%	1.63%	1.67%	2.03%	0.36%	-3.85%
Proposed Dividend	5.00%	-	10.00%	10.00%	10.00%	-	-
Return on Assets	0.34%	3.46%	1.69%	2.32%	4.10%	2.77%	-13.73%
Return on Equity	5.95%	29.90%	15.81%	17.49%	21.24%	-	-
Earnings / (Loss) per Share	0.56	2.63	1.13	1.23	1.7	6.16	(28.76)
Market value per Share	191.00	55.49	86.54	91	28.35	31.8	27.48
Book Value per Share	9.37	8.79	7.18	7.04	6.81	(31.73)	(37.89)
Current Ratio	1.21	1.13	1.12	1.15	1.22	1.25	1.14

# Statement of Compliance with Code of Corporate Governance

[See clause 5.19..24.]

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of Listing Regulation of Pakistan Stock Exchange for the purpose of establishing a frame work of good governance whereby a listed company is managed in compliance with best practices of the corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board of Directors includes:

Category	Name of Director
Independent Director:	Mr. Hasan Tariq Khan
Executive Director:	Mr. Arshad Anis
Non-Executive Directors:	Mr. Rashid Abdulla
	Mr. Ayaz Abdulla
	Mr. Asad Abdulla
	Mr. Zubair Razzak Palwala
	Mr. Munis Abdullah

The independent director meets the criteria of independence under clause 5.19.1. (b) of the CCG

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurring on the board during the year.
5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by the Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. There were no training programs conducted for its directors during the year. However, the Board is compliant with the training requirement and the criteria as prescribed in the CCG.
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the Corporate and Financial Reporting requirements of CCG.
15. The Board has formed an Audit Committee. It comprises of three members, all of them are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a HR and Remuneration Committee. It comprises of the three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The Board has setup an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The Statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the Partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its Partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the person associated with team have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions which may materially affect the market price of Company's securities was determined and intimated to directors, employees and stock exchange(s).
22. Material/Price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. The related party transactions have been placed before the audit committee and approved by the Board of Directors along with pricing methods for transactions carries out on terms equivalent to those that prevail in the arm's length transactions.
25. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board

  
**Arshad Anis**  
Chief Executive Officer

Date: September 27, 2017

  
**Zubair Razzak Palwala**  
Director



**A. F. FERGUSON & CO.**

# Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of United Brands Limited for the year ended June 30, 2017 to comply with the Code contained in Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.



## ***A. F. FERGUSON & CO.***

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

A handwritten signature in black ink, appearing to read "A. F. Ferguson &amp; Co.", written over a horizontal line.

Chartered Accountants

Karachi

Dated: October 06, 2017



**A. F. FERGUSON & CO.**

## Auditors' Report to the Members

We have audited the annexed balance sheet of United Brands Limited as at June 30, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:


- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;





**A. F. FERGUSON & CO.**

- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

  
Chartered Accountants  
Karachi

Dated: October 6, 2017

Engagement Partner: Farrukh Rehman

# Balance Sheet

As at June 30, 2017

	Note	June 30, 2017 Rupees '000	June 30, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	812	1,005
Intangible assets	4	423	373
Long term deposits	5	114	114
		<u>1,349</u>	<u>1,492</u>
<b>Current assets</b>			
Stock-in-trade	6	835,451	436,549
Trade debts	7	116,460	74,201
Advances	8	264,326	5,582
Other receivables	9	370,168	233,118
Short term prepayments	10	63,623	-
Refunds due from government - sales tax		26,216	9,989
Taxation - payments less provision		43,703	5,096
Cash and bank balances	11	47,283	55,363
		<u>1,767,230</u>	<u>819,898</u>
<b>Total assets</b>		<u><b>1,768,579</b></u>	<u><b>821,390</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	108,000	108,000
Accumulated loss		(6,845)	(12,866)
		<u>101,155</u>	<u>95,134</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term loan	13	212,000	-
<b>Current liabilities</b>			
Trade and other payables	14	1,089,360	726,256
Short term borrowings	15	355,675	-
Accrued Markup	16	10,389	-
		<u>1,455,424</u>	<u>726,256</u>
<b>Total liabilities</b>		<u><b>1,667,424</b></u>	<u><b>726,256</b></u>
<b>COMMITMENTS</b>			
	17		
<b>Total equity and liabilities</b>		<u><b>1,768,579</b></u>	<u><b>821,390</b></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Profit and Loss Account

For the year ended June 30, 2017

	Note	June 30, 2017 Rupees '000	June 30, 2016
Revenue	18	1,389,745	1,483,737
Cost of sales	19	(1,046,814)	(1,254,493)
Gross profit		<u>342,931</u>	<u>229,244</u>
Distribution cost	20	(208,951)	(128,528)
Administrative expenses	21	(47,960)	(40,647)
Other expenses	22	(16,479)	(2,364)
Operating profit		<u>69,541</u>	<u>57,705</u>
Finance cost	23	(15,395)	(6,076)
Profit before taxation		<u>54,146</u>	<u>51,629</u>
Taxation	24	(48,125)	(23,188)
Profit after taxation		<u>6,021</u>	<u>28,441</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>6,021</u></u>	<u><u>28,441</u></u>
		(Rupees)	
Basic and diluted earnings per share	25	<u>0.56</u>	<u>2.63</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Cash Flow Statement

For the year ended June 30, 2017

	Note	June 30, 2017 Rupees '000	June 30, 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	26	(483,792)	58,634
Income tax paid		(86,732)	(20,630)
Finance cost paid		(5,006)	(6,076)
Increase in long term deposits		-	63
Net cash (used in) / generated from operating activities		(575,530)	31,991
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(119)	(505)
Purchase of intangibles		(59)	-
Net cash used in investing activities		(178)	(505)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(47)	(10,644)
Long term loans		212,000	-
Short term borrowings		355,675	(28,698)
Net cash generated from / (used in) financing activities		567,628	(39,342)
Net decrease in cash and cash equivalents		(8,080)	(7,856)
Cash and cash equivalents at the beginning of the year		55,363	63,219
Cash and cash equivalents at the end of the year	27	47,283	55,363

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Statement of Changes in Equity

For the year ended June 30, 2017

	Share capital	Accumulated loss (Rupees '000)	Total
Balance as at July 1, 2015	108,000	(30,507)	77,493
Profit for the year	-	28,441	28,441
Other comprehensive income	-	-	-
Total comprehensive income	-	28,441	28,441
Final dividend for the year ended June 30, 2015 - Rs. 1.00 per share	-	(10,800)	(10,800)
Balance as at July 1, 2016	108,000	(12,866)	95,134
Profit for the year	-	6,021	6,021
Other comprehensive income	-	-	-
Total comprehensive income	-	6,021	6,021
Balance as at June 30, 2017	<u>108,000</u>	<u>(6,845)</u>	<u>101,155</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

## 1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Company Act, 1913. The Company was renamed as UDL Industries Limited on March 16, 1987 under the Companies Ordinance, 1984. The Company was again renamed as United Brands Limited, a public limited Company on April 5, 2006 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 8th Floor, N.I.C Building, Abbasi Shaheed Road, Karachi.

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

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

During the year the company has added to its portfolio certain products for distribution that are imported / local under agreement with respective suppliers. Further, distribution of consumer products of Searle - sister subsidiary company have been made from the Company during the year. Previously distribution of these products were under IBL Operations (Private) Limited - Associated company.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

### 2.1 Basis of preparation

#### 2.1.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

#### 2.1.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no matters involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to the financial statements.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

There have been no critical judgments made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements.

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

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

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provides clarification on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2016 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

#### (c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but are relevant

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

## 2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

## 2.3 Property and equipment

### i. Owned

These are initially recognised at cost and are subsequently carried at cost less accumulated depreciation and impairment losses (if any) except capital work-in-progress which is stated at cost.

Capital work-in-progress consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to relevant operating assets category as and when assets are available for use.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

Depreciation is charged to income using the straight-line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in note 3.1 to the financial statements. Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying value of operating assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are included in profit and loss account.

## ii. Assets subject to finance lease

These are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of assets. The related obligations under the lease are accounted for as liabilities. Financial charges are allocated to the accounting period in a manner so as to provide a constant rate of charge on the outstanding liability. Depreciation is charged to income applying the same basis as of owned assets.

## 2.4 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Computer software licenses are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life using the straight line method.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

## 2.5 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Cost is determined using the First-In-First out (FIFO) basis. Provision is made for obsolete and slow-moving items.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Stock in transit are valued at cost comprising invoice value plus other charges incurred thereon.

## 2.6 Trade debts and other receivables

Trade debts and other receivables are recognised and carried at invoice value less a provision for impairment. Trade debts and other receivables considered irrecoverable are written-off. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.



## 2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks, cash and cheques held at branches and running finance facilities under mark-up arrangements availed from the banks.

## 2.8 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

## 2.9 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

## 2.10 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 2.11 Taxation

### i. Current

The charge for current taxation is based on the taxable income at the current rate of taxation after taking into account tax credits and rebates available, if any.

### ii. Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the profit and loss account.

Deferred tax is determined at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates enacted at the balance sheet date.

## 2.12 Employee benefits

### i. Defined contribution plan

The Company operates a recognised provident fund for its eligible and permanent employees. Equal monthly contributions are made both by the Company and the employees at the rate of 10% of basic salary. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### ii. Leave encashment - compensated absences

The Company accounts for employees' leave encashment at the end of December each year on the basis of 15 days of unavailed leave balance of each employee. The liability recognised in this respect is based on one half of the employee's last drawn basic salary.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

## 2.13 Revenue recognition

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of government levies, discounts and incentives.

## 2.14 Borrowings and their cost

Borrowings are recognised initially at fair value net of transaction cost incurred and subsequently at amortised cost using the effective interest method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use and are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Such borrowing costs are capitalised as part of the cost of that asset.

Borrowings payable within next twelve months are classified as current liabilities.

## 2.15 Foreign currency transactions and translation

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. The figures are rounded off to the nearest thousand of Rupees.

Transactions in foreign currencies are accounted for in rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies, if any, as at the balance sheet date are translated into rupees using the exchange rates prevailing at the balance sheet date. Exchange gains and losses, if any, are included in the profit and loss account.

## 2.16 Financial instruments

### Financial assets

#### i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

#### ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivables and cash and bank balances in the balance sheet.

### iii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

### iv. Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

## Financial liabilities

All financial liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

Financial liabilities carried in the balance sheet include running finance under markup arrangements and trade and other payables.

## Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognised amounts and the company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2.17 Dividend

Dividend distribution to shareholders is accounted for in the period in which the dividend is declared.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

					June 30, 2017 Rupees '000	June 30, 2016 Rupees '000
<b>3. PROPERTY AND EQUIPMENT</b>					<b>812</b>	<b>1,005</b>
Operating assets - note 3.1						
<b>3.1 Operating assets</b>						
	Leasehold Improvements	Furniture and Fittings	Office and other Equipments	Motor Vehicles	Total	
	----- Rupees '000 -----					
<b>Net carrying value basis</b>						
<b>Year ended June 30, 2017</b>						
Opening net book value (NBV)	-	42	963	-	1,005	
Additions (at cost)	-	28	91	-	119	
Depreciation charge	-	(6)	(306)	-	(312)	
<b>Closing net book value (NBV)</b>	-	64	748	-	812	
<b>Gross carrying value basis</b>						
<b>At June 30, 2017</b>						
Cost	1,698	1,142	9,783	2,842	15,465	
Accumulated depreciation	(1,698)	(1,078)	(9,035)	(2,842)	(14,653)	
<b>Net book value (NBV)</b>	-	64	748	-	812	
<b>Net carrying value basis</b>						
<b>Year ended June 30, 2016</b>						
Opening net book amount	-	232	1,775	-	2,007	
Additions (at cost)	-	-	215	-	215	
Depreciation charge	-	(190)	(1,027)	-	(1,217)	
<b>Closing net book value (NBV)</b>	-	42	963	-	1,005	
<b>Gross carrying value basis</b>						
<b>At June 30, 2016</b>						
Cost	1,698	1,114	9,692	2,842	15,346	
Accumulated depreciation	(1,698)	(1,072)	(8,729)	(2,842)	(14,341)	
<b>Net book value (NBV)</b>	-	42	963	-	1,005	
<b>Useful lives (years)</b>	10	10	5	5		

#### 4 INTANGIBLE ASSETS

Computer software - note 4.1  
Capital work-in-process

June 30, 2017	June 30, 2016
Rupees '000	
423	-
-	373
<u>423</u>	<u>373</u>

##### 4.1 Computer software

###### Net carrying value basis

Opening net book value  
Addition during the year - note 4.1.1  
Amortisation charge  
Net book value

-	-
432	-
(9)	-
<u>423</u>	<u>-</u>

###### Gross carrying value basis

Cost  
Accumulated Amortisation  
Net book value

432	-
(9)	-
<u>423</u>	<u>-</u>

Useful life in years

<u>5</u>	<u>5</u>
----------	----------

- 4.1.1 This amount represents the purchase of Microsoft Office, Outlook server for email integration and capitalization of website.

#### 5 LONG TERM DEPOSITS

Long term deposits - note 5.1

June 30, 2017	June 30, 2016
Rupees '000	
<u>114</u>	<u>114</u>

- 5.1 The amount represent house rent deposit given to the employees in accordance with the terms of employment.

- 5.2 These deposits do not carry any mark up arrangement.

#### 6 STOCK-IN-TRADE

Finished goods:  
- in hand - note 6.1  
- in transit

June 30, 2017	June 30, 2016
Rupees '000	
603,880	432,740
<u>246,254</u>	<u>4,396</u>
<u>850,134</u>	<u>437,136</u>
Less: Provision for slow moving, obsolete and damaged goods	
<u>14,683</u>	<u>587</u>
<u>835,451</u>	<u>436,549</u>

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

6.1 These include stock-in-trade amounting to Rs 83.6 million held with third party (2016: Rs. 172 million).

## 7. TRADE DEBTS - unsecured

### Considered good

- Related party - note 7.1
- Others - note 7.2

June 30,  
2017                      June 30,  
2016  
Rupees '000

1,981	505
114,479	73,696
<u>116,460</u>	<u>74,201</u>

7.1 Represents amounts due from following related parties:

- Habitt - associated undertaking
- The Searle Company Limited - associated company
- IBL HealthCare Limited - associated company
- Mycart Private Limited

192	426
682	11
21	-
1,086	68
<u>1,981</u>	<u>505</u>

As at June 30, 2017, the age analysis of these trade debts is as follows:

Not yet due 1,196 505

Past due but not impaired

- 1 to 3 months
- 3 to 6 months
- 6 to 12 months

766	-
11	-
8	-
785	-
<u>1,981</u>	<u>505</u>

7.2 As at June 30, 2017, the age analysis of these trade debts is as follows:

Not yet due 53,462 47,929

Past due but not impaired

- 1 to 3 months
- 3 to 6 months
- 6 to 12 months

53,555	22,760
4,910	2,465
2,552	542
61,017	25,767
<u>114,479</u>	<u>73,696</u>

## 8. ADVANCES - considered good

- Executives - note 8.1 & 8.2
- Advance against letter of credit - note 8.3
- Others - note 8.4

-	9
245,061	-
19,265	5,573
<u>264,326</u>	<u>5,582</u>

8.1 Reconciliation of the carrying amounts of advances to Executives:

Opening balance	9	739
Repayments / settlements	(9)	(730)
Closing Balance	<u>-</u>	<u>9</u>

8.2 No amount was extended to Executives at any point in time during the year (2016: Rs. Nil).

8.3 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.

8.4 This includes an amount of Rs. 18.29 million paid to clearing agents and regulatory authority.

8.5 These advances do not carry any mark up arrangement.

## 9. OTHER RECEIVABLES - unsecured

Considered good

- Related party - note 9.1
- Others - note 9.2

June 30, 2017	June 30, 2016
Rupees '000	
19	-
370,149	233,118
<u>370,168</u>	<u>233,118</u>

9.1 This represents amount receivable from The Searle Company Limited - associated company. The amount represents claims in respect of marketing expenses and discounts given on behalf of the associated company.

9.2 This represents receivable from principals in respect of stock claims, expenses and others.

## 10. SHORT TERM PREPAYMENTS

This represents amount paid to Red Bull Asia FZE in respect of marketing contribution as per the terms of the agreement. Such amount is amortised as the related products are distributed.

## 11. CASH AND BANK BALANCES

- With banks on current accounts - note 11.1
- With banks on savings account - note 11.2
- Cash and cheques in hand

June 30, 2017	June 30, 2016
Rupees '000	
35,053	46,001
25	25
12,205	9,337
<u>47,283</u>	<u>55,363</u>

11.1 All current accounts are maintained under conventional banking system.

11.2 Savings account is maintained under Islamic banking system carrying profit sharing rate of 0.05% (2016: 0.05%)

## 12. SHARE CAPITAL

### Authorised Share Capital

Number of Shares 2017	2016
--------------------------	------

12,000,000 12,000,000 Ordinary shares of Rs. 10/- each

June 30, 2017	June 30, 2016
Rupees '000	
<u>120,000</u>	<u>120,000</u>

### Issued, Subscribed and Paidup Share Capital

Number of Shares 2017	2016
--------------------------	------

10,800,000 10,800,000 Ordinary shares of Rs. 10/- each fully paid in cash

10,800,000 10,800,000

108,000	108,000
<u>108,000</u>	<u>108,000</u>

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

- 12.1** As at June 30, 2017 International Brands Limited together with its nominees held 10,381,225 (June 30, 2016: 10,381,225) ordinary shares of Rs. 10 each.

## 13. LONG TERM LOANS

This represents amount borrowed from IBL Operations (Private) Limited - associated company on 31 March, 2017 for onward payment to creditors, carrying interest at the rate of 6 month KIBOR + 2.5% repayable in 3 years .

## 14. TRADE AND OTHER PAYABLES

	June 30, 2017	June 30, 2016
	Rupees '000	
Creditors	236,304	533,256
Payable to International Brands Limited - note 14.1	1,000	200
Payable to IBL Operations (Private) Limited - note 14.2	205,704	178,693
Payable to The Searle Company Limited -14.3	43,244	-
Accrued liabilities	12,750	5,352
Provision for imports	577,574	1,326
Payable to provident fund	73	372
Advances from customers	7,234	455
Taxes deducted at source and payable to statutory authorities	-	89
Unpaid dividend	495	542
EOBI and SESSI payable	2,615	2,564
Others	2,367	3,407
	<u>1,089,360</u>	<u>726,256</u>

- 14.1** This represents amount payable on account of corporate service charges.

- 14.2** This includes Rs. 108 million paid by IBL Operations (Private) Limited - associated company for onward payment to creditors. The above also includes amount payable under agreement for sharing of expenses relating to sales and administrative infrastructure.

- 14.3** This represents amount payable in respect of goods purchased from related party.

## 15. SHORT TERM BORROWINGS

	June 30, 2017	June 30, 2016
	Rupees '000	
Running finance under mark-up arrangement - note 15.1	19,675	-
Short term loan - note 15.2	196,000	-
Short term loan from IBL Operations (Private) Limited - note 15.3	140,000	-
	<u>355,675</u>	<u>-</u>

- 15.1** As at June 30, 2017 available running finance facility under mark-up arrangements from Habib Bank Limited amounted to Rs. 35 million (June 30, 2016: Rs. Nil). The arrangement are secured by way of pari passu charge over the stock and receivables of the Company with 25% margin.

The arrangements carry mark-up at the rate of 2.25% above one month KIBOR (June 30, 2016: Nil) to be determined on monthly basis.



- 15.2 This represent short term loan obtained under financing arrangement from Al-Baraka Bank Limited. This arrangement is secured by way of hypothecation over stock and receivable of the Company with 25% margin.

This arrangement carries markup at the rate of 2.5% above six month KIBOR.

- 15.3 This represents Rs. 140 million borrowed from IBL Operations (Private) Limited - associated company for onward payments to creditors carrying interest at the rate of 6 month KIBOR + 2.5%.

## 16. ACCRUED MARKUP

Markup payable on

- Long term borrowings
- Short term borrowings - note 16.1

June 30,  
2017      June 30,  
2016  
Rupees '000

4,578	-
5,811	-
<u>10,389</u>	<u>-</u>

- 16.1 This includes Rs. 4.64 million markup payable to IBL Operations (Private) Limited - associated company.

## 17. COMMITMENTS

The facilities for opening letter of credit and guarantees as at June 30, 2017 amounted to Rs. 715 million (June 30, 2016: Rs. 40 million) and Rs. 100 million (June 30, 2016: Rs. 40 million) respectively. The amount remaining unutilised at the year end for letter of credit and guarantees was Rs. 510.7 million (June 30, 2016: Rs. 19.67 million) and Rs. 100 million (June 30, 2016: Rs. 40 million) respectively.

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

## 18. REVENUE

June 30,  
2017      June 30,  
2016  
Rupees '000

Gross sales	1,783,534	1,797,822
Less:		
Trade discounts	122,462	33,609
Sales return	<u>23,813</u>	<u>9,435</u>
	<u>1,637,259</u>	<u>1,754,778</u>
Less: Sales tax	<u>247,514</u>	<u>271,041</u>
	<u>1,389,745</u>	<u>1,483,737</u>

## 19. COST OF SALES

Opening stock	436,549	428,072
Purchases during the year - net of claims	1,445,716	1,262,970
Closing stock	<u>(835,451)</u>	<u>(436,549)</u>
	<u>1,046,814</u>	<u>1,254,493</u>

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

	June 30, 2017	June 30, 2016
	Rupees '000	
<b>20. DISTRIBUTION COST</b>		
Salaries, wages and allowances - note 20.1	39,256	54,584
Freight and cartage	29,395	22,048
Vehicle running and repair & maintenance	19,003	21,970
Rent, rates and taxes	17,728	12,051
Advertising and sales promotion - note 20.2	93,058	4,582
Insurance and security expenses	5,633	6,142
Utilities	1,628	2,427
Travelling and conveyance	1,458	2,337
Depreciation	163	1,168
Printing and stationary	568	334
Communication and entertainment	1,061	885
	<u>208,951</u>	<u>128,528</u>

**20.1** Salaries, wages and allowances include Rs. 0.93 million (2016: Rs. 0.87 million) in respect of contributory provident fund.

**20.2** This includes Rs. 71.6 million (2016: Nil) in respect of amortisation of short term prepayments pertaining to marketing contribution for Red Bull.

	June 30, 2017	June 30, 2016
	Rupees '000	
<b>21. ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and allowances - note 21.1	26,546	22,911
Legal and professional	4,213	4,899
Auditors' remuneration - note 21.2	2,242	2,467
Travelling and conveyance	3,474	2,964
Corporate service charges - note 21.3	2,400	2,400
Rent, rates and taxes	1,981	1,470
Vehicle running and repair & maintenance	163	65
Fee and subscription	705	729
Communication and entertainment	564	551
Depreciation	149	49
Amortisation	9	-
Utilities	599	580
Insurance and security expenses	136	92
Demurrages	3,208	-
Printing and stationary	763	738
Others	808	732
	<u>47,960</u>	<u>40,647</u>

**21.1** Salaries, wages and allowances include Rs. 1.01 million (2016: Rs. 1.47 million) in respect of contributory provident fund.

## 21.2 Auditors' remuneration

	June 30, 2017	June 30, 2016
	Rupees '000	
Audit fee	800	800
Fee for review of half yearly financial information and Statement of Compliance with Code of Corporate Governance	500	500
Taxation services	600	856
Out-of-pocket expenses	342	311
	<u>2,242</u>	<u>2,467</u>

21.3 This represents reimbursement of information technology charges to International Brands Limited (Holding company) at Rs. 200 thousand per month.

	June 30, 2017	June 30, 2016
	Rupees '000	
Provision for expired and damaged stock	14,096	2,335
Provision for bad debt expense	1,642	29
Sales tax unrecoverable written-off	741	-
	<u>16,479</u>	<u>2,364</u>

## 22. OTHER EXPENSES

## 23. FINANCE COST

Bank charges	1,514	1,360
Financial charges on domestic supplier finance	-	4,066
Financial charges on long term borrowings	4,577	-
Financial charges on short term borrowings	5,901	-
Exchange loss - net	3,403	650
	<u>15,395</u>	<u>6,076</u>

## 24. TAXATION

- for current year	48,877	23,188
- for Prior year	(752)	-
	<u>48,125</u>	<u>23,188</u>

### 24.1 Relationship between current tax expenses and accounting profit

Accounting profit before taxation	<u>54,146</u>	<u>51,629</u>
Tax at the applicable tax rate of 31% (2016: 32%)	16,785	16,521
Effect of applicability of final tax	30,755	6,403
Expenses not deductible for tax purposes	1,337	11
Prior year effect	(752)	-
Others	-	253
Tax expense for the year	<u>48,125</u>	<u>23,188</u>

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

	June 30, 2017	June 30, 2016
	Rupees '000	
<b>25. Basic and diluted earnings per share</b>		
Profit after taxation attributable to ordinary shareholders	<u>6,021</u>	<u>28,441</u>
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	<u>10,800,000</u>	<u>10,800,000</u>
	(Rupees)	
Basic and diluted earnings per share	<u>0.56</u>	<u>2.63</u>
<b>25.1</b> A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2017 and 2016 which would have any effect on the earnings per share if the option to convert is exercised.		
	June 30, 2017	June 30, 2016
	Rupees '000	
<b>26. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	54,146	51,629
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	312	1,217
Amortisation	9	-
Finance cost	15,395	6,076
	<u>15,716</u>	<u>7,293</u>
	69,862	58,922
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stock-in-trade	(398,902)	(8,477)
Trade debts	(42,259)	(35,974)
Advances	(258,744)	1,603
Short term prepayments	(63,623)	-
Other receivables	(137,050)	(70,068)
Refunds due from government - sales tax	(16,227)	1,746
	<u>(916,805)</u>	<u>(111,170)</u>
<b>Increase in current liabilities:</b>		
Trade and other payables	363,151	110,882
Cash (used in) / generated from operations	<u>(483,792)</u>	<u>58,634</u>
<b>27. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u>47,283</u>	<u>55,363</u>

## 28. REMUNERATION TO CHIEF EXECUTIVE AND EXECUTIVES

	CHIEF EXECUTIVE		EXECUTIVES	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	-----Rupees '000-----			
Basic salary	960	693	14,067	10,337
Allowances	480	392	7,034	6,781
Bonus	160	93	2,345	2,727
Company's contribution to provident fund	96	69	1,407	1,034
Leave encashment	40	56	586	431
Medical expenses	80	58	1,172	861
	<u>1,816</u>	<u>1,361</u>	<u>26,611</u>	<u>22,171</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>

**28.1** The Chief Executive and certain Executives are entitled for medical facility to the extent of reimbursement of actual expenditure and other benefits in accordance with their terms of employment.

**28.2** In addition to the above, fee paid to directors for attending Board of Directors meetings during the year amounted to Rs. 480 thousand (2016: Rs. 655 thousand).

## 29. TRANSACTIONS WITH RELATED PARTIES

**29.1** The following transactions were carried out with related parties during the year:

Nature of relationship	Nature of transactions	2017	2016
		Rupees '000	
Holding Company	- Payments of Dividend	-	10,381
	- Corporate Service Charges	2,400	2,400
Associated companies	- Purchases	56,877	-
	- Shared expenses	53,174	44,470
	- Loans obtained	352,000	140,000
	- Sale of goods	2,704	1,662
Post employment staff benefit plans	- Contributions to provident fund	1,933	2,019
Key management employees compensation	- Salaries and other employee benefits	26,924	22,429
	- Contributions to provident fund	1,503	1,103
	- Directors' fees	480	655

**29.2** The Company has an agreement with IBL regarding sharing of expenses relating to sales and administrative infrastructure.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

**29.3** The status of outstanding balances with related parties as at June 30, 2017 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.

## 30. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the Fund as at June 30:

	2017 Rupees '000	2016 Rupees '000
Size of the fund - Total assets	<u>8,537</u>	<u>10,832</u>
Percentage of investments made	<u>83.30%</u>	<u>94.41%</u>
Fair value of investments	<u>7,111</u>	<u>10,227</u>

**30.1** The cost of above investments amounted to Rs. 3 million (2016: Rs. 5 million).

**30.2** The break-up fair value of investments is as follows:

	June 30, 2017 Percentage	June 30, 2016 Percentage	June 30, 2017 Rupees '000	June 30, 2016 Rupees '000
Government securities	0%	20%	-	2,085
Unit trust scheme	47%	33%	3,318	3,317
Balance with banks	53%	47%	3,793	4,825
	<u>100%</u>	<u>100%</u>	<u>7,111</u>	<u>10,227</u>

**30.3** SECP has issued "Employees' Provident Fund (Investment in Listed Securities) Rules, 2016" through SRO 770 (1) / 2016, dated August 17, 2016 in relation to investment made out of provident fund. Section 1 (3) of the said rules states that "within two years from the commencement of these rules, all investment from provident funds or trust shall be brought in conformity with the provisions of these rules".

## 31. NUMBER OF EMPLOYEES

	June 30, 2017	June 30, 2016
Number of employees	<u>91</u>	<u>121</u>
Average number of employees during the year	<u>106</u>	<u>130</u>

## 32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

- 32.1 All the financial assets of the Company are classified as loans and receivables and all the financial liabilities are categorised as financial liabilities measured at fair value. The carrying value of all financial assets and liabilities approximate their fair values.

	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
------(Rupees in thousand)-----							
<b>FINANCIAL ASSETS</b>							
Long term deposits	-	-	-	-	114	114	114
Trade debts	-	-	-	116,460	-	116,460	116,460
Advances	-	-	-	264,326	-	264,326	264,326
Other receivables	-	-	-	370,168	-	370,168	370,168
Cash and bank balances	25	-	25	47,283	-	47,283	47,308
<b>June 30, 2017</b>	<b>25</b>	<b>-</b>	<b>25</b>	<b>798,237</b>	<b>114</b>	<b>798,351</b>	<b>798,376</b>
June 30, 2016	25	-	25	368,239	114	368,353	368,378
<b>FINANCIAL LIABILITIES</b>							
Long term loans	-	212,000	212,000	-	-	-	212,000
Trade and other payables	-	-	-	1,082,126	-	1,082,126	1,082,126
Short term borrowings	355,675	-	355,675	-	-	-	355,675
Accrued Markup	-	-	-	10,389	-	10,389	10,389
<b>June 30, 2017</b>	<b>355,675</b>	<b>212,000</b>	<b>567,675</b>	<b>1,092,515</b>	<b>-</b>	<b>1,092,515</b>	<b>1,660,190</b>
June 30, 2016	-	-	-	725,801	-	725,801	725,801
<b>ON BALANCE SHEET DATE GAP</b>							
<b>June 30, 2017</b>	<b>(355,650)</b>	<b>(212,000)</b>	<b>(567,650)</b>	<b>(294,278)</b>	<b>114</b>	<b>(294,164)</b>	<b>(861,814)</b>
June 30, 2016	-	-	-	(357,992)	114	(357,878)	(357,878)
<b>OFF BALANCE SHEET ITEMS</b>							
Letters of credit / guarantees							
<b>June 30, 2017</b>							<b>204,298</b>
June 30, 2016							19,726

## 32.2 Financial Risk Management

### (a) Market risk

#### (i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2017, the Company is not materially exposed to interest rate risk.

As at June 30, 2017, the Company had variable interest bearing financial liabilities of Rs. 567.67 million (2016: Nil) and had the interest rate varied by 200 basis points with all the other variables held constant, profit before tax for the year would have been approximately Rs. 11.35 million lower / higher.

#### (ii) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is exposed to currency risk on payables in respect of imported stock denominated in US Dollar (\$). The total foreign currency risk exposure as at June 30, 2017 is Rs 577.6 million (June 30, 2016: Rs 1.3 million).



# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2017

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the balance sheet date and assumes this is the position for the year. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (5 years) rates have moved on average basis by the mentioned percentage per annum.

## (b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Company believes that it is not exposed to major concentration of credit risk as the exposure is spread over a number of counter parties. To manage exposure to credit risk, Company applies credit limits to its customers.

As at June 30, 2017 there are no past due or impaired balances other than Rs 1.64 million (June 30, 2016: Rs 0.41 million) and the carrying amount of trade debts relate to number of independent customers for whom there is no history of default.

Loans to employees are secured against their retirement benefits.

Bank balances represent low credit risk as these are placed with banks having good credit rating assigned by credit rating agencies.

Due to the Company's long standing relations with the counterparties, the management does not expect non performance by these counterparties on their obligations to the Company.

## (c) Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The management closely monitors the Company's liquidity and cash flow position. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity based on expected cash flow by holding highly liquid assets, creditor concentration and maintaining sufficient reserve borrowing facilities.

## 33. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can provide adequate returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratios at June 30, 2017 and at June 30, 2016 were as follows:

	2017	2016
	Rupees '000	
Total borrowings	567,675	-
Cash and bank - note 11	(47,283)	(55,363)
Net debt	520,392	(55,363)
Equity	101,155	95,134
Total capital	621,547	39,771
Debt to capital ratio	0.84	-

#### 34. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 27, 2017 proposed a final cash dividend of Rs. 0.5 per share (2016: Rs. Nil per share) amounting to Rs. 5.4 million (2016: Rs. Nil) subject to the approval of the Company in the forthcoming annual general meeting.

Finance Act, 2017 introduced income tax at the rate of 7.5% of accounting profit before tax on every public company that derives profit for a tax year but does not distribute at least forty percent of its after tax profits within six months of the end of the tax year through cash or bonus shares. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

#### 35. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorised for issue on September 27, 2017.



Chief Executive Officer



Director



Chief Financial Officer

# Pattern of Shareholding

As of June 30, 2017

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
Directors & their spouse	6	12,800	0.12%
Associated Companies, undertaking and related parties	2	10,381,225	96.12%
Executives	-	-	0.00%
Public Sector Companies & Corporations	2	1,654	0.02%
Banks, DFIs, NBFCs, insurance companies, takaful, modarbas, pension funds	2	6,229	0.06%
Mutual Funds	-	-	0.00%
General Public Foreign	-	-	0.00%
General Public Local	401	396,065	3.67%
Others	3	2,027	0.02%
Total	416	10,800,000	100%

Shareholding 5% or more shares	Number of Shareholders	Shares Held	Percentage
International Brands Limited	1	10,381,225	96.12%

Number of Shareholders	Shareholding's Slab			Total Shares Held
292	1	to	100	6,079
61	101	to	500	18,694
18	501	to	1000	15,946
26	1001	to	5000	68,500
10	5001	to	10000	68,046
4	10001	to	30000	73,950
2	30001	to	70000	96,000
2	70001	to	100000	150,610
1	100001	to	1305000	10,302,175
416				10,800,000

# Pattern of Shareholding

As of June 30, 2017

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
<b>Directors &amp; their spouse</b>					
1	03277-20909	ASAD ABDULLA	1	2,500	0.02%
2	03277-21385	AYAZ ABDULLA	1	2,500	0.02%
3	596	RASHID ABDULLA	1	5,350	0.05%
4	689	SHAKILA RASHID	1	1,450	0.01%
5	817	ZUBAIR PALWALA	1	500	0.00%
6	843	MUNIS ABDULLAH	1	500	0.00%
			6	12,800	0.12%
<b>Associated Companies, undertaking and related parties</b>					
1	03277-2937	INTERNATIONAL BRANDS LIMITED	1	10,302,175	95.39%
2	770	INTERNATIONAL BRANDS LIMITED	1	79,050	0.73%
			2	10,381,225	96.12%
<b>Executives</b>					
1		Nil	-	-	-
			-	-	-
<b>Banks, DFIs, NBFCs, insurance companies, takaful, modarbas, pension funds</b>					
1	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	733	0.01%
2	02113-708	FIRST UDL MODARBA	1	5,496	0.05%
			2	6,229	0.06%
<b>Others</b>					
1	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1	26	0.00%
2	03525-87235	MAPLE LEAF CAPITAL LIMITED	1	1	0.00%
3	812	NAEEM'S SECURITIES (PVT) LTD.	1	2,000	0.02%
			3	2,027	0.02%
<b>Public Sector Companies &amp; Corporations</b>					
1	00083-36	IDBL (ICP UNIT)	1	1,650	0.02%
2	03889-28	NATIONAL BANK OF PAKISTAN	1	4	0.00%
			2	1,654	0.02%
<b>Mutual Funds</b>					
1		Nil	-	-	-
			-	-	-
<b>General Public Foreign</b>					
1		Nil	-	-	-
			-	-	-
<b>General Public Local</b>					
1		General Public	401	396,065	3.7%
			401	396,065	3.7%
			416	10,800,000	100%

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\*Mobile apps are also available for download for android and ios devices

# Dividend Mandate Form

**Mandatory Requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment as per the Companies Act, 2017**

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) or to our Share Registrar M/s. Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400 (in case your shareholding is in Physical Form):

Details of Shareholder	
Name of shareholder	
Folio / CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Email	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) "Mandatory"	PK _____ (24 digits)  (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.	
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div>_____</div> <div>_____</div> <div>_____</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>Signature of shareholder</div> <div>Date</div> <div>CNIC No.</div> </div>	

Note:

1. Please provide complete IBAN after consultation with your bank branch. In case of any error or omission in given IBAN, the Company will not be held responsible in any manner for any loss or delay in your cash dividend payment.
2. You are requested to kindly send this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC to our share registrar, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Mian Shahrah-e-Faisal, Karachi. 74400, Pakistan.





# Proxy Form

I/We \_\_\_\_\_

Of \_\_\_\_\_

being member(s) of United Brands Limited and holder(s) of \_\_\_\_\_

Ordinary Shares as per Registrar Folio No. \_\_\_\_\_ and sub Account No.

\_\_\_\_\_ hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_ as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the 53<sup>rd</sup> Annual General Meeting of the Company to be held at the 9<sup>th</sup> Floor, NIC Building, Abbasi Shaheed Road, Karachi, on Tuesday, October 31, 2017 at 07:00 p.m and at every adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signed by the Said \_\_\_\_\_ in the presence of

(witness)

(Signature must agree with the specimen signature registered with the Company)

Affix  
Revenue  
Stamp

Signature

## NOTE:

- Proxies, in order to be effective, must be received at the Company's Registered Office or Shares Registrar not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
- CDC shareholders and their proxies are requested to attach an attested photocopy of their CNIC or Passport with this proxy form before submission to the Company.

کمپنی سیکریٹری  
یونائیٹڈ برانڈز لمیٹڈ  
۸ ویں منزل، این آئی سی بلڈنگ  
عباسی شہید روڈ  
کراچی

## پراکسی فارم

میں/ہم \_\_\_\_\_ بابت \_\_\_\_\_  
بحیثیت یونائیٹڈ برانڈز لمیٹڈ کے ممبر (ممبران) اور ہولڈر (ہولڈرز) جانب \_\_\_\_\_  
عمومی شیئرز بمطابق رجسٹرڈ فلیو نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_  
بذریعہ ہذا \_\_\_\_\_ بابت \_\_\_\_\_  
کو یا ان کی عدم موجودگی کی صورت میں \_\_\_\_\_ بابت \_\_\_\_\_  
کہ کمپنی کے ۵۳ ویں سالانہ اجلاس عام بمقام ۹ ویں منزل، این آئی سی بلڈنگ، عباسی شہید روڈ، کراچی میں بروز منگل ۳۱ اکتوبر ۲۰۱۷ء بوقت شام ۷ بجے اور یا کسی  
زیر التواء تاریخ پر منعقدہ اجلاس میں میری/ہماری جگہ اور میری/ہماری جانب سے شرکت کرنے، کارروائی کرنے اور ووٹ دینے کیلئے اپنا/ہمارا پراکسی مقرر کیا جاتا ہے۔  
بطور گواہ میرے/ہمارے دستخط کے ساتھ آج \_\_\_\_\_ بروز \_\_\_\_\_ ۲۰۱۷ء کو مذکورہ \_\_\_\_\_ کی جانب سے دستخط کے تحت درج ذیل گواہ کی موجودگی میں تیار کیا گیا۔

(گواہ)

چسپاں کریں ریونیو اسٹمپ دستخط
-------------------------------------

(دستخط لازمی طور پر کمپنی کے پاس  
رجسٹرڈ دستخط نمونہ کے مطابق ہو۔)

## نوٹ:

- ۱۔ پراکسی کے موثر ہونے کیلئے ضروری ہے کہ وہ کمپنی کے رجسٹرڈ آفس یا شیئرز رجسٹرڈ اکو اجلاس کے وقت سے کم از کم ۴۸ گھنٹے قبل لازماً باقاعدہ اسٹمپ شدہ، دستخط شدہ اور گواہی کے ساتھ موصول ہو جائیں۔
- ۲۔ سی ڈی سی شیئرز ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ وہ پراکسی فارم کو کمپنی کے پاس جمع کرانے سے قبل اس کے ساتھ اپنے سی این آئی سی یا پاسپورٹ کی مصدقہ نقل لازمی طور پر منسلک کریں۔

## Notes

[illegible]

## Notes

[illegible]





8th Floor, NIC Building, Abbasi Shaheed  
Road, Karachi-75530  
Tel: 35683944-6, 35675111-7,  
Fax: 35635530, 35682772,  
[www.ubrandz.biz](http://www.ubrandz.biz)