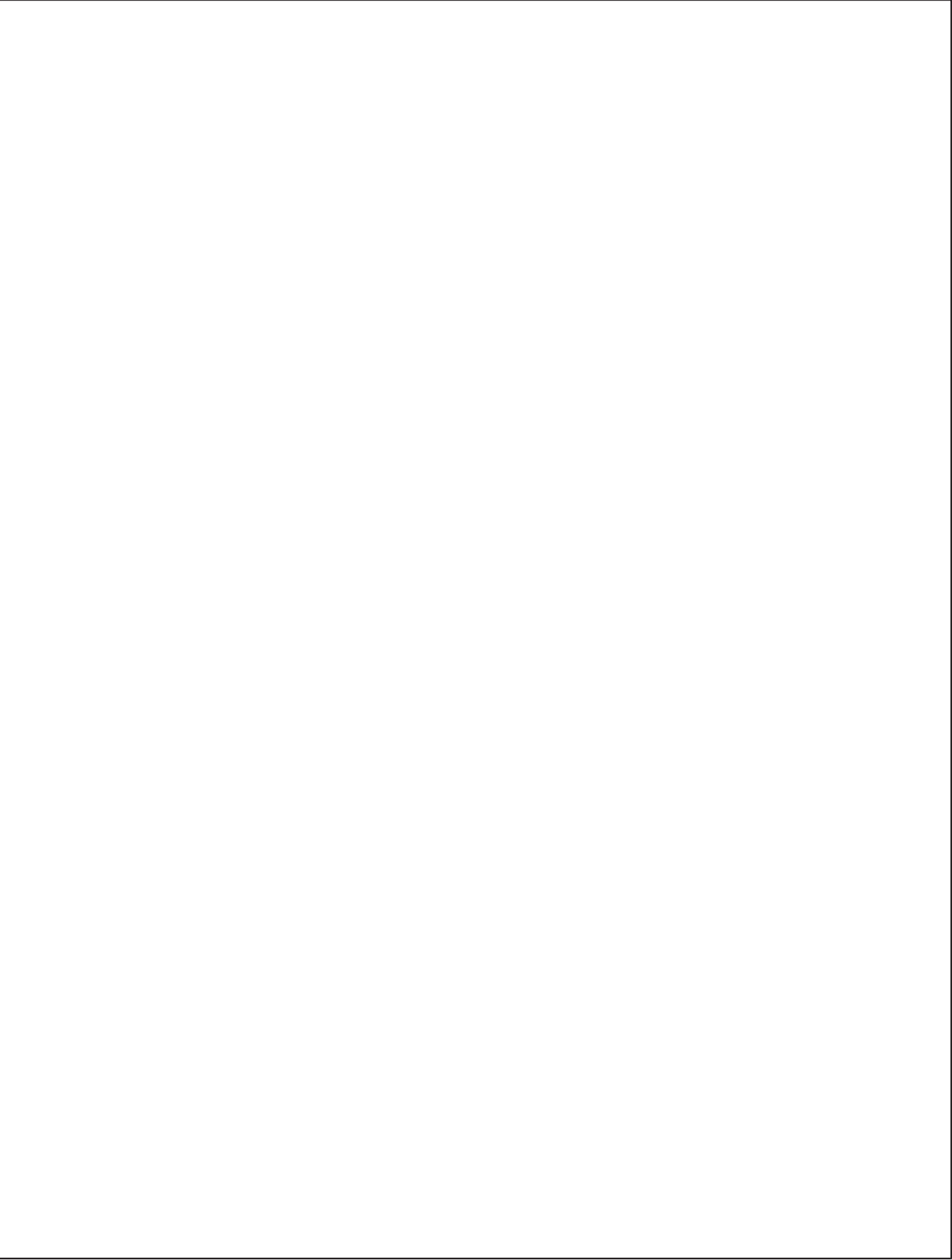




# Moving FORWARD

YEAR END REPORT **JUNE 30, 2024**



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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.

## 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

Passion  
Integrity  
Partnership  
Excellence

## OVERALL Corporate Strategy

United Brands Limited 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.

# BRANDS



# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Munis Abdullah	Chairman
Mr. Abdul Samad	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Syed Nadeem Ahmed	Chief Executive Officer
Mr. Zubair Razzak Palwala	Non-Executive Director
Ms. Faiza Naeem	Non-Executive Director
Mr. Rizwan Ahmad	Executive Director

## AUDIT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## CHIEF FINANCIAL OFFICER

Mr. Mehboob Yasin

## COMPANY SECRETARY

Mr. Farooq Akbar

## INTERNAL AUDITORS

Grant Thornton Anjum Rahman,  
Chartered Accountants

## EXTERNAL AUDITORS

A.F. Ferguson & Company,  
Chartered Accountants

## LEGAL ADVISOR

Abdul Karim Khan & Company

## BANKERS

Habib Bank Limited  
Bank Al-Habib Limited  
Silkbank Limited  
Meezan Bank Limited

Al Baraka Bank Pakistan Limited  
Habib Metropolitan Bank Limited  
Telenor Microfinance Bank

## REGISTERED OFFICE

2nd Floor, One IBL Center,  
Block No. 7 & 8, DMMCHS,  
Shahrah-e-Faisal, Karachi-75530  
Tel: 37170183,  
Fax: 35635530, 35682772

## SHARE REGISTRAR

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

## WEBSITE

[www.ubrandz.biz](http://www.ubrandz.biz)

# NOTICE OF 60<sup>th</sup> ANNUAL GENERAL MEETING OF UNITED BRANDS LIMITED

**NOTICE** is hereby given that 60th Annual General Meeting (AGM) of the Members of United Brands Limited the "Company" will be held on Monday, October 28, 2024 at 12:30 p.m. at the Registered Office of the Company at Ground Floor, One IBL Center, Block No. 7 & 8, DMMCHS, Shahrah-e-Faisal, Karachi as well as through video conferencing facility to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting of the Company held on October 27, 2023.
2. To receive, consider and adopt annual audited financial statements for the year ended June 30, 2024 together with the Directors' and Auditors' Reports thereon.
3. To appoint auditors for the next financial year ending June 30, 2025 and fix their remuneration. The present auditors, M/s. A.F. Ferguson & Company, Chartered Accountants, retired and being eligible, have offered themselves for re-appointment. The board has recommended the re-appointment of A. F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2025.

## OTHER BUSINESS

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

Date: October 07, 2024  
Place: Karachi

By the order of the board



Company Secretary

## Notes

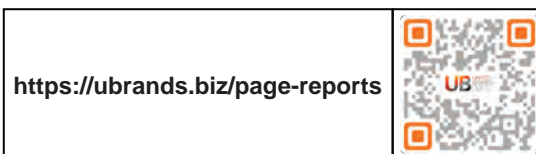
### A. Closure of Share Transfer Books:

The share transfer books will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). 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 Shahrah-e-Faisal, Karachi-74400 by close of the business on October 21, 2024 will be treated in time for the purpose of attending the annual general meeting.

### B. Circulation of Annual Report through QR Code and Through Weblink::

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SRO No. 389(1)/2023 dated 21st March, 2023 of the Securities and Exchange Commission of Pakistan, the Company has obtained Shareholders' approval in the last Annual General Meeting of the Company held on October 27, 2023 to circulate the Annual Report of the Company to Members through QR enabled Code and Weblink.

The Annual Report for the year ended June 30, 2024 is available through following QR Code and Weblink:



**C. Participation in General Meeting and appointment of Proxy:**

- i. All the 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 needs to be a member of the Company. Proxies in order to be effective must be received by the Company's Registered Office: 2nd Floor, One IBL Center, Block No. 7 & 8, DMMCHS, Shahrah-e-Faisal, Karachi – 75530 not less than 48 hours before the meeting.
- ii. 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.

**D. Updating of Particulars:**

The Members/shareholders are requested to intimate any changes in their addresses immediately to Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi – 74400.

**E. Request for Video conference facility:**

The Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for AGM 2024" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to [companysecretary@iblops.com](mailto:companysecretary@iblops.com) Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, (i.e., Name, Folio No., CNIC No./NTN, contact No.) are received at least 48 hours before the time of AGM.

1. Folio No. / CDC Investors A/c No./ Sub-A/c No.: _____
2. Name of Shareholder : _____
3. Cell Phone Number: _____
4. Email Address: _____
5. No. of Shares held: _____
6. CNIC No.: _____

## نوٹس برائے 60 واں سالانہ اجلاس عام

بذریعہ بلا مطمع کیا جاتا ہے کہ یونائیٹڈ برانڈز لمیٹڈ کے ارکان کا سالانہ اجلاس عام بروز پیر، 28 اکتوبر 2024 کو دوپہر 12:30 بجے منعقد ہوگا گراؤنڈ فلور، آئی بی ایل سینٹر، بلاک نمبر 7 اور 8، ڈی ایم ایم سی ایچ ایس، شاہراہ فیصل، کراچی میں کمپنی کے رجسٹرڈ آفس کے ساتھ ساتھ ویڈیو کانفرنسنگ کی سہولت کے ذریعے درج ذیل کاروبار کو لین دین کرنے کے لیے:

### عمومی امور

- 1-27 اکتوبر 2023 کو منعقد گزشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2-30 جون 2024 کا ختم ہونے والے سال کے لئے کمپنی میں سالانہ نظر ثانی مالیاتی حسابات معائنہ پر آڈیٹ اور ڈائریکٹرز کو رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- 3-30 جون 2025 مختتمہ سال کیلئے کمپنی کے آڈیٹرز کا تقرر اور ان کے معاوضے کو طے کرنا۔ موجودہ آڈیٹر، میسرز A.F. Ferguson & Company چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے والے سال کے میسرز A.F. Ferguson & Company چارٹرڈ اکاؤنٹنٹس، بطور بیرونی آڈیٹر کی منظوری دی ہے۔

### دیگر امور

- 4-صدر نشین کی اجازت سے کوئی دیگر امور سرانجام دینا۔

حسب الحکم بورڈ  
کمپنی سیکریٹری

کراچی، مورخہ 07 اکتوبر 2024

### نوٹس

#### A شہر ٹرانسفر کتاب کی بندش:

1- کمپنی کے حصص منتقلی خاتمے 22 اکتوبر 2024 تا 28 اکتوبر 2024 (دونوں دن شامل) بند رہے گے۔ ہمارے شیئرز رجسٹرڈ میسرز سینول ڈیپازٹری کمپنی آف پاکستان، سی ڈی سی ہاؤس B-99، بلاک S.M.C.H.S B-99، شارع فیصل کراچی میں 21 اکتوبر 2024 کو اختتام کاروبار کے وقت تک موصول ہونیوالی منتقلیاں اجلاس میں شرکت کرنے اور ووٹ دینے کے استحقاق کے تعین کیلئے بروقت سمجھی جائیں گی۔

#### B. کیو آر کوڈ اور ویب لنک کے ذریعے سالانہ رپورٹ کی گردش:

کمپنیز ایکٹ 2017 کے سیکشن 223 کے مطابق اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے SRO نمبر (1) 389/2023 مورخہ 21 مارچ 2023 کے مطابق، کمپنی نے گزشتہ سالانہ جنرل میٹنگ میں شیئرز ہولڈرز کی منظوری حاصل کی ہے۔ کمپنی کی 27 اکتوبر 2023 کو کمپنی کی سالانہ رپورٹ کو QR فعال کوڈ اور ویب لنک کے ذریعے ممبران تک پہنچانے کے لیے منعقد ہوئی۔

30 جون 2024 کو ختم ہونے والے سال کی سالانہ رپورٹ درج ذیل کیو آر کوڈ اور ویب لنک کے ذریعے دستیاب ہے:

<https://ubrandz.biz/page-reports>



### C جنرل میٹنگ میں شرکت اور پراسی کا تقرر:

- i تمام ممبران/شیئرز ہولڈرز سالانہ جنرل میٹنگ میں شرکت کرنے، بولنے اور ووٹ دینے کے حقدار ہیں۔ ایک ممبر/شیئر ہولڈر اپنی طرف سے شرکت کرنے، بولنے اور ووٹ دینے کے لیے ایک پراسی مقرر کر سکتا ہے۔ پراسی کا کمپنی کارکن ہونا ضروری ہے۔ مؤثر ہونے کے لیے پراسیز کمپنی کے رجسٹرڈ آفس کو موصول ہونی چاہیے: دوسری منزل، IBL سینٹر، بلاک نمبر 7 اور 8 DMMCHS، شاہراہ فیصل، کراچی۔ 75530 میٹنگ سے کم از کم 48 گھنٹے پہلے۔
- ii ایس ای سی پی کے 26 جنوری 2000 کے سرکلر نمبر 1 کی تعمیل میں سنٹرل ڈیپازٹری کمپنی (سی ڈی سی) کے نام پر رجسٹرڈ حصص کے ہینڈشل مالکان اور/یا ان کے پراسیز کو اپنا کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) پیش کرنا ہوگا۔ (یا میٹنگ میں شرکت کے وقت شناختی مقصد کے لیے پاسپورٹ۔ پراسی کا فارم مقررہ وقت کے اندر کمپنی کے پاس جمع کرایا جانا چاہیے، جس میں دو افراد کی گواہی دی جائے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں، ساتھ ہی CNIC کی تصدیق شدہ کاپیاں یا ہینڈشل مالک کے پاسپورٹ اور پراسی کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت بورڈ آف ڈائریکٹرز کا ریزولوشن/پاور آف اٹارنی جس میں نامزد شخص کے دستخط ہوں گے۔

### D تفصیلات

ممبران/شیئرز ہولڈرز سے درخواست ہے کہ وہ اپنے پتے میں کسی بھی قسم کی تبدیلی کے بارے میں فوری طور پر کمپنی کے شیئر رجسٹرار، سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک 'S.M.C.H.S'B'، مین شاہراہ فیصل، کراچی۔ 74400 پر مطلع کریں۔

### E وڈیو کانفرنس سہولت کی درخواست

ویڈیو کانفرنسنگ کے ذریعے میٹنگ میں شرکت میں دلچسپی رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کو موضوع کے ساتھ "رجسٹریشن براے AGM 2024 کے ساتھ ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کے دونوں اطراف کی ایک درست کاپی companysecretary@iblops.com پر ای میل کریں۔ لنک اور لاگ ان کی اسناد صرف ان ممبروں کے ساتھ شیئر کی جائیں گی جن کی ای میل، تمام مطلوبہ تفصیلات پر مشتمل، (یعنی، نام، فوئیو نمبر، CNIC نمبر/NTN، رابطہ نمبر) AGM کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوئی ہیں۔

۱۔	فوئیو نمبر/CDC سرمایہ کار A/C نمبر/ذیلی A/C نمبر:	_____
۲۔	شیئر ہولڈر کا نام:	_____
۳۔	سیل فون نمبر:	_____
۴۔	ای میل ایڈریس:	_____
۵۔	حصص کی تعداد:	_____
۶۔	شناختی کارڈ نمبر:	_____

# CHAIRMAN'S REVIEW REPORT

*(Under Section 192 of the Companies Act, 2017)*

**Dear Shareholders,**

We welcome you to the 60th Annual General Meeting of your Company for the year ended 30th June 2024. The 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 2024, 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) 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 interim accounts of the Company and pays due consideration to the recommendations made by the external auditors and internal auditors from time to time.



**Munis Abdullah**

Chairman

October 04, 2024

# DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of United Brands Limited present their report together with the audited Financial Statements for the year ended June 30, 2024. The Directors' Report is prepared in accordance with Section 227 of the Companies Act, 2017.

## Principal Activities

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

## Summary of Financial Performance

	2024	2023
	(Rupees in thousand)	
Revenue	2,434,877	2,526,888
<b>Gross profit</b>	<b>382,043</b>	346,850
Gross profit as a percentage of revenue	16%	14%
Operating profit / (loss)	30,083	(21,509)
<b>(Loss) / profit after taxation</b>	<b>(45,919)</b>	(101,263)

## Financial Performance:

During the year, the Company's revenue declined by PKR 92 million (3%) compared to the previous year. This decrease was primarily due to the strategic exit from certain distribution lines, including Kellogg, Pringles, and Ovaltine. This decision was influenced by external market dynamics, particularly the import restrictions imposed by the Government of Pakistan and regulatory authorities to safeguard the country's foreign exchange reserves. These restrictions disrupted the supply chain for these imported brands, constraining our ability to maintain normal business operations and, consequently, impacting our overall top line performance.

Despite these setbacks, the Company successfully leveraged its diversified portfolio to mitigate the impact of these revenue losses. Notably, our wholly owned subsidiary, IBL Logistics (Private) Limited, delivered a strong performance, with service revenue growing by PKR 292 million—an impressive 33% year-on-year increase. This growth was driven by the expansion of distribution routes within the Lahore beverage business and the successful acquisition of Martin Dow as a new transportation client, enhancing our logistics capabilities and expanding our service footprint.

On the cost management front, the Company remained focused on aligning its operating expenses with the adjusted business scale, resulting in a modest reduction of PKR 2 million. However, elevated inflation and increased fuel costs, along with other ancillary expenses, partially offset the benefits of our cost-control measures. On a positive note, finance costs were significantly reduced by 31%, reflecting the proactive repayment of financing facilities and prudent liquidity management, which strengthened our financial position and provided greater operational flexibility.

## Holding Company

International Brands (Private) Limited is the holding Company of United Brands Limited. As at June 30, 2024, International Brands (Private) Limited held 88,200,462 shares of PKR 10 each (96.08%).

## Basic / diluted earnings per share

Basic / diluted loss per share were PKR (0.50) (2023: PKR (1.10))

## Impact on Environment:

Company is not engaged in any business activity that has negative consequence on the environment.

## Statement of Ethics and Business Practices

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

## Principal Risks and uncertainties

Principal risks associated with the entity include:

Nature of Risk	Description
Business Risk	Discontinuation of Key Product Lines: Exiting specific distribution agreements due to market dynamics or regulatory constraints, resulting in lower revenue and profitability.
Operational / Business Risk	Exchange Rate Volatility: Fluctuations in the value of the local currency lead to exchange losses and increased costs of imported inventory. Supply Chain Interruptions: Import restrictions, regulatory delays, and embargoes causing stock shortages and disruptions in product availability. Slow Inventory Turnover: Decline in consumer purchasing power resulting in slower movement of stock, increased holding costs, and higher risk of inventory obsolescence. Revenue Erosion from Parallel Imports: Unregulated market channels undermining profitability and reducing market share for core product lines.
Liquidity Risk	High Financing Costs: Rising interest rates and high borrowing costs impacting profitability, especially given the capital-intensive nature of the distribution business. Cash Flow Mismatches: Inconsistent cash flows due to delays in receivables and extended credit terms, affecting timely financing of operational and investment activities.
Regulatory Risk	Changes in Import Duties and Tariffs: Frequent amendments in customs regulations and duties affecting cost structure and margins. Increased Compliance Requirements: Stringent regulatory requirements, including product certifications and labeling standards, leading to higher operational costs and potential supply chain delays.

## 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 Central Corporate Management Team., 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

Despite incurring losses in past few years, the Company continued to play its role in the area of CSR as we at United Brands believe in striving and keeping the balance between business and contribution to society.

In words of great Janie Lewis;

“We have a social responsibility, a constitutional opportunity and a moral obligation to help others.”

#### Composition of Board on 30th June 2024

Directors	No. of Directors	
Total No. of Directors		7
a.	Male	5
b.	Female	2

Board Composition	No. of Directors	
a.	Independent Directors	2
b.	Executive Directors	2
c.	Other Non-Executive Directors	3

Committee	Name of Directors	Designation
Audit Committee	Ms. Tayyaba Rasheed	Chairperson
	Mr. Zubair Razzak Palwala	Member
	Ms. Faiza Nadeem	Member
HR Committee	Mr. Abdul Samad	Chairman
	Mr. Syed Nadeem Ahmed	Member
	Mr. Zubair Razzak Palwala	Member

#### Meetings of the Board of Directors

During the year 2024, Seven Board meetings were held and attended as follows:

Name of Directors	Meeting Attended
Mr. Syed Nadeem Ahmed	7
Ms. Tayyaba Rasheed	7
Ms. Faiza Naeem	5
Mr. Zubair Razzak Palwala	7
Mr. Abdul Samad	4
Mr. Rizwan Ahmad	7
Mr. Munis Abdullah	6

Fee paid to directors for attending the Board of Directors meetings during the year amounted to Rs. 1.026 million (2023: Rs. 0.12 million).

#### 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. An independent audit function

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

During the year 2023-24, four audit committee meetings were held and attended as follows:

<b>Members</b>	<b>Meeting Attended</b>
Ms. Tayyaba Rasheed	4
Ms. Faiza Naeem	4
Mr. Zubair Razzak Palwala	4

### **Human Resource and Remuneration Committee**

The committee comprises of three members; two are non-executive Directors and one is executive including the Chairman of the Committee.

### **Financial statements and auditors**

The financial statements of the Company have been audited and approved without qualification by the auditors, A.F. Ferguson, Chartered Accountants. Further, the present auditors, A.F. Ferguson, 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, 2025, 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.

### **Value of Investments of Provident Fund**

The fair value of investment of provident fund as per its financial statements at June 30, 2024 is PKR 10.91 million (June 30, 2023 is 9.09 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 formulated 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 economic environment in Pakistan continues to present significant challenges, with escalating costs of doing business and a shift in consumer behavior driven by constrained disposable incomes. These macroeconomic factors have impacted our financial performance, as evidenced by the recent decline in revenue and profitability. Contributing elements include limited availability of essential stock, fluctuating pricing tariffs, increased taxation—particularly on non-essential goods—alongside rising fuel, utility, and labor costs.

Despite these challenges, we remain optimistic about the growth potential within the consumer and logistics sectors. Our Company is strategically focused on diversifying its revenue streams by pursuing new local accounts, which will help mitigate the impact of reduced import activities. The Board of Directors fully supports this strategic pivot towards local partnerships and initiatives aimed at capitalizing on emerging market opportunities.

We believe that with a proactive approach, we can enhance shareholder value and deliver superior service to our customers. We would like to extend our gratitude to all stakeholders for their continued support and collaboration as we navigate these complexities and strive for sustainable growth.

We also take this opportunity to thank our employees for their continuing 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, 2024 and other related information is set out on page 108 to 110.

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

Karachi.  
Date: October 04, 2024



Rizwan Ahmad  
Director



Syed Nadeem Ahmed  
Chief Executive Officer

## ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز ۳۰ جون ۲۰۲۳ء کے اختتامی سال کے لئے اپنی رپورٹ ہمہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ یہ رپورٹ کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۷ کے مطابق تیار کی گئی ہے۔

بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں صارفین کے سامان اور اس سے وابستہ مصنوعات کے تجارت اور تقسیم ہیں۔ کمپنی کا ذیلی ادارہ بجلی کے سامان کی نقل و حمل اور گودام، اسمبلی اور تجارت میں مصروف ہے۔

مالیاتی کارکردگی کا جائزہ:

	2024	2023
	(Rupees in thousand)	
Revenue	2,434,877	2,526,888
Gross profit	382,043	346,850
Gross Profit as a percentage of revenue	16%	14%
Operating profit / (loss)	30,083	(21,509)
Profit / (loss) for the period	(45,919)	(101,263)

مالی جائزہ:

سال کے دوران، کمپنی کی آمدنی میں گزشتہ سال کے مقابلے 92PKR ملین (3%) کی کمی واقع ہوئی۔ یہ کمی بنیادی طور پر کیلوگس، پرنٹرز، اور الٹین سمیت بعض تقسیم لائنوں سے اسٹریٹجک اخراج کی وجہ سے تھی۔ یہ فیصلہ بیرونی مارکیٹ کی حرکات سے متاثر ہوا، خاص طور پر حکومت پاکستان اور ریگولیٹری اتھارٹی کی طرف سے ملک کے زرمبادلہ کے ذخائر کو محفوظ رکھنے کے لیے درآمدی پابندیاں۔ ان پابندیوں نے ان درآمد شدہ برانڈز کے لیے سپلائی چین میں خلل ڈالا، جس سے ہماری عام کاروباری کارروائیوں کو برقرار رکھنے کی صلاحیت محدود ہو گئی اور اس کے نتیجے میں، ہماری مجموعی ٹاپ لائن کارکردگی متاثر ہوئی۔

ان ناکامیوں کے باوجود، کمپنی نے اپنے متنوع پورٹ فولیو کا کامیابی سے فائدہ اٹھایا تاکہ آمدنی کے ان نقصانات کے اثرات کو کم کیا جاسکے۔ خاص طور پر، ہماری مکمل ملکیتی ذیلی کمپنی، IBL (پرائیویٹ) لمیٹڈ نے ایک مضبوط کارکردگی پیش کی، جس میں سروس ریونیو میں 292 ملین PKR اضافہ ہوا، جو سال بہ سال متاثر کن 33% اضافہ ہے۔ یہ ترقی لاہور کے مشروبات کے کاروبار میں تقسیم کے راستوں کی توسیع اور ایک نئے ٹرانسپورٹیشن کلائنٹ کے طور پر مارٹن ڈاؤ کے کامیاب حصول کی وجہ سے ہوئی، جس سے ہماری لاجسٹک صلاحیتوں میں اضافہ ہوا اور ہمارے سروس کے نقش کو بڑھایا گیا۔

لاگت کے انتظام کے محاذ پر، کمپنی اپنے آپریٹنگ اخراجات کو ایڈجسٹ کاروباری پیمانے کے ساتھ ترتیب دینے پر مرکوز رہی، جس کے نتیجے میں 2 ملین PKR کی معمولی کمی واقع ہوئی۔ تاہم، بلند افراط زر اور ابھرنے کے بڑھتے ہوئے اخراجات، دیگر ذیلی اخراجات کے ساتھ، ہمارے لاگت پر قابو پانے کے اقدامات کے فوائد کو جزوی طور پر پورا کرتے ہیں۔ ایک مثبت نوٹ پر، مالیاتی اخراجات میں نمایاں طور پر 31% کی کمی واقع ہوئی، جو مالیاتی سہولیات کی فعال ادائیگی کی عکاسی کرتی ہے اور محتاط لیکویڈیٹی مینجمنٹ، جس نے ہماری مالی پوزیشن کو مضبوط کیا اور زیادہ آپریشنل چیک فراہم کی۔

ہولڈنگ کمپنی:

انٹرنیشنل برانڈز لمیٹڈ، یونائیٹڈ برانڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔ 30 جون 2024 تک انٹرنیشنل برانڈز لمیٹڈ کے پاس فی شیئر 10 روپے کے حساب سے

### فی حصص بنیادی / کمزور آمدنی:

۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال میں فی حصص آمدنی میں (0.50) روپے رہی۔ (۲۰۲۳ جون ۲۰۲۳: 1.10) روپے ہے۔

### ماحول پر اثرات:

کمپنی ایسی کسی کاروباری سرگرمیوں میں شامل نہیں رہی جس کے نتیجے میں کاروباری ماحول پر منفی نتائج برآمد ہوتے ہیں۔

### اخلاقیات اور کاروباری امور کا اسٹیٹمنٹ:

یونائیٹڈ برانڈز لیٹڈ میں کام کرنے کیلئے دیانتداری مرکزی حیثیت رکھتی ہے۔ بورڈ آف ڈائریکٹرز نیا اخلاقیات اور کاروباری طریقہ کار کو اپنایا ہے۔ تمام ملازمین کو اس سے باخبر کیا جاتا ہے اور انہیں کاروبار اور قوانین سے متعلق طرز عمل پر عمل کرنے کو ضروری سمجھا گیا ہے۔

### اہم خطرات اور غیر یقینی صورتحال:

ادارے سے وابستہ اہم خطرات میں شامل ہیں:

خطرے کی نوعیت	تفصیل
کاروباری خطرہ	پراڈکٹ لائسنس کا بند ہونا کاروباری عمل رکھنے کے نتیجے میں آمدنی اور منافع میں خسارہ ہونا۔ شرح مبادلہ میں اتار چڑھاؤ: مقامی کرنسی کی قدر میں اتار چڑھاؤ زرمبادلہ کے نقصانات اور درآمدی انویسٹری کی لاگت میں اضافے کا باعث بنتا ہے۔ سپلائی چین میں رکاوٹیں: درآمدی پابندیاں، ریگولیشنز تاخیر، اور پابندیاں جو اشٹاک کی کمی اور مصنوعات کی دستیابی میں رکاوٹوں کا باعث بنتی ہیں۔ سست انویسٹری ٹرن اوور: صارفین کی قوت خرید میں کمی جس کے نتیجے میں اشٹاک کی سست حرکت، ہولڈنگ لاگت میں اضافہ اور انویسٹری کے متروک ہونے کا زیادہ خطرہ۔ متوازی درآمدات سے آمدنی کا کٹاؤ: غیر منظم مارکیٹ چینلز منافع کو نقصان پہنچاتے ہیں اور بنیادی مصنوعات کی لائسنس کے لئے مارکیٹ شیئر کو کم کرتے ہیں۔
لیویٹیڈی کا خطرہ	اعلیٰ مالیاتی لاگت: بڑھتی ہوئی شرح سود اور اعلیٰ قرض لینے کے اخراجات منافع پر اثر انداز ہوتے ہیں، خاص طور پر تقسیم کے کاروبار کی سرمایہ دارانہ نوعیت کے پیش نظر۔ کیش فلو کی مماثلت: وصولی اور توسیعی کریڈٹ شرائط میں تاخیر کی وجہ سے غیر متضاد نقد بہاؤ، آپریشنل اور سرمایہ کاری کی سرگرمیوں کی بروقت فنڈنگ کو متاثر کرتا ہے۔
ریگولیشنز کا خطرہ	درآمدی ڈیوٹی اور ٹیرف میں تبدیلیاں: کسٹم ریگولیشنز اور ڈیوٹیوں میں بار بار کی جانے والی ترامیم لاگت کے ڈھانچے اور مارجن کو متاثر کرتی ہیں۔ تعمیل کے بڑھتے ہوئے تقاضے: سخت ریگولیشنز تقاضے بشمول پروڈکٹ سرٹیفیکیشنز اور لیبلنگ کے معیارات، جس کی وجہ سے آپریشنل اخراجات اور سپلائی چین میں مکمل تاخیر ہوتی ہے۔

## رسک مینجمنٹ:

کمپنی کا مجموعی رسک مینجمنٹ پروگرام کمپنی کی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے پر مرکوز ہے، سینئر مینجمنٹ کی جانب سے کمپنی کی گروپ کے کارپوریٹ سینٹر کی نگرانی میں مجموعی خطرات کی تشخیص کی جاتی ہے جس کے نتائج بورڈ آف ڈائریکٹرز کے ساتھ شیئر کئے گئے ہیں۔ کمپنی خطرے کی شناخت، تشخیص اور انتظام کے عمل میں شامل خطرات، اسٹریٹیجک معاملات، مالیاتی، تجارتی اور آپریشنل خطرات کا سامنا کرتی ہے۔ خطرے کی تشخیص کی بنیاد پر کلیدی چیلنجز کا ازالہ کیا جاتا ہے اور مواقع کی نشاندہی کی جاتی ہے، کمپنی کے طویل مدتی اسٹریٹیجک مقاصد کے حصول کیلئے عملی منصوبے تیار کئے جاتے ہیں اور ان پر عمل کیا جاتا ہے۔

## کاروباری سماجی ذمہ داری:

گذشتہ کچھ سالوں میں ہونے والے نقصانات کے باوجود کمپنی نے سی ایس آر کے شعبے میں اپنا کردار جاری رکھا کیونکہ ہم بطور یونائٹڈ برانڈز معاشرے میں کاروبار اور شراکت کے مابین توازن برقرار رکھنے پر یقین رکھتے ہیں۔

## Janie Lewis کے الفاظ میں:

"دوسروں کی مدد کرنا ہماری سماجی ذمہ داری، آئینی موقعہ اور اخلاقی فرض ہیں"

مندرجہ ذیل ممبران 30 جون 2023 کو بورڈ آف ڈائریکٹرز کا حصہ تھے:

ڈائریکٹرز کی تعداد	ڈائریکٹرز
7	ڈائریکٹرز کی کل تعداد
5	☆ مرد
2	☆ خواتین

ڈائریکٹرز کی تعداد	بورڈ کی تشکیل
2	☆ آزاد ڈائریکٹرز
2	☆ ایگزیکٹو ڈائریکٹرز
3	☆ دیگر غیر ایگزیکٹو ڈائریکٹرز

کمپنی	ڈائریکٹرز کے نام	عہدہ
آڈٹ کمیٹی	محترمہ طلحہ رشید	چیر پرسن
	جناب زبیر رزاق پالوالا	ممبر
	محترمہ فائزہ نعیم	ممبر
ہومین ریسورس کمیٹی	جناب عبدالصمد	چیر مین
	جناب سید ندیم احمد	ممبر
	جناب زبیر رزاق پالوالا	ممبر

بورڈ آف ڈائریکٹرز کی میٹنگ:

سال 2024 کے دوران بورڈ کی سات میٹنگز منعقد ہوئی جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب سید ندیم احمد	7
محترمہ طیبہ رشید	7
محترمہ فائزہ نعیم	5
جناب زبیر رزاق پالوالا	7
جناب عبدالصمد	4
جناب رضوان احمد	7
جناب مؤنس عبداللہ	6

دوران سال بورڈ آف ڈائریکٹرز کی میٹنگ میں شرکت کیلئے ڈائریکٹرز کو ادا کی جانے والی فیس مبلغ 1.026 ملین روپے تھی۔ (2023: مبلغ 0.12 ملین روپے)

آڈٹ کمیٹی:

کمیٹی تین ممبران پر مشتمل ہے، تمام غیر ایگزیکٹو ڈائریکٹرز کا چیرمین آزاد ڈائریکٹر ہے۔  
بورڈ آف ڈائریکٹرز نے کمیٹی کے حوالے سے شرائط و ضوابط لسٹنگ ریگولیشنز میں فراہم کردہ ہدایت کے مطابق طے کی ہیں اور کمیٹی کو اس پر عمل کرنے کا مشورہ دیا ہے۔ ایک آزاد آڈٹ ڈپارٹمنٹ بورڈ کی آڈٹ کمیٹی کو تمام خطرات کے جائزے اور ان کو کنٹرول کرنے کی رپورٹ پیش کرتا ہے۔

سال 2023-24 کے دوران آڈٹ کمیٹی کی چار میٹنگز ہوئیں جس میں درج ذیل نے شرکت کی:

ممبران	میٹنگ میں حاضری کی تعداد
محترمہ طیبہ رشید	4
محترمہ فائزہ نعیم	4
جناب زبیر رزاق پالوالا	4

ہیومن ریسورس اور معاوضے کی کمیٹی:

کمیٹی تین ممبران پر مشتمل ہے، ایک ایگزیکٹو اور دیگر بشمول چیرمین غیر ایگزیکٹو ڈائریکٹرز ہیں۔

مالیاتی حسابات اور آڈیٹرز:

آڈیٹرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کے ذریعہ کمپنی کے مالی گوشواروں کا آڈٹ کیا گیا ہے اور اس کی منظوری دے دی گئی ہے۔ مزید یہ کہ کمپنی کے موجودہ آڈیٹرز میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو رہے ہیں اور اہل ہونے کی حیثیت سے خود کو دوبارہ تقریری کے لئے پیش کرنے کے اہل ہیں۔ بورڈ آف ڈائریکٹرز نے باہمی اتفاق رائے کے تحت میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز مالیاتی سال 30 جون 2025 کیلئے انہی شرائط و ضوابط اور اجرت پر دوبارہ تقرر کرنے کیلئے سفارش پیش کی ہے۔

بعد از واقعات:

مالیاتی سال کے آخر اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی حیثیت میں تبدیلی کیلئے کوئی اثرات مرتب نہیں ہوئے ہیں۔

پروویڈنٹ فنڈ کی سرمایہ کاری پروویڈیو:

30 جون 2024 کو کمپنی کے مالی بیانات کے مطابق پروویڈنٹ فنڈ میں سرمایہ کاری کی فیبر ویلیو مبلغ 10.9 ملین پاکستانی روپے ہے۔ (30 جون 2022 کو مبلغ 9.09 ملین پاکستانی روپے)۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

- ☆ مالیاتی حسابات جو کہ کمپنی کی انتظامیہ نے مرتب کئے ہیں اور اس میں تمام مندرجات بالکل صحیح پیش کئے گئے ہیں جس میں اس کے آپریشن، نقد کالین دین اور ایکویٹی میں تبدیلیاں شامل ہیں۔
- ☆ کمپنی نے حساب کے کھاتے مناسب طریقے سے مرتب کئے ہیں۔
- ☆ مالیاتی حسابات کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
- ☆ انٹرنیشنل فنانشل رپورٹنگ کا معیار جو کہ پاکستان میں قابل اطلاق اور اس کے مطابق مالیاتی حسابات کی تیاری کی گئی ہے۔
- ☆ آڈٹ کمیٹی نے آپریشنز کو موثر انداز میں انجام دینے، کمپنی اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کے لئے داخلی کنٹرولز کا ایک موثر نظام قائم کیا ہے۔
- ☆ اس کمپنی کو مسلسل چلانے کیلئے اس کی اہلیت پر کوئی شک و شبہ نہیں ہے۔
- ☆ کوئی بھی مواد کارپوریٹ گورننس کی اعلیٰ پریکٹس سے خالی نہیں ہے جس کی تفصیلات لسٹنگ ریگولیشن میں دی گئی ہے۔

مستقبل پر ایک نظر:

پاکستان اس وقت یا تو مجموعی معاشی چیلنجوں کی وجہ سے یا حالیہ سیلاب سے ہونے والے نقصانات کی وجہ سے متاثر ہوا ہے۔ کمپنی کو اس طرح چیلنجز کی وجہ سے بھی نقصان اٹھانا پڑا ہے اور ایندھن کی قیمتوں میں اضافے، زیادہ افایت اور مزدوری کے اخراجات وغیرہ کی وجہ سے مجموعی منافع بہت زیادہ متاثر ہوا ہے۔

کمپنی کا خیال ہے کہ پاکستان کی کمزور اور لاجسٹک انڈسٹری میں بہت زیادہ پوٹنشل موجود ہے اور کمپنی ان مواقع سے فائدہ اٹھا سکتی ہے۔ کمپنی فی الحال نئے مقامی اکاؤنٹس کو شامل کرنے کی تلاش کر رہی ہے تاکہ گمشدہ درآمد شدہ کاروباروں کی واپسی کو یقینی بنایا جاسکے۔ بورڈ آف ڈائریکٹرز بھی ان نئی راہوں کو استعمال کرتے ہوئے اضافہ اور ترقی کے لیے پرامید ہیں۔

ہمیں یقین ہے کہ حصص یافتگان کے لیے بڑھتی ہوئی قدر پیدا کر سکتے ہیں اور ساتھ ہی اپنے صارفین کو بہتر مصنوعات اور خدمات فراہم کر سکتے ہیں۔ اس کو پورا کرنے میں، ہم اپنے تمام اسٹیک ہولڈرز کے بے پناہ تعاون اور حمایت کی تعریف کرنا چاہیں گے، جس کے بغیر ہم یہ نتائج حاصل نہیں کر سکیں گے۔

شیر ہولڈنگ کی معلومات:

کمپنی کے شیر کی تجارت پاکستان اسٹاک ایکسچینج میں ہو رہی ہیں۔ 30 جون 2024 تک شیر ہولڈنگ کا پیرن اور اس سے متعلق دیگر معلومات صفحہ نمبر 108 تا 110 پر بیان کی گئی ہیں۔

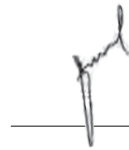
کسی بھی ڈائریکٹر، CEO، CFO اور کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا۔

کراچی

۴ اکتوبر ۲۰۲۳ء



رضوان احمد  
ڈائریکٹر



سید ندیم احمد  
چیف ایگزیکٹو آفیسر

# FINANCIAL HIGHLIGHTS

Operational Results:	---Amount in '000---						
	2024	2023	2022	2021	2020	2019	2018
Sales	1,120,839	1,348,030	2,360,090	2,553,666	3,270,644	4,048,617	3,776,649
Gross Profit	195,480	200,350	343,686	371,231	834,980	1,028,180	983,565
Operating (Loss) / Profit	(13,693)	(56,089)	(21,409)	(8,470)	(41,916)	(47,102)	252,997
Financial Charges	(36,306)	(53,358)	(36,803)	(45,605)	(137,598)	(324,708)	126,902
Profit / (Loss) before Taxation	(55,801)	(93,294)	(45,359)	43,461	(127,729)	(371,810)	126,095
Profit / (Loss) after Taxation	(58,990)	(98,290)	(65,625)	3,727	(255,676)	(549,914)	(29,214)
Proposed Dividend	-	-	-	-	-	-	-

Balance Sheet:	---Amount in '000---						
	2024	2023	2022	2021	2020	2019	2018
Shareholders' Equity	(167,834)	(108,844)	(10,564)	55,061	51,334	307,010	876,541
Non-Current Liabilities	-	-	-	12,838	9,012	-	-
Current Liabilities	1,177,960	962,281	1,167,762	1,036,410	1,567,492	2,157,356	1,747,529
Non-Current Assets	29,076	29,751	31,986	34,687	38,185	28,817	30,336
Current Assets	981,050	823,686	1,125,212	1,069,622	1,589,653	2,435,549	2,593,734

Financial Ratios:	---Amount in '000---						
	2024	2023	2022	2021	2020	2019	2018
Turnover on (Loss) / Profit before Tax	4.98%	-6.92%	-1.92%	1.70%	-3.91%	-9.18%	3.34%
Proposed Dividend	-	-	-	-	-	-	-
Return on Assets	-5.84%	-11.5%	-5.67%	0.34%	-15.45%	-22.31%	-1.11%
Return on Equity	-35.15%	-90.3 %	-621.21 %	6.77%	-498.06%	-179.12%	-3.33%
Earnings / (Loss) per Share	(0.64)	(1.09)	(0.71)	0.04	(2.79)	(5.99)	(0.56)
Market value per Share	14.30	10.5	17.35	30.62	26.44	14.30	52.08
Book Value per Share	-0.18%	-1.18	-1.15	0.60	0.56	3.34	9.55
Current Ratio	0.83	0.86	0.96	1.03	1.01	1.13	1.48



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF UNITED BRANDS LIMITED**

**Review Report on the Statement of Compliance Contained in Listed Companies  
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of United Brands Limited for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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. 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.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

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

**Dated: October 7, 2024**

**UDIN: CR202410073U2cSJ10WO**

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 UNITED BRANDS LIMITED

## FOR THE YEAR ENDED JUNE 30, 2024

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors as at June 30, 2024 were seven (7) as per the following composition:
  - a) Male: 5 (five)
  - b) Female: 2 (two)
2. The composition of the Board as at June 30, 2024 was as follows:

Category	Names
Independent Directors*	Mr. Abdul Samad Ms. Tayyaba Rasheed
Non-Executive Directors	Mr. Munis Abdullah Ms. Faiza Nadeem Mr. Zubair Razzak Palwala
Executive Directors	Mr. Rizwan Ahmad Mr. Syed Nadeem Ahmed
Female Director	Ms. Faiza Nadeem Ms. Tayyaba Rasheed

\* Determination of number of independent directors arrives at 2.33 (rounded to 2) which is based on seven elected directors. The fraction is not rounded up since the two (2) elected independent directors have requisite competency, knowledge and experience to discharge and execute their responsibilities as per applicable laws and regulations

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. 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;
  5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
  6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and these Regulations;
  7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
  8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All Directors have completed the requirements of Director's Training program, expect for Ms. Faiza Naeem;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

#### **Audit Committee**

<b>Name</b>	<b>Category</b>
Ms. Tayyaba Rasheed	Chairperson
Mr. Zubair Razzak Palwala	Member
Ms. Faiza Nadeem	Member

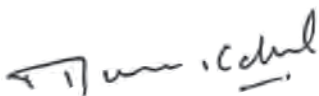
#### **HR and Remuneration Committee**

<b>Name</b>	<b>Category</b>
Mr. Abdul Samad	Chairman
Mr. Syed Nadeem Ahmed	Member
Mr. Zubair Razzak Palwala	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committees was as follows:
  - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2024
  - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2024
15. The Board has outsourced the internal audit function to Grant Thornton Anjum Rahman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36(non-mandatory requirements) are below :

S. No	Requirement	Explanation	Reg. No
1	<p>Role of the Board and its members to address sustainability risk and opportunities.</p> <p>The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term Corporate value. The board may establish a dedicated sustainability committee.</p>	At present the Board provides governance and oversight in relation to Company's initiatives on environmental, social and governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024 will be complied with in due course.	10(A)
2	All the Directors have obtained Directors' Training Program certification till June 30, 2024.	Currently, 6 out of 7 directors have obtained Directors' Training Program certification. The Company will arrange training for Ms. Faiza Naeem to comply with the requirement.	19
3	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care of at Board level as and when needed, hence a separate committee is not considered necessary.	29
4	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee, and senior managers perform the requisite functions and apprise the Board accordingly	30
5	<p>The Company may post on its website key elements of its significant policies including but not limited to the following:</p> <p>i. Communication and disclosure policy;</p> <p>ii. Code of conduct for members of board of directors, senior management and other employees;</p> <p>iii. Risk management policy;</p> <p>iv. Internal control policy;</p> <p>v. Whistle blowing policy;</p> <p>vi. Corporate social responsibility / sustainability / environmental, social and governance related policy;</p> <p>Policies for promoting DE&amp;I and protection against harassment at the workplace.</p>	As the regulation provides concession with respect to disclosure of significant policies on the website, few policies have been uploaded on the Company's website. However, the Company is in process to upload all required key elements of its significant policies.	35(1)

On behalf of the Board



**Munis Abdullah**  
Chairman



**Syed Nadeem Ahmed**  
Chief Executive Officer

UNCONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2024



**INDEPENDENT AUDITOR'S REPORT**

**To the members of United Brands Limited**

**Report on the Audit of the Unconsolidated Financial Statements**

**Opinion**

We have audited the annexed unconsolidated financial statements of United Brands Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

AFF

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Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	<p><b>Revenue from contracts with customers</b></p> <p><i>(Refer note 3.14 and 18 to the annexed unconsolidated financial statements)</i></p> <p>The Company recognises revenue when control of the underlying products has been transferred to the customers.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"><li>• understood and evaluated the design, implementation and operating effectiveness of controls over revenue;</li><li>• assessed the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards;</li><li>• performed verification of revenue transactions, sales return and discounts on sample basis;</li><li>• performed revenue analysis including month on month analysis, year on year analysis, business line wise analysis, etc. and inquired unusual fluctuations, if any;</li><li>• performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; and</li><li>• reviewed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards.</li></ul>

**Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Aff



### **Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Aff



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

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

**Date: October 7, 2024**

**UDIN: AR2024100733IMOdGhPl**


**UNITED BRANDS LIMITED**  
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	2024	2023
(Rupees in '000')			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	4,076	4,334
Intangible assets	5	-	5
Investment in subsidiary	6	25,000	25,000
Long term deposits	7	-	412
		29,076	29,751
<b>Current assets</b>			
Inventories	8	505,384	334,904
Trade and other receivables	9	273,762	267,681
Prepayments and advances	11	18,498	23,873
Taxation - payments less provision	10	30,923	35,146
Sales tax refunds due from Government - net	12	76,564	63,537
Accrued interest		551	962
Cash and bank balances	13	75,368	97,583
		981,050	823,686
<b>Total assets</b>		1,010,126	853,437
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital	14	918,000	918,000
Accumulated losses		(1,085,834)	(1,026,844)
		(167,834)	(108,844)
<b>Current Liabilities</b>			
Trade and other payables	15	1,077,534	691,400
Short-term borrowings	16	98,108	255,763
Accrued mark-up		1,965	14,765
Unclaimed dividend		353	353
		1,177,960	962,281
<b>Total liabilities</b>		1,177,960	962,281
<b>Contingencies and commitments</b>	17		
<b>Total equity and liabilities</b>		1,010,126	853,437

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

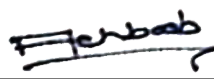
**UNITED BRANDS LIMITED**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
		(Rupees in '000')	
Revenue from contracts with customers	18	1,120,839	1,348,030
Cost of sales	19	(925,359)	(1,147,680)
Gross profit		195,480	200,350
Marketing and distribution expenses	20	(181,036)	(190,649)
Administrative and general expenses	21	(32,910)	(34,839)
Recognition of loss allowance on trade receivables	9.1.4	(6,968)	(6,487)
Other operating expenses	22	(1,912)	(24,464)
Other income		(222,826)	(256,439)
Operating loss	23	13,653	16,153
Finance costs		(13,693)	(39,936)
Loss before levies and income tax	24	(36,306)	(53,358)
Levies - minimum tax		(49,999)	(93,294)
Loss before income tax	25	(5,802)	(6,766)
Income tax expense		(55,801)	(100,060)
Loss for the year after taxation	26	(3,189)	1,780
Other comprehensive income		(58,990)	(98,280)
		-	-
<b>Total comprehensive loss for the year</b>		<b>(58,990)</b>	<b>(98,280)</b>
		(Rupees)	
Loss per share - basic and diluted	27	(0.64)	(1.07)

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

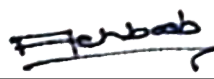
**UNITED BRANDS LIMITED**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Reserves		Total Equity
	Capital	Revenue	
	Issued, subscribed and paid up capital	Accumulated losses	
	← (Rupees 000) →		
Balance as at July 01, 2022	918,000	(928,564)	(10,564)
Loss for the year ended June 30, 2023	-	(98,280)	(98,280)
Other comprehensive income for the year ended June 30, 2023	-	-	-
	-	(98,280)	(98,280)
Total comprehensive loss for the year ended June 30, 2023		<b>(98,280)</b>	<b>(98,280)</b>
Balance as at July 01, 2023	<b>918,000</b>	<b>(1,026,844)</b>	<b>(108,844)</b>
Loss for the year ended June 30, 2024	-	(58,990)	(58,990)
Other comprehensive income for the year ended June 30, 2023	-	-	-
Total comprehensive loss for the year ended June 30, 2024		(58,990)	(58,990)
Balance as at June 30, 2024	<b>918,000</b>	<b>(1,085,834)</b>	<b>(167,834)</b>

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

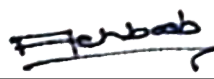
**UNITED BRANDS LIMITED**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
(Rupees in '000')			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	28	181,416	45,983
Income tax and levies paid		(4,768)	(2,668)
Finance costs paid		(46,482)	(43,207)
Decrease in long term deposits		412	-
Net cash generated from operating activities		130,578	108
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Payment for acquisition of property and equipment		(61)	(269)
Interest income received		4,923	2,963
Net cash generated from investing activities		4,862	2,694
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		-	(14,761)
(Repayment of short term financing) / Financing received		(157,655)	2,729
Net cash used in financing activities		(157,655)	(12,032)
<b>Net decrease in cash and cash equivalents</b>		<b>(22,215)</b>	<b>(9,230)</b>
Cash and cash equivalents at the beginning of the year		65,491	74,721
<b>Cash and cash equivalents at the end of the year</b>	29	<b>43,276</b>	<b>65,491</b>

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 1. THE COMPANY AND ITS OPERATIONS

**1.1** The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Company Act, 1913. The Company was renamed as UDL Industries Limited on March 16, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was again renamed as United Brands Limited, a public limited Company on April 5, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange.

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

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

The geographical locations and addresses of Company's business units are as under:

- Registered office of the Company is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi; and

- The Company has various sale offices and distribution warehouses. Detailed list is provided in note 36.

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

**1.3** Management prepared these financial statements on a going concern basis, which assumes the realisation of assets and the satisfaction of liabilities in the normal course of business. As at June 30, 2024, the Company had net deficit of Rs. 167.83 million (2023: Rs. 108.84 million), net current liabilities position of Rs. 196.91 million (2023: Rs. 136.6 million) and operating cashflows of Rs. 130.60 million (2023: Rs. 0.11 million). For the year ended June 30, 2024, the Company has incurred a loss of Rs. 58.99 million (2023: Rs. 98.28 million).

The Company has been closely monitoring the cash flows and forecasts on a monthly basis. Management performed analysis over their cash flow forecast to factor in the impact of a decline in both revenue and collection from customers. The Company will continue to receive support for at least the next twelve months from the date of issuance of these financial statements, if needed, from the Ultimate Parent Company. Based on above analysis and support from the Ultimate Parent Company, management has adequate financing lines to be able to maintain liquidity in order to repay its creditors in the foreseeable.

These unconsolidated financial statements are separate financial statements of the company in which investments in subsidiary have been accounted for at cost less accumulated impairment losses, if any. Details of the company's investment in subsidiaries are stated in note - 3.3 to these unconsolidated financial statements.

#### 2. BASIS OF PREPARATION

##### 2.1.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards / IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

##### 2.2 Basis of measurement

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

These unconsolidated financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

#### 2.3 Functional and presentation currency

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

#### 2.4 Use of estimates and judgements

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

Estimates and judgements 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.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods is described in note 3.17 - Expected Credit Losses (ECLs).

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

There have been no critical judgements other than those disclosed by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the unconsolidated financial statements.

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

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2023. However, these do not have any significant impact on the Company's financial reporting and have not been detailed in these unconsolidated financial statements.

##### b) Standards and amendments to accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these unconsolidated financial statements.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computations adopted in the preparation of these unconsolidated financial statements set out below have been applied consistently to all the periods presented in these financial statements, except as stated otherwise.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 3.1 Property and equipment Operating assets and depreciation

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.

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 4.1 to the unconsolidated 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 reporting date.

The carrying values 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 exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss account and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

#### Gains and losses on disposal

Gains and losses on disposal of fixed assets are included in the unconsolidated statement of profit or loss and other comprehensive income.

#### 3.2 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 values 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 exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

#### 3.3 Investment in subsidiary

Investments in subsidiary companies are initially recognised at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense. Where impairment losses are subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in unconsolidated profit or loss account and other comprehensive income

#### 3.4 Inventories

These are valued at the lower of cost and net realisable value. Raw and packing material and finished goods of trading stock are valued using first-in first-out method. Cost of finished goods manufactured comprise of direct costs including toll manufacturing charges and other cost incurred in bringing the inventories to their present location and condition. Provision is recorded for expired goods and for obsolescence is made where necessary and recognised in unconsolidated statement of profit or loss and other comprehensive income.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

necessary to make the sale.

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

#### 3.5 Trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 3.17 for a description of the Company's impairment policies.

#### 3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purposes of the unconsolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks, cash and cheques held at branches and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### 3.7 Share capital

Ordinary shares are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

#### 3.8 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 whether billed to the Company or not.

#### 3.9 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### 3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, 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 reporting date and adjusted to reflect the current best estimates.

#### 3.11 Contract Liability

A contract liability is an obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when Company performs under the contract.

#### 3.12 Taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the unconsolidated statement of profit or loss account and other comprehensive income, except to the extent that it relates to items recognised in OCI or directly in equity. In which case, the tax is also recognised in OCI or directly in equity.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

#### **i. Current**

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation of income using prevailing tax rates after taking into account tax credits and rebates available, if any

#### **ii. Deferred**

Deferred tax is accounted for using the balance sheet method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the unconsolidated 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 unconsolidated statement of profit or loss account and other comprehensive income.

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 reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **iii. Levies**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid is payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the unconsolidated statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

### **3.13 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 each year on the basis of 11 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.

### **3.14 Revenue recognition**

#### **Sale of goods**

Revenue is recognised at a point in time when control of the products has been transferred, i.e. when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised on dispatch of goods to customers i.e. when significant risks and rewards of ownership have been transferred to the customer.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

Sales return are recognized as deduction from revenue on terms on arrangement with customer.

The Company offers discounts to customers as part of its normal course of business to encourage sales of the products. Discounts are recorded as a reduction of revenue of the Company.

No element of financing is deemed present as the sales are made with credit term of upto 90 days, which is consistent with the market practice.

#### 3.15 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 when the borrowing costs 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.

#### 3.16 Foreign currency transactions and translation

Transactions in foreign currencies are accounted for in Pakistan Rupees at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies, if any, as at the reporting date are translated into Pakistan Rupees using the exchange rates prevailing at the reporting date. Exchange gains and losses, if any, are included in the unconsolidated statement of profit or loss account and other comprehensive income.

#### 3.17 Financial Instruments - Initial recognition and subsequent measurement

##### Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

##### Classification of financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

#### Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

#### Subsequent measurement

##### i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

##### ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

##### iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss account and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss account and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

#### Impairment of financial asset

The Company recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs;

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30, 2024 and the corresponding historical credit losses experienced within this period.

The Company considers a financial asset in default when it is more than 365 days past due.

Life time ECLs are the ECLs that result from all possible defaults events over the expected life of a financial instrument. 12 month ECLs are portion of ECLs that result from default events that are possible within 12 months after the reporting date.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Company in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for the recovery of amounts due.

#### **Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade receivables, deposits, advances, other receivables and cash and cash equivalents.

#### **Derecognition**

##### **i) Financial assets**

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in unconsolidated statement of profit or loss account and other comprehensive income.

In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to unconsolidated statement of profit or loss account and other comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to unconsolidated statement of profit or loss account and other comprehensive income, but is transferred to the unconsolidated statement of changes in equity.

##### **ii) Financial liabilities**

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the unconsolidated statement of profit or loss account and other comprehensive income.

#### **3.18 Off-setting of financial assets and liabilities**

Financial assets and liabilities are off-set and the net amount is reported in the unconsolidated statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **3.19 Deferred income - Government grant**

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

### 3.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) in respect of its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.21 Restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these unconsolidated financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS-8)-'Accounting Policies, change in Accounting Estimates and Errors'. There has been no effect on the unconsolidated Statement of Financial Position and unconsolidated statement of cashflows as a result of this change.

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	← Rupees in "000" →					
<b>Effect on statement of profit or loss</b>						
<b>Loss before income tax, Minimum tax</b>	(55,801)	5,802	(49,999)	(100,060)	6,766	(93,294)
<b>Levies-minimum tax</b>	-	(5,802)	(5,802)	-	(6,766)	(6,766)
<b>Income tax expense</b>	(8,991)	5,802	(3,189)	(4,986)	6,766	1,780

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**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023		
	(Rupees '000)			
<b>4. PROPERTY AND EQUIPMENT</b>				
Operating assets - note 4.1	4,076	4,334		
<b>4.1 Operating assets</b>				
	Machinery note 4.2	Furniture and Fittings	Office and other Equipments	Total
	← (Rupees '000) →			
<b>Net carrying value basis</b>				
<b>Year ended June 30, 2024</b>				
Opening net book value (NBV)	3,358	788	188	4,334
Additions (at cost)	-	-	61	61
Depreciation charge - note 4.4	-	(117)	(202)	(319)
<b>Closing net book value (NBV)</b>	<b>3,358</b>	<b>671</b>	<b>47</b>	<b>4,076</b>
<b>Gross carrying value basis</b>				
<b>At June 30, 2024</b>				
Cost	8,492	2,294	14,194	24,980
Accumulated depreciation	(5,134)	(1,623)	(14,147)	(20,904)
<b>Net book value (NBV)</b>	<b>3,358</b>	<b>671</b>	<b>47</b>	<b>4,076</b>
<b>Net carrying value basis</b>				
<b>Year ended June 30, 2023</b>				
Opening net book amount	5,155	907	460	6,522
Additions (at cost)	-	-	268	268
Depreciation charge - note 4.4	(1,797)	(119)	(540)	(2,456)
<b>Closing net book value (NBV)</b>	<b>3,358</b>	<b>788</b>	<b>188</b>	<b>4,334</b>
<b>Gross carrying value basis</b>				
<b>At June 30, 2023</b>				
Cost	8,492	2,294	14,133	24,919
Accumulated depreciation	(5,134)	(1,506)	(13,945)	(20,585)
<b>Net book value (NBV)</b>	<b>3,358</b>	<b>788</b>	<b>188</b>	<b>4,334</b>
<b>Annual rate of Depreciation %</b>	<b>20</b>	<b>10</b>	<b>20</b>	

**4.2** Machinery items represent moulds and cylinders having net book value of Rs. 3.35 million (2023: Rs. 3.4 million) and Nil (2023: Nil) respectively and cost of Rs. 7.7 million (2023: Rs. 7.7 million) and Rs. 0.75 million (2023: Rs. 0.75 million), which are located at premises of Afeef Packages (Private) Limited and Fazleesons (Private) Limited respectively. No depreciation has been charged as there was no production during the year.

**4.3** Included in the cost of property and equipment are fully depreciated assets which are still in use aggregating to Rs. 15.20 million (2023: Rs.13.94 million).

**UNITED BRANDS LIMITED**  
**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
<b>4.4</b> Depreciation for the year has been allocated as follows:		
	(Rupees '000)	
Cost of sales - manufactured goods - note 19.1	-	1,797
Marketing and distribution expenses - note 20	146	426
Administrative and general expenses - note 21	173	233
	<b>319</b>	<b>2,456</b>
	2024	2023
	(Rupees '000)	
<b>5. INTANGIBLE ASSETS</b>		
Computer software - note 5.1	-	5
<b>5.1 Computer software</b>		
<b>Net carrying value basis</b>		
Opening net book value	5	52
Amortisation charge	(5)	(47)
Net book value	-	5
<b>Gross carrying value basis</b>		
Cost	452	452
Accumulated amortisation	(452)	(447)
Net book value	-	5
Amortisation rate	<b>20%</b>	20%
	2024	2023
	(Rupees '000)	
<b>6. INVESTMENT IN SUBSIDIARY</b>		
Subsidiary company (at cost) - note 6.1		
2,500,000 (June 30, 2022: 2,500,000)		
Ordinary shares of Rs. 10 each	<b>25,000</b>	25,000

**6.1** The above investment represents investment in IBL Logistics (Private) Limited (the subsidiary). The subsidiary was incorporated on 23 April 2018. The Company beneficially owns 100% of the share capital of the subsidiary.

The subsidiary was incorporated in Pakistan and its principal place of business is at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi.

The principal activities of the subsidiary comprises primarily of transportation and warehousing, trading and distribution of goods and assembling of electrical goods. The book value of IBL Logistics (Private) Limited based on the audited financial statements as at June 30, 2024 is Rs. 176.24 million (2023: Rs. 163.17 million).

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**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
<b>7. LONG TERM DEPOSITS</b>	(Rupees '000)	
Long term deposits - note 7.1	-	412

**7.1** These facilities were given to the employees in accordance with the terms of employment. These deposits do not carry any mark up arrangement.

	2024	2023
<b>8. INVENTORIES</b>	(Rupees '000)	
Raw and packaging materials	28,929	28,929
Finished goods - manufactured	3,524	5,542
Trading goods - In Hand	470,570	298,601
- In Transit	2,361	1,832
<b>Total</b>	<b>505,384</b>	<b>334,904</b>

**8.1** As at June 30 2024, stock has been written down by Rs. 1.91 million (2023: Rs. 24.64 million) to arrive at its net realisable value of Nil (2023 : Nil).

	2024	2023
<b>9. TRADE AND OTHER RECEIVABLES</b>	(Rupees '000)	
Trade receivables - note 9.1	146,200	141,358
Other receivables - note 9.2	127,562	126,323
	<b>273,762</b>	<b>267,681</b>

	2024	2023
<b>9.1 Trade receivables</b>	(Rupees '000)	
<b>Unsecured - Considered good</b>		
- Due from related parties - note 9.1.1	2,422	2,697
- Others - note 9.1.2 & 9.1.3	185,182	173,097
	<b>187,604</b>	<b>175,794</b>
Less: Allowance for expected credit loss - note 9.1.4	<b>(41,404)</b>	<b>(34,436)</b>
	<b>146,200</b>	<b>141,358</b>

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

9.1.1 As at June 30, 2024, age analysis of trade receivables from related parties is as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
(Rupees '000)							
<b>Year ended June 30, 2024</b>							
The Searle Compnay Limited	375	-	-	-	-	375	375
United Retails (SMC-Private) Limited	2,047	-	-	-	-	2,047	2,047
	<b>2,422</b>	-	-	-	-	<b>2,422</b>	<b>2,422</b>
<b>Year ended June 30, 2023</b>							
The Searle Compnay Limited	537	-	-	-	-	537	170
United Retails (SMC-Private) Limited	1,351	-	-	-	-	1,351	656
International Brands Private Limited	809	-	-	-	-	809	718
	<b>2,697</b>	-	-	-	-	<b>2,697</b>	<b>1,544</b>

9.1.1.1 As at June 30, 2024, the age analysis of trade receivables due from related parties are as follows:

	2024	2023
	(Rupees '000)	
Not yet due	426	54
Past due	362	1,036
Less than 30 days	454	398
- 31 to 90 days	589	748
- 91 to 360 days	591	461
- More than 360 days		
	<b>2,422</b>	<b>2,697</b>

9.1.2 The maximum aggregate amount of receivable outstanding at any time at the end of any month during the year is Rs. 187.194 million.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

9.1.3 As at June 30, 2024, the age analysis of these trade receivables is as follows:

	2024	2023
	(Rupees '000)	
Not yet due	30,566	40,023
Past due	56,205	12,822
Less than 30 days	44,577	80,363
- 31 to 90 days	31,817	22,345
- 91 to 360 days	22,017	17,544
- More than 360 days	154,616	133,074
	185,182	173,097
<b>9.1.4 Allowance for expected credit losses</b>		
Balance as at July 01	34,436	65,278
Recognition of expected credit losses charge during the year - net	6,968	6,487
Written off	-	(37,329)
Balance as at June 30	41,404	34,436
<b>9.2 Other receivables - unsecured considered good</b>		
Related party - note 9.2.1 & 9.2.3	34,845	24,414
Others - note 9.2.2	92,717	101,909
	127,562	126,323

9.2.1 This represents amount receivable from IBL Healthcare Limited amounting to Rs. 20.7 million (2023: Rs. 11.5 million) in respect of claims, discounts and bonus relating to sales of Canderel and from The Searle Company Limited amounting to Rs. 1.3 million (2023: Nil) in respect of salaries and entertainment expense claims. The remaining from IBL Logistics (Private) Limited amounting to Rs. 12.8 million (2023: Rs. 12.9 million) in respect of intercompany cross charge and fund transfer.

9.2.2 This represents receivable from principles in respect of stock claims, expenses and others.

9.2.3 As at June 30, 2024, age analysis of other receivables from related party is as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
----- (Rupees '000) -----							
<b>Year ended June 30, 2024</b>							
IBL Healthcare Limited	20,792	-	-	-	-	20,792	20,792
The Searle Company Limited	1,256	-	-	-	-	1,256	1,256
IBL Logistics (Private) Limited	12,797	-	-	-	-	12,797	12,797
	34,845	-	-	-	-	34,845	34,845
<b>Year ended June 30, 2023</b>							
IBL Healthcare Limited	11,527	-	-	-	-	11,527	1,014
IBL Logistics (Private) Limited	12,887	-	-	-	-	12,887	5,100
	24,414	-	-	-	-	24,414	6,114

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**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
<b>10. TAXATION - PAYMENT LESS PROVISION</b>	(Rupees '000)	
Balance as at July 01	35,146	37,464
Provision for tax		
- Current year	(7,211)	(6,766)
- Prior year	(1,780)	1,780
Tax paid	4,768	2,668
Balance as at June 30	30,923	35,146

	2024	2023
<b>11. PREPAYMENTS AND ADVANCES</b>	(Rupees '000)	
Prepayments - Unsecured	2,543	-
Advances - note 11.1	15,955	23,873
	18,498	23,873
<b>11.1 Advances</b>		
<b>Unsecured - Considered good</b>		
- Advance to suppliers note 11.1.2	6,429	1,000
- Advance against toll manufacturing - note 11.1.3	-	2,744
- Others - note 11.1.4	9,526	20,129
	15,955	23,873

**11.1.1** These advances do not carry any mark up arrangement.

**11.1.2** This includes Rs. 5.43 million given to Searle Pakistan Limited against import of Schick.

**11.1.3** This amount represents LC Margin to Habib Metropolitan Bank against import of Nongshim and advance given to employees.

**12. SALES TAX REFUNDS DUE FROM GOVERNMENT - NET**

This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior period for which no input was claimed due to dispute with Collector of Customs. The Collector of Customs raised an issue in relation to payment of Federal Excise Duty (FED) on the import of goods made by Company during the month of June 2020. However, due to restriction placed on the "release of the said consignment" due to FED payment dispute, the sales tax paid could not be adjusted by the Company in that month. The Company had paid sales tax amounting to Rs. 42.43 million and Rs. 28.21 million in the months of June 2020 and June 2021 respectively for the above mentioned consignment. Since, the sales tax has been paid in relation to the taxable supplies to be made, the Company intends to claim the same. The Company has asked Customs Department to issue a letter to Federal Board of Revenue requesting it to allow claim of input sales tax in the subsequent sales tax periods for the aforementioned amount.

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

**UNITED BRANDS LIMITED**  
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**FOR THE YEAR ENDED JUNE 30, 2024**

**11. CASH AND BANK BALANCES**

**2024**

**2023**

(Rupees '000)

**With Banks on**

**- Current accounts:**

- Conventional - note 13.1
- Islamic

<b>9,235</b>	41,438
<b>23,838</b>	2,997

**- Savings accounts:**

- Islamic - note 13.2
- Term deposit receipt - note 13.3

<b>453</b>	14,503
<b>32,092</b>	32,092

<b>65,618</b>	91,030
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Cash and cheques in hand

<b>9,750</b>	6,553
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<b>75,368</b>	97,583
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**13.1** The Company has obtained bank guarantee from Silk Bank Limited amounting to Rs. 10 million (2023: Rs. 20 million) against Pakistan State Oil company Limited fuel card.

**13.2** These are shariah compliant bank balances and carry profit at rates ranging from 0.07% to 11.01% (2023: 0.065% to 10%) per annum.

**13.3** It represents guarantee deposits placed with Silk Bank Limited in form of term deposit receipt carrying mark up at the rate 19% to 19.75% (2023:12.5% to 14.5%) per annum.

**14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

**Authorised Share Capital**

<u>Number of Shares</u>			<u>2024</u>	<u>2023</u>
<u>2024</u>	<u>2023</u>		----- Rupees '000 -----	
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10/- each	<u>1,000,000</u>	<u>1,000,000</u>

**Issued, Subscribed and Paid-up Share Capital**

<u>Number of Shares</u>			<u>2024</u>	<u>2023</u>
<u>2024</u>	<u>2023</u>			
<u>91,800,000</u>	<u>91,800,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>918,000</u>	<u>918,000</u>

**14.1** As at June 30, 2024, International Brands Limited together with its nominees holds 88,200,462 (2023: 88,200,462) ordinary shares of Rs. 10 each.

**UNITED BRANDS LIMITED**  
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**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
	(Rupees '000)	
<b>15. TRADE AND OTHER PAYABLES</b>		
Trade creditors	<b>337,655</b>	252,136
Accrued liabilities	<b>134,478</b>	73,855
Payable to IBL Operations (Private) Limited - note 15.1	<b>497,867</b>	275,229
Payable to IBL Healthcare Limited - note 15.2	<b>63,027</b>	42,201
Payable to International Brands (Private) Limited - note 15.3	<b>31,595</b>	31,595
Payable to The Searle Company Limited - note 15.2	<b>2,123</b>	-
EOBI and SESSI payable	<b>3,902</b>	3,664
Payable to employees' provident fund	<b>431</b>	1,263
Tax deducted at source and payable to statutory authorities	<b>3,296</b>	801
Others	<b>3,160</b>	10,656
	<b><u>1,077,534</u></b>	<b><u>691,400</u></b>

**15.1** This includes amount payable to IBL Operations (Private) Limited - associated company under agreement for sharing of expenses relating to sales and administrative infrastructure. It also includes Rs. 363.14 million as funds transferred to the Company to meet working capital requirements which do not carry mark-up and are repayable on demand.

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

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

**15.4** All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and Employees Provident Fund (Investment in Listed Securities) Rules, 2016 and the conditions specified thereunder.

	2024	2023
	(Rupees '000)	
<b>16. SHORT-TERM BORROWINGS</b>		
Finance against short term loans from Islamic banks	<b><u>98,108</u></b>	<u>255,763</u>

**16.1** These represent short-term loans obtained under financing arrangement from Islamic banks under Islamic mode for the purpose of meeting working capital requirements. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between November and December 2024.

This represents Tijarah facility obtained from commercial banks, having limit of Rs. 100 million (2023: Rs. 315 million) out of which Rs. 2 million (2023: Rs. 59.24 million) remains unutilised for Tijarah facility at the reporting date. The arrangements carry mark-up ranging from 1.75% to 2% above six months KIBOR (2023: 0.15% to 2% above six months KIBOR) with a maximum aggregate limit of Rs. 248 million (2023: Rs. 265 million).

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 17. CONTINGENCIES AND COMMITMENTS

##### 17.1 Contingencies

**17.1.1** During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue issued a notice of demand under section 137(2) of the Income Tax Ordinance, 2001 (the Ordinance) dated January 31, 2020 for recovery of tax amounting to Rs. 94.66 million created pursuant to order dated January 31, 2020 passed under section 122(1) for tax year 2018. The Company has filed a Constitutional Petition No. D-1421 of 2020 before the Honorable High Court of Sindh. The Honorable High Court of Sindh has restrained the Deputy Commissioner Inland Revenue from enforcing the impugned income tax demand till the decision of Commissioner Inland Revenue (Appeals-II). whereas, The appeal was being heard on December 16, 2021 and is in the order dated December 31, 2021 received on September 21, 2022 in which the CIRA has remanded back the matters. The company has filed the appeal to the ATIR dated November 17, 2022 and is currently pending to be heard. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

**17.1.2** During the year ended June 30 2022, the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. The Company had filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The order against the aforesaid appeal is received on September 25, 2023 in which CIRA has remanded back the matters and the appeal against the same matters has been filed to ATIR dated November 22, 2023 which is currently pending to be heard. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

**17.1.3** During the year ended June 30 2022, the Assistant / Deputy Commissioner Inland Revenue issued an order dated March 30, 2022 for recovery of withholding tax along with default surcharge amounting to Rs. 200.04 million under section 161(1) on account of short deduction of tax at the time of making certain payments for the tax year 2019. During the year, the Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The order against the aforesaid appeal is received on September 25, 2023 in which CIRA has remanded back the matters and the appeal against the same matters has been filed to ATIR dated November 22, 2023 which is currently pending to be heard. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

**17.1.4** During the year ended June 30 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax along with default surcharge amounting to Rs. 98.98 million under section 11(2) of Sales Tax Act, 1990. The Company has filed an appeal in the Appellate Tribunal Inland Revenue. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

**17.1.5** During the year ended June 30 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax for the fiscal year 2016-17 along with default surcharge amounting to Rs. 10.76 million under section 11(2) of Sales Tax Act, 1990. The Company has filed an appeal in the Appellate Tribunal Inland Revenue. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

**17.1.6** During the year ended June 30 2024, the Sindh Revenue Board (SRB) issued order dated December 21, 2023 for the period July 2014 to June 2015 creating a demand of Rs. 246.67 million under section 23 read with

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

section 47 of the Act, 2011. The demand is created on the basis that the Company acted as Commission Agent and is working locally as agent for foreign based companies and earn commission by selling, trading and distributing goods on behalf of principal which are located outside Pakistan. Thus, entire revenue from sale of goods declared in unconsolidated financial Statement was held subject to SST at the applicable rate. The Company challenged the order before Commissioner (Appeals), SRB who granted stay against recovery of demand, however, the hearing of the main appeal is still pending. The management, based on the opinion of its tax advisor, considers that the legal and factual aspects of the case have not been considered and is confident that the matter will ultimately be decided in favour of the company.

#### 17.2 Commitments

The facilities for opening letter of credit and guarantees as at June 30, 2024 amounted to Rs. 8.6 million (2023: Rs. 188 million) and Rs.132.09 million (2023: Rs. 132.09 million) respectively. The amount remaining unutilised at the year end for letter of credit and guarantees was Nil (2023: Rs. 168.1 million) and Nil (2023: Nil) respectively.

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

#### 18. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024	2023
	(Rupees '000)	
Local Sales		
- Manufactured goods	5,690	15,521
- Trading Stock	1,390,266	1,718,342
- Revenue from services - note 18.2	2,549	6,311
	<b>1,398,505</b>	<b>1,740,174</b>
Less:		
- Trade discount	37,649	24,024
- Sales returns	42,767	128,617
- Sales tax	197,250	239,503
	<b>(277,666)</b>	<b>(392,144)</b>
	<b>1,120,839</b>	<b>1,348,030</b>

**18.1** The revenue from Bungash Corporation (Private) Limited amounts to Rs. 76.99 million which constitutes 6.9% (2023: Rs. 67.98 million pertains to revenue from Imtiaz Super Market which constitutes 5.06%) of the total revenue from contracts with customers.

**18.2** This represents service income derived as a commission agent as per the terms of the contract with the Principal. During the year, this line of service was discontinued.

**UNITED BRANDS LIMITED**  
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**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
<b>19. COST OF SALES</b>		
	(Rupees '000)	
Cost of sales - manufactured goods - note 19.1	<b>2,018</b>	10,242
Cost of sales - trading stock - note 19.2	<b>923,341</b>	1,137,438
	<b>925,359</b>	1,147,680
<b>19.1 Cost of sales - manufactured goods</b>		
Raw and packaging material consumed	-	1,518
Toll manufacturing charges	-	1,099
Depreciation	-	1,797
Repair & maintenance	-	3
	-	4,417
Add: Opening inventory of finished goods	<b>5,542</b>	11,367
Less: Closing inventory of finished goods	<b>(3,524)</b>	(5,542)
Cost of sales - manufactured goods	<b>2,018</b>	10,242
<b>19.2 Cost of sales - trading stock</b>		
Opening stock	<b>300,433</b>	513,356
Purchases	<b>1,095,839</b>	924,515
	<b>1,396,272</b>	1,437,871
Closing stock - note 8	<b>(472,931)</b>	(300,433)
Cost of sales - trading stock	<b>923,341</b>	1,137,438

	2024	2023
	(Rupees '000)	
<b>20. MARKETING AND DISTRIBUTION EXPENSES</b>		
Salaries, wages and allowances - note 20.1	<b>90,978</b>	88,480
Vehicle running and repair & maintenance	<b>36,159</b>	44,135
Advertising and sales promotion	<b>25,996</b>	23,559
Freight and cartage	<b>4,985</b>	13,497
Rent, rates and taxes	<b>8,767</b>	6,336
Travelling and conveyance	<b>3,320</b>	4,345
Insurance and security expenses	<b>3,472</b>	3,338
Utilities	<b>3,846</b>	2,794
Communication and entertainment	<b>2,767</b>	3,003
Printing and stationery	<b>329</b>	736
Depreciation	<b>146</b>	426
Others	<b>271</b>	-
	<b>181,036</b>	190,649

**20.1** Salaries, wages and allowances include Rs. 2.40 million (2023: Rs. 2.67 million) in respect of contributory provident fund and Rs. 0.18 million (2023: Rs. 0.031 million) in respect of compensated absences.

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	2024	2023
<b>21. ADMINISTRATIVE AND GENERAL EXPENSES</b>	(Rupees '000)	
Salaries, wages and allowances - note 21.1	16,192	18,432
Auditors' remuneration - note 21.2	5,433	4,267
Legal and professional charges	4,187	3,710
Travelling and conveyance	2,219	2,374
Rent, rates and taxes	3,330	2,584
Vehicle running and repair & maintenance	-	2,205
Fee and subscription	69	184
Insurance and security expenses	412	130
Depreciation	173	233
Printing and stationery	190	276
Communication and entertainment	39	46
Utilities	632	351
Amortisation	5	47
Others	29	-
	<b>32,910</b>	<b>34,839</b>

**21.1** Salaries, wages and allowances include Rs. 0.29 million (2023: Rs. 0.27 million) in respect of contributory provident fund and Rs. 1.36 million (2023: Rs. 1.29 million) in respect of compensated absences.

	2024	2023
<b>21.2 Auditors' remuneration</b>	(Rupees '000)	
<b>Audit Services</b>		
Annual audit fee	1,320	1,200
Fee for review of half yearly financial information	665	605
Statement of Compliance with Code of Corporate Governance, other certifications and others	264	240
Out-of-pocket expenses	565	422
<b>Non-Audit Services</b>		
Taxation services	2,619	1,800
	<b>5,433</b>	<b>4,267</b>

	2024	2023
<b>22. OTHER OPERATING EXPENSES</b>	(Rupees '000)	
Provision for expired and damaged stock - note 22.1	1,912	24,464

**22.1** This mainly includes provisions for damaged and expired items of business lines corian amounting to Rs. 1.91 million (2023: Rs.1.47 million) and Kellogg's amounting to Nil (2023 Rs.12 million) and Ovaltine amounting to Nil (2023 : Rs. 5.74 million)

**UNITED BRANDS LIMITED**  
**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

23. OTHER INCOME	2024	2023
	(Rupees '000)	
<b>Income from financial assets</b>		
Profit on savings accounts - Islamic	66	134
Profit on Term Deposit Receipt	4,512	3,562
<b>Income from financial assets</b>		
Insurance Claim	-	10,190
Scrap sales - note 23.1	-	2,000
Deferred income recognised on Government grant	-	267
Liabilities no longer payable	7,861	-
Others-23.2	1,214	-
	<b>13,653</b>	<b>16,153</b>

**23.1** This pertains to scrap sales in relation to damaged items of Schick Excel Razor Blades. This sale represents the stock which could not be sold.

**23.2** This pertains to income earned from Livvel and Dupont for providing logistics services through IBL Logistics (Private) Limited and scrap sales.

24. FINANCE COSTS	2024	2023
	(Rupees '000)	
Mark up on short term loans - note 24.1 and 24.2	33,682	47,574
Bank charges	2,381	2,932
Unwinding of discount on salary refinancing	-	89
Exchange loss - net	243	2,763
	<b>36,306</b>	<b>53,358</b>

**24.1** It includes mark-up expense of shariah compliant banks in respect of long term finance of Nil (2023:Rs. 0.09 million) and short term borrowings of Rs. 33.68 million (2023: Rs. 47.57 million).

**24.2** The Company has obtained facilities for short-term finance under Tijarah. The rates of profit on these facilities range from 20.44% to 25.05% (June 30, 2023: 13.21% to 24.09%) per annum.

25. LEVIES - MINIMUM TAX	2024	2023
	(Rupees '000)	
Minimum tax - note 25.1	5,802	6,766

**25.1** This represent minimum tax under section 113 ,148 & 233 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/ IAS 37.

**UNITED BRANDS LIMITED**  
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	2024	2023
	(Rupees '000)	
<b>26. INCOME TAX EXPENSE</b>		
- for current year	1,409	-
- for prior year	1,780	(1,780)
	<u>3,189</u>	<u>(1,780)</u>

26.1 Relationship between tax expense and accounting loss	2024	2023	2024	2023
	Effective tax rate %		----- Rupees '000 -----	
Accounting loss before income tax			<u>(49,999)</u>	<u>(93,294)</u>
Tax at the enacted tax rate	29.00	29.00	(14,500)	(27,055)
Effect of:				
- Levies and taxation	(39.80)	(35.60)	19,900	38,704
- Prior year impact	(3.56)	1.91	1,780	(1,780)
- Others	(3.62)	5.23	1,811	(4,883)
Income tax expense for the year			<u>8,991</u>	<u>4,986</u>

**26.2** Deferred tax asset is not recognised because it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

	2024	2023
<b>27. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE</b>		
	(Rupees '000)	
Loss for the year attributable to ordinary shareholders	<u>(58,990)</u>	<u>(98,280)</u>
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year - note 14	<u>91,800,000</u>	<u>91,800,000</u>
	(Rupees)	
Basic and diluted loss per share	<u>(0.64)</u>	<u>(1.07)</u>

**27.1** A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2024 and 2023 which would have any effect on the loss per share if the option to convert is exercised.

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	2024	2023
	(Rupees '000)	
<b>28. CASH GENERATED FROM OPERATIONS</b>		
Loss before levies and income tax	<b>(49,999)</b>	(93,294)
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	<b>319</b>	2,457
Deferred income - Government grant	<b>-</b>	(267)
Interest income-Term deposit receipt	<b>(4,512)</b>	(3,562)
Amortisation	<b>5</b>	47
Recognition of loss allowance on trade receivables	<b>6,968</b> <b>1,912</b>	6,487 24,464
Provision for expired and damaged stock	<b>33,682</b>	47,574
Mark-up on short term loans	<b>-</b>	89
Unwinding of discount on salary refinancing	<b>38,374</b>	77,289
	<b>(11,625)</b>	(16,005)
<b>Effect on cash flow due to working capital changes decrease / (Increase) in current assets:</b>		
Inventories	<b>(172,392)</b>	195,802
Trade and other receivables	<b>(13,049)</b>	72,993
Prepayments and advances	<b>5,375</b>	(18,361)
Sales tax refunds due from Government - net	<b>(13,027)</b>	9,192
	<b>(193,093)</b>	259,626
Increase / (decrease) in trade and other payables	<b>386,134</b>	(197,638)
Cash generated from operations	<b>181,416</b>	45,983
<b>29. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances excluding term deposit receipt - note 13	<b>43,276</b>	65,491

**29.1** Short term investment is released from cash and cash equivalent as it includes term deposit receipt only which is held as a lien against the guarantee issued by the Silk Bank Limited.

**30. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

**30.1** All the financial assets and financial liabilities of the Company are classified at amortised cost.

**UNITED BRANDS LIMITED**  
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	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
----- Rupees '000 -----							
<b>FINANCIAL ASSETS</b>							
Accrued interest	551	-	551	-	-	-	551
Long term deposits	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	273,762	-	273,762	273,762
Cash and bank balances	32,545	-	32,545	42,823	-	42,823	75,368
<b>June 30, 2024</b>	<b>33,096</b>	<b>-</b>	<b>33,096</b>	<b>316,585</b>	<b>-</b>	<b>316,585</b>	<b>349,681</b>
<b>FINANCIAL LIABILITIES</b>							
Accrued mark-up	1,965	-	1,965	-	-	-	1,965
Trade and other payables	-	-	-	935,858	-	935,858	935,858
Unclaimed dividend	-	-	-	353	-	353	353
Short-term borrowings	98,108	-	98,108	-	-	-	98,108
<b>June 30, 2024</b>	<b>100,073</b>	<b>-</b>	<b>100,073</b>	<b>936,211</b>	<b>-</b>	<b>936,211</b>	<b>1,036,284</b>
<b>ON REPORTING DATE GAP</b>							
<b>June 30, 2024</b>	<b>(66,977)</b>	<b>-</b>	<b>(66,977)</b>	<b>(619,626)</b>	<b>-</b>	<b>(619,626)</b>	<b>(686,603)</b>
<b>OFF STATEMENT OF FINANCIAL POSITION ITEMS</b>							
Letters of credit / guarantees							140,750
<b>June 30, 2024</b>							<b>140,750</b>
June 30, 2023							320,090
----- Rupees '000 -----							
<b>FINANCIAL ASSETS</b>							
Accrued interest	962	-	962	-	-	-	962
Long term deposits	-	-	-	-	412	412	412
Trade and other receivables	-	-	-	267,681	-	267,681	267,681
Cash and bank balances	46,595	-	46,595	50,988	-	50,988	97,583
<b>June 30, 2023</b>	<b>47,557</b>	<b>-</b>	<b>47,557</b>	<b>318,669</b>	<b>412</b>	<b>319,081</b>	<b>366,638</b>
<b>FINANCIAL LIABILITIES</b>							
Accrued mark-up	14,765	-	14,765	-	-	-	14,765
Trade and other payables	-	-	-	613,080	-	613,080	613,080
Unclaimed dividend	-	-	-	353	-	353	353
Short-term borrowings	255,763	-	255,763	-	-	-	255,763
<b>June 30, 2023</b>	<b>270,528</b>	<b>-</b>	<b>270,528</b>	<b>613,433</b>	<b>-</b>	<b>613,433</b>	<b>883,961</b>
<b>ON REPORTING DATE GAP</b>							
<b>June 30, 2023</b>	<b>(222,971)</b>	<b>-</b>	<b>(222,971)</b>	<b>(294,764)</b>	<b>412</b>	<b>(294,352)</b>	<b>(517,323)</b>
<b>OFF STATEMENT OF FINANCIAL POSITION ITEMS</b>							
Letters of credit / guarantees							320,090
<b>June 30, 2023</b>							<b>320,090</b>
June 30, 2022							332,090

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 30.2 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

#### Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

#### 30.2.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails 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, the Company applies credit limits to its customers.

#### 30.2.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2024	2023
<b>Financial assets at amortised cost</b>	(Rupees '000)	
Long term deposits - note 7	-	412
Trade and other receivables - note 9	273,762	267,681
Accrued interest	551	962
Bank balances - note 13	65,618	91,030
	<b>339,931</b>	<b>360,085</b>

#### 30.2.1.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, employees, regulatory authorities and utility companies have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates.

#### a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margins against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies.

# UNITED BRANDS LIMITED

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Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

#### Bank balances

	Rating			2024	2023
	Short term	Long-term	Agency	Rupees in '000	
Habib Bank Limited	A1+	AAA	JCR-VIS	5,208	18,237
Silkbank Limited	A2	A-	JCR-VIS	2,664	2,878
Al Baraka Bank Pakistan Limited	A1	A+	JCR-VIS	10,604	842
Habib Metropolitan Bank	A1+	AA+	PCRA	12,893	1,814
Meezan Bank Limited	A1+	AAA	JCR-VIS	783	1,834
Bank AL Habib Limited	A1+	AAA	PCRA	650	650
Telenor Microfinancing Bank	A1	A	PCRA	724	32,683
				<b>33,526</b>	<b>58,938</b>

#### b) Counterparties without external credit ratings

These mainly include customers which are counter parties to local trade debts against sale of goods. As explained in note 3.17, the Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery.

Management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off.

The Company has used three years monthly data in the calculation of historical loss rates along with the matching monthly ageing brackets for the computation of roll rates. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2024 was determined as follows:

	2024			2023		
	Expected loss rates %	Gross Carrying amount Rupees in '000	Loss Allowance	Expected loss rates %	Gross Carrying amount Rupees in '000	Loss Allowance
Not past due	6.19%	30,566	1,892	1.32%	40,023	527
Past due						
1 - 30 days	8.19%	56,205	4,601	3.42%	12,822	439
31 - 90 days	12.21%	44,577	5,445	7.04%	80,363	5,657
91 - 360 days	23.56%	31,817	7,495	45.97%	22,345	10,271
More than 360 days	100.00%	22,017	22,017	100.00%	17,544	17,544
		<b>185,182</b>	<b>41,450</b>		<b>173,097</b>	<b>34,438</b>



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- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).
- There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year. However, determination of fair value of investment properties for disclosure purposes has been made under level 2.

#### 30.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

##### a) 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, 2024, the Company is not materially exposed to interest rate risk.

As at June 30, 2024, the Company had variable interest bearing financial liabilities of Rs. 98.11 million (2023: Rs. 255.76 million) and had the interest rate varied by 200 basis points with all the other variables held constant, loss before income tax for the year would have been approximately Rs. 3.92 million (2023: Rs. 5.12 million) lower / higher.

##### b) 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 not exposed to any of the currency risk since all of its transactions are denominated in Pakistani Rupees.

##### c) Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk.

## 31. CAPITAL RISK MANAGEMENT

# UNITED BRANDS LIMITED

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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, 2024 and 2023 were as follows:

	2024	2023
	(Rupees '000)	
Total borrowings	98,108	255,763
Cash and bank - note 11	(75,368)	(97,583)
Net debt	22,740	158,180
Equity	(167,834)	(108,844)
Total capital	(145,094)	49,336
Debt to capital ratio	(0.16)	3.21

### 32. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees '000-----					
Managerial remuneration	-	-	-	-	6,667	8,868
Allowances	-	-	-	-	3,334	4,434
Bonus	-	-	-	-	1,111	1,478
Company's contribution to provident fund	-	-	-	-	694	506
Leave encashment	-	-	-	-	277	370
Medical expenses	-	-	-	-	555	739
	-	-	-	-	12,638	16,395
Number of persons	1	1	6	6	5	4

**32.1** The Executives are entitled for medical facility to the extent of reimbursement of actual expenditure and other benefits in accordance with their terms of employment. Furthermore, the remuneration of Chief Financial Officer and Chief Executive Officer is borne by IBL Operations (Private) Limited and The Searle Company Limited.

**32.2** In addition to the above, fee paid to directors and chief executive for attending Board of Directors meetings during

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

the year amounted to Rs. 1.026 million (2023: Rs. 0.12 million).

#### 33. SEGMENT INFORMATION

Based on internal reporting structure for the year, no reportable segments were identified that were of accounting significance for decision making.

#### 34. RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, directors of the Company and key management personnel. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary and Non-Executive Directors to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Nature of relationship	Nature of transactions	2024	2023
		(Rupees '000)	
Parent Company	- Sale of goods	26	718
Subsidiary Company	- Expense paid by Company on behalf of IBL Logistics (Private) Limited	792	-
	- Purchase return	1,192	3,198
	- Sale of goods	-	105
	- Services obtained	10,307	10,294
	- Funds transferred to working capital	-	5,100
Associated companies	- Purchase of goods	89,795	49,552
	- Allocation of expenses note 34.2	20,233	18,609
	- Expense paid by IBL operations (Private) Limited on behalf of the Company	46,284	182,480
	- Funds received for working capital - note 15.1	363,139	152,046
	- Sale of goods	3,256	3,462
	- Expenses incurred on behalf of Associate	1,256	-
Employees' Provident Fund	- Contributions paid	2,687	2,954

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

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

**UNITED BRANDS LIMITED**  
**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**34.3** The status of outstanding balances with related parties as at June 30, 2024 is included in the respective notes to the unconsolidated financial statements. These are settled in the ordinary course of business.

**34.4** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

<b>S.No.</b>	<b>Company</b>	<b>Basis of relationship</b>	<b>Aggregate % of shareholding</b>
1.	International Brands (Private) Limited	Parent	96.08%
2.	IBL Logistics (Private) Limited	Subsidiary	100.00%
3.	IBL Operations (Private) Limited	Common Directorship	N/A
4.	The Searle Company Limited	Common Directorship	N/A
5.	IBL Healthcare Limited	Common Directorship	N/A
6.	Searle Pakistan Limited (Formerly OBS Pakistan (Private) Limited)	Associate Company	N/A
7.	United Brands Limited - Staff Provident Fund	Retirement Fund	N/A
8.	Hasan Tariq Khan	Independent Director	N/A
9.	Tayyaba Rasheed	Independent Director	N/A
10.	Munis Abdullah	Director	N/A
11.	Syed Nadeem Ahmed	Chief Executive	N/A
12.	Zubair Razzak Palwala	Director	N/A
13.	Syed Qaisar Abbas	Director	N/A
14.	Rizwan Ahmad	Director	N/A

**35. NUMBER OF EMPLOYEES**

The total number of employees and average number of employees at year end and during the year respectively are as follows:

**35.1** Number of employees as at June 30

- Permanent  
- Contractual

<b>2024</b>	2023
<b>157</b>	<b>228</b>
<b>1</b>	<b>2</b>

Average number of employees during the year

- Permanent  
- Contractual

<b>160</b>	<b>207</b>
<b>2</b>	<b>7</b>

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 35. BUSINESS UNITS - GEOGRAPHICAL LOCATIONS AND ADDRESSES

<b>SALES OFFICES</b>	<b>ADDRESSES</b>
Bahawalpur	Plot No. 73-74/A, Small Industrial Area Estate, Multan Road, Near NBP. Bahawalpur.
Faisalabad	Plot No. 387,388, Amin Town, Askari Road Near Educators School, West Canal Road. IBL Faisalabad.
Gujranwala	8 KM G.T Road , G Mangolia Housing Society. IBL Gujranwala.
Hyderabad	Plot # A-10-H, Near Bolevard Mall, SITE Area. IBL Hyderabad
Islamabad	Plot No. 65 & 66, Street 13, V9-2, Industrial Area. IBL Islamabad.
Karachi	Plot # L-16 A, Block-22, FB Industrial Area. IBL Karachi
Lahore	131/3, Quaid-e-Azam Industrial Estate Gate - 4, Near Fine Chowk, Kot Lakhpat. IBL Lahore
Multan	Plot No. 590,591 Jahangir Abad NLC Chowk Main G.T. Road, IBL Multan
Peshawar	Jhagra Stop, Near Jhagra Gattering Hall, G.T. Road. IBL Peshawar.
Quetta	Plot # 869 Killi Gul Muhammad, Muslimabad, Opposite TCS Office, Adjacent Taqwa Masjid, Off: Airpport Road. IBL Quetta.
Sukkur	Plot No. A - 3, Golimar Area, Near Khabrain Newspaper Press. IBL Sukkur.

<b>DISTRIBUTION WAREHOUSES</b>	<b>ADDRESSES</b>
Karachi National Warehouse	Plot # 56, Sector 7, Sharifabad Near Leather Market, Korangi industrial area Karachi.
Lahore National Warehouse	32 KM, Multan Road, Lahore Maraka, Ioharwala Khu, near Al Hamad marriage Hall, IBL Lahore National warehouse
Karachi	Plot # 60-61, Sector 7/A, Korangi Indutstrial Area, Karachi

#### 37. DATE OF AUTHORISATION FOR ISSUE

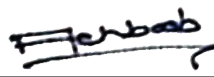
These unconsolidated financial statements were approved by the board of directors of the Company and authorised for issue on October 04, 2024.



Syed Naveem Ahmed  
Chief Executive Officer



Zubair Razzak Palwala  
Director



Mehboob Yasin  
Chief Financial Officer

CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2024



**INDEPENDENT AUDITOR'S REPORT**

**To the members of United Brands Limited**

**Opinion**

We have audited the annexed consolidated financial statements of United Brands Limited (the Holding Company) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Aff

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



Following is the Key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	<p><b>Revenue from contracts with customers</b></p> <p><i>(Refer note 3.13 and 16 to the annexed consolidated financial statements)</i></p> <p>The Group recognises revenue when control of the underlying products has been transferred to the customers.</p> <p>We considered revenue as a key audit matter due to revenue being one of the key performance indicators of the Group. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"><li>• understood and evaluated the design, implementation and operating effectiveness of controls over revenue;</li><li>• assessed the appropriateness of the Group's revenue recognition accounting policies by comparing with applicable accounting standards;</li><li>• performed verification of revenue transactions, sales return and discounts on sample basis;</li><li>• performed revenue analysis including month on month analysis, year on year analysis, business line wise analysis, etc. and inquired unusual fluctuations, if any;</li><li>• performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; and</li><li>• reviewed the adequacy of the disclosures made by the Group in this area with regard to applicable accounting and reporting standards.</li></ul>

**Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

AFF



### **Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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3 of 4 pages

Independent Auditor's Report



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

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

**Date: October 7, 2024**

**UDIN: AR202410073kZ54wprfu**

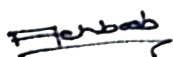
**UNITED BRANDS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	2024	2023
(Rupees in '000')			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	13,302	9,703
Intangible assets	5	-	5
Long-term deposits	6	13,963	9,987
		27,265	19,695
<b>Current assets</b>			
Inventories	7	634,144	467,727
Trade and other receivables	8	832,190	638,920
Prepayments, deposits and advances	9	39,207	80,277
Taxation - payments less provision		22,116	32,540
Sales tax refunds due from Government - net	10	9,668	52,152
Accrued interest		551	962
Cash and bank balances	11	96,822	129,150
		1,634,698	1,401,728
<b>Total assets</b>		1,661,963	1,421,423
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital	12	918,000	918,000
Accumulated losses		(934,596)	(888,677)
		(16,596)	29,323
<b>Liabilities</b>			
Trade and other payables	13	1,578,133	1,101,056
Short-term borrowings	14	98,108	275,443
Accrued mark-up		1,965	15,248
Unclaimed dividend		353	353
		1,678,559	1,392,100
<b>Total liabilities</b>		1,678,559	1,392,100
<b>Contingencies and commitments</b>			
<b>Total equity and liabilities</b>	15	1,661,963	1,421,423

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

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

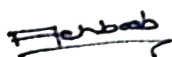
**UNITED BRANDS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
		(Rupees in '000')	
Revenue from contracts with customers	16	2,434,877	2,526,888
Cost of sales and services	17	(2,052,834)	(2,180,038)
Gross profit		<b>382,043</b>	346,850
Marketing and distribution expenses	18	(237,119)	(243,952)
Administrative and general expenses	19	(94,791)	(90,079)
Recognition of loss allowance on trade receivables	8.1.4	(13,422)	(8,635)
Other operating expenses	20	(6,628)	(25,693)
Profit / (loss) from operations		<b>30,083</b>	(21,509)
Other income	21	16,988	17,994
Finance costs	22	(39,690)	(59,353)
Profit / (loss) before levies and income tax		<b>7,381</b>	(62,868)
Levies - minimum tax	23	(45,622)	(39,390)
Loss before income tax		<b>(38,241)</b>	(102,258)
Income tax expense	24	(7,678)	995
Loss for the year after taxation		<b>(45,919)</b>	(101,263)
Other comprehensive income		-	-
Total comprehensive loss for the year		<b>(45,919)</b>	(101,263)
		(Rupees)	
Basic and diluted (loss) / earnings per share	25	<b>(0.50)</b>	(1.10)

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

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

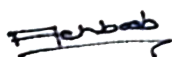
**UNITED BRANDS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Reserves		Total Equity
	Capital	Revenue	
	Issued, subscribed and paid up capital	Accumulated loss	
	← (Rupees 000) →		
Balance as at July 01, 2022	918,000	(787,414)	130,586
Loss for the year ended June 30, 2023	-	(101,263)	(101,263)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year ended June 30, 2023	-	(101,263)	(101,263)
<b>Balance as at June 30, 2023</b>	918,000	(888,677)	29,323
Loss for the year ended June 30, 2024	-	(45,919)	(45,919)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year ended June 30, 2024	-	(45,919)	(45,919)
<b>Balance as at June 30, 2024</b>	<b>918,000</b>	<b>(934,596)</b>	<b>(16,596)</b>

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

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

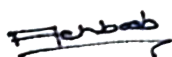
**UNITED BRANDS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
		(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	26	242,165	52,068
Increase in long-term deposits		(3,976)	(6,775)
Income tax and levies paid		(42,876)	(32,178)
Finance costs paid		(49,663)	(43,207)
<b>Net cash generated from / (used in) operating activities</b>		<b>145,650</b>	<b>(30,092)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of property and equipment		(5,566)	(1,054)
Interest income received		4,923	2,963
Net cash (used in) / generated from investing activities		(643)	1,909
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing (Repayment of short term financing) / financing received		-	(14,761)
Net cash used in financing activities		(157,655)	2,729
<b>Net decrease in cash and cash equivalents</b>		<b>(12,648)</b>	<b>(40,215)</b>
Cash and cash equivalents at the beginning of the year		77,378	117,593
<b>Cash and cash equivalents at the end of the year</b>	<b>27</b>	<b>64,730</b>	<b>77,378</b>

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

  
 Syed Naveem Ahmed  
 Chief Executive Officer

  
 Zubair Razzak Palwala  
 Director

  
 Mehboob Yasin  
 Chief Financial Officer

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 1. CORPORATE AND GENERAL INFORMATION

##### 1.1 The Group consists of: Holding Company - United Brands Limited (the company)

The Holding Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Companies Act, 1913. The Holding Company was renamed as UDL Industries Limited on March 16, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company was again renamed as United Brands Limited, a public limited Company on April 5, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Holding Company are quoted on the Pakistan Stock Exchange.

The Holding Company is a subsidiary of International Brands (Private) Limited, which is also the Holding Company's Ultimate Parent.

The principal activities of the Holding Company are trading and distribution of consumer goods and allied products. The Holding Company also manufactures safety razors through toll manufacturing.

The geographical locations and addresses of the Holding Company's business units are as under:

- Registered office of the Holding Company is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi; and
- The Holding Company has various sale offices and distribution warehouses. Detailed list is provided in note 34.

Subsidiary companies are companies in which the Holding Company owns over 50% of voting rights or companies directly or indirectly controlled by the Holding Company. As at June 30, 2024, the Holding Company owns 100% ordinary shares of IBL Logistics (Private) Limited.

Subsidiary Company - IBL Logistics (Private) Limited (the Subsidiary Company)

The Subsidiary Company is a private limited company incorporated and registered under the Companies Act, 2017 on April 23, 2018.

The principal activities of the Subsidiary Company comprises primarily of transportation and warehousing, trading and distribution of goods and assembling of electrical goods.

The geographical locations and addresses of the Subsidiary Company business units are as under:

- The registered office of the Subsidiary Company is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi;
- The Subsidiary Company has a warehouse situated at Plot No. C-126, Sector 6-F, Mehran Town, Korangi, Karachi;
- Pepsi North East Warehouse, Dera Gujran Near Quaid-e-Azam Interchange;
- IBL Pepsi Warehouse RB 241 Dhudhanwala Ghaziabad Near Machli Form Stop Lower Canal Road, Jarranwala Road, Faisalabad; and
- Ferozpur Road, Opposite Pak Arab Society, Near Medix Hospital, Lahore.

##### 1.2 Management prepared these consolidated financial statements on a going concern basis, which assumes the realisation of assets and the satisfaction of liabilities in the normal course of business. As at June 30, 2024, the Group had net (deficit) / surplus of Rs. (16.6) million (2023: Rs. 29.32 million), net current liabilities /asset position of Rs. (43.86) million

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

(2023: Rs. 9.63 million) and operating cashflows inflow / (outflow) of Rs. 145.65 million (2023: Rs. (30.09) million). For the year ended June 30, 2024, the Group has incurred a loss before income tax of Rs. 38.24 million (2023: Rs. 102.26 million).

The Group has been closely monitoring the cash flows and forecasts on a monthly basis. Management performed analysis over their cash flow forecast to factor in the impact of a decline in both revenue and collection from customers. The Group will continue to receive support for at least the next twelve months from the date of issuance of these financial statements, if needed, from the Ultimate Parent Company. Based on above analysis and support from the Ultimate Parent Company, management has adequate financing lines to be able to maintain liquidity in order to repay its creditors in the foreseeable future.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Basis of consolidation

#### i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affects its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include United Brands Limited (the Holding Company) and IBL Logistics (Private) Limited (the Subsidiary Company).

The financial statements of the subsidiaries have been consolidated on a line by line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the year, even if that results in a deficit balance.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### ii) Transactions and non-controlling interests

The Group treats transactions with NCI that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

#### 2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

#### 2.4 Functional and presentation currency

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

#### 2.5 Use of estimates and judgements

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

Estimates and judgements 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.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods is described in note 3.17 - Expected Credit Losses (ECLs).

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

There have been no critical judgements other than those disclosed by the Group's management in applying the accounting policies that would have significant effect on the amounts recognised in the consolidated financial statements.

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

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 01, 2023. However, these do not have any significant impact on the Group's financial reporting and have not been detailed in these consolidated financial statements.

##### b) Standards and amendments to accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 01, 2024. However, these are considered either not to be relevant or to have any significant impact on the Group's financial statements and operations and,

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

therefore, have not been disclosed in these consolidated financial statements.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computations adopted in the preparation of these consolidated financial statements set out below have been applied consistently to all the periods presented in these consolidated financial statements, except as stated otherwise.

#### 3.1 Property and equipment

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.

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 4.1 to the consolidated financial statements. Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal. Asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts.

Maintenance and normal repairs are charged to consolidated statement of profit or loss and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

#### Gains and losses on disposal

Gains and losses on disposal of fixed assets are included in the consolidated statement of profit or loss account and other comprehensive income.

#### 3.2 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Group 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 values 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 exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

#### 3.3 Inventories

These are valued at the lower of cost and net realisable value. Raw and packing material and finished goods of trading stock are valued using first-in first-out method. Cost of finished goods manufactured comprise of direct costs including toll manufacturing charges and other cost incurred in bringing the inventories to their present location and condition.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

Provision is recorded for expired goods and for obsolescence is made where necessary and recognised in consolidated statement of profit or loss and other comprehensive income.

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 is valued at cost comprising invoice value plus other charges incurred thereon.

#### 3.4 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 3.17 for a description of the Group's impairment policies.

#### 3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks, cash and cheques held at branches.

#### 3.6 Share capital

Ordinary shares are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

#### 3.7 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 whether billed to the Group or not.

#### 3.8 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### 3.9 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, 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 reporting date and adjusted to reflect the current best estimates.

#### 3.10 Contract Liabilities

A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due). If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

is earlier). Contract liabilities are recognized as revenue when Group performs under the contract.

#### 3.11 Taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In which case, the tax is also recognised in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

##### i. Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation of income using prevailing tax rates 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 consolidated 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 consolidated statement of profit or loss and other comprehensive income.

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 reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### iii. Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the consolidated statement of profit or loss as these levies fall under the scope of IFRIC 21 / IAS 37.

#### 3.12 Employee benefits

##### i. Defined contribution plan

The Group operates recognised and unrecognised provident funds for its eligible and permanent employees. Equal monthly contributions are made both by the Group and the employees at the rate of 10% of basic salary. The Group 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

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### FOR THE YEAR ENDED JUNE 30, 2024

The Group 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.

#### 3.13 Revenue recognition

##### Sale of goods

Revenue is recognised at a point in time when control of the products has been transferred, i.e. when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised on dispatch of goods to customers i.e. when significant risks and rewards of ownership have been transferred to the customer.

Sales return are recognised as deduction from revenue on terms on arrangement with customer.

The Group offers discounts to customers as part of its normal course of business to encourage sales of the products. Discounts are recorded as a reduction of revenue of the Group.

No element of financing is deemed present as the sales are made with credit term of upto 90 days, which is consistent with the market practice.

##### Rendering of services

Revenue from transportation and warehousing services is recognised in the accounting period in which the services are rendered.

No element of financing is deemed present as the services are rendered with a credit term of 15 days, which is consistent with the market practice.

#### 3.14 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 when the borrowing costs 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.

#### 3.15 Foreign currency transactions and translation

Transactions in foreign currencies are accounted for in Pakistan Rupees at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies, if any, as at the reporting date are translated into Pakistan Rupees using the exchange rates prevailing at the reporting date. Exchange gains and losses, if any, are included in the consolidated statement of profit or loss and other comprehensive income.

#### 3.16 Dividend distribution

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

#### 3.17 Financial Instruments - Initial recognition and subsequent measurement

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

#### Classification of financial assets

The Group classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Group determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

#### Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

#### Subsequent measurement

##### i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

#### ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

#### iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

#### Impairment of financial asset

The Group recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30, 2024 and the corresponding historical credit losses experienced within this period.

The Group considers a financial asset in default when it is more than 365 days past due.

Life time ECLs are the ECLs that result from all possible defaults events over the expected life of a financial instrument. 12 month ECLs are portion of ECLs that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for the recovery of amounts due.

#### Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade receivables, deposits,

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### FOR THE YEAR ENDED JUNE 30, 2024

advances, other receivables and cash and cash equivalents.

#### i) Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss and other comprehensive income.

In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to consolidated statement of profit or loss and other comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to consolidated statement of profit or loss and other comprehensive income, but is transferred to consolidated statement of changes in equity.

#### ii) Financial liabilities

The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss and other comprehensive income.

### 3.18 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the consolidated statement of financial position if the Group has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3.19 Method of preparation of statement of cashflows

The consolidated statement of cashflows is prepared using indirect method.

### 3.20 Earnings / (loss) per share

The Group presents basic and diluted earnings / (loss) per share (EPS) in respect of its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.21 Restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance -"IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these consolidated financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS-8)-'Accounting Policies, change in Accounting Estimates and Errors'. There has been no effect on the consolidated Statement of financial position and consolidated statement of cashflows and earnings / (loss) per share as a result of this change.

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	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
← Rupees in "000" →						
<b>Effect on consolidated statement of profit or loss and other comprehensive Income</b>						
Profit / (Loss) before income	7,381	(45,622)	(38,241)	(62,868)	(39,390)	(102,258)
Levies - minimum tax	-	(45,622)	(45,622)	-	(39,390)	(39,390)
Income tax expense	(53,300)	45,622	(7,678)	(38,395)	39,390	995

**4. PROPERTY AND EQUIPMENT**

Operating assets - note 4.1

2024	2023
(Rupees '000)	
<b>13,302</b>	9,703

**UNITED BRANDS LIMITED**  
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**FOR THE YEAR ENDED JUNE 30, 2024**

4.1 Operating assets	Leasehold Improvements	Machinery note 4.2	Furniture and Fittings	Office and other Equipments	Total
	← (Rupees '000) →				
<b>Net carrying value basis</b>					
<b>Year ended June 30, 2024</b>					
Opening net book value (NBV)	1,080	3,358	1,856	3,409	9,703
Additions (at cost)	-	-	26	5,540	5,566
Depreciation charge - note 4.3	(141)	-	(457)	(1,369)	(1,967)
<b>Closing net book value (NBV)</b>	<b>939</b>	<b>3,358</b>	<b>1,425</b>	<b>7,580</b>	<b>13,302</b>
<b>Gross carrying value basis</b>					
<b>At June 30, 2024</b>					
Cost	3,141	8,492	4,391	26,700	42,724
Accumulated depreciation	(2,202)	(5,134)	(2,966)	(19,120)	(29,422)
<b>Net book value (NBV)</b>	<b>939</b>	<b>3,358</b>	<b>1,425</b>	<b>7,580</b>	<b>13,302</b>
<b>Net carrying value basis</b>					
<b>Year ended June 30, 2023</b>					
Opening net book amount (NBV)	1,109	5,155	2,011	4,025	12,300
Additions (at cost)	106	-	284	663	1,053
Depreciation charge - note 4.3	(135)	(1,797)	(439)	(1,279)	(3,650)
<b>Closing net book value (NBV)</b>	<b>1,080</b>	<b>3,358</b>	<b>1,856</b>	<b>3,409</b>	<b>9,703</b>
<b>Gross carrying value basis</b>					
<b>At June 30, 2023</b>					
Cost	3,141	8,492	4,365	21,160	37,158
Accumulated depreciation	(2,061)	(5,134)	(2,509)	(17,751)	(27,455)
<b>Net book value (NBV)</b>	<b>1,080</b>	<b>3,358</b>	<b>1,856</b>	<b>3,409</b>	<b>9,703</b>
<b>Annual rate of Depreciation %</b>	<b>10</b>	<b>20</b>	<b>10</b>	<b>20</b>	

**4.2** Machinery items Includes moulds and cylinders having net book value of Rs. 3.35 million (2023: 3.1 million) and Nil (2023: Nil) respectively and cost of Rs. 7.7 million (2023: Rs. 7.7 million) and 0.75 million (2023: 0.75 million), which are located at premises of Afeef Packages (Private) Limited and Fazleesons (Private) Limited respectively. No depreciation has been charged as there was no production during the year.

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**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
<b>4.3 Depreciation for the year has been allocated as follows:</b>		
	(Rupees '000)	
Cost of services - note 17.3	1,172	732
Cost of sales - manufactured goods - note 17.1	-	1,797
Marketing and distribution expenses - note 18	175	450
Administrative and general expenses - note 1	620	671
	<b>1,967</b>	<b>3,650</b>
<b>5. INTANGIBLE ASSETS</b>		
Computer software - note 5.1	<b>-</b>	<b>5</b>
<b>5.1 Computer software</b>		
<b>Net carrying value basis</b>		
Opening net book value	5	68
Amortisation charge	(5)	(63)
Net book value	<b>-</b>	<b>5</b>
<b>Gross carrying value basis</b>		
Cost	1,802	1,802
Accumulated amortisation	(1,802)	(1,797)
Net book value	<b>-</b>	<b>5</b>
Useful life in years	<b>3 to 5</b>	<b>3 to 5</b>
<b>6. LONG TERM DEPOSITS</b>		
This includes security deposit paid against various warehouses obtained on rental basis.		
<b>7. INVENTORIES</b>	2024	2023
	(Rupees '000)	
Raw and packaging materials	125,240	112,861
Finished goods - manufactured	3,524	5,542
Finished goods - assembled	2,845	3,534
Trading goods - In hand	500,174	343,958
-In transit	2,361	1,832
	<b>634,144</b>	<b>467,727</b>
<b>7.1</b>	As at June 30 2024, stock of finished products has been written down by Rs 6.63 million (2023 : Rs. 32.77 million) to arrive at its net realisable value of Nil (2023 : Nil).	
<b>8. TRADE AND OTHER RECEIVABLES</b>	2024	2023
	(Rupees '000)	
Trade receivables - note 8.1	696,002	489,349
Other receivables - note 8.2	136,188	140,571
	<b>832,190</b>	<b>638,920</b>

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**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
<b>8.1 Trade receivables</b>	(Rupees '000)	
<b>Unsecured - Considered good</b>		
Due Related parties - note 8.1.1	292,583	161,726
Others - note 8.1.3	455,462	375,243
	<b>748,045</b>	536,969
<b>Less: Allowance for expected credit loss - note 8.1.4</b>	<b>(52,043)</b>	(38,620)
	<b>696,002</b>	498,349

**8.1.1** As at June 30, 2024, age analysis of trade receivables from related parties are as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
	← Rupees '000 →						
<b>Year ended June 30, 2024</b>							
The Searle Company Limited	257,344	236,954	-	-	-	257,344	262,693
IBL Health Care Limited	4,198	3,848	-	-	-	4,198	13,657
The Searle Pakistan Limited	23,576	21,403	-	-	-	23,576	23,576
United Retail (Private) Limited	5,106	3,059	-	-	-	5,106	5,106
Universal Retail (Private) Limited	2,359	2,359	-	-	-	2,359	2,612
	<b>292,583</b>	<b>267,623</b>	-	-	-	<b>292,583</b>	<b>307,644</b>
<b>Year ended June 30, 2023</b>							
The Searle Company Limited	138,341	118,726	-	-	-	138,341	137,974
International Brands (Private) Limited	809	-	-	-	-	809	718
United Retail (Private) Limited	4,410	3,064	-	-	-	4,410	3,738
IBL Healthcare Limited	5,852	10,098	-	-	-	5,852	10,554
IBL Operations (Private) Limited	842	349	-	-	-	842	1,975
Searle Pakistan Limited	11,472	8,413	-	-	-	11,472	11,472
	<b>161,726</b>	<b>140,650</b>	-	-	-	<b>161,726</b>	<b>166,431</b>

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**8.1.1** AS AT JUNE 30, 2023, the age analysis of these trade receivables is as follows:

	2024	2023
	(Rupees '000)	
Not yet due	24,169	23,776
Past due		
- Less than 30 days	23,612	20,249
- 31 to 90 days	41,124	39,200
- 91 to 360 days	175,938	71,581
- Older than 360 days	27,740	8,591
	292,583	163,397

**8.1.2** The maximum aggregate amount of receivable outstanding at any time at the end of any month during the year is Rs. 488.09 million.

**8.1.3** As at June 30, 2024, the age analysis of these trade receivables is as follows:

	2024	2023
	(Rupees '000)	
Not yet due	194,417	156,562
Past due		
- Less than 30 days	137,546	52,295
- 31 to 90 days	63,902	117,894
- 91 to 360 days	36,427	29,860
- Older than 360 days	23,170	18,632
	261,045	218,681
	455,462	375,243

**8.1.4 Allowance for expected credit losses**

	2024	2023
	(Rupees '000)	
Balance as at July 01	38,621	67,314
Recognition of expected credit losses charge during the year - net	13,442	8,635
Written-off against loss allowance	-	(37,328)
Balance as at June 30	52,043	38,621

**8.2 Other receivables - unsecured considered good**

Related parties - notes 8.2.1 & 8.2.3	41,582	32,188
Others - note 8.2.2	94,606	108,383
	136,188	140,571

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**8.2.1** This represents amount receivable from IBL Healthcare Limited amounting to Rs. 20.7 million (2023: Rs. 11.5 million) in respect of claims, discounts and bonus relating to sales of Canderel, amount receivable from Searle Company Limited amounting to Rs. 1.3 million (2023: Nil) in respect of salaries and entertainment expense claims and amount receivable from Universal Retail (Private) Limited amounting to Rs. 3.1 million (2023: Rs. 19.5 million) in respect of warehousing expenses paid on behalf of the associated company.

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

**8.2.3** As at June 30, 2024, age analysis of other receivables from related party is as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
← Rupees in '000' →							
<b>Year ended June 30, 2024</b>							
Universal Retail (Private) Limited	19,534	19,534	-	-	-	19,534	19,534
The Searle Company Limited	1,256	1,256	-	-	-	1,256	1,256
IBL HealthCare Limited	20,792	20,792	-	-	-	20,792	20,792
	<b>41,582</b>	<b>41,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,582</b>	<b>41,582</b>
<b>Year ended June 30, 2023</b>							
Universal Retail (Private) Limited	19,534	19,534	-	-	-	19,534	19,534
IBL Logistics (Private) Limited - Staff Provident Fund	1,127	1,127	-	-	-	1,127	1,127
IBL HealthCare Limited	11,527	-	-	-	-	11,527	1,014
	<b>32,188</b>	<b>20,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,188</b>	<b>21,675</b>

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	2024	2023
<b>9. PREPAYMENTS , DEPOSITS AND ADVANCES</b>	(Rupees '000)	
Prepayments - note 9.1	14,634	46,551
Advances - note 9.2	24,573	33,729
	<b>39,207</b>	<b>80,277</b>
<b>9.1 Prepayments and deposits</b>		
- Prepayments - unsecured	2,543	2,917
- Prepaid rent	3,391	43,634
- Deposit against letter of credit - note 9.1.1	8,700	-
	<b>14,634</b>	<b>46,551</b>

**9.1.1** This represents amount paid to a commercial bank against letter of credit as per the BPRD Circular No 02 of 2017 issued by SBP under the Banking Companies Ordinance, 1962 for the import of goods.

	2024	2023
<b>9.2 Advances</b>	(Rupees '000)	
Advance to suppliers - note 9.2.2	13,768	10,137
Advance against toll manufacturing	-	2,744
Advance to employees	1,279	867
Others - note 9.2.3	9,526	19,978
	<b>24,573</b>	<b>33,726</b>

**9.2.1** These advances do not carry any mark up arrangement.

**9.2.2** This includes Rs. 5.43 million given to Searle Pakistan Limited against import of Schick.

**9.2.3** This amount represents LC Margin to Habib Metropolitan Bank against import of Nongshim and advance given to employees.

**10. SALES TAX REFUNDS DUE FROM GOVERNMENT - NET**

This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior period for which no input was claimed due to dispute with Collector of Customs. The Collector of Customs raised an issue in relation to payment of Federal Excise Duty (FED) on the import of goods made by the Holding Company during the month of June 2020. However, due to restriction placed on the "release of the said consignment" due to FED payment dispute, the sales tax paid could not be adjusted by the in that month. The Holding Company had paid sales tax amounting to Rs. 42.43 million and Rs. 28.21 million in the months of June 2020 and June 2021 respectively for the above mentioned consignment. Since, the sales tax has been paid in relation to the taxable supplies to be made, the Holding Company intends to claim the same. The Holding Company has asked Customs Department to issue a letter to Federal Board of Revenue requesting it to allow claim of input sales tax in the subsequent sales tax periods for the aforementioned amount.

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

	2024	2023
<b>10. CASH AND BANK BALANCES</b>	(Rupees '000)	
<b>With Banks on</b>		
- Current accounts		
- Conventional	14,981	51,015
- Islamic	23,838	2,997

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	2024	2023
	(Rupees '000)	
<b>- Saving accounts</b>		
- Islamic - note 11.1	10,657	32,841
- Term Deposit Receipt - note 11.2	<u>32,092</u>	<u>32,092</u>
	<u>81,568</u>	<u>118,945</u>
Cash and cheques in hand	<u>15,254</u>	<u>10,205</u>
	<u><u>96,822</u></u>	<u><u>129,150</u></u>

**11.1** The Holding Company has obtained bank guarantee from Silk Bank Limited amounting to Rs. 10 million (2023: Rs. 20 million) against Pakistan State Oil company Limited fuel card.

**11.2** Savings accounts are maintained under Islamic banking system carrying profit sharing rate ranging from 0.07% to 11.01% (2023: 0.065% to 10%) per annum.

**11.3** It represents guarantee deposits placed with Silkbank Limited in form of term deposit receipts carrying mark up at the rate 19% to 19.75% (2023: 12.5% to 14.5%) per annum.

**12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**  
**Authorised Share Capital**

Number of Shares				
2024	2023			
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10/- each	<u>1,000,000</u>	<u>1,000,000</u>

**Issued, Subscribed and Paid-up Share Capital**

Number of Shares				
2024	2023			
<u>91,800,000</u>	<u>91,800,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>918,000</u>	<u>918,000</u>

**12.1** As at June 30, 2024 International Brands (Private) Limited together with its nominees held 88,200,462 (2023: 88,200,462) ordinary shares of Rs. 10 each.

	2024	2023
	(Rupees '000)	
<b>13. TRADE AND OTHER PAYABLES</b>		
Trade creditors	365,840	286,570
Accrued liabilities	374,256	241,902
Payable to IBL Operations (Private) Limited - note 13.1	584,804	355,491
Payable to The Searle Company Limited - note 13.2	87,446	85,323
Payable to IBL Healthcare Limited - note 13.2	63,027	42,201
Payable to International Brands (Private) Limited - note 13.3	31,595	31,595
Withholding tax payable	52,909	32,327
Payable to employees' provident fund - note 13.4	1,085	1,263
EOBI and SESSI payable	3,902	3,664
Other	13,269	20,720
	<u>1,587,133</u>	<u>1,101,056</u>

**13.1** This represents amount payable to IBL Operations (Private) Limited - associated company under agreement for sharing of expenses relating to sales and administrative infrastructure. It also includes Rs. 514.78 million as funds transferred to the Group to meet working capital requirements which do not carry mark-up and are repayable on demand.

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**13.2** This represents amount payable in respect of goods purchased from a related party.

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

**13.4** All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and Employees Provident Fund (Investment in Listed Securities) Rules, 2016 and the conditions specified thereunder.

#### 14. SHORT-TERM BORROWINGS

Short-term facility under Islamic  
Al-bai finance - note 14.1

Finance against short term loans from  
Islamic banks - note 14.2

	2024	2023
	(Rupees '000)	
	-	19,680
	<b>98,108</b>	255,763
	<b>98,108</b>	<b>275,443</b>

**14.1** The Holding Company has entered into running finance facility under mark-up arrangements obtained under Islamic mode amounting to Nil (2023: Rs. 50 million). The arrangements are secured by way of pari passu charge over present and future current assets of the Holding Company with 25% margin.

As at June 30, 2024, available running finance facility under the Islamic mode of financing amounted to Nil (2023: Rs. 30.32 million).

**14.2** These represent short-term loans obtained under financing arrangement from Islamic banks under Islamic mode for the purpose of meeting working capital requirements. These are secured by way of hypothecation charge over inventories and receivables of the Holding Company with 25% margin. These are maturing between November and December 2024.

This represents Tijarah facility obtained from commercial banks, having limit of Rs. 100 million (2023: Rs. 315 million) out of which Rs. 2 million (2023: Rs. 59.24 million) remains unutilised for Tijarah facility at the reporting date. The arrangements carry mark-up ranging from 1.75% to 2% above six months KIBOR (2023: 0.15% to 2% above six months KIBOR) with a maximum aggregate limit of Rs. 248 million (2023: Rs. 265 million).

#### 15. CONTINGENCIES AND COMMITMENTS

##### 15.1 Contingencies

**15.1.1** During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue issued a notice of demand under section 137(2) of the Income Tax Ordinance, 2001 (the Ordinance) dated January 31, 2020 for recovery of tax amounting to Rs. 94.66 million created pursuant to order dated January 31, 2020 passed under section 122(1) for tax year 2018. The Holding Company has filed a Constitutional Petition No. D-1421 of 2020 before the Honorable High Court of Sindh. The Honorable High Court of Sindh has restrained the Deputy Commissioner Inland Revenue from enforcing the impugned income tax demand till the decision of Commissioner Inland Revenue (Appeals-II). whereas, The appeal was being heard on December 16, 2021 and is in the order dated December 31, 2021 received on September 21, 2022 in which the CIRA has remanded back the matters. The Holding Company has filed the appeal to the ATIR dated November 17, 2022 and is currently pending to be heard. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

**15.1.2** During the year ended June 30 2022, the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. The

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Holding Company had filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The order against the aforesaid appeal is received on September 25, 2023 in which CIRA has remanded back the matters and the appeal against the same matters has been filed to ATIR dated November 22, 2023 which is currently pending to be heard. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

**15.1.3** During the year ended June 30 2022, the Assistant / Deputy Commissioner Inland Revenue issued an order dated March 30, 2022 for recovery of withholding tax along with default surcharge amounting to Rs. 200.04 million under section 161(1) on account of short deduction of tax at the time of making certain payments for the tax year 2019. During the year, the Holding Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The order against the aforesaid appeal is received on September 25, 2023 in which CIRA has remanded back the matters and the appeal against the same matters has been filed to ATIR dated November 22, 2023 which is currently pending to be heard. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

**15.1.4** During the year ended June 30 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax along with default surcharge amounting to Rs. 98.98 million under section 11(2) of Sales Tax Act, 1990. The Holding Company has filed an appeal in the Appellate Tribunal Inland Revenue. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

**15.1.5** During the year ended June 30 2024, the Assistant / Deputy Commissioner Inland Revenue issued an order dated June 29, 2024 for recovery of sales tax for the fiscal year 2016-17 along with default surcharge amounting to Rs. 10.76 million under section 11(2) of Sales Tax Act, 1990. The Holding Company has filed an appeal in the Appellate Tribunal Inland Revenue. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

**15.1.6** During the year ended June 30 2024, the Sindh Revenue Board (SRB) issued order dated December 21, 2023 for the period July 2014 to June 2015 creating a demand of Rs. 246.67 million under section 23 read with section 47 of the Act, 2011. The demand is created on the basis that the Holding Company acted as Commission Agent and is working locally as agent for foreign based companies and earn commission by selling, trading and distributing goods on behalf of principal which are located outside Pakistan. Thus, entire revenue from sale of goods declared in consolidated financial Statement was held subject to SST at the applicable rate. The Holding Company challenged the order before Commissioner (Appeals), SRB who granted stay against recovery of demand, however, the hearing of the main appeal is still pending. The management, based on the opinion of its tax advisor, considers that the legal and factual aspects of the case have not been considered and is confident that the matter will ultimately be decided in favour of the Group.

#### 16.2 Commitments

The facilities for opening letter of credit and guarantees as at June 30, 2024 amounted to Rs. 17.23 million (2023: Rs. 268 million) and Rs. 132.09 million (2023: Rs. 132.09 million) respectively. The amount remaining unutilised at the year end for letter of credit and guarantees was Nil (2023: Rs. 189.13 million) and Nil (2023: Nil).

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

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	2024	2023
<b>16. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	(Rupees '000)	
<b>Revenue from</b>		
-Manufactured goods	363,414	15,521
-Trading Stock	1,390,266	2,265,386
-Services - note 16.1	1,163,627	874,743
	<b>2,917,307</b>	<b>3,155,650</b>
<b>Less:</b>		
- Gross Sales	(80,545)	(78,905)
- Trade discount	(59,564)	(154,478)
- Sales returns	(244,902)	(307,786)
- Sales tax	(97,419)	(87,593)
- Provincial sales tax	(482,430)	(628,762)
	<b>2,434,877</b>	<b>2,526,888</b>

**16.1** This includes service income derived as a commission agent, as per the terms of the contract with the Principal, however, this line of service was discontinued by the Holding Company during the year. Further, it includes transportation and warehousing services rendered by the Subsidiary Company.

	2024	2023
<b>17. COST OF SALES AND SERVICES</b>	(Rupees '000)	
Cost of sales - manufactured goods - note 17.1	146,301	214,179
Cost of sales - trading stock - note 17.2	969,763	1,258,803
Cost of services - note 17.3	936,770	706,056
	<b>2,052,834</b>	<b>2,180,038</b>

	2024	2023
<b>17.1 COST OF SALES - Manufactured Goods</b>	(Rupees '000)	
Raw and packaging material consumed	134,293	188,140
Salaries, wages and benefits	3,507	4,703
Rent, rates and taxes	4,084	3,623
Depreciation	-	1,797
Toll manufacturing charges	-	1,099
Utilities	1,377	1,568
Fuel, Water and power	333	490
Repair & maintenance	-	3
	<b>143,594</b>	<b>201,423</b>
Add: Opening inventory of finished goods	9,076	21,832
Less: Closing inventory of finished goods	(6,369)	(9,076)
Cost of sales - manufactured goods	<b>146,301</b>	<b>214,179</b>

	2024	2023
<b>17.2 Cost of sales - trading stock</b>	(Rupees '000)	
Opening inventory	345,790	553,116
Purchases	1,126,508	1,052,477
Closing Inventory	(502,535)	(345,790)
	<b>969,763</b>	<b>1,259,803</b>

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**17.3 Cost of services**

	2024	2023
	(Rupees '000)	
Freight and cartage	243,812	253,463
Salaries, wages and allowances - note 17.3.1	193,863	115,646
Vehicle running and repair & maintenance	397,564	263,832
Rent, rates and taxes	61,537	49,476
Utilities	11,690	7,877
Communication & entertainment	6,247	3,283
Printing and stationery	4,233	3,428
Insurance and security expenses	12,453	6,465
Depreciation	1,172	732
Others	4,199	1,854
	<b>936,770</b>	<b>706,056</b>

**17.3.1** Salaries, wages and allowances include Rs.1.86 million (2023: Rs. 1.53 million) in respect of contributory provident fund and Rs.1.62 million (2023: Rs. 3.86 million) in respect of compensated absences.

**18. MARKETING AND DISTRIBUTION EXPENSES**

	2024	2023
	(Rupees '000)	
Salaries, wages and allowances - note 18.1	122,838	108,678
Vehicle running and repair & maintenance	53,108	57,107
Advertising and sales promotion	27,004	37,822
Freight and cartage	7,261	16,423
Rent, rates and taxes	11,182	7,531
Travelling and conveyance	3,320	4,345
Insurance and security expenses	3,958	4,150
Communication and entertainment	3,537	3,724
Utilities	3,846	2,794
Printing and stationery	604	923
Depreciation	175	450
Others	286	5
	<b>237,119</b>	<b>243,952</b>

**18.1** Salaries, wages and allowances include Rs. 3.61 million (2023: Rs. 3.19 million) in respect of contributory provident fund.

**19. ADMINISTRATIVE AND GENERAL EXPENSES**

	2024	2023
	(Rupees '000)	
Salaries, wages and allowances - note 19.1	69,802	66,098
Auditors' remuneration - note 19.2	7,123	4,967
Rent, rates and taxes	4,518	3,664
Legal and professional	6,329	5,652
Travelling and conveyance	2,219	2,374
Vehicle running and repair & maintenance	-	2,205
Fee and subscription	148	330
Depreciation	620	671

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	2024	2023
	(Rupees '000)	
Insurance and security expenses	1,234	612
Printing and stationery	748	1,027
Communication and entertainment	784	1,582
Amortisation	5	63
Utilities	632	351
Others	629	483
	94,791	90,079

**19.1** Salaries, wages and allowances include Rs. 1.17 million (2023: Rs. 0.93 million) in respect of contributory provident fund and Rs. 0.57 million (2023: Rs. 0.72 million) in respect of compensated absences.

	2024	2023
	(Rupees '000)	
<b>19.2 Auditors' remuneration</b>		
Annual audit fee	2,035	1,850
Fee for review of half yearly financial information, Statement of Compliance with Code of Corporate Governance, other certifications and others	929	850
Out-of-pocket expenses	633	467
<b>Non-audit Services</b>		
Taxation Services	3,526	1,800
	7,123	4,967

	2024	2023
	(Rupees '000)	
<b>20. OTHER OPERATING EXPENSES</b>		
Provision for expired and damaged stock - note 20.1	1,912	25,273
Wastages and damages - note 20.2	4,716	-
Warranty Claim	-	420
	6,628	25,693

**20.1** This mainly includes provisions for damaged and expired items of business lines Corian amounting to Rs. 1.91 million (2023: Rs. 1.47 million) and Kellogg's amounting to Nil (2023 Rs.12 million) and Ovaltine amounting to Nil (2023 : Rs. 5.74 million).

**20.1** This includes provisions for damaged and expired items of business line Pakola amounting to Rs. 4.72 million (2023 : Rs.1.23 million).

	2024	2023
	(Rupees '000)	
<b>21. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Profit on savings accounts - Islamic	3,354	1,975
Profit on Term Deposit Receipt	4,512	3,562

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**Income from non-financial assets**

	2024	2023
	(Rupees '000)	
Scrap sales - note 21.1	-	2,000
Deferred income recognised on Government grant	-	267
Insurance claims	-	10,190
Exchange gain - net	47	-
Liabilities no longer payable written back	7,861	-
Others - note 21.2	1,214	-
	<b>16,988</b>	<b>17,994</b>

**21.1** This pertains to scrap sales in relation to damaged items of Schick Excel Razor Blades.

**21.2** This pertains to income earned from Livvel and Dupont for providing logistics services through Subsidiary Company.

**22. FINANCE COSTS**

	2024	2023
	(Rupees '000)	
Mark up on short term borrowings - note 22.1	<b>36,380</b>	48,057
Exchange loss - net	-	7,067
Bank charges	<b>3,310</b>	4,140
Unwinding of discount on salary refinancing	-	89
	<b>39,690</b>	<b>59,353</b>

**22.1** It represents mark-up expense of shariah compliant banks in respect of short term borrowings of Rs. 36.29 million (2023: Rs. 48.06 million).

**23. LEVIES - MINIMUM TAX**

	2024	2023
	(Rupees '000)	
Minimum tax - note 23.1	45,622	39,390

**22.1** This represent minimum tax under section 113 ,148 & 233 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

**24. INCOME TAX EXPENSE**

	2024	2023
	(Rupees '000)	
Current tax expense		
- for current year	<b>6,683</b>	534
- for prior year	<b>995</b>	(1,529)
	<b>7,678</b>	<b>(995)</b>

24.1	2024		2023	
	2024	2023	2024	2023
<b>Relationship between tax expense and accounting profit / (loss)</b>	<b>Effective tax rate %</b>		<b>Rupees '000</b>	
Profit / (loss) before income tax			<b>7,381</b>	<b>(62,868)</b>
Tax at the enacted tax rate	<b>29.00</b>	29.00	<b>2,140</b>	(18,232)
Effect of:				
- Levies and taxation	<b>629.03</b>	(46.47)	<b>46,429</b>	29,213
- Minimum tax under section 113	-	(52.83)	-	33,215
- Prior year impact	<b>13.48</b>	2.43	<b>995</b>	(1,529)
- Others	<b>50.62</b>	6.80	<b>3,736</b>	(4,272)
Income tax expense for the year			<b>53,300</b>	<b>38,395</b>

**UNITED BRANDS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

24.2 Deferred tax asset is not recognised because it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

**25. BASIC AND DILUTED (LOSS) PER SHARE**

Loss for the year attributable to ordinary shareholders

Weighted average number of ordinary shares  
outstanding during the year - note 12

Basic and diluted loss per share

2024	2023
(Rupees '000)	
<b>(45,919)</b>	(101,263)
(Number of Shares)	
<b>91,800,000</b>	91,800,000
(Rupees)	
<b>(0.50)</b>	(1.10)

25.1 A diluted earnings / (loss) per share has not been presented as the Group does not have any convertible instruments in issue as at June 30, 2024 and 2023 which would have any effect on the earning per share if the option to convert is exercised.

**26. CASH GENERATED FROM OPERATIONS**

(Loss) / Profit before income tax

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

Depreciation  
Amortisation  
Deferred income - Government grant  
Interest income  
Provision for expired and damaged stock  
Loss allowance on trade receivables  
Liabilities no longer payable written back  
Mark-up on short-term loans  
Unwinding of discount on salary refinancing

2024	2023
(Rupees '000)	
<b>7,381</b>	(62,868)
<b>1,967</b>	3,650
<b>5</b>	63
<b>-</b>	(267)
<b>(4,512)</b>	(3,562)
<b>1,912</b>	25,273
<b>13,422</b>	8,635
<b>(7,861)</b>	-
<b>36,380</b>	48,057
<b>-</b>	89
<b>41,313</b>	81,938
<b>48,694</b>	19,070

**Effect on cash flow due to working capital changes  
decrease / (increase) in current assets:**

Inventories  
Trade and other receivables  
Prepayments and advances  
Sales tax refunds due from Government - net

(Decrease) / Increase in trade and other payables

**Cash generated from operations**

<b>(168,329)</b>	172,626
<b>(206,692)</b>	(33,726)
<b>41,070</b>	(21,429)
<b>42,484</b>	6,598
<b>(291,467)</b>	124,069
<b>484,938</b>	(91,072)
<b>242,165</b>	52,067

**27. CASH AND CASH EQUIVALENTS**

Cash and bank balances excluding term deposit receipt - note 11

Short terms borrowings

2024	2023
(Rupees '000)	
<b>64,730</b>	97,058
<b>-</b>	(19,680)
<b>64,730</b>	77,378

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

27.1 Term deposit receipt is released from cash and cash equivalents as it is held as a lien against the guarantee issued by the Silk Bank Limited.

#### 28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

28.1 All the financial assets and financial liabilities of the Group are classified at amortised cost.

	2024						Total
	Interest / mark-up bearing			Non-interest / mark-up bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
	(Rupees '000)						
<b>FINANCIAL ASSETS</b>							
<b>At amortized cost</b>							
Accrued interest	551	-	551	-	-	-	551
Long term deposits	-	-	-	-	13,963	13,963	13,963
Trade and other receivables	-	-	-	850,217	-	850,217	850,217
Prepayments, advances and deposits	-	-	-	8,700	-	8,700	8,700
Cash and bank balances	42,749	-	42,749	54,073	-	54,073	96,822
<b>June 30, 2024</b>	<b>43,300</b>	<b>-</b>	<b>43,300</b>	<b>912,990</b>	<b>13,963</b>	<b>926,953</b>	<b>970,253</b>
<b>FINANCIAL LIABILITIES</b>							
<b>At amortized cost</b>							
Accrued mark-up	1,965	-	1,965	-	-	-	1,965
Trade and other payables	-	-	-	1,215,327	-	1,215,327	1,215,327
Unclaimed dividend	-	-	-	353	-	353	353
Short term financing	98,108	-	98,108	-	-	-	98,108
<b>June 30, 2024</b>	<b>100,073</b>	<b>-</b>	<b>100,073</b>	<b>1,215,680</b>	<b>-</b>	<b>1,215,680</b>	<b>1,315,753</b>
<b>ON REPORTING DATE GAP</b>							
<b>June 30, 2024</b>	<b>(56,773)</b>	<b>-</b>	<b>(56,773)</b>	<b>(302,690)</b>	<b>13,963</b>	<b>(288,727)</b>	<b>(345,500)</b>
	2023						
	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 '000)						
<b>FINANCIAL ASSETS</b>							
<b>At amortized cost</b>							
Accrued interest	962	-	962	-	-	-	962
Long term deposits	-	-	-	-	9,987	9,987	9,987
Trade and other receivables	-	-	-	642,789	-	642,789	642,789
Cash and bank balances	64,933	-	64,933	64,217	-	64,217	129,150
<b>June 30, 2023</b>	<b>65,895</b>	<b>-</b>	<b>65,895</b>	<b>707,006</b>	<b>9,987</b>	<b>716,993</b>	<b>782,888</b>
<b>FINANCIAL LIABILITIES</b>							
<b>At amortized cost</b>							
Accrued mark-up	15,248	-	15,248	-	-	-	15,248
Trade and other payables	-	-	-	847,842	-	847,842	847,842
Unclaimed dividend	-	-	-	353	-	353	353
Short term financing	275,443	-	275,443	-	-	-	275,443
<b>June 30, 2023</b>	<b>290,691</b>	<b>-</b>	<b>290,691</b>	<b>848,195</b>	<b>-</b>	<b>848,195</b>	<b>1,138,886</b>
<b>ON REPORTING DATE GAP</b>							
<b>June 30, 2023</b>	<b>(224,796)</b>	<b>-</b>	<b>(224,796)</b>	<b>(141,189)</b>	<b>9,987</b>	<b>(131,202)</b>	<b>(355,998)</b>

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 28.2 Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- credit Risk
- liquidity Risk
- market Risk

#### Risk management framework

The Group's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Group and the manner in which such risks are managed is as follows:

#### 28.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to the financial instrument fails to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Group 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, the Group applies credit limits to its customers.

##### 28.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2024	2023
	(Rupees '000)	
<b>Financial assets at amortised cost</b>		
Long term deposit - note 6	13,963	9,987
Trade and other receivable - note 8	832,190	638,920
Accrued interest	551	962
Bank Balance - note 11	81,568	118,945
	<b>928,272</b>	<b>768,814</b>

##### 28.3.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, employees, regulatory authorities and utility companies have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates.

#### (a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margins against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

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**FOR THE YEAR ENDED JUNE 30, 2024**

**Bank Balances**

	<b>Rating</b>			<b>2024</b>	<b>2023</b>
	<b>Short Term</b>	<b>Long Term</b>	<b>Agency</b>	Rupees in '000	
Al Baraka Bank Pakistan Limited	A1	A+	JCR-VIS	<b>17,952</b>	6,419
Habib Metropolitan Bank	A1+	AA+	PCRA	<b>14,835</b>	4,645
Silkbank Limited	A2	A-	JCR-VIS	<b>2,664</b>	2,878
Habib Bank Limited	A1+	AAA	JCR-VIS	<b>9,012</b>	24,983
Bank AL Habib Limited	A1+	AAA	PCRA	<b>650</b>	650
Meezan Bank Limited	A1+	AAA	JCR-VIS	<b>3,639</b>	14,595
Telenor Microfinancing Bank Limited	A1	A	PCRA	<b>724</b>	32,683
				<b>49,476</b>	<b>86,853</b>

**b) Counterparties without external credit ratings**

These include customers which are counter parties to local trade debts against sale of goods. As explained in note 3.14, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery.

Management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off.

The Group has used three years monthly data in the calculation of historical loss rates along with the matching monthly ageing brackets for the computation of roll rates. The analysis of ages of trade receivables and loss allowance using the aforementioned approach as at June 30, 2023 was determined as follows:

	<b>2024</b>			<b>2023</b>		
	<b>Expected loss rates %</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Expected loss rates %</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
	Rupees in '000			Rupees in '000		
Not past due	2.75%	194,417	5,337	0.80%	156,562	1,258
Past due						
1 - 30 days	5.72%	137,546	7,874	1.77%	52,295	927
31 - 90 days	10.48%	63,902	6,698	5.68%	117,894	6,694
91 - 360 days	24.61%	36,427	8,964	37.21%	29,860	11,111
More than 360 days	100%	23,170	23,170	100%	18,632	18,632
		<b>455,462</b>	<b>52,043</b>		<b>375,243</b>	<b>38,622</b>

**28.4 Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The management closely monitors the Group's liquidity and cash flow position. The Group's approach to

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

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 financing facilities.

#### 28.4.1 Exposure to liquidity risk

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
----- (Rupees in '000) -----						
<b>Financial liabilities</b>						
Trade and other payables	1,215,327	(1,215,327)	(1,215,327)	-	-	-
Unclaimed dividend	353	(353)	(353)	-	-	-
Accrued mark-up	1,965	(1,965)	(1,965)	-	-	-
Short-term borrowings	98,108	(98,108)	(98,108)	-	-	-
	<b>1,315,753</b>	<b>(1,315,753)</b>	<b>(1,315,753)</b>	-	-	-
	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
----- (Rupees in '000) -----						
<b>Financial liabilities</b>						
Trade and other payables	847,842	(847,842)	(847,842)	-	-	-
Unclaimed dividend	353	(353)	(353)	-	-	-
Accrued mark-up	15,248	(15,248)	(15,248)	-	-	-
Short-term borrowings	275,443	(275,443)	(275,443)	-	-	-
	<b>1,138,886</b>	<b>(1,138,886)</b>	<b>(1,138,886)</b>	-	-	-

#### 28.4.2 Fair Value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2024, all financial assets and financial liabilities are carried at amortised cost.

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The Group classifies fair value measurements using a fair value hierarchy that reflects the

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).
- There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year. However, determination of fair value of investment properties for disclosure purposes has been made under level 2.

#### 28.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

##### (a) 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, 2024, the Group is not materially exposed to interest rate risk.

As at June 30, 2024, the Group had variable interest bearing financial liabilities of Rs. 98.11 million (2023: Rs. 275.44 million) and had the interest rate varied by 200 basis points with all the other variables held constant, loss before income tax for the year would have been approximately Rs. 3.92 million (2023: Rs. 5.51 million) lower / higher.

##### (b) 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 Group is not exposed to any of the currency risk since all of its transactions are denominated in Pakistan Rupees.

#### 29. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide adequate returns to shareholders and benefits to other stakeholders and to

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

maintain an optimal capital structure to reduce cost of capital.

The Group 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, 2024 and at 2023 were as follows:

	2024	2023
	(Rupees '000)	
Total borrowings	<b>98,108</b>	275,443
Cash and bank	<b>(96,822)</b>	(129,150)
Net debt	<b>1,286</b>	146,293
Equity	<b>(16,596)</b>	29,323
Total capital	<b>(15,310)</b>	175,616
Debt to capital ratio	<b>0.08</b>	0.83

### 30. REMUNERATION TO CHIEF EXECUTIVE AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	← Rupees '000 →					
Managerial remuneration	-	-	-	-	<b>17,956</b>	17,233
Allowances	-	-	-	-	<b>8,979</b>	8,616
Bonus	-	-	-	-	<b>2,993</b>	2,872
Group's contribution to provident fund	-	-	-	-	<b>1,951</b>	1,591
Leave encashment	-	-	-	-	<b>747</b>	718
Medical expenses	-	-	-	-	<b>1,496</b>	1,436
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,122</b>	32,466
Number of persons	<b>1</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>8</b>

**30.1** 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.

**30.2** In addition to the above, fee paid to directors for attending Board of Directors meetings during the year amounted to Rs. 1.03 million (2023: Rs. 0.19 million).

**30.3** Salary of Chief Executive and Directors is borne by another group company.

### 31. SEGMENT INFORMATION

Based on internal reporting structure for the year, no reportable segments were identified that were of accounting significance for decision making.

# UNITED BRANDS LIMITED

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 32. RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, directors of the Group and key management personnel. The Group continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers its Chief Executive Officer, Chief Financial Officer, Company Secretary and Non-Executive Directors to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

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

Nature of relationship	Nature of transactions	2024	2023
		(Rupees '000)	
Ultimate Holding Company -	Sale of goods	36	718
Associated companies -	Purchases	89,795	49,552
	Services rendered	251,906	250,701
	Allocation of expenses - note 32.2	20,233	18,609
	Funds received for working capital - note 13.1	514,776	152,046
	Expenses paid by IBL Operations (Private) Limited on behalf of the Group	208,328	322,986
	Expenses incurred on behalf of Associate	1,256	-
Employees' Provident Fund	Sale of goods	3,721	55,357
	Contributions paid	6,637	5,660
Key management Personnel (KMP) -	Sales of goods	87	285
	Directors' fee	342	71

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

32.3 The status of outstanding balances with related parties as at June 30, 2024 is included in the respective notes to the consolidated financial statements. These are settled in the ordinary course of business.

32.4 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place.

S.No.	Company Name	Basis of association	Aggregate % of Shareholding
1.	International Brands (Private) Limited	Ultimate Holding Company	96.08%
2.	IBL Operations (Private) Limited	Common Directorship	N/A
3.	The Searle Company Limited	Common Directorship	N/A
4.	IBL Healthcare Limited	Common Directorship	N/A
5.	Searle Pakistan Limited	Group Company	N/A

**UNITED BRANDS LIMITED**  
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**FOR THE YEAR ENDED JUNE 30, 2024**

S.No.	Company Name	Basis of association	Aggregate % of Shareholding
6.	United Retail (Private) Limited	Group Company	N/A
7.	Universal Retails (Private) Limited	Group Company	N/A
8.	United Brands Limited- Staff Provident Fund	Retirement Fund	N/A
9.	IBL Logistics (Private) Limited - Staff Provident Fund	Retirement Fund	N/A
10.	Hasan Tariq Khan *	Independent Director	N/A
11.	Tayyaba Rasheed	Independent Director	N/A
12.	Munis Abdullah	Chairman of Parent	N/A
13.	Syed Nadeem Ahmed	Chief Executive Officer	N/A
14.	Zubair Razzak Palwala	Director	N/A
15.	Syed Qaisar Abbas *	Director	N/A
16.	Hammad Kafeel	Director	N/A
17.	Shariq Ahmed	Chief Financial Officer	N/A
18.	Rizwan Ahmad	Director	N/A
19.	Abdul Samad	Independent Director	N/A
20.	Faiza Naeem	Female Director	N/A

\* During the year, the term of these Directors has expired on 28 August 2023.

**33. NUMBER OF EMPLOYEES**

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2024	2023
Number of Employees as at June 30		
- Permanent	246	354
- Contractual	106	111
Average number of employees during the year		
- Permanent	263	328
- Contractual	107	107

**34. BUSINESS UNITS - GEOGRAPHICAL LOCATIONS AND ADDRESSES**

**SALES OFFICES**

**ADDRESSES**

Bahawalpur	Plot No. 73-74/A, Small Industrial Area Estate, Multan Road, Near NBP. Bahawalpur.
Faisalabad	Bannu Back Side Bannu University IT Campus Fatima Khel Road. IBL Bannu Plot No. 387,388, Amin Town, Askari Road Near Educators School, West Canal Road. IBL Faisalabad.
Gujranwala	8 KM G.T Road , G Mangolia Housing Society. IBL Gujranwala.
Hyderabad	Plot # A-10-H, Near Bolevard Mall, SITE Area. IBL Hyderabad
Islamabad	Plot No. 65 & 66, Street 13, I/9-2, Industrial Area. IBL Islamabad.
Lahore	131/3, Quaid-e-Azam Industrial Estate Gate - 4, Near Fine Chowk, Kot Lakhpatt. IBL Lahore
Multan	Plot No.590, 591 Jahangir Abad NLC Chowk Main G.T Road. IBL Multan.

**UNITED BRANDS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Peshawar	Jhagra Stop, Near Jhagra Gattering Hall, G.T. Road. IBL Peshawar.
Quetta	Plot # 869 Killi Gul Muhammad, Muslimabad, Opposite TCS Office, Adjacent Taqwa Masjid, Off: Airport Road. IBL Quetta.
Sukkur	Plot No. A - 3, Golimar Area, Near Khabrain Newspaper Press. IBL Sukkur.

**DISTRIBUTION WAREHOUSES ADDRESSES**

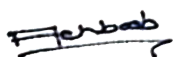
Lahore-National Warehouse	32 Km, Multan Road, Lahore Maraka Loharanwala KHU, near Al-Hamad marriage hall. IBL Lahore National Warehouse
Karachi	Plot # 60-61, Sector 7/A, Korangi Industrial Area Karachi.
National Warehouse	Plot # 56, Sector 7, Sharifabad Near Leather Market, Korangi Industrial Area Karachi.

**35 . DATE OF AUTHORISATION FOR ISSUE**

These consolidated financial statements were approved by the Board of directors of the Group and authorised for issue on October 04, 2024.

  
\_\_\_\_\_  
Syed Naveem Ahmed  
Chief Executive Officer

  
\_\_\_\_\_  
Zubair Razzak Palwala  
Director

  
\_\_\_\_\_  
Mehboob Yasin  
Chief Financial Officer

## Pattern of Shareholding

As of June 30, 2024

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	7	262,523	0.29%
Associated Companies, undertaking and related parties	2	88,243,591	96.13%
Executive	1	142	0.00%
NIT and ICP	1	1,650	0.00%
Banks DFIs, NBFIs	1	4	0.00%
Insurance Companies	0	-	0.00%
Modarabas and Mutual Funds	0	-	0.0%
General Public Local	1,072	2,996,652	3.26%
General Public Foreign	2	6,000	0.02%
Foreign Companies	0	-	0.00%
Others	10	289,438	0.32%
<b>Total</b>	<b>1,096</b>	<b>91,800,000</b>	<b>100%</b>

Share holders holding 10% or more	Number of Shareholders	Shares Held	Percentage
International Brands Limited	1	88,200,462	96.08%

Number of Shareholders	Shareholding's Slab			Total Shares Held
617	1	to	100	10,319
135	101	to	500	48,925
102	501	to	1000	92,526
152	1001	to	5000	423,381
27	5001	to	10000	218,231
15	10001	to	15000	185,800
8	15001	to	20000	141,953
6	20001	to	25000	136,750
7	25001	to	30000	189,381
2	30001	to	35000	68,000
11	40001	to	45000	465,576
2	50001	to	55000	103,300
1	70001	to	75000	73,000
2	75001	to	80000	154,825
1	85001	to	90000	90,000
1	90001	to	100000	95,000
1	100001	to	105000	100,750
1	110001	to	115000	110,002
1	130001	to	135000	134,300
1	200001	to	205000	201,199
1	215001	to	220000	219,570
1	335001	to	340000	336,750
1	88200001	to	88205000	88,200,462
<b>1096</b>				<b>91,800,000</b>

# Pattern of Shareholding

As of June 30, 2024

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
<b>Directors And Their Spouse(S) And Minor Children</b>					
1	03277-93293	ZUBAIR RAZZAK PALWALA		8,700	0.01
2	818	SYED NADEEM AHMED		4,250	0.00
3	03277-39675	MUNIS ABDULLA		201,199	0.22
4	1009	MR. ABDUL SAMAD		500	0.00
5	03277-23215	FAIZA NADEEM		43,124	0.05
6	843	MR. MONIS ABDULLAH		4,250	0.00
7	06122-104240	TAYYABA RASHEED		500	0.00
			<b>7</b>	<b>262,523</b>	<b>0.29</b>

## Associated Companies, undertakings and related parties

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	03277-12714	SHAKILA RASHID		43,129	0.05
2	03277-2937	INTERNATIONAL BRANDS LTD.		88,200,462	96.08
			<b>2</b>	<b>88,243,591</b>	<b>96.13</b>

## Executive

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	854	SHARIQ AHMED (R-1)	1	142	0.00
			<b>1</b>	<b>142</b>	<b>0.00</b>

## NIT and ICP

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	00083-36	IDBL (ICP Unit)	1	1,650	0.00
			<b>1</b>	<b>1,650</b>	<b>0.00</b>

## Banks, DFIs, NBFCs, insurance companies, takaful, modarbas, pension funds

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	03889-28	NATIONAL BANK OF PAKISTAN	1	4	0.00
			<b>1</b>	<b>4</b>	<b>0.00</b>

## Insurance Companies

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1		NIL			-

# Pattern of Shareholding

As of June 30, 2024

## Modarabas and Mutual Funds

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1		NIL			-

## Foreign Companies

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	NIL		1	219,570	0.24%

## Others

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	812	NAEEM'S SECURITIES (PVT) LTD.		2,000	0.00
2	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		733	0.00
3	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		26	0.00
4	03525-54825	NAEEM'S SECURITIES (PVT) LTD		15,000	0.02
5	03525-87235	MAPLE LEAF CAPITAL LIMITED		1	0.00
6	04341-3265	RAO SYSTEMS (PVT.) LTD.		42,000	0.00
7	14241-22	FIKREES (PRIVATE) LIMITED		5,000	0.01
8	18432-46846	GPH SECURITIES (PRIVATE) LIMITED		5,000	0.01
9	03277-128497	UDL INTERNATIONAL LIMITED		219,570	0.24
10	18432-46846	NCC - PRE SETTLEMENT DELIVERY ACCOUNT		108	0.00
			<b>10</b>	<b>289,438</b>	<b>0.32</b>

## General Public Foreign

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	01164-20751	IMRAN QAMAR	1	2,500	0.00
2	03277-113643	MUHAMMAD KAMRAN	1	3,500	0.00
			<b>2</b>	<b>6,000</b>	<b>0.01</b>

## General Public Local

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
			1072	2,996,652	3.26%
			<b>1072</b>	<b>2,996,652</b>	<b>3.26%</b>

# FORM OF PROXY

Company Secretary  
**UNITED BRANDS LIMITED**  
2nd, One IBL Centre,  
Block No. 7 & 8, DMMCHS,  
Shahrah-e-Faisal, Karachi.

Please quote:  
No. of shares held. \_\_\_\_\_  
Folio No. \_\_\_\_\_

I/We, \_\_\_\_\_ of \_\_\_\_\_, holding Computerized National Identity Card (CNIC)/Passport No. \_\_\_\_\_ and being a member of **UNITED BRANDS LIMITED**, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, holding CNIC/Passport No. \_\_\_\_\_, or failing him/her hereby appoint \_\_\_\_\_ of \_\_\_\_\_, holding CNIC/Passport No. \_\_\_\_\_, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, October 28, 2024 at 12:30 pm and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2024  
Signed by the Said \_\_\_\_\_ in the presence of \_\_\_\_\_

### Witnesses:

1. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC/Passport No. \_\_\_\_\_
2. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC/Passport No. \_\_\_\_\_

  
\_\_\_\_\_  
Signature

Rupee five  
revenue  
stamp

### Notes:

- Proxies, in order to be effective, must be received at the Company's Registered Office 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.

# پراکسی فارم

جناب کمپنی سیکریٹری  
یونائیٹڈ برانڈز لمیٹڈ  
سیکنڈ فلور، ون آئی بی ایل سینٹر، شاہراہ فیصل، کراچی۔

میں / ہم \_\_\_\_\_ کی جانب سے \_\_\_\_\_ بحیثیت یونائیٹڈ برانڈز لمیٹڈ کے ممبران  
اور \_\_\_\_\_ عام حصص اندراج فولیو نمبر \_\_\_\_\_ اور سب اکاؤنٹ نمبر \_\_\_\_\_  
اپنی طرف سے \_\_\_\_\_ کو بطور پراکسی نامزد کرتے ہیں، یہ میری / ہماری جانب سے ون آئی بی ایل سینٹر، شاہراہ فیصل کراچی میں  
بروز پیر مورخہ 28 اکتوبر 2024 کو بوقت 12:30 بجے دوپہر منعقد کمپنی کے سالانہ اجلاس عام میں ووٹ دینے کے مجاز ہیں۔

لہذا گواہان کی موجودگی میں، میں / ہم نے مورخہ \_\_\_\_\_ 2024 کو اپنے دستخط کر دیئے ہیں۔

ریونیواسٹیٹپ

دستخط

1- دستخط

نام:

پتہ:

شناختی کارڈ / پاسپورٹ نمبر:

(دستخط نامزد کنندہ کے رجسٹرڈ دستخط سے مماثل ہونے چاہئے)

نوٹس

- ☆ کمپنی کا ممبر میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتا ہے۔ مکمل پر ہوئے پراکسی میٹنگ شروع ہونے سے 48 گھنٹے پہلے تک کمپنی کے رجسٹرڈ آفس کو موصول ہو جانے چاہئے۔
- ☆ اجلاس میں شرکت اور ووٹ دینے کے مستحق سی ڈی سی حصص داران اپنی شناخت کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ مہیا کریں اور پراکسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی مصدقہ کاپی لازمی منسلک کریں۔

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