



Moving FORWARD

ANNUAL REPORT 2018

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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

Integrity
Courage
Passion
Partnership
Excellence
Innovation
Responsibility
Humility

Overall

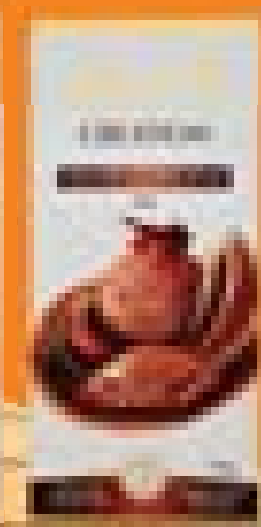
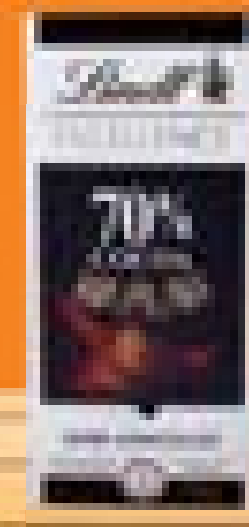
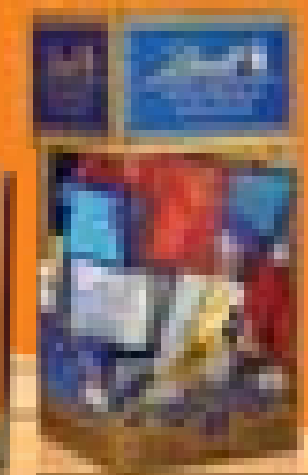
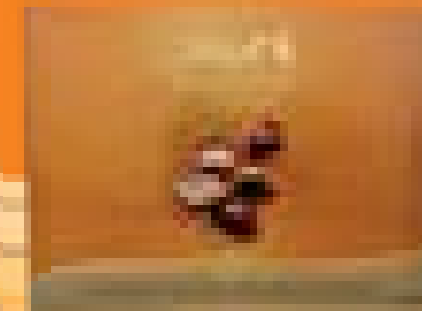
CORPORATE STRATEGY

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.

PRODUCTS



PRODUCTS



COMPANY

Information



BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Shariq Ahmed

AUDITORS

A.F. Ferguson & Company, Chartered Accountants

LEGAL ADVISOR

Saleem & Khan Law Associates

BANKERS

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

REGISTERED OFFICE

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

SHARE REGISTRAR

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, SMCHS
Shahrah-e-Faisal, Karachi - 74400

WEBSITE

www.ubrandz.biz

Notice of 54th ANNUAL GENERAL MEETING

Notice is hereby given that 54th Annual General Meeting of the members of M/s. United Brands Limited will be held on Wednesday, 24th October, 2018 at 06:45 p.m. at 9th floor, NIC building, Abbasi Shaheed Road, Karachi to transact the following business:

ORDINARY BUSINESS

- 1 To confirm the minutes of the last Extra Ordinary General Meeting of the Company held on February 23rd, 2018.
- 2 To receive, consider and adopt annual audited financial statements for the year ended June 30, 2018 together with the Directors' and Auditors' Report thereon.
- 3 To appoint auditors for the next financial year ending June 30, 2019 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, 2019.

OTHER BUSINESS

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

By the order of the board

Date: October 03, 2018
Place: Karachi

Shariq Ahmed
Company Secretary

Notes

A. Book closure:

The share transfer books will remain closed from October 18, 2018 to October 24, 2018 (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 18, 2018 will be treated in time for the purpose of attending the annual general meeting.

B. Participation in General Meeting:

All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/ shareholder may appoint a proxy to attend, speak and vote on his/her behalf. The proxy needs to be a member of the Company. Proxies in order to be effective must be received by the Company's Registered Office: 8th Floor, NIC Building, Abbasi Shaheed Road, Karachi – 75530 not less than 48 hours before the meeting.

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.

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

C. Request for Video conference facility:

In term of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request /demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

I/We, _____ of _____ being a member of the United Brands Limited, holder of _____ordinary shares as per registered folio # _____ hereby opt for video conference facility at

Signature of Member(s)

The company will intimate members regarding venue of video conference facility at least five days before the date of annual general meeting along with the complete information necessary to enable them to access the facility.

CHAIRMAN'S Review Report

(Under Section 192 of the Companies Act, 2017)

An annual evaluation of the Board of Directors' overall performance is conducted in compliance with the requirement of the Code of Corporate Governance and the Companies Act, 2017. The purpose of this evaluation is to ensure that the Board of Directors' (the Board) performance is measured in the context of overall corporate objectives and governance structure of the Company. For the financial year ended June 30 2018, 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:

Corporate governance structure and Compliance with regulations

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

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

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.

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.

Vision, mission and values

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

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.

Formulation of policies

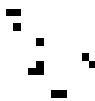
The Board has established policies that cover all essential areas of the Board's responsibilities.

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.

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.



Rashid Abdulla
Chairman
September 28, 2018

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of United Brands Limited take pleasure in presenting their report together with the audited Financial Statements for the year ended June 30, 2018. The Directors' Report is prepared in accordance with Section 227 of the Companies Act, 2017.

Principal Activities

United Brands Limited is engaged in distribution of fast moving consumer goods and allied products. The portfolio includes baby range, chocolates, confectionaries, flavored milk, dairy products, sweetener, beverages, cereals, deodorants, cosmetics and other similar products. We strive to be the best with an aim of serving as industry benchmark.

Summary of Financial Performance

	2018	2017
	(Rupees in thousand)	
Revenue	3,776,649	1,389,745
Gross profit	983,565	342,931
Gross profit as a percentage of revenue	26%	25%
Operating profit	252,997	69,541
(Loss) / Profit after taxation	(29,214)	6,021

Financial Performance:

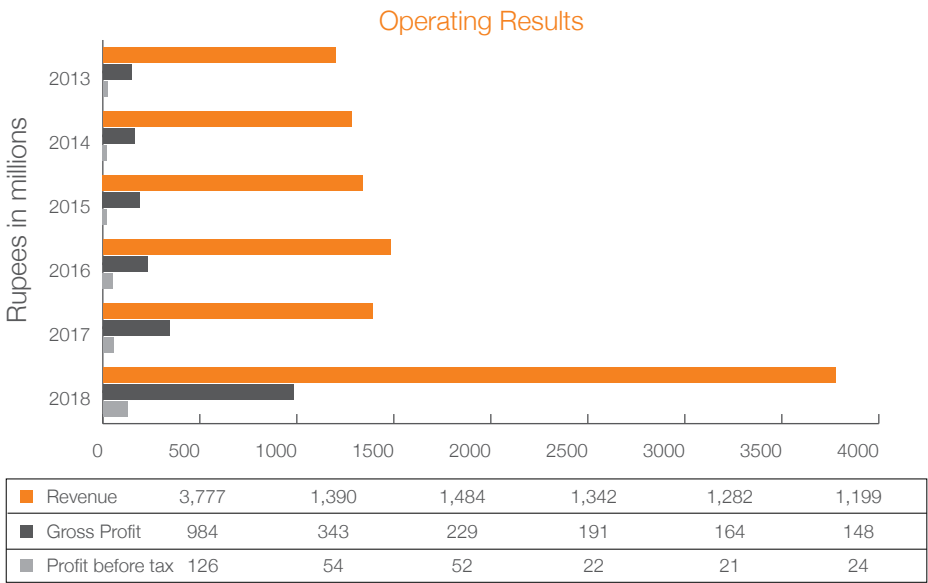
Revenue of Company has increased by 172% as compared to last year. The main reason for the increase is sale of shifted business lines Mars, Wrigley's, Red Bull, DuPont and Heinz for complete year. Further during the year, six new businesses were added that contributed PKR 541 million and PKR 518 million amount in gross and net revenue respectively. The Principal Companies for these new businesses are:

- 1) Loreal
- 2) IFFCO
- 3) Haleeb
- 4) Murree Brewery
- 5) Gandour
- 6) Belgian Chocolate

The Company also engaged in a new business division pertaining to warehousing and transportation. This business further added PKR 71 million in net revenue during the year.

Gross profit as a percentage of revenue has increased by 1% as compared to last year. Operating expenses have remained very much in line with the revenue of the Company.

Operating profit has improved from 5% to 7% as compared to last year. The main impediment that has resulted in loss is exchange loss and finance cost. Rupee depreciated by approx. 25% during span of 6 months. This has resulted in exchange loss of 54.69 million during the year. Finance cost has also increased by Rs. 60 million on account of borrowings to accommodate cash margin imposition on imports.

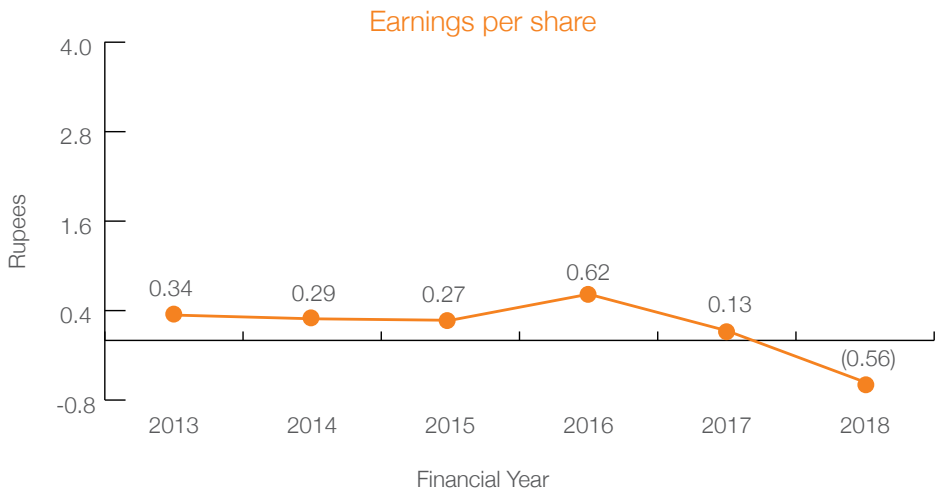


Holding Company

International Brands Limited is the holding Company of United Brands Limited. As at June 30, 2018, International Brands Limited held 88,200,462 shares of PKR 10 each (96.08%).

Basic / diluted earnings per share

Basic / diluted (loss)/ earnings per share were PKR (0.56) (2017: PKR 0.13)



Revision in Format of Audit Report:

Audit report is prepared in accordance with requirements of SECP SRO 558(I)/2018 ‘Auditors Reporting Obligations’. It mainly includes additional requirements as to key audit matters identified during the period of audit.

Impact on Environment:

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

Issue of Share Capital:

During the year, Company has injected fresh equity to lower the burden of borrowings. The right issue was made to the extent of 810 million rupees. The paid-up capital of the Company as on June 30, 2018 is Rs. 918 million.

Statement of Ethics and Business Practices

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

Principal Risks and uncertainties

Principal risk associated with the entity includes:

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

Risk Management

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

Corporate Social Responsibility

‘Implicit in true freedom of spirit lies a proud and virile will. Such glorious power of free will to choose, envisages beneficent social responsibility as manifest and welcome. – Louis Sullivan

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

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

Financing facility obtained during the year

During the year, Company obtained financing of Rs. 100 million from its sister concern M/s IBL Operations (Private) Limited to meet the working capital requirements. The borrowing was subsequently paid in the same financial year. The Company also obtained financing for fulfilling cash margin requirements from various banks, details of which are provided in note 14 to the financial statements. All facilities are interest based.

Composition of Board

Directors	No. of Directors
Total No. of Directors	7
a. Male	7
b. Female	0

Board Composition	No. of Directors
a. Independent Director	1
b. Executive Director	1
c. Other Non-Executive Directors	5

Committees of the Board

Committee	Name of Directors	Designation
Audit Committee	Mr. Hassan Tariq Khan	Chairman
	Mr. Ayaz Abdulla	Non-Executive Director
	Mr. Zubair Razak Palwala	Non-Executive Director
HR Committee	Mr. Hassan Tariq Khan	Chairman
	Mr. Ayaz Abdulla	Non-Executive Director
	Mr. Zubair Razak Palwala	Non-Executive Director

Meetings of the Board of Directors

During the Year 2018, Eight Board meetings were held and attended as follows:

Name of Directors	Meetings Attended
Mr. Rashid Abdulla	7
Mr. Arshad Anis	7
Mr. Munis Abdullah	2
Mr. Ayaz Abdulla	8
Mr. Asad Abdulla	7
Mr. Zubair Razzak Palwala	8
Mr. Hasan Tariq Khan	7

Fee paid to directors for attending Board of Directors meetings during the year amounted to Rs. 0.79 million (2017: Rs. 0.48 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 2018, four audit committee meetings were held and attended as follows:

Members	Meetings Attended
Mr. Hasan Tariq Khan	3
Mr. Zubair Razzak Palwala	4
Mr. Ayaz Abdulla	4

Human Resource and Remuneration Committee

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

Directors Training:

The Company has conducted training of newly implemented Companies Act, 2017 for its directors to apprise them of new requirements and regulations, the Board is compliant with the training requirement.

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, 2018, at a fee to be mutually agreed.

Subsequent Events

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

Value of Investments of Provident Fund

The fair value of investment of provident fund as per its financial statements at June 30, 2018 is PKR 8.59 million (June 30, 2017 is PKR 7.11 million).

Corporate and Financial Reporting Framework

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

Future Outlook

The management of the Company is confident of significant growth both in-terms of revenue and profitability in upcoming years. We are focused on enhancing and improving our current business and tapping new opportunities. The whole organization is evolving to a new level and is going through significant changes to improve its functions and enhance productivity in each area of operation. Sale person’s productivity is in sharp focus and the Company is in the process of employing latest technology to ensure we do not miss out on opportunities in the market place.

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

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

Shareholding Information

The Company's shares are traded on Pakistan Stock Exchange. The pattern of Shareholding as at June 30, 2018 and other related information is set out on page 72 to 74.

During the year, one of the director Mr. Asad Abdulla sold shares of the company which were duly informed and reported to the regulatory authorities

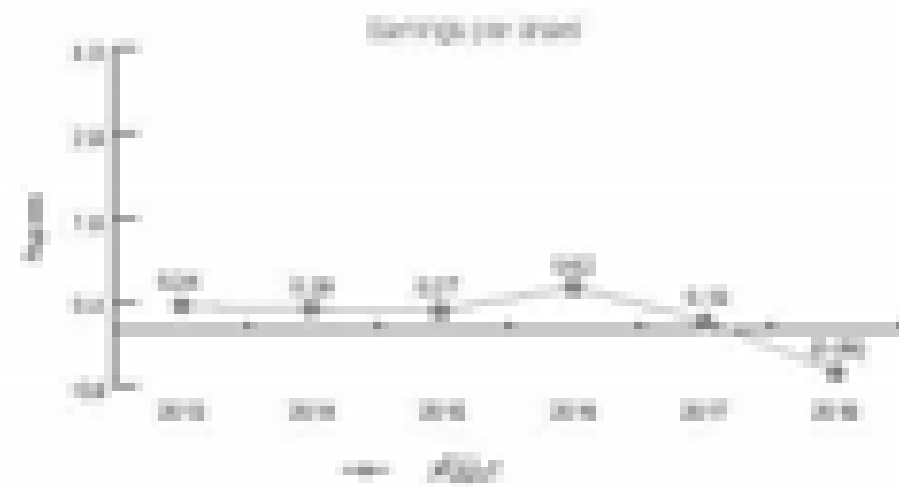
Except for the above and the Right Subscription, none of the Directors, CEO, CFO and Company Secretary and their spouses and minor children carried out any trades in the shares of the Company.

Karachi.
Date: September 28, 2018


Zubair Razzak Palwala
Director


Arshad Anis
Chief Executive Officer





آراء مختلف کے اہدہ پر گروہی

آراء مختلف کے اہدہ پر گروہی کے لئے، ہم نے "آراء مختلف کے اہدہ پر گروہی" کی طرف سے مختلف چیزوں کی پرکھ کر لی ہے۔

ماحولیات پر اثرات

گروہی کی گروہی کے لئے، ہم نے "آراء مختلف کے اہدہ پر گروہی" کی طرف سے مختلف چیزوں کی پرکھ کر لی ہے۔

شیر کاٹنے کا اہدہ

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آراء مختلف کے اہدہ



مستنداتی

ماحولیات پر اثرات کے لئے، ہم نے "آراء مختلف کے اہدہ پر گروہی" کی طرف سے مختلف چیزوں کی پرکھ کر لی ہے۔

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مالیاتی کارکرد کی پرکھ سے زیادہ اہم بات

ہمارے کاروبار کے کارکردگی پرکھ سے زیادہ اہم بات یہ ہے کہ ہم نے اپنے کاروبار کی کارکردگی کو بہتر بنایا ہے۔

مالیاتی کارکردگی

ہمارے کاروبار کی کارکردگی پرکھ سے زیادہ اہم بات یہ ہے کہ ہم نے اپنے کاروبار کی کارکردگی کو بہتر بنایا ہے۔

مالیاتی کارکردگی

2017	2018	مالیاتی کارکردگی
1,388,745	2,778,848	مالیاتی کارکردگی
343,891	883,585	مالیاتی کارکردگی
20%	20%	مالیاتی کارکردگی
88,341	282,887	مالیاتی کارکردگی
8,831	(78,314)	مالیاتی کارکردگی

مالیاتی کارکردگی

مالیاتی کارکردگی پرکھ سے زیادہ اہم بات یہ ہے کہ ہم نے اپنے کاروبار کی کارکردگی کو بہتر بنایا ہے۔

مالیاتی کارکردگی پرکھ سے زیادہ اہم بات یہ ہے کہ ہم نے اپنے کاروبار کی کارکردگی کو بہتر بنایا ہے۔

FINANCIAL HIGHLIGHTS

Quarterly Results

	Amount in Rupees					
	2018	2017	2016	2015	2014	2013
Revenue	6,778,848	1,288,745	1,288,745	1,288,745	1,288,745	1,288,745
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585

Quarterly Results

	Amount in Rupees					
	2018	2017	2016	2015	2014	2013
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585

Quarterly Results

	2018	2017	2016	2015	2014	2013
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585
Operating Profit	1,388,745	883,585	883,585	883,585	883,585	883,585

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance)

Regulations, 2017 United Brands Limited Year ending June 30, 2018

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

Directors		No. of Directors
Total No. of Directors		7
a.	Male	7
b.	Female	0

Board Composition		No. of Directors
a.	Independent Director	1
b.	Executive Director	1
c.	Other Non-Executive Directors	5

3.

The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6.

All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of 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 Board.

8.

The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9.

The Board has arranged Directors' Training program for the following:

	Name of Directors	No. of Directors
Directors	Mr. Hassan Tariq Khan	Independent Director
	Mr. Ayaz Abdulla	Non-Executive Director
	Mr. Asad Abdulla	Non-Executive Director
	Mr. Zubair Razak Palwala	Non-Executive Director
	Mr. Arshad Anis	Executive Director
Executives	Mr. Shariq Ahmed	CFO & Company Secretary

10.

The board has approved appointment of CFO, 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.

CFO and CEO duly endorsed the financial statements before approval of the Board.

12.

The Board has formed committees comprising of members and the frequency of meetings are given below:

Committee	No. of Meetings during the year	Name of Directors	Designation
Audit Committee	4	Mr. Hassan Tariq Khan	Chairman
		Mr. Ayaz Abdulla	Non-Executive Director
		Mr. Zubair Razak Palwala	Non-Executive Director
HR Committee	1	Mr. Hassan Tariq Khan	Chairman
		Mr. Ayaz Abdulla	Non-Executive Director
		Mr. Zubair Razak Palwala	Non-Executive Director

The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP
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 other requirements of the Regulations have been complied with.



Zubair Razzak Palwala
Director



Arshad Anis
Chief Executive Officer



AF FERGUSON & CO.

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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of United Brands Limited for the year ended June 30, 2018 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.



AF FERGUSON & CO.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Chartered Accountants
Karachi

Date: 01 October 2018



INDEPENDENT AUDITORS' REPORT

to the Members of United Brands Limited

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of United Brand Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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, 2018 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 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 Matters

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



Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Companies Act, 2017 (Refer note 2.1.1 to the financial statements) The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these annexed financial statements.	We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following:
2	As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous and current fourth schedules and as a result certain amendments relating to presentation and disclosures have been made in the Company's annexed financial statements.	considered the management's process to identify the additional disclosures required in the Company's annexed financial statements; obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and
3	In view of the various additional disclosures in the annexed financial statements due to first time application of the fourth schedule to the Companies Act, 2017, we considered this as a key audit matter.	verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.

Information Other than the 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 financial statements and our auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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:

proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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;

investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.



Chartered Accountants
Karachi

Date: 01 October 2018

STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	Note	2018 Rupees '000	2017
ASSETS			
Non-current assets			
Property and equipment	3	4,523	812
Intangible assets	4	699	423
Investment in subsidiary	5	25,000	-
Long - term deposits	6	114	114
		<u>30,336</u>	<u>1,349</u>
Current assets			
Inventories	7	970,112	835,451
Trade and other receivables	8	678,446	486,628
Prepayments and advances	9	687,853	327,949
Current tax asset		53,151	43,703
Tax refunds due from Government - sales tax		28,657	26,216
Cash and bank balances	10	175,515	47,283
		<u>2,593,734</u>	<u>1,767,230</u>
Total assets		<u>2,624,070</u>	<u>1,768,579</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	11	918,000	108,000
Accumulated loss		(41,459)	(6,845)
		<u>876,541</u>	<u>101,155</u>
Liabilities			
Non-current liabilities			
Long term financing	12	-	212,000
Current liabilities			
Trade and other payables	13	941,827	1,099,254
Unclaimed dividend		591	495
Short term financing	14	805,111	355,675
		<u>1,747,529</u>	<u>1,455,424</u>
Total liabilities		<u>1,747,529</u>	<u>1,667,424</u>
CONTINGENCY AND COMMITMENTS	15		
Total equity and liabilities		<u>2,624,070</u>	<u>1,768,579</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2018

	Note	2018 Rupees '000	2017
Revenue	16	3,776,649	1,389,745
Cost of sales and services	17	(2,793,084)	(1,046,814)
Gross profit		<u>983,565</u>	<u>342,931</u>
Marketing and distribution expenses	18	(616,024)	(208,951)
Administrative and general expenses	19	(88,577)	(47,960)
Other operating expenses	20	(25,967)	(16,479)
Profit from operations		<u>252,997</u>	<u>69,541</u>
Finance costs	21	(126,902)	(15,395)
Profit before Income tax		<u>126,095</u>	<u>54,146</u>
Income tax expense	22	(155,309)	(48,125)
(Loss) / profit for the year		<u>(29,214)</u>	<u>6,021</u>
Other comprehensive income		-	-
Total comprehensive (loss) / income		<u>(29,214)</u>	<u>6,021</u>
		(Rupees)	(Re-stated)
Basic and diluted (loss) / earnings per share	23	<u>(0.56)</u>	<u>0.13</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

	Note	2018 Rupees '000	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	24	(642,594)	(483,792)
Income taxes paid		(164,757)	(86,732)
Finance costs paid		(76,796)	(5,006)
Net cash outflow from operating activities		(884,147)	(575,530)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investment in subsidiary company		(25,000)	-
Payment for acquisition of property and equipment		(4,403)	(119)
Payment for acquisition of intangible assets		(350)	(59)
Net cash outflow from investing activities		(29,753)	(178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from right issue of shares		810,000	-
Dividends paid		(5,304)	(47)
Disbursement of loan		100,000	212,000
Repayment of long term financing		(312,000)	-
Proceeds from short term financing		449,436	355,675
Net cash inflow from financing activities		1,042,132	567,628
Net increase / (decrease) in cash and cash equivalents		128,232	(8,080)
Cash and cash equivalents at the beginning of the year		47,283	55,363
Cash and cash equivalents at the end of the year	25	175,515	47,283

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2018

	Share capital - Issued, subscribed and paid up capital (Rupees '000)	Accumulated loss	Total Equity
Balance as at July 1, 2016	108,000	(12,866)	95,134
Total comprehensive income	-	6,021	6,021
Balance as at July 1, 2017	108,000	(6,845)	101,155
Total comprehensive loss	-	(29,214)	(29,214)
Transactions with owners			
Issue of right shares	810,000	-	810,000
Final dividend for the year ended June 30, 2017 Rs. 0.5 per share -	-	(5,400)	(5,400)
	810,000	(5,400)	804,600
Balance as at June 30, 2018	918,000	(41,459)	876,541

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

1. CORPORATE AND GENERAL INFORMATION

1.1. Legal status and operations

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

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

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

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

- The registered office of the Company is situated at 8th Floor, N.I.C Building, Abbasi Shaheed Road, Karachi.
- The Company has various sale offices and distribtuion warehouses, detailed list is provided in note 31.

1.2. Significant transactions and events affecting the company's financial position and performance

- a) the Company made a right issue on Februray 23, 2018 amounting to Rs. 810 million, to raise funds for reducing the Company's finance cost, improve debt equity ratio and leverage ratio. (Refer note 11.3);
- b) the following new product lines were added to the Company's portfolio:
 - Haleeb
 - L'Oreal
 - IFFCO
 - Gandour
 - Muree Brewery
 - Belgian Chocolate

The above has resulted in increase in sales revenue by Rs. 540.96 million. (Refer note 16);

- c) the Company invested Rs. 25 million in a new 100% owned subsidiary IBL Logistics (Private) Limited. (Refer note 5);
- d) the Company started providing warehousing and transportation services to a bottling plant. (Refer note 16); and
- e) exchange loss amounting to Rs. 54.69 million has been recognised in the financial statements due to the volatility in exchange rates during the year. (Refer note 21)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

2.1 Basis of preparation

2.1.1 Statement of Compliance

These 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under the 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.

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

2.1.3 Critical accounting estimates and judgements

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

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

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

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

2.1.4 Changes in accounting standards, interpretations and pronouncements

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

IAS 7, 'Statement of Cash Flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided.

The change has been disclosed in notes 12 & 14 of these financial statements.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of financial statements of the Company. These changes also include change in nomenclature of primary statements, etc.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

Keeping in view of the above, the presentation of these financial statements has been realigned with the provisions contained in the Act. The application of the Act, however, does not have any impact on the recognition and measurement of the amounts included in these financial statements of the company.

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

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2017, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in these financial statements.

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

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018 that may have an impact on the financial statements of the Company.

IFRS 9 'Financial instruments' - This standard is effective for periods beginning from or after July 01, 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - This standard is effective for periods beginning from or after July 01, 2018. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 01, 2019. IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

2.2 Overall valuation policy

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

2.3 Property and equipment

i. Owned

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

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

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

Maintenance and normal repairs are charged to 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 of fixed assets are included in the statement of profit or loss and other comprehensive income.

ii. Assets subject to finance lease

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

2.4 Intangible assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

- The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.
- 2.5 Method of preparation of statement of cashflows
- The statement of cashflows is prepared using indirect method
- 2.6 Investment in Subsidiary
- The Company has investment in subsidiary Company. Investment in subsidiary is stated at cost.
- 2.7 Inventories
- Inventories are valued at the lower of cost and net realisable value. Cost is determined using the First-In-First out (FIFO) basis. Provision is made for obsolete and slow-moving items.
- Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.
- Stock in transit are valued at cost comprising invoice value plus other charges incurred thereon.
- 2.8 Trade and other receivables
- Trade and other receivables are recognised and carried at invoice value less a provision for impairment. Trade and other receivables considered irrecoverable are written-off. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.
- 2.9 Cash and cash equivalents
- Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks, cash and cheques held at branches and running finance facilities under mark-up arrangements availed from the banks.
- 2.10 Share capital
- Ordinary shares are classified as equity and are recorded at their face value.
- 2.11 Trade and other payables
- Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.
- 2.12 Provisions
- Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

- 2.13 INCOME TAX
- i. Current
- The charge for current taxation is based on the taxable income at the current rate of taxation after taking into account tax credits and rebates available, if any.
- ii. Deferred
- Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the statement of profit or loss account.
- Deferred tax is determined at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates enacted at the reporting date.
- 2.14 Employee benefits
- i. Defined contribution plan
- The Company operates a recognised provident fund for its eligible and permanent employees. Equal monthly contributions are made both by the Company and the employees at the rate of 10% of basic salary. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
- ii. Leave encashment - compensated absences
- The Company accounts for employees' leave encashment at the end of December each year on the basis of 15 days of unavailed leave balance of each employee. The liability recognised in this respect is based on one half of the employee's last drawn basic salary.
- 2.15 Revenue recognition
- Sale of goods
- Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.
- Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of government levies, discounts and incentives.
- Rendering of services
- Revenue from transportation and warehousing services is recognised in the accounting period in which the services are rendered.
- Revenue from rendering of services is measured at the fair value of the consideration received or receivable, net of government levies, discounts and incentives.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

2.16 Borrowings and their cost

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

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

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

2.17 Foreign currency transactions and translation

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

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

2.18 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

i. Financial assets at fair value through profit or loss

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

ii. Loans and receivables

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

iii. Available-for-sale financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

iv. Held to maturity

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

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

Financial liabilities

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

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

Financial liabilities carried in the statement of financial position include running finance under markup arrangements and trade and other payables.

Offsetting

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

2.19 Dividend distribution

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

3. PROPERTY AND EQUIPMENT

Operating assets - note 3.1
Capital work in progress - note 3.2

2018	2017
Rupees '000	
4,391	812
132	-
4,523	812

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

3.1 Operating assets

	Leasehold Improvements	Furniture and Fittings	Office and other Equipments	Motor Vehicles	Total
	Rupees '000				
Net carrying value basis Year ended June 30, 2018					
Opening net book value (NBV)	-	64	748	-	812
Additions (at cost)	-	868	3,403	-	4,271
Depreciation charge - note 3.3	-	(30)	(662)	-	(692)
Closing net book value (NBV)	-	902	3,489	-	4,391
Gross carrying value basis At June 30, 2018					
Cost	1,698	2,010	13,186	2,842	19,736
Accumulated depreciation	(1,698)	(1,108)	(9,697)	(2,842)	(15,345)
Net book value (NBV)	-	902	3,489	-	4,391
Net carrying value basis Year ended June 30, 2017					
Opening net book amount	-	42	963	-	1,005
Additions (at cost)	-	28	91	-	119
Depreciation charge	-	(6)	(306)	-	(312)
Closing net book value (NBV)	-	64	748	-	812
Gross carrying value basis At June 30, 2017					
Cost	1,698	1,142	9,783	2,842	15,465
Accumulated depreciation	(1,698)	(1,078)	(9,035)	(2,842)	(14,653)
Net book value (NBV)	-	64	748	-	812
Useful life in years	10	10	5	5	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

3.2 The amount represents advance given for the purchase of desktop computers.

3.3 Depreciation for the year has been allocated as follows:

	2018	2017
	Rupees '000	
Cost of sales	77	-
Marketing and distribution expenses	445	163
Administrative and general expenses	170	149
	692	312
4. INTANGIBLE ASSETS		
Computer software - note 4.1	699	423
4.1 Computer software		
Net carrying value basis		
Opening net book value	423	-
Addition during the year - note 4.1.1	350	432
Amortisation charge	(74)	(9)
Net book value	699	423
Gross carrying value basis		
Cost	782	432
Accumulated Amortisation	(83)	(9)
Net book value	699	423
Useful life in years	5	5

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

	2018	2017
	Rupees '000	

5. INVESTMENT IN SUBSIDIARY

Subsidiary Company (at cost) - Note 5.1	25,000	-
5.1 The above investment represents investment in IBL logistics (Pvt.) Limited (the subsidiary). The subsidiary was incorporated on 23 April 2018. The Company beneficially owns 100% of the share capital of the subsidiary.		

	2018	2017
	Rupees '000	

6. LONG TERM DEPOSITS

Long term deposits - note 6.1	114	114
6.1 The amount represents house rent deposit given to the employees in accordance with the terms of employment. These deposits do not carry any mark up arrangement.		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

	2018	2017
	Rupees '000	
7. INVENTORIES		
Finished goods:		
in hand - note 7.1	836,171	603,880
in transit	152,994	246,254
	989,165	850,134
Less: Provision for slow moving, obsolete and damaged goods - note 7.2	19,053	14,683
	970,112	835,451
7.1	These include stock-in-trade amounting to Rs. 34.83 million held with third party (2017: Rs. 83.6 million).	
	2018	2017
	Rupees '000	
7.2		
Balance at beginning of the year	14,683	1,305
Charge during the year - net	20,907	14,096
Written off against provision	(16,537)	(718)
Balance at end of the year	19,053	14,683
8. TRADE AND OTHER RECEIVABLES - unsecured		
Trade receivables - note 8.1	390,133	116,460
Other receivables - note 8.2	288,313	370,168
	678,446	486,628
8.1 Trade receivables - unsecured		
Considered good		
Related party - note 8.1.1	1,188	1,981
Others - note 8.1.2	388,945	114,479
Considered doubtful	6,846	2,374
	396,979	118,834
Less: Provision for doubtful receivables - note 8.1.3		
Others	(6,846)	(2,374)
	390,133	116,460

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

8.1.1 As at June 30, 2018 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 in thousand)							
The Searle Company Limited	677	439	-	-	-	677	2,655
MyCart (Private) Limited	84	67	-	-	-	84	5,209
International Franchises (Private) Limited	427	28	-	-	-	427	2,898
	1,188	534	-	-	-	1,188	10,762

8.1.2 As at June 30, 2018, the age analysis of these trade receivables is as follows:

	2018	2017
	Rupees '000	
Not yet due	248,749	53,462
Past due but not impaired		
- Less than 30 days	64,268	29,793
- 31 to 90 days	30,510	23,760
- 90 to 360 days	45,418	7,464
- More than 360 days	6,846	2,374
	147,042	63,391
	395,791	116,853
8.1.3		
Balance at beginning of the year	2,374	745
Charge during the year - net	4,831	1,642
Written off against provision	(359)	(13)
Balance at end of the year	6,846	2,374
8.2 Other receivables - unsecured		
Considered good		
Related party - note 8.2.1	8,731	19
Others - note 8.2.2	279,582	370,149
	288,313	370,168

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

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

8.2.3 As at June 30, 2018 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 thousand)							
The Searle Company Limited	8,731	-	-	-	-	-	8,731
	8,731	-	-	-	-	-	8,731

	2018	2017
	Rupees '000	
9. PREPAYMENTS AND ADVANCES - unsecured		
Prepayments - note 9.1	81,559	63,623
Advances - note 9.2	606,294	264,326
	687,853	327,949
9.1 PREPAYMENTS		
Rent		-
Deposit	881	-
Prepaid	2,396	-
Insurance	18	12
Others - note 9.1.1	78,264	63,611
	81,559	63,623
9.1.1 This represents amount paid to Red Bull Asia FZE in respect of marketing contribution as per the terms of the agreement. Such amount is amortised as the related products are distributed.		
	2018	2017
	Rupees '000	
9.2. Advances - considered good		
- Employees	1,205	-
- Advance against letter of credit - note 9.2.1	531,317	245,061
- Others - note 9.2.2	73,772	19,265
	606,294	264,326

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

9.2.1 This represents advances paid as 100% margin as per the BPRD circular No. 02 of 2017 issued by SBP under the Banking Companies Ordinance, 1962 for the import of goods.

9.2.2 The amount represents advances given to clearing agents, shipping companies and regulatory authorities.

9.2.3 These advances do not carry any mark up arrangement.

10. CASH AND BANK BALANCES

Cash at banks

Current accounts - note 10.1

Savings account - note 10.2

Cash and cheques in hand

	2018	2017
	Rupees '000	
Current accounts - note 10.1	146,937	42,970
Savings account - note 10.2	41	25
	146,978	42,995
Cash and cheques in hand	28,537	4,288
	175,515	47,283

10.1 All current accounts are maintained under conventional banking system.

10.2 Savings account is maintained under Islamic banking system carrying profit sharing rate of 0.05% (2017: 0.05%)

11. SHARE CAPITAL

Authorised Share Capital

	2018	2017
	Rupees '000	
Number of Shares		
2018	2017	
100,000,000	12,000,000	
Ordinary shares of Rs. 10/- each	1,000,000	120,000

Issued, Subscribed and Paidup Share Capital

	2018	2017
	Rupees '000	
Number of Shares		
2018	2017	
10,800,000	10,800,000	
Ordinary shares of Rs. 10/- each fully paid in cash	108,000	108,000
81,000,000		
- Ordinary shares of Rs. 10 each fully paid in cash allotted as right shares - note 11.3	810,000	-
	918,000	108,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

11.1 As at June 30, 2018 International Brands Limited together with its nominees held 88,200,462 (June 30, 2017: 10,381,225) ordinary shares of Rs. 10 each.

11.2 Movement in Issued, subscribed and paid-up capital

Ordinary shares of Rs 10 each			2018	2017
Number of shares			Rupees '000	
10,800,000	10,800,000	Opening shares outstanding	108,000	108,000
81,000,000	-	Right shares issued - note 11.3	810,000	-
91,800,000	10,800,000		918,000	108,000

11.3 ISSUE OF RIGHT SHARES

The Board of Directors in a meeting held on February 23, 2018 announced a rights issue at par to the existing shareholders at a proportion of 7.5 ordinary shares for every share held. Total amount recieved from the issue is Rs. 810 million divided into 81,000,000 shares of Rs. 10 per share. The rights issue was made to reduce finance cost, improve debt to equity ratio and leverage ratio.

12. LONG TERM FINANCING

The amount was borrowed from IBL Operations (Private) Limited - associated company on 31 March, 2017 for onward payment to creditors, further disbursement of Rs. 100 million was also made on October 31, 2017 repayable in 3 years. During the year, the amount was repaid to the associated company out of the proceeds of right issue.

The above financing carried interest at the rate of 6 month KIBOR + 2.5%.

12.1 Following are the changes in the long term borrowings (i.e. for which cash flows have been classified as financing activities in the statement of cashflows):

	2018	2017
	Rupees in '000'	
Balance as at July 1	212,000	-
Disbursements during the year	100,000	212,000
Repayment	(312,000)	-
Balance as at June 30	-	212,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

13. TRADE AND OTHER PAYABLES

	2018	2017
	Rupees in '000'	
Trade creditors	218,224	236,304
Payable to International Brands Limited - note 13.1	1,782	1,000
Payable to IBL Operations (Private) Limited - note 13.2	57,251	205,704
Payable to The Searle Company Limited - note 13.3	43,245	43,244
Accrued liabilities	58,634	12,750
Bills payables	533,991	577,574
Payable to employees' provident fund - note 13.4	1,056	73
Advances from customers	8,499	7,234
Withholding tax payable	198	-
EOBI and SESSI payable	753	2,615
Accrued Markup	5,803	10,389
Other liabilities	12,391	2,367
	941,827	1,099,254

13.1 This represents amount payable on account of corporate service charges.

13.2 This includes amount payable to IBL Operations (Private) Limited - associated company under agreement for sharing of expenses relating to sales and administrative infrastructure.

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

13.4 SECP has issued "Employees' Provident Fund (Investment in Listed Securities) Rules, 2018" through SRO 730 (1) / 2018, dated June 06, 2018 in relation to investment made out of provident fund. Section 1 (5) of the said rules states that "Within one year from the date of commencement of notification of these regulations, all investments from the provident fund or any other contributory retirement fund constituted by a company or where a trust created by a company with respect to provident fund or any other contributory retirement fund, as the case may be, which are beyond the investment limits provided in these regulations shall be reduced gradually and brought in conformity with the provisions of these regulations."

13.5 Accrued Markup

Markup payable on

	2018	2017
	Rupees '000	
Long term financing	-	4,578
Short term financing	5,803	5,811
	5,803	10,389

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

14.	SHORT TERM FINANCING	2018	2017
		Rupees '000	
	Running finance under mark-up arrangement - notes 14.1 & 14.3	-	19,675
	Short term loans (Tijara) - notes 14.2 & 14.3	805,111	196,000
	Short term loan from IBL Operations (Private) Limited - notes 14.3	-	140,000
		<u>805,111</u>	<u>355,675</u>
14.1	As at June 30, 2018 available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2017: Rs. 35 million). The arrangement is secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin. The arrangements carry mark-up at the rate of 2.25% above one month KIBOR (June 30, 2017: 2.25% above one month KIBOR) to be determined on monthly basis.		
14.2	This represent short term loans obtained under financing arrangement from commercial banks. This arrangement is secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between July and December 2018. The arrangements carry mark-up ranging from 0.15% above average three month KIBOR to 0.15% over six month KIBOR.		
14.3	Following are the changes in the short term financing (i.e. for which cash flows have been classified as financing activities in the statement of cashflows):		
		2018	2017
		Rupees '000	
	Balance as at July 1	355,675	-
	Disbursements during the year	2,484,495	471,845
	Repayment	(2,035,059)	(116,170)
	Balance as at June 30	<u>805,111</u>	<u>355,675</u>
15.	CONTINGENCY AND COMMITMENTS		
15.1	Contingency		
	The assistant / deputy commissioner inland revenue vide order DC No. 01 / 77 dated February 28, 2018 culminated the proceeding for monitoring of withholding taxes, raising certain issues with reference to short deduction. Through the said order, a demand of Rs. 32.89 million has been raised. Subsequent to the year end the Company has deposited 10% of the above amount and obtained stay from Commissioner Inland Revenue (Appeals) . However, the management and their tax advisor are of the opinion that the position of the Company is sound on technical basis and eventual outcome ought to be in favour of the Company. Pending the resolution of the matters stated above, no provision has been made in these financial statements.		
15.2	COMMITMENTS		
	The facilities for opening letter of credit and guarantees as at June 30, 2018 amounted to Rs. 715 million (June 30, 2017: Rs. 715 million) and Rs. 233 million (June 30, 2017: Rs. 100 million) respectively. The amount remaining unutilised at the year end for letter of credit and guarantees was Rs. 269.40 million (June 30, 2017: Rs. 510.7 million) and Rs. 58.33 million (June 30, 2017: Rs. 100 million) respectively.		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

The facilities are secured by way of pari passu charge against hypothecation of Company's inventories and receivables.			
16.	REVENUE	2018	2017
		Rupees '000	
	Revenue from		
	Goods	4,684,425	1,783,534
	Services - note 16.1	83,061	-
	Less:		
	- Trade discount	(252,090)	(122,462)
	- Sales returns	(64,309)	(23,813)
	- Sales tax	(661,999)	(247,514)
	- Provincial sales tax	(12,439)	-
		<u>(990,837)</u>	<u>(393,789)</u>
		<u>3,776,649</u>	<u>1,389,745</u>
16.1	This represents warehousing and transportation services to a bottling plant		
17.	COST OF SALES AND SERVICES	2018	2017
		Rupees '000	
	Cost of sales - note 17.1	2,739,406	1,046,814
	Cost of services - note 17.2	53,678	-
		<u>2,793,084</u>	<u>1,046,814</u>
17.1	COST OF SALES		
	Opening stock	835,451	436,549
	Purchases during the year - net of claims	2,874,067	1,445,716
	Closing stock	(970,112)	(835,451)
		<u>2,739,406</u>	<u>1,046,814</u>
17.2	COST OF SERVICES	2018	2017
		Rupees '000	
	Salaries, wages and allowances - note 17.3	18,408	-
	Freight and cartage	27,262	-
	Vehicle running and repair & maintenance	565	-
	Rent, rates and taxes	5,463	-
	Insurance and security expenses	124	-
	Utilities	1,092	-
	Depreciation	77	-
	Printing and stationary	141	-
	Communication	160	-
	Others	386	-
		<u>53,678</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

17.3 Salaries, wages and allowances include Rs. 0.02 million (2017: Nil) in respect of contributory provident fund.

2018	2017
Rupees '000	

18. MARKETING AND DISTRIBUTION EXPENSES

Salaries, wages and allowances - note 18.1	85,752	39,256
Freight and cartage	57,227	29,395
Vehicle running and repair & maintenance	41,785	19,003
Rent, rates and taxes	28,105	17,728
Advertising and sales promotion - note 18.2	378,237	93,058
Insurance and security expenses	10,958	5,633
Utilities	4,418	1,628
Travelling and conveyance	4,590	1,458
Depreciation	445	163
Printing and stationary	1,383	568
Communication and entertainment	3,124	1,061
	<u>616,024</u>	<u>208,951</u>

18.1 Salaries, wages and allowances include Rs. 1.29 million (2017: Rs. 0.93 million) in respect of contributory provident fund.

18.2 This includes Rs. 319.61 million (2017: Rs. 71.6 million) in respect of amortisation of short term prepayments pertaining to marketing contribution for Red Bull.

2018	2017
Rupees '000	

19. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, wages and allowances - note 19.1	39,297	26,546
Legal and professional	14,360	4,213
Auditors' remuneration - note 19.2	2,898	2,242
Travelling and conveyance	7,334	3,474
Corporate service charges - note 19.3	10,200	2,400
Rent, rates and taxes	1,872	1,981
Vehicle running and repair & maintenance	849	163
Fee and subscription	3,593	705
Communication and entertainment	568	564
Depreciation	170	149
Amortisation	74	9
Utilities	918	599
Insurance and security expenses	79	136
Demurrages	2,879	3,208
Printing and stationary	268	763
Donations - note 19.4	3,040	-
Others	178	808
	<u>88,577</u>	<u>47,960</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

19.1 Salaries, wages and allowances include Rs. 3.05 million (2017: Rs. 1.01 million) in respect of contributory provident fund.

2018	2017
Rupees '000	

19.2 Auditors' remuneration

Annual audit fee	950	800
Fee for review of half yearly financial information, Statement of Compliance with Code of Corporate Governance and other certifications	916	500
Taxation services	632	600
Out-of-pocket expenses	400	342
	<u>2,898</u>	<u>2,242</u>

19.3 This represents reimbursement of information technology charges to International Brands Limited (Holding company) at Rs. 0.85 million per month.

19.4 During the year, the Company made donation amounting to Rs. 3 million (2017: Nil) to Hunar Foundation, Karachi, Pakistan. During the year, two of the directors of the parent company were also directors in the donee foundation. However, one of the director has resigned during the year.

2018	2017
Rupees '000	

20. OTHER OPERATING EXPENSES

Provision for expired and damaged stock	20,907	14,096
Provision for bad debt expense	4,831	1,642
Sales tax unrecoverable written-off	229	741
	<u>25,967</u>	<u>16,479</u>

21. FINANCE COSTS

Bank charges	6,380	1,514
Mark up on long term financing	21,164	4,577
Mark up on short term financing	44,666	5,901
Exchange loss - net	54,692	3,403
	<u>126,902</u>	<u>15,395</u>

22. INCOME TAX EXPENSE

- for current year	149,823	48,877
- for prior year	5,486	(752)
	<u>155,309</u>	<u>48,125</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

In view of the management, sufficient tax provision has been made in the Company's financial statements. Comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

	2017	2016	2015
	----- Rupees '000 -----		
Tax assessed as per most recent tax assessment	84,840	22,436	9,648
Provision in accounts for income tax	84,840	22,436	9,656

The assessed value for tax years 2017 & 2015 represents return value. In the tax year 2016 the additional commissioner (Audit) inland revenue, framed the order D.C No. 24/136 dated 27 April 2018 to amend original assessment under section 122(5A) of the Income Tax Ordinance, 2001. Subsequently, the same was appealed and the order has been reversed by Commissioner inland revenue (Appeals) in favour of the Company.

In the tax year 2017, Income Tax charge as per financial statements was Rs. 54.363 million. This difference is due to final tax charge on closing inventory amounting to Rs. 30.48 million, as at June 30, 2017.

22.1 Relationship between tax expense and accounting profit has not been presented as tax has been computed under section 113 of the income tax ordinance 2001 i.e. Minimum tax and Final Tax Regime.

	June 30, 2018	June 30, 2017
23. Basic and diluted earnings per share	Rupees '000	
(Loss) / profit for the year attributable to ordinary	(29,214)	6,021
	Number of shares	
Weighted average number of ordinary shares outstanding during the year - note	51,966,590	46,014,471

23.1 The weighted average number of outstanding shares as at June 30, 2017 have increased due to the bonus element in the right issue.

23.2 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2018 and 2017 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

	June 30, 2018	June 30, 2017
	Rupees '000	
24. CASH GENERATED FROM OPERATIONS		
Profit before Income tax	126,095	54,146
Adjustments for non-cash charges and other items		
Depreciation	692	312
Amortisation	74	9
Finance cost	72,210	15,395
	72,976	15,716
	199,071	69,862
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:		
Inventories	(134,661)	(398,902)
Trade and other receivables	(191,818)	(179,309)
Prepayments and advances	(359,904)	(322,367)
Tax refunds due from government - sales tax	(2,441)	(16,227)
	(688,824)	(916,805)
(Decrease) / increase in trade and other payables	(152,841)	363,151
Cash used in operations	(642,594)	(483,792)
25. CASH AND CASH EQUIVALENTS		
Cash and bank balances	175,515	47,283

26. REMUNERATION TO CHIEF EXECUTIVE AND EXECUTIVES

	CHIEF EXECUTIVE		EXECUTIVES *	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
			Rupees '000	
Managerial remuneration	1,125	960	9,139	11,462
Allowances	562	480	4,569	5,731
Bonus	187	160	1,523	1,910
Company's contribution to provident fund	-	96	914	1,146
Leave encashment	47	40	381	478
Medical expenses	94	80	762	955
	2,015	1,816	17,288	21,682
Number of persons	1	1	3	3

* Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

- 26.1 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.
- 26.2 In addition to the above, fee paid to directors for attending Board of Directors meetings during the year amounted to Rs. 0.79 million (2017: Rs. 0.48 million).

27. RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions	2018 Rupees '000	2017
Holding Company	- Dividend paid	5,191	-
	- Proceeds of right issue	778,239	-
	- Corporate Service Charges	10,200	2,400
Associated companies	- Purchases	5,339	56,877
	- Allocation of expenses - note 27.2	139,574	53,174
	- Repayment of loans	452,000	-
	- Loans obtained	100,000	352,000
	- Mark-up on financing paid	31,750	-
	- Sale of goods	5,452	2,704
Post employment staff benefit plans	- Contributions to provident fund	4,364	1,933
Key management employees compensation			
	- Salaries and other employee benefits	18,389	26,924
	- Contributions to provident fund	1,026	1,503
	- Directors' fees	795	480

- 27.2 The Company has an agreement with IBL Operations (Private) Limited - associated company, regarding sharing of expenses relating to sales and administrative infrastructure.
- 27.3 The status of outstanding balances with related parties as at June 30, 2018 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.
- 27.4 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S.No.	Company Name	Basis of association	Aggregate % of Shareholding
1.	International Brands Limited	Parent	96.08%
2.	IBL Operations (Private) Limited	Group Company	N/A
3.	The Searle Company Limited	Group Company	N/A
4.	Mycart (Private) Limited	Group Company	N/A
5.	International Franchises (Private) Limited	Group Company	N/A
6.	IBL Healthcare Limited	Group Company	N/A

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

28. NUMBER OF EMPLOYEES
- | | 2018 | 2017 |
|---|------|------|
| Number of employees | 520 | 91 |
| Average number of employees during the year | 284 | 106 |
29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES
- 29.1 All the financial assets of the Company are classified as loans and receivables and all the financial liabilities are categorised as financial liabilities measured at fair value. The carrying value of all financial assets and liabilities approximate their fair values.

	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
(Rupees in thousand)							
FINANCIAL ASSETS							
Long term deposits	-	-	-	-	114	114	114
Trade and other receivables	-	-	-	678,446	-	678,446	678,446
Advances	-	-	-	606,294	-	606,294	606,294
Cash and bank balances	41	-	41	175,515	-	175,515	175,556
June 30, 2018	41	-	41	1,460,255	114	1,460,369	1,460,410
June 30, 2017	25	-	25	798,237	114	798,351	798,376
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	933,328	-	933,328	933,328
Short term borrowings	805,111	-	805,111	-	-	-	805,111
June 30, 2018	805,111	-	805,111	933,328	-	933,328	1,738,439
June 30, 2017	355,675	212,000	567,675	1,092,515	-	1,092,515	1,660,190
ON REPORTING DATE GAP							
June 30, 2018	(805,070)	-	(805,070)	526,927	114	527,041	(278,029)
June 30, 2017	(355,650)	(212,000)	(567,650)	(294,278)	114	(294,164)	(861,814)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Letters of credit / guarantees	
June 30, 2018	327,722
June 30, 2017	204,298

29.2 Financial Risk Management

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2018, the Company is not materially exposed to interest rate risk.

As at June 30, 2018, the Company had variable interest bearing financial liabilities of Rs. 805.11 million (2017:Rs. 567.67 million) and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 16.10 million (2017: 11.35 million) lower / higher.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is exposed to currency risk on payables in respect of imported inventory denominated in US Dollar (\$) and Swiss Francs . The total foreign currency risk exposure as at June 30, 2018 is Rs. 635.11 million (June 30, 2017: Rs 577.6 million).

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

(b) Credit risk

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

As at June 30, 2018 there are no past due or impaired balances other than Rs. 6.85 million (June 30, 2017: Rs 2.37 million) and the carrying amount of trade debts relate to number of independent customers for whom there is no history of default.

Loans to employees are secured against their retirement benefits.

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

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

(c) Liquidity risk

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

30. CAPITAL RISK MANAGEMENT

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

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

The debt to capital ratios at June 30, 2018 and at June 30, 2017 were as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

	2018	2017
	Rupees '000	
Total borrowings	805,111	567,675
Cash and bank - note 10	(175,515)	(47,283)
Net debt	629,596	520,392
Equity	876,541	101,155
Total capital	1,506,137	621,547
Debt to capital ratio	0.42	0.84

31. BUSINESS UNITS - GEOGRAPHICAL LOCATIONS AND ADDRESSES

SALES OFFICES	ADDRESSES
Abbottabad	Rashid Building, Mir Pur Road Near Mir Pur Chashma, Abbottabad.
Badin	Ward no. 06, Channa Mohalla Cantt Road, Badin
Bahawalnagar	Street no. 03, Taqwa Colony, Bahawalnagar
Bahawalpur	House no. E-99 satellite Town Near Hussaini Chowk, Near HBL Bank, Bahawalpur
Burewala	Hameed Block Street no. 2 Near Lari Adda Opposite Ittefaq Flying Coach, Burewala
D.G.Khan	House no. 64-65,Block no. 16, Al-Mansoor Lodge, Ex PTCL Revenue Office, Dera Ghazi Khan
Dadu	House no. 931/18, Pir Buksh Colony, Near Cicuit House, Dadu
Faisalabad	Plot no. 387,388, Amin Town, Askari Road Near Educators School, West Canal Road, Faisalabad
Ghotki	Paryal house, Main G.T. Road, Near Bilal Masjid,Ghotki.
Gujranwala	8 KM G.T Road , G Mangolia Housing Society, Gujranwala
Gujrat	Near Railway, Crossing Shadiwal Road, Gujrat
Hafizabad	169 D Housing Colony, Jinnah Chowk, Gujranwala Road, Hafizabad
Hyderabad	A/135 Near Al-Khair Agenceis, Workshop SITE Area, Hyderabad.
Islamabad	Plot No. 65 & 66, Street 13, I/9, Industrial Area, Islamabad
Jacobabad	House No. 635, Shaheed Mohammad Tagyal Road, Dangar Mohalla, Jacobabad
Jhelum	House no. BXV-1499, Azeem Road Kala Gujran Tehsil & District., Jhelum
Karachi	Shop no.2, FR 6/22 - 111 - C Serai Quarter, Maan Singh Building, KA.RS Captain Road, New Challi
Karachi	L-16/A Block no. 22 F.B. Industrial Area, Opposite Aqsa Masjid Near UMA CNG, Shafique More, Karachi.
Karachi	Plot no. 12 & 32, Sector 19, Industrial Area, Korangi, Karachi
Kasur	2nd-13/R-25 Khara Road opposite Kot Rukan Din khan, Kasur

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

SALES OFFICES	ADDRESSES
Khairpur	T/615, Hussain Chowk, Pathan Mohallah Luqman, Khairpur
Khanewal	House no. 177/A (Gujjar House) Near Sharjah Deparment Store Gulberg, Khanewal
Lahore	131/3, Quaid-e-Azam Industrial Estate Gate - 4, Near Fine Chowk, Kot Lakhpat, Lahore
Lahore	Mohallah Tube Well, Near SPARCO, Samsani Road, Link Multan Road, Lahore
Larkana	House no. 186 Sachal Colony, Larkana.
Layyah	House no. 250/C Housing Scheme 2 Opposite Dr.Qaiser Abbasi clinic TDA Road Tehsil & Dist, Layyah
Mainwali	Kala Bagh Road Near Mianwali Stadium , Masjid Street, Muslim Colony, Mianwali
Mandi Bahauddin	Mohalla Shadman Town, Near Old Rasool Road, Mandi Bahauddin
Mir Pur Khas	House no. 1204 Near Al Shahab Homeo Store Sir Syed Road, Behind Ubl Bank,Torabad. 1 Mir Pur Khas
Multan	Plot no. 590, 591, Jahangir Abad NLC Chowk Main G.T Road, Multan
Muzaffargarh	House no. B/VIII-1864, Laal Haveli House, Near General Bus Stand Basti Maharan, Muzaffargarh
Narowal	Mohallah Farooq Ganj,Opp Pakistan Church, Narowal
Nawabshah	House no. 138- Ghulam Haider Shah colony, Near Bukhtawer Park., Nawabshah
Okara	House no. 4, Ali Street, Fardious Town G.T. Road.,Okara
Peshawar	Plot no. 105,A-D Sardar Plaza, Achini Payan Near Sultan CNG, Ring Road, Peshawar
Quetta	Plot no. 935 Killi Syedan Airport Road, Quetta.
Rahim Yar Khan	House no. 89 A/R Abbasia Banglows, Near New ABL Bank National Solidarity Avenue, Rahim Yar Khan
Sahiwal	House no. 14, Suttlej Block, Main Shadman Road, Sahiwal
Sargodha	House no. 42, Officer Colony, Behind Commerce College, Faisalabad Road, Sargodha
Sheikhupura	B - II-11S-18, Street No. 1, Khalid Road, Muslim Gunj, Sheikhupura
Shikarpur	City Survey no. 23/34/5, Station Road, Old Mehran Hotel, Sattari Building, Jahaz Chowk, Shikarpur
Sialkot	Plot no. 656,657 Barkat Town near Moltex Factory Off Kashmir road, Sialkot
Sukkur	Plot no. A - 3, Golimar Area, Near Khabrain Newspaper Press, Sukkur.
Tando Adam	Plot no. 17/18, Block 27, Gulshan e Nawaz, Town Hyderabad, Tando Adam
Toba Tek Singh	House no. 5, Street no. 2,Mohala Roshan Park, Canal Road, Toba Tek Singh
Vehari	House no. N-206 Behind Educator School,Near Bari Wala Chowk Sharqi Colony, Vehari
Wah Cantt	Leoz plaza main G.T.road wah garden, Wah Cantt.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

DISTRIBUTION WAREHOUSES	ADDRESSES
Lahore	Dera Gujran, near Quaid-e-Azam interchange, Lahore "Mohallah Tube Well, Near SPARCO, Samsani Road, Link Multan Road, Lahore-2" Lahore, 131/3, Quaid-e-Azam Industrial Estate Gate - 4, Near Fine Chowk, Kot Lakhpat,Lahore
Karachi	National Warehouse, IBL Operations F-2/Q, PTC Compound SITE, Karachi L-16/A Block no. 22 FB Industrial Area, Opposite Aqsa Masjid Near UMA CNG, Shafique More, Karachi.

32. CORRESPONDING FIGURES

Due to revision in Fourth Schedule to the Companies Act, 2017, following required changes have been made:

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

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorised for issue on September 28. 2018.


Chief Executive Officer


Director

Chief Financial Officer

Pattern of Shareholding

As of June 30, 2018

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
Directors & their spouse	8	954,481	1.04%
Associated Companies, undertaking and related parties	3	88,415,332	96.31%
Executives	-	-	0.00%
Public Sector Companies & Corporations	3	35,501	0.04%
Banks, DFIs, NBFCs, insurance companies, takaful, modarbas,pension funds	11	56,588	0.06%
Mutual Funds	3	4,000	0.00%
General Pubic Foreign	3	1,827	0.00%
General Public Local	968	2,332,271	2.54%
Others	-	-	0.00%
Total	999	91,800,000	100%

Shareholding 5% or more shares	Number of Shareholders	Shares Held	Percentage
International Brands Limited	1	88,200,462	96.08%

Number of Shareholders	Shareholding's Slab			Total Shares Held
421	1	to	100	11,530
185	101	to	500	62,795
136	501	to	1000	119,156
166	1001	to	5000	400,415
40	5001	to	10000	301,984
30	10001	to	30000	522,482
9	30001	to	100000	487,850
11	100001	to	400000	1,697,076
1	400001	to	88,196,712	88,196,712
999				91,800,000

Pattern of Shareholding

As of June 30, 2018

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
Director & their spouse					
1	03277-77927	Arshad Anis	1	123,481	0.13%
2	863	Asad Abdulla	1	30,750	0.03%
3	03277-20909	Asad Abdulla	1	133,700	0.15%
4	03277-21385	Ayaz Abdulla	1	136,200	0.15%
5	01826-102244	Hasan Tariq Khan	1	119,200	0.13%
6	843	Munis Abdulla	1	4,250	0.00%
7	03277-39675	Munis Abdulla	1	114,950	0.13%
8	596	Rashid Abdulla	1	45,475	0.05%
9	03277-11384	Rashid Abdulla	1	114,950	0.13%
10	689	Shakila Rashid	1	12,325	0.01%
11	817	Zubair Razzak Palwala	1	4,250	0.00%
12	03277-93293	Zubair Razzak Palwala	1	114,950	0.13%
			12	954,481	1.04%

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

03889-28	NATIONAL BANK OF PAKISTAN	1	4	0.00%
03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1	26	0.00%
03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	733	0.00%
14241-22	FIKREES (PRIVATE) LIMITED	1	2,000	0.00%
06684-29	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT.) LTD.	1	2,500	0.00%
10470-29	GPH SECURITIES (PVT.) LTD.	1	3,000	0.00%
02113-3850	CAPITAL FINANCIAL SERVICES (PVT.) LIMITED	1	3,800	0.00%
06684-117146	TRUST IQBAL ADAMJEE	1	5,000	0.01%
00521-700	DEUTSCHE BANK AG LONDON BRANCH	1	8,500	0.01%
00083-36	IDBL (ICP UNIT)	1	14,025	0.02%
812	NAEEM'S SECURITIES (PVT) LTD.	1	17,000	0.02%
		11	56,588	0.06%

Pattern of Shareholding

As of June 30, 2018

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
Public Sector Companies & Corporations					
1	03525-87235	MAPLE LEAF CAPITAL LIMITED	1	1	0.00%
2	04341-3265	RAO SYSTEMS (PVT.) LTD.	1	12,000	0.01%
3	04317-11261	IQBAL ADAMJEE TRUST	1	23,500	0.03%
			3	35,501	0.04%
Mutual Funds					
1	17236-20	TIME SECURITIES (PVT.) LIMITED - MF	1	500	0.00%
2	16923-27	N. U. A. SECURITIES (PRIVATE) LIMITED – MF	1	1,200	0.00%
3	16857-26	MRA SECURITIES LIMITED - MF	1	2,300	0.00%
			3	4,000	0.00%
General Public Foreign					
			3	1,827	0.00%
			3	1,827	0.00%
General Public Local					
			968	2,332,271	2.54%
			968	2,332,271	2.54%

Proxy Form

I/We

Of

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

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

hereby appoint

of

or failing him/her

of as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the 54th Annual General Meeting of the Company to be held at the 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi, on Wednesday, October 24, 2018 at 06:45 p.m and at every adjournment thereof.

As witness my/our hand this day of 2018

Signed by the Said in the presence of

(witness)

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

Affix Revenue Stamp

Signature

NOTE:

Proxies, in order to be effective, must be received at the Company’s Registered Office or Shares Registrar not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.

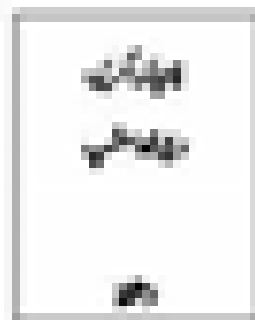
CDC shareholders and their proxies are requested to attach an attested photocopy of their CNIC or Passport with this proxy form before submission to the Company.

کتابخانه
موزه و مرکز اسناد
سازمان اسناد و کتابخانه ملی
جمهوری اسلامی ایران

پانویس

- ۱- نام: _____ نشانی: _____
آدرس: تهران، خیابان ولیعصر، پلاک ۱۰۰، طبقه ۵، واحد ۱۰۱
شماره تماس: ۰۲۱-۱۲۳۴۵۶۷۸۹۰۱۲۳۴۵۶۷۸۹۰
۲- نام: _____ نشانی: _____
آدرس: تهران، خیابان ولیعصر، پلاک ۱۰۰، طبقه ۵، واحد ۱۰۱
شماره تماس: ۰۲۱-۱۲۳۴۵۶۷۸۹۰۱۲۳۴۵۶۷۸۹۰
۳- نام: _____ نشانی: _____
آدرس: تهران، خیابان ولیعصر، پلاک ۱۰۰، طبقه ۵، واحد ۱۰۱
شماره تماس: ۰۲۱-۱۲۳۴۵۶۷۸۹۰۱۲۳۴۵۶۷۸۹۰
۴- نام: _____ نشانی: _____
آدرس: تهران، خیابان ولیعصر، پلاک ۱۰۰، طبقه ۵، واحد ۱۰۱
شماره تماس: ۰۲۱-۱۲۳۴۵۶۷۸۹۰۱۲۳۴۵۶۷۸۹۰
۵- نام: _____ نشانی: _____
آدرس: تهران، خیابان ولیعصر، پلاک ۱۰۰، طبقه ۵، واحد ۱۰۱
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(تاریخ)



سازمان اسناد و کتابخانه ملی
جمهوری اسلامی ایران

(تاریخ)

- ۱- نام: _____ نشانی: _____
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