



UNITY FOODS LIMITED  
— food for life! —

# Nurturing a Sustainable Tomorrow



Annual Report  
**2023**



**UNITY FOODS LIMITED**

— food for life! —

## Introduction

Unity Foods Limited, a leading food company in Pakistan, is at the forefront of a food revolution. With a pioneering spirit, UFL is fundamentally reshaping the entire process of food production, from cultivation to consumption. By redefining the standards of quality and sustainability, UFL is setting a new benchmark for the food industry. UFL's diverse range of products includes edible oil, staples, industrial fats, and feed ingredients for poultry and livestock. These products are manufactured in world-class facilities, reflecting the company's commitment to quality and nutrition. Our vision is to be a reliable and sustainable supplier, strengthening the nation's food security through an efficient farm-to-fork supply chain. UFL's subsidiaries include Sunridge Foods, Sunridge Confectionery, and Unity Plantation.

We are the first and only food company in Pakistan to use the state-of-the-art Swiss PESA Mill, a revolutionary technology that produces high-quality flour, with zero human intervention. Our R&D team is constantly innovating to create exciting new products for our consumers. Our recent product innovation, FiberFit Digestive Atta, is a perfect example of this. It is scientifically crafted to offer numerous health benefits. We are using state of the art processing technologies to ensure we deliver unparalleled products to our consumers.

At UFL, we operate under a triple-bottom-line approach, emphasizing the well-being of people, the health of our planet, and sustainable profitability. We believe that success is not just measured by financial performance, but also by impact on society and the environment. Through our various CSR initiatives, we are making a positive impact on the lives of thousands of people across Pakistan. From fortifying food security to promoting education, health, and nutrition, we're partnering with the government, NGOs, healthcare institutions, and individual donors to create a brighter and equitable future for all. Unity Foods is not just a company; it's a promise, a promise to unite and uplift.

We are committed to achieving the Sustainable Development Goals (SDGs) and building a more sustainable food system. In this annual report, we share our progress toward these goals, including increasing access to nutritious food, reducing our environmental footprint, and fostering a more sustainable food system. We are proud of what we have accomplished, but we know there is more work to be done. We remain resolute in our mission to drive change and contribute to a better future for all.

# Our Products





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## Our Vision

To see enhanced food security in Pakistan by developing a sustainable and efficient farm-to-fork food supply chain system.

## Our Mission

To be a reliable and sustainable supplier to the nation's food security system, by way of developing and implementing an efficient farm-to-fork supply chain across the country.

## Our Core Values

Our core values define who we are and inspire the way we work. They are the beating heart of our culture, and they propel us towards greatness.

- **Integrity** is our bedrock, and we hold ourselves to the highest ethical standards in everything we do.
- **Innovation** is our essence, and we embrace bold new ideas and cutting-edge technologies to drive progress.
- We believe in the power of **Teamwork**, and we work together seamlessly to achieve our shared goals.
- **Passion** fuels us, and we approach every challenge with enthusiasm and determination to succeed.
- **Safety** is our top priority, and we take every measure to ensure the well-being of our employees, customers, and communities.



# Company Information

<b>Board of Directors</b>	Lt. Gen. Omar Mahmood Hayat (Retd) Mr. Muhammad Farrukh Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Ms. Lie Hong Hwa Mr. Amir Shehzad Dr. Safdar Ali Butt	Chairman- Non Executive Director Chief Executive Officer Non- Executive Director Independent Director Non-Executive Director Executive Director Independent Director
<b>Audit Committee</b>	Mr. Muneer S.Godil Dr. Safdar Ali Butt Mr. Abdul Majeed Ghaziani	Chairman
<b>Human Resources &amp; Remuneration Committee</b>	Dr. Safdar Ali Butt Mr. Muhammad Farrukh Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil	Chairman
<b>Chief Financial Officer</b>	Mr. Jalees Edhi	
<b>Company Secretary</b>	Mr. Umar Shahzad	
<b>Head of Internal Audit (Acting)</b>	Mr. Imran Ahmed Khan	
<b>External Auditor</b>	Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants 2-B, ATS Centre, 30-West, Block "A" Fazal-ul-Haq Road, Blue Area, Islamabad Phone No., 0092-051-2878530-32, 2822785 Other Offices – Karachi, Lahore, Peshawer	
<b>Bankers</b>	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited Habib Bank Limited Soneri Bank Limited MCB Islamic Bank Limited Bank Al Habib Limited MCB Bank Limited Meezan Bank Limited Bank Al Falah Limited Dubai Islamic Bank Limited Askari Bank Limited United Bank Limited Bank Islami Pakistan Limited The Bank of Punjab Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited JS Bank Limited Summit Bank Limited Samba Bank Limited National Bank of Pakistan	

<b>Legal Advisor</b>	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9 Kehkashan, Clifton, Karachi -75500 Phone # +92-21-111-682-529
<b>Share Registrar</b>	Digital Custodian Company Limited (DCCL)
<b>Office address</b>	<b>Karachi Office</b> 4th Floor, Pardesi House, Old Queens Road, Karachi
<b>Phone</b>	+92 21 32419770 & 32430485
<b>Fax</b>	+92 21 32416371
<b>Email</b>	share.registrar@digitalcustodian.co
<b>Website</b>	https://digitalcustodian.co
<b>Office address</b>	<b>Lahore Office</b> 508-LSE Plaza, Kashmir Egerton Road, Lahore
<b>Phone</b>	+92 42 36304406
<b>Email</b>	share.registrar@digitalcustodian.co
<b>Website</b>	https://digitalcustodian.co
<b>Registered Office</b>	Unity Tower, 8-C, PECHS Block-6, Karachi -75400.
<b>Phone No.</b>	+92 21 34373605-607, 34388666, 34387666
<b>Other Office</b>	Ground Floor, TAMC Building, Plot No. 27-C-3, M.M. Alam Road, Gulberg-III, Lahore
<b>Phone No.</b>	+92 42-35772837
<b>Email</b>	info@unityfoods.pk
<b>Website</b>	www.unityfoods.pk
<b>Business</b>	Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and processing of by-products.
<b>Status of Company</b>	Public Listed Company (PLC)
<b>Company Registration number</b>	0023133
<b>National Tax Number</b>	0698412-6
<b>Contact Person</b>	Mr. Umar Shahzad (Company Secretary)
<b>Factories</b>	Solvent Extraction Plant, Chemical Refinery and Pelletizing Mills N-25 & N-27 /B, Site Area, Kotri District Hyderabad
	<b>Oil Refinery</b> A-48, (Chemical Area), Eastern Industrial Zone, Port Qasim Authority, Karachi
	<b>Soap Plant</b> C-375, C-376, C-377, C-382, C-383, C-384 Hub Industrial Trading Estate, District Lasbella Hub Balochistan
	<b>Feed Mill</b> Plot No. A-55 & 56, Industrial Zone, Port Qasim, Karachi

# Directors' Profile





## Mr. Farrukh Amin

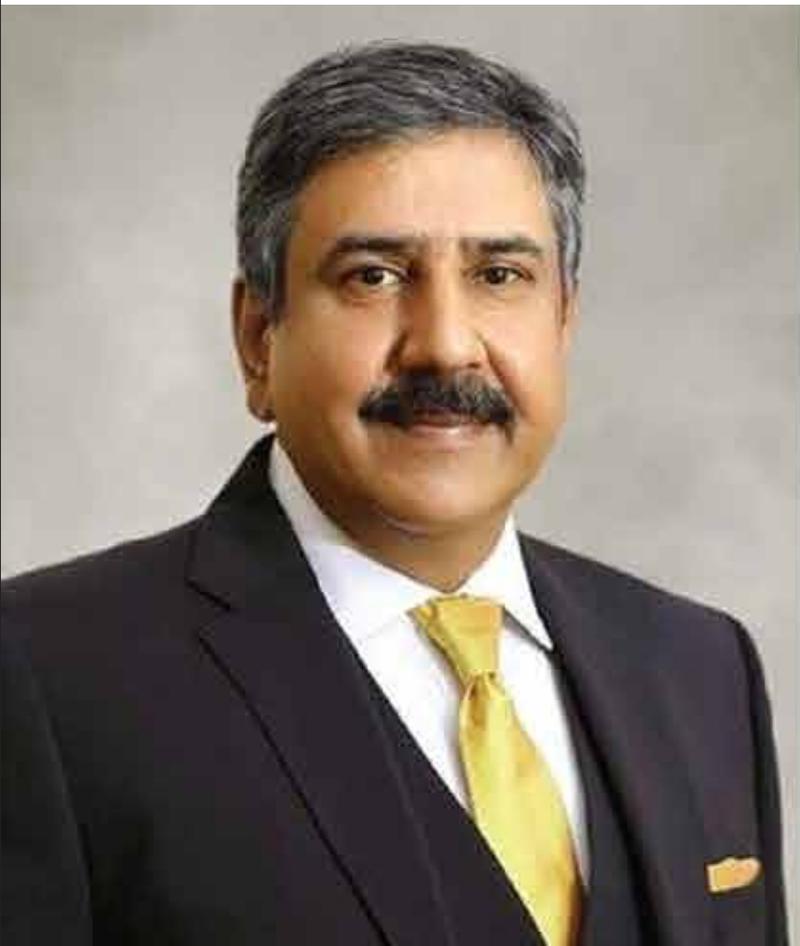
Chief Executive Officer

Mr. Farrukh Amin, the visionary founder of Unity Foods Limited, currently holds the esteemed position of CEO within the organization. His unwavering patriotism is a driving force behind his career, which is characterized by a relentless pursuit of tangible results and a steadfast commitment to the betterment and advancement of Pakistan.

Exemplifying the qualities of a thoughtful leader, Mr. Amin boasts an extensive career spanning nearly two decades, encompassing various facets of the FMCG sector, both nationally and internationally. His expertise extends to the processing and trading of food products, agro-commodities, and animal feeds, involving the sourcing of goods from diverse global origins and their distribution to destinations worldwide.

As a seasoned entrepreneur, Mr. Amin possesses profound knowledge and firsthand experience in mergers and acquisitions, both within Pakistan and in international transactions. He is resolutely focused on driving business growth and creating equity value while maintaining a vigilant eye on industry trends.

He is an advocate of developing a leadership-centric culture in the workplace. With a realistic competitive strategy and competent direction setting, he has taken unprecedented initiatives that turned out to be a monumental juncture in achieving a grand vision for UFL.



## Lt Gen Omar Mahmood Hayat (Retd)

Chairman

Lt Gen (Retd) Omar Mahmood Hayat, serving as the Chairman of Unity Foods, hails from one of Pakistan's most esteemed military lineages. His illustrious career spans over four decades, characterized by pivotal roles both within the military and as Chairman on the Board of Directors of various companies within the Wah Nobel Group, Pakistan Ordnance Factory, National Disaster Management Authority, ERRA, and Pakistan Humanitarian Forum.

A logistics expert by profession, Lt Gen Hayat possesses a profound humanitarian ethos. His service record includes a crucial role as Chief of Staff in the Special Support Group for Internally Displaced Persons (IDPs), where he adeptly managed the welfare of nearly 4 million IDPs from Swat and South Waziristan Agency.

During his tenure as the head of Pakistan's largest public sector enterprise, Pakistan Ordnance Factories, Lt Gen Hayat achieved remarkable milestones by substantially augmenting organizational performance. His strategic leadership resulted in a doubling of commercial sales and exports, highlighting his exceptional acumen. Presently, he also assumes the role of Chairman of the Board of Trustees for the Pakistan Humanitarian Forum, a consortium comprising 40 international NGOs. Lt Gen Hayat's remarkable career and unwavering commitment to humanitarian causes continue to be a source of inspiration and leadership for Unity Foods and the broader community.



## **Mr. Muneer S. Godil**

**Non-Executive Independent Director**

Mr. Muneer S. Godil is an accomplished professional renowned for his extensive expertise in the domains of Power, Co-generation, Renewables, and Sustainability. A graduate of NED University, he also holds a management and finance degree from the University of Alberta, Canada, further enriching his academic foundation.

Boasting a remarkable career spanning more than 25 years, Mr. Godil has amassed a wealth of experience in the planning, engineering, and successful execution of greenfield projects, establishing himself as a distinguished authority in his field. His knowledge and insights are highly respected within the industry.

Mr. Godil's operational prowess extends to the management of plants with diverse configurations, underscoring his exceptional mastery in this realm. Presently, he serves as an advisor to the Board of Directors for several globally and nationally renowned companies. In this capacity, he offers invaluable guidance and solutions, leveraging his extensive experience to address strategic planning, development, and operational challenges. His contributions continue to be instrumental in driving the success of these organizations.



## **Mr. Amir Shehzad**

**Executive Director**

With an extensive career spanning over 29+ years, Mr. Amir Shehzad is a result-oriented leader renowned for his exceptional performance in dynamic and rapidly evolving organizations. His professional journey primarily revolves around the realms of Investment Banking and Capital Markets, where he has consistently excelled.

Mr. Shehzad has held senior leadership positions at esteemed institutions such as National Bank, UBL, and Askari Bank Limited. In these roles, he has played a pivotal part in shaping and executing comprehensive business strategies that have contributed to the growth and success of these organizations.

Educated at Cornell University, USA, where he completed the Executive Leadership Program, and Arizona State University, USA, where he graduated cum-laude with a degree in Finance, Mr. Shehzad brings a robust academic foundation to his wealth of practical experience.

His association with Unity Foods since 2018 has been instrumental in formulating both long-term and short-term business and investment strategies for the company. Furthermore, Mr. Shehzad adeptly manages high-level relationships with a diverse array of stakeholders, including banks and institutional investors, including the Asian Development Bank, International Finance Corporation, and FMO: Dutch Entrepreneurial Development Bank among his notable affiliations.



## **Mr. Abdul Majeed Ghaziani**

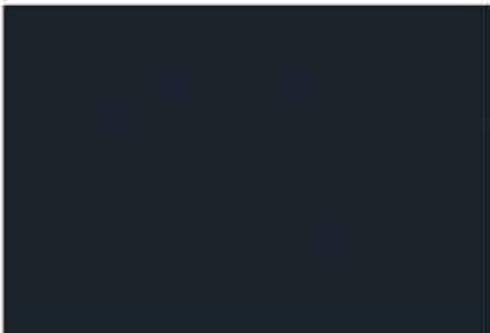
**Non-Executive Director**

Mr. Abdul Majeed is a distinguished professional with a Bachelor of Commerce (B. Com) degree from the University of Karachi and holds membership in the Institute of Cost and Management Accountants of Pakistan (ICMAP). He achieved outstanding success in the final examination of ICMAP in November 1994, demonstrating his exemplary dedication to his field.

With a remarkable career spanning over 24 years, Mr. Majeed has excelled as an entrepreneur, spearheading various ventures in the agri-business sector, which he established and adeptly managed. His extensive expertise encompasses a wide range of agri-business activities.

In addition to his academic and entrepreneurial achievements, Mr. Majeed further solidified his credentials by completing a directors training program under the auspices of ICMAP in April 2019, enhancing his leadership and governance skills.

Furthermore, Mr. Majeed's commitment to his industry is exemplified by his role as an ex-treasurer of the Rice Exporters Association of Pakistan, where he contributed to the advancement of the rice export sector in the country. His wealth of knowledge and experience continues to be a valuable asset to our organization.



## **Ms. Lie Hong Hwa**

**Non-Executive Director**

Ms. Lie is Deputy General Manager with Wilmar Trading Pte. Ltd. (a direct wholly owned subsidiary of Wilmar International Limited). She oversees commercial aspects of the lauric crushing business of the Group, including assets management, trading, logistic, and business development. She has extensive experience in lauric oil and meal supply chain management. She graduated from Polytechnic of University of North Sumatera Indonesia. She is also a Director of Wilmar Pakistan Holdings Pte. Ltd. (a shareholder of Unity Foods Limited and a direct wholly owned subsidiary of Wilmar International Limited).



## **Dr. Safdar Ali Butt**

**Non-Executive Independent Director**

Dr. Safdar Ali Butt is a highly accomplished professional with expertise in finance, corporate governance, academia, and entrepreneurship. He holds a master's degree from Karachi University and a doctorate in financial management from Canada. Dr. Butt is a member of several prestigious professional bodies in Accounting, Finance, and Management, and he has also completed the Directors' Education program of the Pakistan Institute of Corporate Governance.

With a distinguished career, Dr. Butt has held senior financial positions in multinational companies such as Johnson & Johnson and Caltex Oil Corporation. He has also served as Director Finance/CFO with the Army Welfare Trust and held board positions in renowned organizations like Askari Bank, Askari Leasing, Askari General Insurance, Askari Cement, and others under the AWT umbrella. Furthermore, he has contributed as a director of Bank of Azad Jammu & Kashmir, representing the AJK government. Currently, Dr. Butt serves as an Independent Non-Executive Director of Hi Tech Lubricants Ltd, a prominent oil marketing company, and he holds the position of chairman at Pak Agro Packaging Ltd, the first company listed on the GEM Board of the Pakistan Stock Exchange. His involvement also extends to the Ujala Education Foundation.

In academia, Dr. Butt has enriched the field for 24 years, teaching at various institutions. He retired as Professor Emeritus of Finance & Corporate Governance from the Capital University of Science & Technology, Islamabad in January 2018. His contributions to the academic community are extensive, having authored 37 books on various business-related subjects, with publications in the UK, Kenya, and Pakistan. He has also published over a hundred articles and research papers, focusing on finance, corporate governance, and management-related topics. Notably, his latest book, "A Handbook for Company Directors in Pakistan," showcases his expertise and commitment to advancing corporate governance practices in the country.



## SDG 2, Zero Hunger

"Zero Hunger," stands as a pivotal pillar within the global pursuit of sustainable development. It places a sharp focus on eradicating food insecurity and malnutrition, two pressing issues of our time. UFL's flagship brand, 'Sunridge Foods Limited,' exemplifies a dedicated and impactful contribution to the realization of this goal.

With a forward-thinking vision aimed at fortifying the nation's future, UFL has embarked on a noble mission to alleviate hunger and provide nourishment to the most vulnerable segments of society. Through a series of strategic partnerships with government bodies, NGOs, hospitals, orphanages, and compassionate individual donors, the 'Sunridge CSR Campaign' has emerged as a beacon of hope, uniting a diverse array of stakeholders in the battle against food insecurity.



In a successful collaboration with the Governor of Sindh, UFL has distributed essential ration packs to over 100,000 individuals with fortified Sunridge products. To ensure transparency and equitable distribution, Unity Foods has issued 100,000 registration cards to the beneficiaries. These cards serve as a means to confirm eligibility for assistance and act as safeguards against fraudulent activities.

Furthermore, Unity Foods has established partnerships with various medical institutions and NGOs to extend support to a broader range of individuals facing hardship. Collaborating with institutions such as NICVD, NICH, MMI Hospital, Kutiyana Memon Hospital, JPMC, and Civil Hospital, Unity Foods has distributed 1,000 ration packs at each hospital. Similarly, in conjunction with JDC, Saylani, Hands Foundation, and Faizan Global Relief Foundation, Unity Foods has provided 50,000 ration packs to individuals experiencing difficulties.

This campaign stands as an exemplary illustration of commendable and professionally executed efforts that seamlessly align with the objectives of SDG 2. Unity Foods, by pooling resources and determination, actively combats food insecurity and works diligently towards ending malnutrition, to date we have reached 150,000+ families. Our resolute commitment to SDG 2, Zero Hunger, echoes our collective dedication to shaping a brighter and more secure future for all citizens of Pakistan.

# Management Profile

## **Mr. Safdar Sajjad - Executive Director**

Mr. Safdar Sajjad's steadfast commitment to excellence, coupled with his inclination for creative thinking, has firmly established him as a beacon of inspiration not only within UFL but also throughout the broader industry. His journey as an entrepreneur is a testament to his resilience and determination to make a positive impact. With his extensive knowledge and experience in the field, Mr. Sajjad has consistently demonstrated his ability to identify emerging trends and capitalize on opportunities. His strategic vision has guided Unity Foods Limited and Sunridge Foods Pvt Limited towards diversification and expansion, ensuring they remain at the forefront of the global food industry. As the Executive Director, Mr. Safdar Sajjad leads by example, inspiring his teams to push boundaries and explore innovative solutions. His strong leadership skills have fostered a culture of collaboration and empowerment, enabling employees to unleash their full potential and contribute to the company's success.

## **Mr. Muhammad Yousuf Amanullah – Executive Director**

Mr. Muhammad Yousuf Amanullah is a distinguished member of the Institute of Chartered Accountants of Pakistan, holding the prestigious certification of Directorship from the Pakistan Institute of Corporate Governance.

With an impressive professional journey spanning over two decades, Mr. Amanullah has accumulated a wealth of experience in diverse areas such as Accounts & Financial Management, Strategic Planning, Risk Analysis, Control Assessment, and Financial Analysis. He has held key executive positions, including Chief Operating Officer at JS Global Capital Limited and Chief Financial Officer at JS Bank Limited. Prior to these roles, he served in senior capacities at A.F.Ferguson & Co. (AFF) Chartered Accountants, a member firm of PricewaterhouseCoopers, and Ernst & Young Ford Rhodes Sidat Hyder – Chartered Accountants.

Throughout his career, Mr. Amanullah has been actively engaged in a wide range of Statutory and Special Assignments, particularly in the manufacturing and financial sectors. His extensive expertise and professional accomplishments make him a highly regarded figure in the field of finance and accounting.

## **Mr. Jalees Edhi – Chief Financial Officer**

Mr. Jalees Edhi is a seasoned financial leader with a distinguished career spanning over 15 years, during which he has successfully overseen the Accounts and Finance divisions of prominent local and multinational organizations. His expertise extends to the realm of quoted entities, making him a highly sought-after professional in the manufacturing and service sector.

Mr. Edhi's career trajectory has been enriched by his tenure at PricewaterhouseCoopers (PWC) Pakistan, where he honed his skills in both external and internal audits. His contributions to the development of Enterprise Resource Planning (ERP) systems, Standard Operating Procedures (SOPs), and comprehensive budgets have been instrumental in optimizing organizational efficiency.

With a keen focus on financial matters, Mr. Edhi has established himself as a prominent figure in taxation strategy and business analytics. His ability to navigate the intricate landscape of tax regulations and his adeptness at deriving valuable insights from data-driven analysis have proven invaluable to the organizations he has served.

In summary, Mr. Jalees Edhi is a highly accomplished Chief Financial Officer with a wealth of experience and a proven track record of financial excellence. His dedication to driving financial success, coupled with his strategic insights, makes him an invaluable asset to any organization.

## **Mr. Umar Shahzad – Company Secretary & Head of Legal Affairs**

Mr. Umar Shahzad is a distinguished individual, holding an M.Com. and

LL.B. degrees, and is a Fellow Member of the Institute of Corporate Secretaries of Pakistan. His commitment to professional excellence is further exemplified by his certification as a Director from the Pakistan Institute of Corporate Governance (PICG).

With a remarkable career spanning more than twenty-six years, Mr. Shahzad has amassed a wealth of experience across diverse domains, including Accounting, Financial Controls, Investments Management, Corporate Compliance, and Legal Affairs Management. He has made significant contributions to renowned organizations such as Rupafil Limited, Nestle Pakistan Limited, and Askari Bank Limited.

One of Mr. Shahzad's standout accomplishments lies in his ability to craft and implement robust Policies and Procedures for listed companies, ensuring strict adherence to all applicable laws and regulations. His unwavering commitment to compliance and governance has played a pivotal role in upholding the highest standards of ethical conduct within the organizations he has served.

In conclusion, Mr. Umar Shahzad stands as a paragon of expertise in the realms of corporate governance, legal affairs, and financial stewardship. His extensive experience and dedication to upholding regulatory compliance make him an indispensable asset in any organization's pursuit of excellence.

## **Salman Yousuf - Chief Marketing Officer**

Mr. Salman is a seasoned commercial leader with a remarkable career spanning over two decades. His expertise encompasses various facets of business, including revenue growth, strategic planning, brand development, business expansion, sales, supply chain management, and market analysis.

His distinguished professional journey has taken him through prestigious multinational corporations, including ICI Pakistan (Akzo Nobel) and Procter & Gamble, where he dedicated the majority of his career, exceeding a decade. Moreover, Mr. Salman has also lent his skills to esteemed local entities such as Tapal Tea Pvt Ltd and Hilal Group, before embarking on his latest venture with Unity Foods Limited.

Notably, Mr. Salman has spearheaded globally renowned multi-billion-dollar brands like Pampers, Always, Gillette, Oral-B, Duracell, and Braun. His leadership within Pakistan and as a Regional Head for the Middle East, based in the UAE, underscores his versatile experience.

Recognized as a growth hacker, Mr. Salman has a track record of revitalizing numerous brands throughout his career through strategic innovation and a keen business sense. His contributions continue to be invaluable to Unity Foods Limited's pursuit of excellence and expansion.

## **Syed Faiq Ahmed Jilane – Chief Technology Officer**

In January 2023, Syed Faiq Ahmed Jilane assumed the role of Chief Information Officer (CIO) at Unity Foods. With over 15 years of experience in both local and international IT industries, Faiq has a proven track record in digitalization, governance, strategic planning, successful transitions, and organizational change management facilitated by ERP systems. He possesses an in-depth understanding of emerging technologies, the latest software, and networking solutions. Additionally, Faiq excels in analyzing business processes, re-engineering workflows, and recommending and implementing IT solutions to maximize automation.

Faiq's impressive portfolio includes overseeing approximately 20 end-to-end SAP implementation life cycles for organizations such as Engro Polymer, Lucky Cement, BYCO Petroleum, Landi Renzo, Pakistan Beverages, KVA Utilities Lebanon, Hidada Steels, Volka Foods, SJG Pharma, Tufail Chemical, and others.

Before joining Unity Foods, he held the position of Chief Information Officer at Aisha Steels.

### **Uzma Zaidi - Chief Human Resource Officer**

Ms. Uzma Zaidi serves as the Chief Human Resource Officer at Unity Foods Limited, bringing with her an impressive track record of over 18 years in People Excellence, Learning and Organization Development, Total Rewards, Talent Management, and all facets of HR practices.

Before joining Unity Foods Limited, Ms. Zaidi held the position of Director, Human Capital at Deloitte YA, where she made significant contributions to the field of Human Resources. Her experience extends across various industries, including ISP, Insurance, Retail, IT, BPO, and professional services.

With a Master's degree in Human Resource Management, Ms. Uzma Zaidi is a valuable asset to the organization, driving the company's commitment to human capital development and excellence.

### **Mr. Farhan Farooq- Head of Bulk Sales**

Mr. Farhan Farooq, our Head of Bulk Sales, is a distinguished professional with an impressive background. Holding a BCS degree from Petroman Institute (Ministry of PERAC), he is a recognized figure in the edible oil sector. With an extensive career spanning 31 years in the oil trading business, Mr. Farooq's expertise is second to none, complemented by his ownership of a successful brokerage house name Farooq Farhan Oil Dealers (FFOD) since last 40 years.

Mr. Farooq's journey with Unity Foods Limited is a testament to his commitment and expertise. He initially joined as a broker for the bulk oil sector, where his astute knowledge and industry connections proved invaluable. In 2018, he embraced a new role within Unity Foods Limited, taking on the mantle of Head of Bulk Oil Sales, all while managing the Karachi Consumer Packs division.

Mr. Farooq's wealth of experience and industry insights continue to be instrumental in Unity Foods Limited's success in the bulk oil sector. His leadership and dedication to excellence underscore his vital role within the organization.

### **Mr. Rana Nouman - Head of Sales**

Mr. Rana Nouman, our Head of Sales, is a seasoned professional with 23+ years of experience spanning various industries, including Edible Oils, FMCG, Healthcare, Naturals & Herbal OTC, Personal Care, and Beverage sectors. His deep understanding of sales processes, combined with analytical prowess and exceptional team leadership, distinguishes him as a formidable asset.

Mr. Nouman's proven track record showcases his ability to secure new business through strategic negotiations and the cultivation of key relationships with decision-makers. As a proficient business leader, he excels in Sales Management, Business Development, Key Account Management, Direct & Indirect Channel Management, forecasting, sales planning, BTL activities, Trade Marketing, distribution, and implementing best practices.

With a relentless focus on results, Mr. Nouman has consistently led high-performance teams, driving efficiency and productivity improvements while reducing costs. His exceptional ability to remain composed in challenging situations, foster business growth, evaluate opportunities and risks, and deliver innovative solutions sets him apart.

Before joining Unity Foods Limited, Mr. Nouman made significant contributions to renowned organizations such as Shaigan Pharmaceuticals/Healthcare, Herbion Pakistan Pvt. Ltd, IFFCO Pakistan Pvt. Ltd., Shujabad Agro Industries Pvt. Ltd, and Wali Oil Mills Ltd. His expertise and leadership continue to be instrumental in our quest for excellence.

### **Zia Ul Hasan Abidi – Director Supply Chain**

Mr. Zia Abidi is a professional driven by entrepreneurial spirit, armed with a robust educational background and an impressive career spanning twenty years. His expertise lies in the development and execution of strategic workflow processes, expanding business

opportunities, and optimizing staff deployments to achieve peak productivity.

As a growth-focused executive, Mr. Abidi has demonstrated a remarkable talent for driving unparalleled revenue growth through meticulous strategic Supply Chain & Operations planning. Throughout his career, he has undertaken diverse roles, notably excelling in his ability to mitigate out-of-stock situations. Additionally, he has spearheaded Supply Chain planning projects, orchestrating the development of demand, production, replenishment, and procurement plans for two manufacturing plants, ten distribution centers, and an expansive network spanning 170 markets.

In summary, Mr. Zia Abidi stands as a visionary professional with a profound ability to lead and drive innovation. His strategic acumen and results-driven approach continue to be pivotal in optimizing operations and fostering growth within the organization.

### **Mr. Kabeer Anwar - Head of Commercial**

Mr. Kabeer Anwar, our Head of Commercial boasts over 20 years of expertise in the FMCG sector, contributing significantly to national and multinational firms. His diverse roles have spanned Consumer Sales, Commercial Sales, and E-Commerce, showcasing his prowess in boosting sales, expanding market share, and efficiently managing large-scale distribution operations.

Mr. Anwar's strategic brilliance has consistently delivered impressive results, as evidenced by his success in launching Sunridge across multiple channels at Unity Foods Limited. His visionary approach included a robust E-Commerce strategy, yielding profitable business growth and target achievement. Furthermore, his leadership enhanced Sunridge Consumer & Bulk product sales in Lahore and surrounding markets, positioning them as formidable contenders.

In summary, Mr. Kabeer Anwar is a seasoned commercial leader with a proven track record of driving success. His strategic acumen and commitment to innovation continue to elevate Unity Foods Limited in the market.

### **Mr. Umer Shahid – Head of Projects**

Mr. Umer Shahid leads Project and Capital Expenditure Management at Unity Foods Limited as Head of Projects. With a Mechanical Engineering background, he boasts diverse expertise spanning Complex Technical Operations, Engineering, Capex Projects, Production Management, Process Engineering & Automation, Energy & Water Management, Hygienic Engineering technologies, and Total Performance Management.

Before joining Unity Foods, Mr. Shahid excelled at Nestle Pakistan Limited as an Engineering Manager for over eleven years, participating in international workshops. He also optimized operations and expanded rice plants at Matco Foods Limited and led engineering and projects at Shan Foods across Karachi and Lahore.

In summary, Mr. Umer Shahid is a visionary leader in project management, contributing significantly to Unity Foods Limited's operational excellence and innovation. His extensive experience and strategic prowess drive success in our projects and operations.

### **Mr. Ahsen Ali – Head of Supply Chain**

Ahsen Ali, an accomplished Industrial Engineer with an MBA from IoBM, brings 17 years of extensive expertise in supply chain, operations, procurement, warehouse logistics, planning, and budgeting & cost control. Ahsen has excelled in roles within both local and multinational companies, demonstrating proficiency in project leadership, particularly with SAP S4 Hana. This dynamic skill set positions Ahsen as a valuable asset, adept at optimizing processes and driving success in the field of supply chain management.

# Brief synopsis of terms of reference of the **Board's Committees:**

## **Board Audit Committee (BAC)**

BAC is formed by the Board in compliance with requirements of applicable law. Key responsibilities of BAC include determination of measures to safeguard the Company's assets, review annual and interim financial statements of the Company, facilitate external audit and reviews management letter issued by external auditors, ensure that internal audit function has adequate resources, ascertain internal control systems, determine compliance with relevant statutory requirements and recommends to the Board appointment of external auditors, their removal and audit fee

## **Board Human Resource & Remuneration Committee (BHR & RC)**

BHR & RC is responsible to have an oversight on the Company's human resource policies, Company's management organization structure and undertake annually process of evaluation of performance of the Board and its Committees. The Committee may also recommend to the Board a policy for determining remuneration of directors.

# Key Operating & Financial Results

## Six Years at a Glance

OPERATING DATA	2023	2022	2021	2020	2019	2018
	——(Rupees in '000)——					
Sales	<b>90,158,188</b>	82,184,552	66,400,968	29,872,021	14,097,237	2,782,172
Cost of Goods Sold	<b>(78,018,707)</b>	(74,338,958)	(61,209,316)	(27,847,049)	(12,820,034)	(2,534,099)
Gross Profit	<b>12,139,481</b>	7,845,594	5,191,653	2,024,971	1,277,203	248,072
Operating Profit / (Loss)	<b>3,570,037</b>	4,152,234	4,269,254	735,223	562,929	149,638
Profit / (Loss) Before Taxation	<b>163,357</b>	2,488,638	3,389,132	194,550	274,722	97,797
Profit / Loss) After Taxation	<b>567,458</b>	2,436,418	3,111,739	209,629	255,075	121,516
<b>FINANCIAL DATA</b>						
Paid Up Capital	<b>11,940,500</b>	11,940,500	9,940,500	5,440,500	5,440,500	1,690,500
Equity Balance	<b>21,724,006</b>	21,156,548	13,379,279	5,849,691	5,694,467	1,773,918
Fixed Assets	<b>10,146,306</b>	8,157,034	7,768,452	3,341,838	3,090,176	1,527,525
Current Assets	<b>51,536,155</b>	49,032,816	33,728,463	15,122,615	7,371,379	3,015,914
Current Liabilities	<b>49,081,468</b>	37,121,521	28,812,367	12,877,046	4,771,159	2,793,265
<b>KEY RATIOS</b>						
Gross Margin (%)	<b>13.465</b>	9.546	7.819	6.779	9.060	8.917
Operating Margin (%)	<b>3.960</b>	5.052	6.430	2.461	3.993	5.378
Net Profit (%)	<b>0.629</b>	2.965	4.686	0.702	1.809	4.368
Return on Capital (%)	<b>0.003</b>	11.516	23.258	3.584	4.479	6.850
Current Ratio (%)	<b>1.050</b>	1.321	1.171	1.174	1.545	1.080
Earnings Per Share	<b>0.475</b>	2.040	3.440	0.350	0.001	0.001
Cash Dividend (%)	-	-	-	-	1.000	5.000

# Chairman's Review

On behalf of the Board of Directors, I am pleased to present the Review on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.

## **BOARD'S OVERVIEW AND PERFORMANCE**

The Board's primary objective is to provide strategic direction to the Company and oversight of the management. The Board and its Committees have met as and when needed; and a total of 14 meetings of the Board and its committees were held during the year. Increased focus is being made on good corporate governance. As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has a mechanism in place for evaluation of Board's own performance and of its committees.

In the year 2022/2023, Pakistan encountered an array of formidable challenges that left a substantial imprint on the country's economic landscape. These challenges ranged from climate change-induced floods to inflationary pressures and currency devaluation, all of which compounded the economic and financial difficulties triggered by the preceding pandemic.

Despite these challenges, we conclude another significant chapter in the journey of Unity Foods Limited – the financial year 2022/2023. The past year has been nothing short of remarkable for our organization, and I wanted to take a moment to reflect on our collective accomplishments and express my appreciation for your unwavering commitment and dedication.

### **Financial Excellence:**

In a year marked by economic uncertainty and challenges on various fronts, Unity Foods has continued to shine as a beacon of business excellence. I am delighted to report that our company achieved record-breaking financial results during the FY 2022/2023. Our revenues exceeded all expectations, and we managed to strengthen our market position across our product portfolio. This achievement is a testament to the strategic vision and prudent decision-making by the Board, and I commend each one of my fellow directors for their guidance and support.

### **Operational Resilience:**

Unity Foods has always prided itself on its operational resilience, and this year was no exception. Despite supply chain disruptions and logistical challenges, our teams exhibited remarkable resilience and adaptability in ensuring the uninterrupted supply of essential food products to our customers. Our production facilities ran efficiently, and our commitment to quality remained unwavering.

### **Sustainability Initiatives:**

Our commitment to sustainability and corporate responsibility was further exemplified during this fiscal year. We initiated several sustainable practices, from responsible sourcing to reducing our carbon footprint. These actions not only align with our values but also position us as responsible corporate citizens in an ever-evolving global landscape.

### **Innovation and Product Development:**

The Board's strategic direction in encouraging innovation and diversification paid off handsomely. We successfully launched some new products that resonated with changing consumer preferences, and our investment in research and development continues to be a driving force behind our success.

### **Global Market:**

The global commodity prices have been easing over concerns of a potential recession which is now effectively in place. The demanding macroeconomic conditions have potentially led to a slowdown in consumer discretionary spending. Nonetheless, we will persistently work on bolstering growth by actively collaborating with suppliers and distributors to maintain a smooth supply chain while concurrently emphasizing efforts to enhance profitability.

Going forward, I also want to add caution to the wind as the country is still facing serious economic and financial challenges. Such an environment requires focus and prudence both on the part of management and the board of directors in managing the affairs of the company. I am confident that the company is prepared to face any additional challenges in the coming year and will effectively put into play its business acumen to face these challenges and remain profitable.

### **Team Unity:**

Lastly, I would like to acknowledge and appreciate the hard work and dedication of our exceptional workforce. It is the dedication of our employees that continues to drive our growth and success.

As we look ahead to the future, it is essential to maintain our momentum and continue exploring opportunities for growth and innovation. We have full confidence in the robust positioning of our brands and in industrial infrastructure to confront these challenges head-on. I am confident that with the board's collective wisdom and the commitment of our exceptional management team, complemented by cutting edge reporting and monitoring ERP, we will overcome any challenges that come our way and continue to thrive.

Once again, I want to express my heartfelt appreciation to each of my colleagues and the Management team for their invaluable contributions to Unity Foods Limited. Their dedication, expertise, and vision have been instrumental in our continued success. I look forward to another year of collaboration, growth, and excellence.



**Sincerely,**

Lt. Gen. Omar Mahmood Hayat (Retd.)  
Chairman of the Board

مستقبل کے لئے میں احتیاط کا مشورہ دینا چاہوں گا کیونکہ ملک کو اب بھی سنگین معاشی اور مالیاتی چیلنجز کا سامنا ہے۔ اس طرح کے ماحول میں کمپنی کے معاملات کو سنجیدگی سے لینے میں اور بورڈ آف ڈائریکٹرز دونوں کی طرف سے محتاط رہنے اور توجہ دینے کی ضرورت ہے۔ مجھے یقین ہے کہ کمپنی آنے والے سال میں کسی بھی اضافی چیلنج کا سامنا کرنے کے لیے تیار ہے اور ان چیلنجز کا مقابلہ کرنے اور منافع بخش رہنے کے لیے اپنی کاروباری صلاحیت کو موثر طریقے سے بروئے کار لائے گی۔

ٹیم یونٹی:

آخر میں، میں اپنی افرادی قوت کی غیر معمولی محنت اور لگن کا اعتراف اور تعریف کرنا چاہوں گا۔ یہ ہمارے ملازمین کی لگن ہے جو ہماری ترقی اور کامیابی کو آگے بڑھا رہی ہے۔

جیسا کہ ہم مستقبل کی طرف دیکھتے ہیں، یہ ضروری ہے کہ ہم اپنی رفتار کو برقرار رکھیں اور ترقی اور اختراع کے مواقع تلاش کرتے رہیں۔ ان چیلنجز کا سامنا کرنے کے لئے، ہمیں اپنے برانڈز کی مضبوط پوزیشننگ اور صنعتی انفراسٹرکچر پر مکمل اعتماد ہے۔ مجھے یقین ہے کہ بورڈ کی اجتماعی حکمت اور ہماری غیر معمولی انتظامی ٹیم کے عزم کے ساتھ، جدید ترین رپورٹنگ اور ERP کی نگرانی کے ذریعے، ہم اپنے راستے میں آنے والے کسی بھی چیلنج پر قابو پالیں گے اور ترقی کی منازل طے کرتے رہیں گے۔

ایک بار پھر، میں یونٹی فوڈز لمیٹڈ کے لیے ان کی انمول شراکت کے لیے اپنے ہر ساتھی اور انتظامیہ کی ٹیم کی تہہ دل سے تعریف کرنا چاہتا ہوں۔ ان کی لگن، مہارت اور وژن ہماری مسلسل کامیابی میں اہم کردار ادا کر رہے ہیں۔ میں تعاون، ترقی، اور عمدگی کے ایک اور سال کا منتظر ہوں۔



مخلص،

لیفٹیننٹ جنرل عمر محمود حیات (ریٹائرڈ)

چیرمین بورڈ آف ڈائریکٹرز

اور میں اپنے ساتھی ڈائریکٹرز میں سے ہر ایک کو ان کی رہنمائی اور تعاون کے لیے سراہتا ہوں۔  
آپریٹیشنل چک:

یونٹی فوڈز نے ہمیشہ اپنی آپریٹیشنل چک پر فخر کیا ہے، اور یہ سال بھی اس سے مستثنیٰ نہیں تھا۔ سپلائی چین میں رکاوٹوں اور لاجسٹک چیلنجوں کے باوجود، ہماری ٹیموں نے اپنے صارفین کو ضروری غذائی مصنوعات کی بلا تعطل فراہمی کو یقینی بنانے میں قابل ذکر چک کا مظاہرہ کیا۔ ہماری پیداواری سہولیات مؤثر طریقے سے چلتی رہیں، اور معیار کے لیے ہمارا عزم غیر متزلزل رہا۔

### پائیداری کے اقدامات:

اس مالی سال کے دوران پائیداری اور کارپوریٹ ذمہ داری کے لیے ہماری وابستگی کو مزید واضح کیا گیا۔ ہم نے کئی پائیدار طریقوں کا آغاز کیا، ذمہ دار ذرائع سے اپنے کاربن نقش قدم کو کم کرنے تک۔ یہ کارروائیاں نہ صرف ہماری اقدار کے ساتھ مطابقت رکھتی ہیں بلکہ ہمیں ہمیشہ سے ابھرتے ہوئے عالمی منظر نامے میں ایک ذمہ دار کارپوریٹ شہری کے طور پر بھی جگہ دیتی ہیں۔

### جدت اور مصنوعات کی ترقی:

جدت طرزی اور تنوع کی حوصلہ افزائی کرنے میں بورڈ کی اسٹریٹجک سمت کا بہت اچھا نتیجہ نکلا۔ ہم نے کامیابی کے ساتھ کچھ نئی مصنوعات لانچ کیں جو صارفین کی بدلتی ترجیحات کے مطابق ہیں، اور تحقیق اور ترقی میں ہماری سرمایہ کاری کامیابی کے پیچھے ایک محرک کی حیثیت رکھتی ہے۔

### عالمی مارکیٹ:

عالمی اجناس کی قیمتیں ممکنہ معاشی گراؤ کے خدشات پر نرم ہو رہی ہیں جو اب مؤثر طریقے سے اپنی جگہ پر موجود ہے۔ مطالبہ کرنے والے میکرو اکنامک حالات ممکنہ طور پر صارفین کے صوابدیدی اخراجات میں سست روی کا باعث بنے ہیں۔ بہر حال، ہم منافع کو بڑھانے کی کوششوں پر زور دیتے ہوئے ہموار سپلائی چین کو برقرار رکھنے کے لیے سپلائرز اور ڈسٹری بیوٹرز کے ساتھ فعال طور پر تعاون کرتے ہوئے ترقی کو تقویت دینے پر مسلسل کام کریں گے۔

# چیرمین کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کی طرف سے ادا کیے گئے کردار کی تاثیر پر جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

## بورڈ کا جائزہ اور کارکردگی

بورڈ کا بنیادی مقصد کمپنی کو اسٹریٹجک سمت فراہم کرنا اور انتظامیہ کی نگرانی کرنا ہے۔ بورڈ اور اس کی کمیٹیوں نے ضرورت کے مطابق ملاقات کی ہے اور سال کے دوران بورڈ اور اس کی کمیٹیوں کے کل 14 اجلاس ہوئے ہیں۔ اچھی کارپوریٹ گورننس پر زیادہ توجہ دی جا رہی ہے۔ جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت بورڈ کے پاس بورڈ کی اپنی اور اس کی کمیٹیوں کی کارکردگی کی جانچ کے لیے ایک باضابطہ طریقہ کار موجود ہے۔

سال 2023/2022 میں، پاکستان کو بہت سے بڑے چیلنجز کا سامنا کرنا پڑا جس نے ملک کے معاشی منظر نامے پر نمایاں نقوش چھوڑے۔ ان چیلنجز میں موسمیاتی تبدیلی کے نتیجے میں آنے والے سیلاب سے لے کر افراط زر کے دباؤ اور کرنسی کی قدر میں کمی تک شامل تھے، ان سبھی نے سابقہ وبائی مرض (کرونا وائرس) سے پیدا ہونے والی معاشی اور مالی مشکلات میں اضافہ کیا۔

ان چیلنجز کے باوجود، ہم نے یونٹی فوڈز لمیٹڈ کے سفر کے ایک اور اہم باب مالی سال 2023/2022 مکمل کیا۔ گزشتہ سال ہمارے ادارے کے لیے قابل ذکر رہا، اور میں کمپنی کی اجتماعی کامیابیوں کے لیے انتظامیہ کا غیر متزلزل عزم اور لگن تعریف کے قابل ہے۔

## مالیاتی عمدگی:

معاشی غیر یقینی صورتحال اور مختلف محاذوں پر چیلنجز کے باوجود ایک سال میں، یونٹی فوڈز نے کاروبار میں بہترین کارکردگی کا مظاہرہ کیا۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ہماری کمپنی نے مالی سال 2023/2022 کے دوران ریکارڈ ٹوٹ مالیاتی نتائج حاصل کیے ہیں۔ ہماری آمدنی تمام توقعات سے بڑھ گئی، اور ہم اپنے مصنوعات کے پورٹ فولیو میں اپنی مارکیٹ کی پوزیشن کو مضبوط کرنے میں کامیاب رہے۔ یہ کامیابی بورڈ کے اسٹریٹجک وژن اور دانشمندانہ فیصلہ سازی کا منہ بولتا ثبوت ہے،



## **SDG 3- Good Health and Well-being**

Our world faces a pressing health crisis, marked by disparities in healthcare access, an alarming rise in chronic illnesses, and the pervasive impact of climate change on our well-being. However, amid these challenges, there is a beacon of hope. UFL is dedicated to forging a healthier future that aligns with the ideals of SDG 3, "Promoting Health and Well-being."



Through a comprehensive approach encompassing nutritional innovation, stringent quality assurance, and active community engagement, UFL consistently demonstrates its commitment to improving the health and well-being of individuals nationwide. By embracing cutting-edge practices, collaborating closely with healthcare stakeholders, and championing accessible fortified nutrition, we embody the spirit of SDG 3. Our efforts drive positive change, contributing to the creation of a vibrant and flourishing society that benefits both present and future generations.

Our product range serves as a testament to our commitment to innovation. Our cooking oil variants offer a diverse selection, including unique options not readily available in the market. A recent breakthrough, our FiberFit Digestive Atta, produced at our state-of-the-art PESA mill, stands out as a prime example. With twice the fiber content and fortified with essential nutrients like iron, zinc, folic acid, and vitamin B12, it represents a solution for those seeking a healthy and active lifestyle. This premium wheat bran product is scientifically proven to aid digestion, assist in weight management, regulate cholesterol levels, boost energy, and fortify the body's natural defenses. It plays a pivotal role in regulating blood sugar and cholesterol, making it a valuable choice for individuals aspiring to maintain a balanced and health-conscious lifestyle. UFL is proud to contribute to the realization of SDG 3 by offering products that prioritize both taste and well-being.

# DIRECTORS' REPORT

# Directors' Report

We are pleased to offer the following report on behalf of the Board of Directors of Unity Foods Limited for the year ended June 30, 2023.

## FINANCIAL PERFORMANCE

Consolidated turnover at PKR 100.8 billion for the year under review was 15.0 % higher compared to the same period last year. This increase was primarily driven by higher sales value and operational excellence across all our business segments, leading to a 67.6% increase in gross profit which stood at PKR 13.8 billion. While gross margin improved to 13.7 % vs 9.4 % for the same period last year, a substantial charge of forex losses and significant increase in finance cost severely impaired our pre-tax and after-tax figures.

Exchange loss for the year stood at PKR 7,488 million, owing to approximately 40% depreciation of the Pakistani rupee against the US dollar for the period under review. Despite this extraordinarily high forex loss, your company succeeded in recording a Net Profit for the year of PKR 675.1 million and EPS of PKR 0.57.

Finance cost for the year at PKR 3,564 million was 97.9% higher than the last year, owing to increase in working capital requirements arising from PKR devaluation as well as an unprecedented hike in interest rates.

## KEY OPERATING AND FINANCIAL HIGHLIGHTS

PKR MN, EXCEPT EPS	STANDALONE		CONSOLIDATED	
	FY23	FY22	FY23	FY22
Net Sales	90,158	82,185	100,870	87,713
Gross Profits	12,139	7,846	13,811	8,238
Profit Before Interest & Tax	3,570	4,152	3,879	3,950
Profit After Tax	567	2,436	675	2,181
EPS	0.48	2.04	0.57	1.83
Total Assets	71,531	58,621	77,549	63,213
Total Equity	21,724	21,157	21,308	20,711

RATIO ANALYSIS	STANDALONE		CONSOLIDATED	
	FY23	FY22	FY23	FY22
Gross Margins	13.46%	9.55%	13.69%	9.39%
Ebit Margins	3.96%	5.05%	3.85%	4.50%
Net Margins	0.63%	2.96%	0.67%	2.49%
Asset Turnover	1.39	1.62	1.43	1.63
Current Ratio	1.05	1.32	1.06	1.22

## MACROECONOMIC CHALLENGES

Pakistan's macroeconomic stability has remained fragile due to persistent twin deficits in public finance and the external account. These imbalances has led to macroeconomic instability and has hindered investment, especially in the private sector, which has been adversely affected by restrictions on imports and US dollar outflows. The policy rate, which was at 13.75% on June 30, 2022, has since surged to the current level of 22%, significantly increasing the cost of doing business across all sectors.

Furthermore, Pakistan experienced a substantial monsoon season in July and August 2022, resulting in damage to two crucial sub-sectors: crops and livestock. This led to domestic production falling below the expected levels, causing the prices of essential food items to reach historic highs. In addition to these domestic challenges, Pakistan is also grappling with international obstacles. Although recent measures such as monetary tightening, fiscal consolidation, and the removal of the informal exchange rate cap have helped alleviate imbalances to some extent, they have not been sufficient to pull the economy out of its difficulties. Despite substantial support from the IMF, the value of the rupee continued to depreciate, raising legitimate concerns about the stability of the local currency in the foreseeable future. We have witnessed a reversal of this trend in the near past due, however economic fundamentals still need to improve for the rupee to stabilize.



Figure 1 Source: SBP

he country recorded historic depreciation of PKR against the USD, moving from 204.6 (FY 22 close) to 286.1 (FY 23 close), citing an approximate rise of 40%. Cost pressures, supply shocks, subsidy reversals and a weaker PKR have been the primary contributors to a surge in inflationary pressure, with international commodity prices down and high base effect kicking in, headline inflation should come down, going forward. However, owing to some administrative and other measures the rupee gained strength and rose from the historic low as we report.

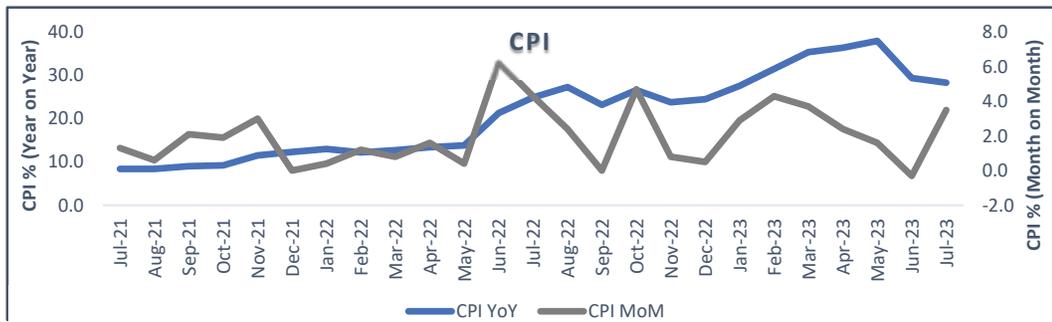


Figure 2 Source: PBS

**COMMODITY MARKETS**  
**EDIBLE OILS AND OILSEEDS**

Crude palm oil prices have eased in 2023 after hitting record highs last year, and "wild cards" such as Malaysia's labor crunch at its palm plantations, China's re-opening, and looming recession fears have upheld forecasts of price decline. The outlook for crude palm oil prices indicates a marginal weakening trend. This is primarily attributed to the abundant supply of oilseeds expected in the second half of 2023.

According to Oil World, global oilseed stocks for the 2023/24 period are projected to experience a significant 16% increase, reaching 136 million tons compared to 116 million tons a year earlier. This increase is primarily driven by soybeans.

The Malaysian Palm Oil Council is of the view that palm oil production is set to recover in 2023 after three years of decline, with industry estimates forecasting a 3% to 5% increase over nearly 18 million mt produced in 2022. Malaysia's largest rival, Indonesia's 2023 production is forecast to rise 3% on the year to 48.1 million mt, and exports to increase by 2.5 million mt to 33.5 million mt, according to the Indonesian Palm Oil Association, or Gapki.

However, it is worth noting that the development of the El Nino phenomenon is anticipated to exert upward pressure on palm oil prices, potentially keeping them above the RM3,250 (USD 702) mark. A surplus of soybean with Crude Palm Future price curve currently displays a contango pattern – suggesting the market expects a neutral to bearish view on prices.

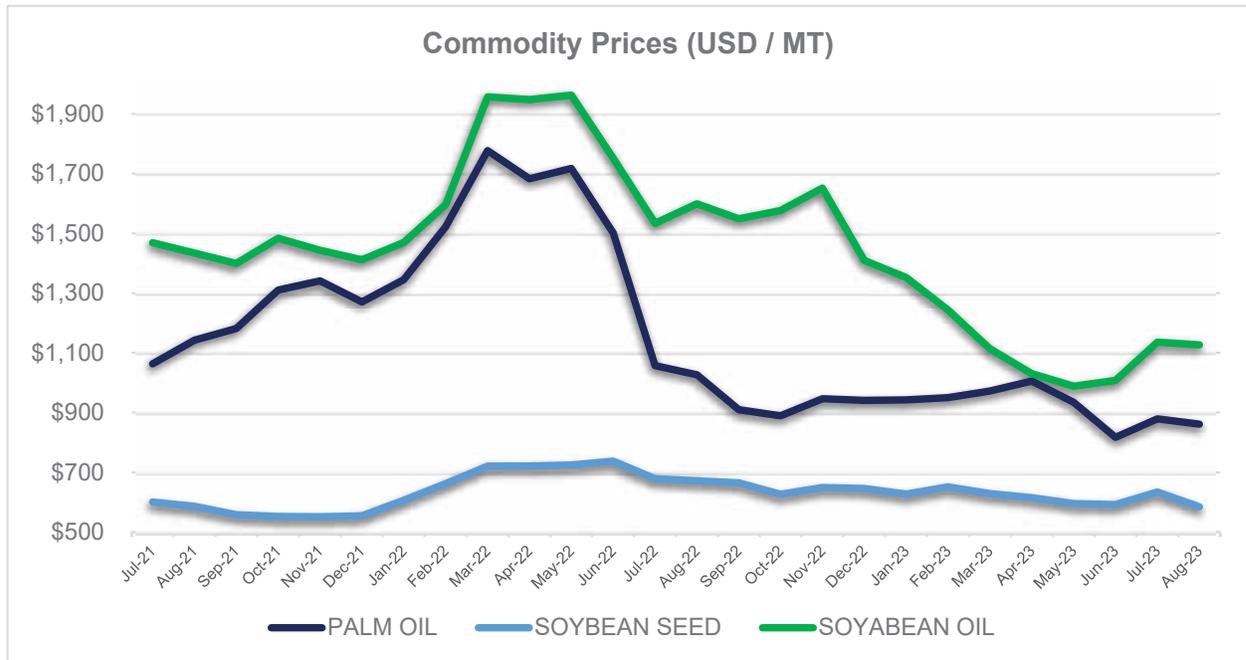


Figure 3 Source: World Bank, The Pink sheet, FOB Prices

## WHEAT

At approximately 125 kilograms per year, Pakistan's per capita consumption of wheat is one of the highest in the world. During the year 2022-23, the cultivation of wheat spanned over an extensive 9.04 million hectares, exhibiting an augmentation when contrasted with the previous year's expanse of 8.97 million hectares. This marked an increment of 0.7 % in cultivated area. The overall production of wheat attained a notable figure of 27.634 million tons during this period.

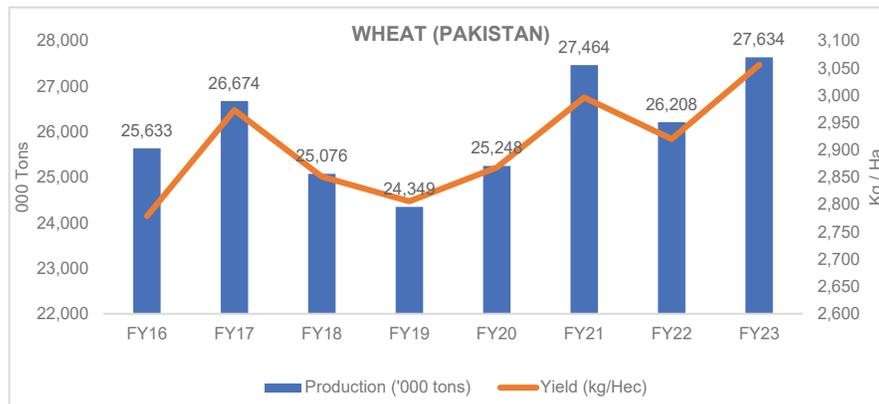


Figure 4 Source: Economic Survey 22-23

The surge in wheat production can be attributed to the strategic implementation of the Kissan Package-22 by the government, aimed at mitigating the repercussions of losses incurred during the Flood-2022.

Additionally, the government has proactively elevated the Minimum Support Price (MSP) for wheat to PKR 3,900 per 40 kg, a significant rise from the previous PKR 2,200 per 40 kg a year earlier. This deliberate action ensures improved economic returns for wheat cultivation, thereby assisting in offsetting the higher input costs associated with the process. Wheat cost reached interim highs of PKR 124 per Kg pre-harvest during 3Q FY 2023 but have since returned to PKR 110 – 114 per Kg levels, yet still rose by ~ 40% when compared to the same period last year.

However, the production of wheat fell short of Pakistan's demand of ~30.0 million MT, thereby forcing import of wheat to match the dietary demands for essential staples. Pakistan sees huge opportunities within the agriculture sector to improve existing yields through use of high-quality seeds and implementation of corporate farming practices. Keeping in view of global demand, Pakistan – through the right interventions can become a regional supplier of wheat as well as produce value added goods for improvement in exports and help earn valuable foreign exchange in the process.

## BUSINESS PERFORMANCE REVIEW

By investing early in modern infrastructure, Unity Foods has equipped itself with the most sophisticated industry related manufacturing equipment in the country. With this technology boost and despite macroeconomic supply disruptions coupled with fears of a global recession during the period under review, your company has improved gross margins and remains committed to its long-term goal of developing shareholder value.

The surge in revenue is a testament to the remarkable expansion seen throughout our product range. This remarkable growth is owed to a harmonious blend of factors: a favorable portfolio mix, dynamic demand-generation efforts, and the proactive management of pricing strategies. Through the strategic decision to diversify our array of products and place a heightened emphasis on sourcing locally, our company has been able to enhance its product availability and delivery efficiency across its entire consumer pack portfolio. This achievement is a demonstration of our unwavering commitment to excellence and innovation.

## EDIBLE OILS

Pakistan relies heavily on palm oil imports to meet the demand for local cooking oil and ghee as well as value added confectionery production. While building a stable foundation through industrial /commercial sales, your company has been able to strengthen its relationship by tapping into the HoReCa segment. The combined impact has resulted in a sales value increase of 3.9% and a sales volume decline by 15.7 % during the same period last year.

Consumer pack sales showed volumetric increase of 18% and value increase of 43% resulting in overall improvement of margins. The management remains resilient in its procurement and delivery to customers, employing active management of inventory positions and substitute imported cargos through utilization of the company's latest Integrated Refinery at Port Qasim for production of high-quality edible oils.

## ANIMAL FEED INGREDIENTS

Livestock production stands as a pivotal pillar within Pakistan's agricultural landscape - among these agricultural pursuits, the livestock sector, including poultry, emerges as a significant contributor to the country's gross domestic product (GDP). Notably, within the broader agricultural framework, the livestock industry commands the foremost portion, accounting for 62.68% of the agricultural value added and a substantial 14.36% of the total national GDP.

The animal feed segment witnessed immense price growth due to imported inflation as well as shortage of major feed ingredients including Soybean Meal and Canola Meal. During the end of 2022, GMO (Genetically Modified Organism) oilseed import was halted. Prices doubled from June 2022 levels and currently stand at PKR 290 per Kg for Soybean Meal and PKR 168 per Kg for Canola Meals. Cattle feed prices also showed a marginal increase from PKR 62 – 64 range to current prices of PKR 82 per KG.

Your company was able to manage its inventories and relied on the crush of local rapeseed. Overall feed volumes declined slightly as the management-initiated stock rationing practices in the wake of supply shortages. The division posted improved margins and sales as the company was able to manage customer expectations through timely deliveries throughout the year.

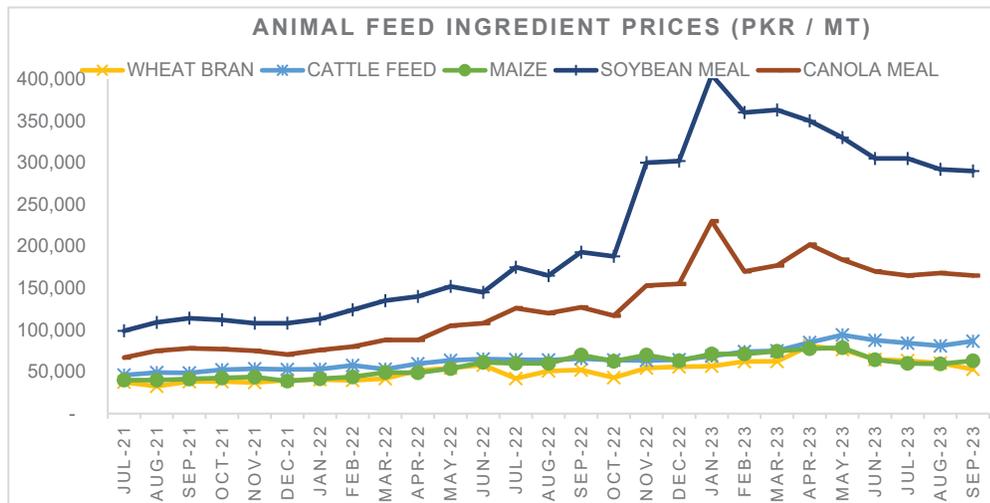


Figure 5 Source: Company Channel Checks

Despite Pakistan's impressive livestock population of staggering 224 million heads, the current production of milk and meat from animal-derived production is insufficient to meet the dietary requirements of its human populace. Consequently, there exists significant market potential in this sector. The linchpin in this equation lies within the availability and utilization of feed resources, which play a pivotal role in shaping the trajectory of Pakistan's agriculture sector's growth and potential.

**SUNRIDGE FOODS (PVT.) LIMITED**

During the year, Sunridge Foods (Pvt.) Ltd.'s performance improved significantly. Its net sales rose to over PKR 11.0 billion compared to last year's level of PKR 5.7 billion, a 94.8% increase year on year. Despite nationwide disruptions affecting the food industry, the company recorded an after-tax profit of PKR 182.1 million, compared to last year's loss of PKR 255.1 million. The capacity enhancement includes both flour and rice processing capabilities. Sunridge's processing capacity stands at 167,100 tons and 39,420 for wheat flour and rice processing respectively. Selling & Distribution expenses were at 7.1% of Sales vs 8.3% last year while administration expenses clocked at 3.3% vs 2.2% in FY 2022.

The Company invested in improving its production infrastructure and distribution network to ensure Sunridge Foods' pan Pakistan presence. Volumes more than doubled vis a vis last year and are testament to the management's ability to turnaround the company into a scalable and profitable venture, ultimately delivering shareholder value in the long run.

Going forward, the company expects to operate its plants at an optimal level which will reduce its per unit operating costs versus revenue generated. The company's marketing and advertising expenses are now also bearing fruit with increased market share of its products. The company is also expecting its capacity enhancement in the flour category at its facility in Port Qasim to be completed by 4Q FY 24. This expansion will facilitate meeting the continuously increasing demand for high-quality flour and is in line with the company's long-term goals. The Board is confident that the sales will grow further in the times ahead with effective sales strategy and strong distribution channels.

The company also unveiled plans to establish two new wholly owned subsidiaries. The primary objective behind the establishment of Unity Plantations (Private) Limited is to facilitate initiatives related to corporate farming and associated operations. These endeavors encompass a range of activities including the import and export of agricultural products and agri related equipment, among others. This strategic move aligns seamlessly with UNITY's overarching mission to enhance food security and establish an efficient farm-to-table supply chain that spans the entire country.

Simultaneously, the incorporation of Unity Technologies (Private) Limited serves the purpose of nurturing a dynamic and innovative startup ecosystem. This subsidiary is poised to offer comprehensive state-of-the-art technological solutions that synergize with the core business domains of its parent companies. Through this strategic initiative, UNITY aims to harness the potential of innovative technology to amplify its existing operations and reach new heights of efficiency and effectiveness.

Yet, the impact of these efforts extends beyond the immediate present. The positive influence of their work touches the lives of mothers and children, families grappling with illnesses, and institutions combatting malnutrition. In the medical sphere, UFL, in collaboration with institutions like NICVD & NICH, JPMC, Kutiya Memon Hospital, MMI Hospital, and Civil Hospital, has demonstrated a compassionate commitment to the most vulnerable members of society. From supporting mothers of malnourished children with heart conditions to aiding families of cancer patients, dialysis patients, and disabled individuals, UFL is instilling hope and sustenance among those who often feel overlooked.

Eradicating food insecurity is a journey that requires endurance, akin to a marathon rather than a sprint. Unity Foods and Sunridge comprehends this truth and places its faith in the potential of incremental progress. Just as a single drop of water contributes to the might of a river, each ration pack distributed, every partnership forged, and every life touched constitutes a step towards a hunger-free Pakistan. The journey is ongoing, but with each act of unity, the destination of a nation where no one goes to bed hungry draws closer—a vision where the assurance of a meal becomes a universal promise.

Given the global emphasis on the paramount significance of food safety and quality, Sunridge Foods is dedicated to communicating a positive and enlightening message to its consumers and crucial stakeholders. This initiative serves as a testament to how their transparent approach not only guides their operations but also contributes to their accomplishments in an industry where transparency is paramount.

Sunridge, being only a 5-year-old brand, is in the phase of penetrating the market to maximize its outreach to its targeted customer. Hence, a long-term marketing strategy is in place to cement Sunridge as the premier staples brand across Pakistan. We are confident that this strategy will bear fruit in the near future as the already undertaken capacity expansion plans will begin to add significantly to sales volumes and profit margins.

#### **SUNRIDGE CONFECTIONERY LIMITED (FORMERLY UNI-FOOD INDUSTRIES LIMITED)**

During the year under review, Sunridge Foods completed the acquisition of Uni-Food Industries Limited, a move that strengthens its product portfolio through integration opportunities. The acquisition allows Sunridge Foods to venture into value-added goods, including cupcakes and assorted confectionery products in the near term. The state-of-the-art production line and imported plant and machinery are in line with Sunridge Foods' standards of facility infrastructure and demonstrate its commitment to quality and hygiene. Sunridge Foods is expected to leverage its existing customer network of diversified products to boost sales for its subsidiary and capture downstream margins. This will help diversify operations and help reduce risks like reliance on FX based imports, cyclical price movement of Agri-based commodities and hence strengthen the Company's ability to post consistent profits. The installation of state-of-the-art infrastructure, combined with brands embedded within the food value chain of Pakistan, will pave the way for sustained profitability in the long run.

#### **DIGITIZATION JOURNEY**

During the period under review, Unity Foods has successfully implemented and gone-live with SAPs/4 HANA on cloud, with subsequent implementations of SAP SuccessFactors and SAP Ariba during 2H CY 23, achieving yet another milestone in the digitization journey. This will go a long way in supporting the transformation of the value chain while remaining ahead of the competition and implementing best practices to fuel the ambitious growth plans of the company. This has enabled Unity Foods to streamline its operations and has helped achieve a newer, much more integrated, and collaborative way of working, enabling the adoption of innovative integrated business planning and analytic tool (SAC).

Systems Limited and PWC partnered to deliver Unity Foods the complete end-to-end solutions of "rise with SAP," aligned with the vision of true data-centric and data driven company to improve business efficiencies and accelerate the pace of innovation in the company. The digitalization, considering SAP's driven state-of-art processes, will be an enabler for the Company to further adopt and implement blockchain, adding new dimensions to the Company operations and delivering an ecosystem to global suppliers and customers. This will allow them to integrate blockchain framework into their systems which will greatly support the company's Speed-to-market strategies and executions.

This program is considered a part of the company's strategic plan for digital transformation across all its business verticals, using cutting-edge and modern ERP and industrial automation solutions. This shall bring further efficiencies in the company's operations and introduce global best practices and most effective processes to ultimately support the Company's Go-To Market strategies in driving further growth in years to come.

#### **ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE (ESG)**

Unity Foods is one of the very few companies in the country, especially in the listed category, which is working towards improved environmental, social, and corporate governance (ESG). This strategic journey was set in line with the UN sustainability development goals. Four goals, namely, SDG 2 (Zero Hunger), SDG 3 (Good health and Well-being), SDG 4 (Quality Education), and SDG 8 (Decent work and Economic growth) have been initially selected which were in-line with the organization's current and future operations and plans. SGS Pakistan was commissioned by the company to conduct an independent audit for assurance of sustainability which was successfully completed in April 2022.

#### **HUMAN RESOURCES**

The human resource is the backbone in the organization. In order to perform various functions in the Company and its subsidiaries, more qualified and professional staff has been inducted during the year and a number of additional staff has been engaged to cater for the growing activities of the group companies.

The Company is an equal opportunity employer. Several ladies are working in various departments of the Company at different levels of hierarchy whereas one lady is working at Head of Department level, directly reporting to the CEO.

#### **ESTABLISHMENT OF REGIONAL OFFICE AND SHIFTING OF HEAD OFFICE TO LAHORE**

In order to have better control and close monitoring of group companies' activities in Punjab where it has flour mill, a regional office at Lahore has been established which is manned with properly qualified staff to look after various functions. Furthermore, it is planned that the Head Office of Unity Foods Limited and its subsidiaries will also be shifted to Lahore, subject to regulatory approvals. It is expected that the management of holding and subsidiary companies will better perform and more effectively manage companies' operations.

#### **HEALTH & SAFETY**

Your company is committed to ensuring a safe and healthy work environment for all employees. Unity Foods is following SDG 3 (to ensure healthy lives and promote well-being) for all at all ages dedicated to guaranteeing a secure and wholesome working environment for every employee. To fulfill this objective, the company has implemented fire protection and safety apparatus throughout all its production sites. A skilled team is responsible for overseeing all matters related to health, safety, and environment (HSE) to ensure that safety protocols are consistently maintained. Ongoing training has been imparted to the teams at all locations, equipping them with the most contemporary trends and guidelines in the field.

## COMPLIANCE AND CERTIFICATIONS

In line with management's commitment to ensure the highest standard of product safety, hygiene, and environment, we are pleased to report that company and its subsidiary not only maintained previous certifications but also have successfully secured more certifications as per its commitment to continual improvement and sustainability.

Standards	SOLVENT PLANT (KOTRI)	OIL REFINERY (PORT QASIM)	SUNRIDGE FOODS (PORT QASIM)	SUNRIDGE FOODS (MAYMAR)	SUNRIDGE FOODS (LAHORE)
	ISO 9001	ISO 9001	ISO 9001	ISO 9001	ISO 9001
	(QUALITY MANAGEMENT SYSTEM)	(QUALITY MANAGEMENT SYSTEM)	(QUALITY MANAGEMENT SYSTEM)	(QUALITY MANAGEMENT SYSTEM)	(QUALITY MANAGEMENT SYSTEM)
	ISO 22000	ISO 22000	ISO 22000	ISO 22000	ISO 22000
	(FOOD SAFETY MANAGEMENT SYSTEM)	(FOOD SAFETY MANAGEMENT SYSTEM)			
			HACCP	HACCP	HACCP
		RSPO			
		FSSC 22000	FSSC 22000		
	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)
	ISO14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO 14001 :2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO 14001 :2015 ENVIRONMENTAL MANAGEMENT SYSTEM
ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	

## RISKS AND UNCERTAINTIES

The Company faces risks arising out of uncertainty primarily in three exogenous factors i.e., commodity prices, increased mark-up rate and currency exchange rate movements, as its operations are dependent upon import of oil seeds, edible oil, and animal feed ingredients. Our Industrial/Commercial sales provide us with a certain level of natural hedge against this risk; as sales prices are adjusted on a regular basis. Additionally, the management takes all possible measures to evaluate, monitor, contain and control the risk and has been successful in keeping the impact of adverse price and exchange rate movements on company's profitability to a minimum by prudent supply change management.

## INTERNAL CONTROLS

To strengthen the internal audit of the Company, the management has taken the necessary steps to ensure sound internal controls are in place. An independent internal audit department is in place headed by a suitably qualified and experienced individual to conduct the various functions of the internal audit. With the expansion in group activities, the internal audit department is being further strengthened and more professional staff is being inducted in the department. The Board Audit Committee regularly reviews audit reports submitted by the internal audit department. The Internal Financial Control of the Company is managed under SAP. The system was developed and implemented by Abacus Consulting.

## RISK MANAGEMENT

At Unity Foods, the Board is diligently managing its responsibility of governing the risk management processes, covering advanced forecasting, operational excellence standards and internal control procedures to identify, analyze, prioritize, treat, and monitor risks. These documented procedures are consistently evaluated keeping in mind the necessity to safeguard the organization's tangible and intangible assets, thereby eliminating unwarranted risks to the company and its profitability. Internal or external risks that could potentially hinder the company from achieving its operational, financial, or strategic objectives are highlighted to the BOD and/or senior management to ensure a timely action plan is in place to mitigate any future occurrence of the same. Risk management is an ongoing process that does not end at identification monitoring or mitigation.

Also, the company now has well defined technology integration platforms across all areas of the value chain that facilitate providing end-to-end risk management. This includes the implementation of the latest available ERP as well as complementary tools that are essential for organizations to survive the modern digital ecosystem. This complemented with the company's focus on efficient system based Standard Operating Procedures (SOPs) and a clear organizational structure has been the foundation of the company's consistent and robust growth throughout the past 5 years. At the same time, the company adheres to the highest level of system certifications, achieving local as well as global certifications and defining business benchmarks and displaying Pakistan's competitive edge.

## OUTLOOK

We expect that external challenges, such as elevated inflation rates, escalating commodity prices, heightened tax burdens, and constrained foreign exchange availability for imports, will persist throughout the remainder of the year. These factors may potentially have adverse effects on consumption due to the substantial strain they impose on consumers' disposable income.

While these factors impose challenging times ahead for corporates and manufacturing alike, UFL and its management remain committed to extract the potential of Pakistan through integration opportunities in upstream markets. With an agenda of "Nourishing Pakistan," the business will train farmers with best practices to help them improve productivity, yield and profits thereby supporting and improving the communities we operate in.

Despite these obstacles, we are maintaining a cautiously optimistic view of the year ahead. The company's efforts will focus on accelerating its exports to remain resilient and contribute positively to the company's bottom line as well as the national economy.

## APPOINTMENT OF AUDITORS

The present external auditors of the Company M/s Naveed Zafar Ashfaq Jaffery & Co, Chartered Accountants, shall stand retired at the conclusion of Annual General Meeting scheduled for October 27, 2023 and being eligible for reappointment, have offered their services for the fiscal year ending June 30, 2024.

The Board has seconded the proposal of the appointment of M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants as external auditors of the Company for the next fiscal year as recommended by the Audit Committee, subject to the approval of the shareholders in the ensuing Annual General Meeting.

## PATTERN OF SHAREHOLDING

The pattern of shareholding as of June 30, 2023, is given in the Annual Report of the Company.

## RELATED PARTY TRANSACTIONS

The Company has made the necessary disclosure about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

## COMMITMENTS AND CONTINGENCIES

There have been no major changes in commitments affecting the financial position of the Company's affairs between the balance sheet date and the date of this report.

## BOARD AND THE COMMITTEES OF THE BOARD

As on June 30, 2023, there were seven members of the Board as follows:

(a) Independent Directors	Two
(b) Non-executive Directors	Three (including a female director)
(c) Executive Directors	Two

Mr. Muhammad Farrukh, Mr. Amir Shehzad, Mr. Abdul Majeed Ghaziani, Mr. Muneer S. Godil and Ms. Lie Hong Hwa remained on the Board throughout the year.

Lt. Gen. Omar Mahmood Hayat (Retd.) was appointed as Director on August 05, 2022, and subsequently appointed as Chairman of the Board of Directors on October 04, 2022 in place of outgoing Chairman /Director Mr. Sulaiman Sadruddin Mehdi who had resigned. Further, Ms. Tayyaba Rasheed also resigned as Director from the Board of Directors of the Company on August 04, 2022. Dr. Safdar Ali Butt was appointed as an Independent Director on the Board of Directors on November 7, 2022.

Mr. Muneer and Dr. Safdar Ali Butt are independent Directors while Lt. Gen. Omar Mahmood Hayat (Retd), Ms. Lie Hong Hwa and Mr. Abdul Majeed Ghaziani are non-executive directors. Mr. Muhammad Farrukh and Mr. Amir Shehzad are the two executive directors on the Board.

## ATTENDANCE AT THE MEETINGS

### BOARD MEETINGS

	<b>Name of Director</b>	<b>Eligible to attend</b>	<b>Meetings attended</b>
1	Mr. Muhammad Farrukh (Executive Director/CEO)	6	6
2	Mr. Abdul Majeed Ghaziani (Non-Executive Director)	6	6
3	Mr. Muneer S. Godil (Independent Director)	6	6
4	Dr. Safdar Ali Butt (Independent Director)	6	6
5	Let. Gen. Omar Mahmood Hayat (Retd) (Chairman/Non-Executive Director)	6	6
6	Ms. Lie Hong Hwa (Non-Executive Director) Nominee of Wilmar International Limited	6	5
7	Mr. Amir Shehzad (Executive Director)	6	6

### Board Audit Committee Meetings

	<b>Name of Director</b>	<b>Eligible to attend</b>	<b>Meetings attended</b>
1	Mr. Muneer (Chairman/Independent Director)	6	5
2	Mr. Abdul Majeed Ghaziani (Non-Executive Director)	6	6
3	Dr. Safdar Ali Butt	6	6

### Board Human Resources & Remuneration Committee Meetings

	<b>Name of Director</b>	<b>Eligible to attend</b>	<b>Meetings attended</b>
1	Dr. Safdar Ali Butt (Chairman /Independent Director)	2	2
2	Mr. Abdul Majeed Ghaziani (Non-Executive Director)	2	2
3	Mr. Muneer S. Godil (Independent Director)	2	2
4	Mr. Muhammad Farrukh	2	2

Committees were reconstituted on 07 November 2022 by the Board of Directors.

There has been no changes in the board or the committees between the June 30, 2023 and the date of this report.

The Brief Synopsis of Terms of Reference of Audit Committee and Human Resources and Remuneration Committee are provided in the Annual Report 2023.

Considering profitability position, the Company has not declared any dividend for the fiscal year ended June 30, 2023.

### REMUNERATION PACKAGE OF THE DIRECTORS INCLUDING THE CHIEF EXECUTIVE OFFICER

As per Directors Remuneration Policy approved by the Board, the members of the Board are entitled to be paid the fee for meeting attended by such members as follows:

- For non-executive directors for attending a Board of Directors' meeting as a member of the Board of Directors, the fee shall not exceed Rs.200,000/- per completed meeting.
- For non-executive directors for attending a meeting as a member of any Committee of the Board of Directors or meeting of shareholders, the fee shall not exceed Rs.200,000/- per completed meeting.
- In addition to the normal meeting fees, a board member being the non-executive director or independent director who chairs the Board or any of the Board Committees' meetings shall be paid a fee of Rs.100,000/- per meeting as Chairmanship Fee.

The remunerations of CEO, Directors and executives are mentioned in note 39 to the unconsolidated accounts.

### CORPORATE GUARANTEE FOR SUBSIDIARY COMPANY

In April 2022, a Corporate Guarantee of PKR2 billion in favor of lenders of Sunridge Foods was approved by the Board of Directors for a term of one year starting from May 01, 2022, in favor of lenders of Sunridge Foods to secure financial assistance to be extended to Sunridge Foods. This Corporate Guarantee has not been renewed.

### CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed towards its responsibility to the underprivileged section of the society and is fully cognizant of its role as responsible corporate citizen.

The Company carries out multiple activities on regular basis as well as on need basis and provided donations of about PKR 76.882 million to Saylani Welfare Trust.

## ACKNOWLEDGEMENTS

Alhamdulillah, we are humbled and grateful to our various stakeholders including the shareholders, bankers and others for the faith reposed in the Company that has helped the remarkable growth over last four years, with Company expanding its business beyond edible oil and into flour. We thank them for their relentless support, as without their backing it was not possible to achieve these successes in such a short span of time. We look forward to this unwavering support and confidence from these stakeholders to help the Company grow further and expand its product portfolio.

We would also like to thank the Pakistan Stock Exchange Limited, the Securities & Exchange Commission of Pakistan and the Central Depository Company of Pakistan Limited for their continued support and cooperation towards the Company. We hope that this support would continue in the future as well.

We also acknowledge the efforts and hard work of our committed human resource for the extraordinary efforts they put in to bring to fruition the outstanding results. We expect continued efforts from our employees to attain higher goals going forward.



**Muhammad Farrukh**  
Chief Executive Officer  
Karachi  
October 03, 2023



**Abdul Majeed Ghaziani**  
Director

## اعترافات:

الحمد للہ، ہم اپنے مختلف اسٹیک ہولڈرز بشمول شیئر ہولڈرز، بینکرز اور دیگر کے شکر گزار ہیں جس نے کمپنی پر اعتماد کا اظہار کیا ہے جس نے گزشتہ چار سالوں میں کمپنی کو اپنے کاروبار کو خوردنی تیل اور آٹے سے آگے بڑھاتے ہوئے قابل ذکر ترقی میں مدد کی ہے۔ ہم ان کے انتھک تعاون کے لیے ان کا شکریہ ادا کرتے ہیں کیونکہ ان کی حمایت کے بغیر اتنے کم وقت میں یہ کامیابیاں حاصل کرنا ممکن نہیں تھا۔ ہم ان اسٹیک ہولڈرز کی جانب سے اس غیر متزلزل حمایت اور اعتماد کے منظر ہیں تاکہ کمپنی کو مزید بڑھنے اور اس کے پروڈکٹ پورٹ فولیو کو وسعت دینے میں مدد ملے۔

ہم کمپنی کے لیے مسلسل حمایت اور تعاون پر پاکستان اسٹاک ایکسچینج لمیٹڈ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کا بھی شکریہ ادا کرنا چاہیں گے۔ ہمیں امید ہے کہ یہ تعاون مستقبل میں بھی جاری رہے گا۔

ہم اپنے پر عزم انسانی وسائل کی کوششوں اور محنت کو بھی تسلیم کرتے ہیں جو انہوں نے شاندار نتائج کے لیے کی گئی غیر معمولی کوششوں کے لیے کیے۔ ہم اپنے ملازمین سے مستقبل کے اعلیٰ اہداف کے حصول کے لیے مسلسل کوششوں کی توقع کرتے ہیں۔



عبدالمجید غازیانی  
ڈائریکٹر



محمد فرخ  
چیف ایگزیکٹو

منافع کی پوزیشن پر غور کرتے ہوئے، کمپنی نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کسی منافع کا اعلان نہیں کیا ہے۔

چیف ایگزیکٹو آفیسر سمیت ڈائریکٹرز کے معاوضے کا پیکج:

بورڈ کی طرف سے منظور شدہ ڈائریکٹرز کے معاوضے کی پالیسی کے مطابق، بورڈ کے ممبران مندرجہ ذیل میٹنگ میں شرکت کے لیے فیس ادا کرنے کے حقدار ہیں:

- ☆ بورڈ آف ڈائریکٹرز کی میٹنگ میں بطور نان ایگزیکٹو ڈائریکٹر ممبر بورڈ آف ڈائریکٹرز شرکت کرنے کے لیے، فیس 200,000 روپے فی مکمل میٹنگ سے زیادہ نہیں ہوگی۔
- ☆ بورڈ آف ڈائریکٹرز کی کسی بھی کمیٹی یا شیئر ہولڈرز کی میٹنگ میں نان ایگزیکٹو ڈائریکٹر کے طور پر میٹنگ میں شرکت کے لیے، فیس ہر مکمل میٹنگ کے لیے 200,000 روپے سے زیادہ نہیں ہوگی۔
- ☆ عام میٹنگ فیس کے علاوہ، ایک نان ایگزیکٹو آزاد ڈائریکٹر بورڈ ممبر جو بورڈ یا بورڈ کمیٹیوں کی کسی میٹنگ کی صدارت کرتا ہے، اسے فی میٹنگ فیس 100,000 روپے بطور چیئر مین شپ فیس ادا کی جائے گی۔

سی ای او، ڈائریکٹرز اور ایگزیکٹوز کے معاوضے کا ذکر نوٹ 39 میں غیر مربوط کھاتوں میں کیا گیا ہے۔

ذیلی کمپنی کے لیے کارپوریٹ گارنٹی:

اپریل 2022 میں، سنرج فوڈز کے قرض دہندگان کے حق میں 2 بلین روپے کی کارپوریٹ گارنٹی کو بورڈ آف ڈائریکٹرز نے 01 مئی 2022 سے شروع ہونے والی ایک سال کی مدت کے لیے سنرج فوڈز کے قرض دہندگان کے حق میں منظور کیا تھا سنرج فوڈز تک بڑھایا جائے۔ اس کارپوریٹ گارنٹی کی تجدید نہیں کی گئی ہے۔

کارپوریٹ سماجی ذمہ داری:

کمپنی معاشرے کے پسماندہ طبقے کے لیے اپنی ذمہ داری کے لیے پابند عہد ہے اور ذمہ دار کارپوریٹ شہری کے طور پر اپنے کردار سے پوری طرح آگاہ ہے۔

کمپنی باقاعدگی کے ساتھ ساتھ ضرورت کی بنیاد پر متعدد سرگرمیاں کرتی ہے اور سیلانی ویلفیئر ٹرسٹ کو تقریباً 76.882 ملین روپے کے عطیات فراہم کرتی ہے۔

6	6	جناب منیر ایس گوڈیل (آزاد ڈائریکٹر)	3
6	6	ڈاکٹر صفدر علی بٹ (آزاد ڈائریکٹر)	4
6	6	لیفٹیننٹ جنرل عمر محمود حیات (ریٹائرڈ) (چیئر مین/نان ایگزیکٹو ڈائریکٹر)	5
5	6	محترمہ لی ہونگ ہوا (نان ایگزیکٹو ڈائریکٹر) ولمار انٹرنیشنل لمیٹڈ کی نامزد	6
6	6	جناب عامر شہزاد (ایگزیکٹو ڈائریکٹر)	7

#### بورڈ آڈٹ کمیٹی کے اجلاس:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی اہلیت	اجلاسوں میں شرکت کی	
جناب منیر (چیئر مین/آزاد ڈائریکٹر)	6	5	1
جناب عبدالمجید غازیانی (نان ایگزیکٹو ڈائریکٹر)	6	6	2
ڈاکٹر صفدر علی بٹ	6	6	3

#### بورڈ انسانی وسائل اور معاوضہ کمیٹی کے اجلاس:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی اہلیت	اجلاسوں میں شرکت کی	
ڈاکٹر صفدر علی بٹ (چیئر مین/آزاد ڈائریکٹر)	2	2	1
جناب عبدالمجید غازیانی (نان ایگزیکٹو ڈائریکٹر)	2	2	2
جناب منیر ایس گوڈیل (آزاد ڈائریکٹر)	2	2	3
جناب محمد فرخ	2	2	4

کمیٹیوں کی تشکیل نو 07 نومبر 2022 کو بورڈ آف ڈائریکٹرز نے کی تھی۔

30 جون 2023 اور اس رپورٹ کی تاریخ کے درمیان بورڈ یا کمیٹیوں میں کوئی تبدیلی نہیں کی گئی ہے۔  
سالانہ رپورٹ 2023 میں آڈٹ کمیٹی اور ہیومن ریسورسز اینڈ ریوژنیشن کمیٹی کے ٹرمز آف ریفرنس کا مختصر خلاصہ فراہم کیا گیا ہے۔

## وعدے اور اتفاقات

بیلنس شیٹ کی تاریخ اور اس رپورٹ کی تاریخ کے درمیان کمپنی کے معاملات کی مالی حالت کو متاثر کرنے والے وعدوں میں کوئی بڑی تبدیلی نہیں ہوئی ہے۔

## بورڈ اور بورڈ کی کمیٹیاں

30 جون 2023 تک بورڈ کے سات ممبران حسب ذیل تھے:

- (a) آزاد ڈائریکٹرز دو  
(b) نان ایگزیکٹو ڈائریکٹرز تین (بشمول ایک خاتون ڈائریکٹر)  
(c) ایگزیکٹو ڈائریکٹرز دو

جناب محمد فرخ، جناب عامر شہزاد، جناب عبدالمجید غازیانی، جناب منیر الیس گوڈیل اور محترمہ لی ہانگ ہو اس سال بھر بورڈ پر رہے۔

لیفٹیننٹ جنرل عمر محمود حیات (ریٹائرڈ) کو 05 اگست 2022 کو ڈائریکٹر کے طور پر تعینات کیا گیا تھا، اور بعد ازاں 04 اکتوبر 2022 کو سبکدوش ہونے والے چیئرمین / ڈائریکٹر جناب سلیمان صدر الدین مہدی کی جگہ پر بورڈ آف ڈائریکٹرز کا چیئرمین مقرر کیا گیا تھا۔ استعفیٰ دے دیا مزید برآں، محترمہ طیبہ رشید نے بھی 04 اگست 2022 کو کمپنی کے بورڈ آف ڈائریکٹرز سے ڈائریکٹر کے عہدے سے استعفیٰ دے دیا۔ ڈاکٹر صفر علی بٹ کو 7 نومبر 2022 کو بورڈ آف ڈائریکٹرز میں آزاد ڈائریکٹر کے طور پر تعینات کیا گیا۔

مسٹر منیر اور ڈاکٹر صفر علی بٹ آزاد ڈائریکٹر ہیں جبکہ لیفٹیننٹ جنرل عمر محمود حیات (ریٹائرڈ)، محترمہ لی ہانگ ہو اور مسٹر عبدالمجید غازیانی نان ایگزیکٹو ڈائریکٹر ہیں۔ جناب محمد فرخ اور جناب عامر شہزاد بورڈ کے دو ایگزیکٹو ڈائریکٹر ہیں۔

## اجلاسوں میں شرکت

### بورڈ کے اجلاس

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی اہلیت	اجلاسوں میں شرکت کی
جناب محمد فرخ (ایگزیکٹو ڈائریکٹر/سی ای او)	6	6
جناب عبدالمجید غازیانی (نان ایگزیکٹو ڈائریکٹر)	6	6

آپریٹنگ پروسیجرز (SOPs) پر توجہ کے ساتھ پورا ہوا اور ایک واضح تنظیمی ڈھانچہ گزشتہ 5 سالوں میں کمپنی کی مسلسل اور مضبوط ترقی کی بنیاد رہا ہے۔ اس کے ساتھ ساتھ، کمپنی مقامی اور عالمی سرٹیفیکیشن حاصل کرنے اور کاروباری معیارات کی وضاحت کرنے اور پاکستان کی مسابقتی برتری کو ظاہر کرتے ہوئے، سسٹم سرٹیفیکیشن کی اعلیٰ ترین سطح پر عمل پیرا ہے۔

## آؤٹ لک

ہم توقع کرتے ہیں کہ بیرونی چیلنجز، جیسے کہ افراط زر کی شرح میں اضافہ، اشیاء کی قیمتوں میں اضافہ، ٹیکسوں کا بڑھتا ہوا بوجھ، اور درآمدات کے لیے غیر ملکی کرنسی کی محدود دستیابی، سال کے بقیہ حصے میں برقرار رہیں گی۔ یہ عوامل ممکنہ طور پر استعمال پر منفی اثرات مرتب کر سکتے ہیں کیونکہ وہ صارفین کی ڈسپوز ایبل آمدنی پر کافی دباؤ ڈالتے ہیں۔

اگرچہ یہ عوامل کارپوریٹس اور مینوفیکچرنگ کے لیے یکساں طور پر چیلنجنگ وقت مسلط کرتے ہیں، یو ایف ایل اور اس کی انتظامیہ اپ اسٹریٹجک مارکیٹوں میں انضمام کے مواقع کے ذریعے پاکستان کی صلاحیتوں کو بروئے کار لانے کے لیے پرعزم ہے۔ "نورٹنگ پاکستان" کے ایجنڈے کے ساتھ کاروبار کسانوں کو بہترین طریقوں کے ساتھ تربیت دے گا تاکہ ان کی پیداواری صلاحیت، پیداوار اور منافع کو بہتر بنایا جاسکے اور اس طرح ان کی کمیونٹیز کو سپورٹ اور بہتر بنایا جاسکے جن میں ہم کام کرتے ہیں۔

ان رکاوٹوں کے باوجود، ہم آنے والے سال کے بارے میں محتاط طور پر پرامید نظریہ کو برقرار رکھے ہوئے ہیں۔ کمپنی کی کوششیں لچکدار رہنے اور کمپنی کی پمپ لائن کے ساتھ ساتھ قومی معیشت میں مثبت کردار ادا کرنے کے لیے اپنی برآمدات کو تیز کرنے پر توجہ مرکوز کریں گی۔

## آڈیٹرز کی تقرری

آڈیٹرز میسرز نوید ظفر اشفاق جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، 27 اکتوبر 2023 کو ہونے والی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور دوبارہ تقرری کے اہل ہوتے ہوئے، 30 جون 2024 کو ختم ہونے والی مالی سال کے لیے اپنی خدمات پیش کر چکے ہیں۔

بورڈ نے میسرز نوید ظفر اشفاق جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو اگلے مالی سال کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر تقرری کی تجویز کی توثیق کر دی ہے جیسا کہ آڈٹ کمیٹی کی طرف سے سفارش کی گئی ہے، جو کہ آئندہ سالانہ اجلاس عام میں حصص یافتگان کی منظوری سے مشروط ہے۔

## شیئر ہولڈنگ کا نمونہ

30 جون 2023 تک شیئر ہولڈنگ کا نمونہ کمپنی کی سالانہ رپورٹ میں دیا گیا ہے۔

## متعلقہ پارٹی لین دین

کمپنی نے اس سالانہ رپورٹ کے ساتھ منسلک اپنے مالی بیانات میں متعلقہ فریق کے لین دین کے بارے میں ضروری انکشاف کیا ہے۔ اس طرح کا انکشاف کمپنیز ایکٹ 2017 کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کے تقاضوں کے مطابق ہے۔

مصنوعات کی حفاظت، حفظانِ صحت اور ماحولیات کے اعلیٰ ترین معیار کو یقینی بنانے کے لیے انتظامیہ کے عزم کے مطابق، ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی اور اس کی ذیلی کمپنی نے نہ صرف سابقہ سرفیکیشنز کو برقرار رکھا ہے بلکہ مسلسل بہتری اور پائیداری کے اپنے عزم کے مطابق کامیابی کے ساتھ مزید سرفیکیشن بھی حاصل کیے ہیں۔

### خطرات اور غیر یقینی صورتحال

کمپنی کو بنیادی طور پر تین خارجی عوامل میں غیر یقینی صورتحال سے پیدا ہونے والے خطرات کا سامنا ہے جو کہ اجناس کی قیمتوں میں اضافہ، مارک اپ کی شرح میں اضافہ اور کرنسی کی شرح مبادلہ کی نقل و حرکت ہے، کیونکہ اس کے کام کا انحصار تیل کے بیجوں، خوردنی تیل اور جانوروں کے کھانے کے اجزاء کی درآمد پر ہے۔ ہماری صنعتی/تجارتی سیلز ہمیں اس خطرے کے خلاف قدرتی بیج کی ایک خاص سطح فراہم کرتی ہیں۔ جیسا کہ فروخت کی قیمتیں مستقل بنیادوں پر ایڈجسٹ کی جاتی ہیں۔ ہماری صنعتی/تجارتی فروخت ہمیں اس خطرے کے خلاف قدرتی تحفظ کی ایک خاص سطح فراہم کرتی ہے۔ جیسا کہ فروخت کی قیمتیں مستقل بنیادوں پر ایڈجسٹ کی جاتی ہیں۔ مزید برآں، انتظامیہ خطرے کی جانچ، نگرانی، قابو پانے اور کنٹرول کرنے کے لیے تمام ممکنہ اقدامات کرتی ہے اور سپلائی میں تبدیلی کے انتظام کے ذریعے کمپنی کے منافع پر منفی قیمت اور شرح مبادلہ کی نقل و حرکت کے اثرات کو کم سے کم رکھنے میں کامیاب رہی ہے۔

### اندرونی کنٹرول

کمپنی کے اندرونی آڈٹ کو مضبوط بنانے کے لیے، انتظامیہ نے اندرونی کنٹرول کو یقینی بنانے کے لیے ضروری اقدامات کیے ہیں۔ اندرونی آڈٹ کے مختلف کاموں کو انجام دینے کے لیے ایک خود مختار اندرونی آڈٹ محکمہ قائم ہے جس کی سربراہی ایک موزوں اور تجربہ کار فرد کر رہا ہے۔ گروپ سرگرمیوں میں توسیع کے ساتھ انٹرنل آڈٹ ڈیپارٹمنٹ کو مزید مضبوط کیا جا رہا ہے اور محکمے میں مزید پیشہ ور عملہ شامل کیا جا رہا ہے۔ بورڈ آڈٹ کمیٹی انٹرنل آڈٹ ڈیپارٹمنٹ کی طرف سے جمع کرائی گئی آڈٹ رپورٹس کا باقاعدگی سے جائزہ لیتی ہے۔ کمپنی کے اندرونی مالیاتی کنٹرول کا انتظام SAP کے تحت کیا جاتا ہے۔ یہ نظام اب اکس کنسلٹنگ کے ذریعے تیار اور نافذ کیا گیا تھا۔

### رسک مینجمنٹ

یونٹ فوڈز میں، بورڈ خطرے کے انتظام کے عمل کو کنٹرول کرنے کی اپنی ذمہ داری کو پوری تندی کے ساتھ نبھا رہا ہے، جو خطرات کی شناخت، تجزیہ، ترجیح، علاج اور نگرانی کے لیے جدید پیشن گوئی، آپریشنل ایکسی لینس کے معیارات اور اندرونی کنٹرول کے طریقہ کار کا احاطہ کرتا ہے۔ تنظیم کے ٹھوس اور غیر محسوس اثاثوں کی حفاظت کی ضرورت کو ذہن میں رکھتے ہوئے ان دستاویزی طریقہ کار کا مسلسل جائزہ لیا جاتا ہے، اس طرح کمپنی اور اس کے منافع کو لاحق خطرات کو ختم کیا جاتا ہے۔ اندرونی یا بیرونی خطرات جو ممکنہ طور پر کمپنی کو اس کے آپریشنل، مالیاتی، یا سٹریٹجک مقاصد کے حصول میں رکاوٹ بن سکتے ہیں، بورڈ آف ڈائریکٹرز اور/یا سینئر مینجمنٹ کے سامنے روشنی ڈالی جاتی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ مستقبل میں ہونے والے کسی بھی واقعے کو کم کرنے کے لیے بروقت ایکشن پلان ترتیب دیا جائے۔ رسک مینجمنٹ ایک جاری عمل ہے جو شناخت کی نگرانی یا تخفیف پر ختم نہیں ہوتا ہے۔

اس کے علاوہ، کمپنی کے پاس اب ویلیو چین کے تمام شعبوں میں ٹیکنالوجی کے انضمام کے پلیٹ فارمز کی اچھی طرح تعریف کی گئی ہے جو اختتام سے آخر تک رسک مینجمنٹ فراہم کرنے میں سہولت فراہم کرتے ہیں۔ اس میں جدید ترین دستیاب ERP کے ساتھ ساتھ مکمل ٹولز کا نفاذ بھی شامل ہے جو جدید ڈیجیٹل ماحولیاتی نظام کو زندہ رکھنے کے لیے تنظیموں کے لیے ضروری ہیں۔ یہ کمپنی کے موثر نظام پر مبنی معیاری

## ماحولیاتی، سماجی، اور کارپوریٹ گورننس (ESG)

یونٹی فوڈز ملک کی ان چند کمپنیوں میں سے ایک ہے، خاص طور پر درج کیٹیگری میں، جو بہتر ماحولیاتی، سماجی، اور کارپوریٹ گورننس (ESG) کے لیے کام کر رہی ہے۔ یہ تزدیراتی سفر اقوام متحدہ کے پائیدار ترقی کے اہداف کے مطابق طے کیا گیا تھا۔ چار اہداف، یعنی SDG2 (زریو ہنگر)، SDG3 (اچھی صحت اور بہبود)، SDG4 (معیاری تعلیم)، اور SDG8 (مہذب کام اور اقتصادی ترقی) کو ابتدائی طور پر منتخب کیا گیا ہے جو اس کے مطابق تھے۔ تنظیم کے موجودہ اور مستقبل کے آپریشنز اور منصوبے۔ ایس جی ایس پاکستان کو کمپنی نے پائیداری کی یقین دہانی کے لیے ایک آزاد آڈٹ کرنے کے لیے کمیشن دیا تھا جو اپریل 2022 میں کامیابی کے ساتھ مکمل ہوا تھا۔ کمپنی ایک مساوی مواقع آجر ہے۔ کئی خواتین کمپنی کے مختلف محکموں میں درجہ بندی کی مختلف سطحوں پر کام کر رہی ہیں جبکہ ایک خاتون ہیڈ آف ڈیپارٹمنٹ کی سطح پر کام کر رہی ہے، براہ راست سی ای او کو رپورٹ کر رہی ہے۔

### صحت اور تحفظ

آپ کی کمپنی تمام ملازمین کے لئے محفوظ اور صحت مند کام کے ماحول کو یقینی بنانے کے لئے پرعزم ہے۔ یونٹی فوڈز لمیٹڈ SDG 3 کی پیروی کر رہا ہے (صحت مند زندگی کو یقینی بنانے اور فلاح و بہبود کو فروغ دینے کے لئے) ہر عمر کے ہر ملازم کے لئے ایک محفوظ اور صحت مند کام کے ماحول کی ضمانت کے لئے وقف ہے۔ اس مقصد کو پورا کرنے کے لئے، کمپنی نے اپنی تمام پروڈکشن سائٹس پر آگ سے تحفظ اور حفاظت کے آلات کو رکھا گیا ہے۔ ایک ہنرمند ٹیم صحت، حفاظت، اور ماحولیات (HSE) سے متعلق تمام معاملات کی نگرانی کے لئے ذمہ دار ہے تاکہ یہ یقینی بنایا جاسکے کہ حفاظتی پروڈکٹوں کو مسلسل برقرار رکھا جائے۔ ٹیموں کو تمام مقامات پر جاری تربیت دی گئی ہے، جو انہیں میدان میں جدید ترین رجحانات اور رہنما اصولوں سے آراستہ کرتی ہے۔

	SOLVENT PLANT (KOTRI)	OIL REFINERY (PORT QASIM)	SUNRIDGE FOODS (PORT QASIM)	SUNRIDGE FOODS (MAYMAR)	SUNRIDGE FOODS (LAHORE)
Standards	ISO 9001				
	(QUALITY MANAGEMENT SYSTEM)				
	ISO 22000				
	(FOOD SAFETY MANAGEMENT SYSTEM)				
			HACCP	HACCP	HACCP
		RSPO			
		FSSC 22000	FSSC 22000		
	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)	PS 3733 & GSO/UAE 2055-1 (HALAL FOOD MANAGEMENT SYSTEM)
	ISO14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO 14001 :2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM	ISO 14001 :2015 ENVIRONMENTAL MANAGEMENT SYSTEM
	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	ISO 45001:2018 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM

حاصل کیا۔ یہ مقابلے سے آگے رہتے ہوئے ویلوچین کی تبدیلی میں مدد فراہم کرنے اور کمپنی کے پر جوش ترقی کے منصوبوں کو تقویت دینے کے لیے بہترین طریقوں کو لاگو کرنے میں ایک طویل سفر طے کرے گا۔ اس نے یونٹی فوڈز کو اپنے آپریشنز کو ہموار کرنے کے قابل بنایا ہے اور کام کرنے کے ایک نئے، بہت زیادہ مربوط اور باہمی تعاون کے طریقے کو حاصل کرنے میں مدد کی ہے، جس سے جدید مربوط کاروباری منصوبہ بندی اور تجزیاتی ٹول (SAC) کو اپنانے میں مدد ملی ہے۔

سسٹمز لمیٹڈ اور پی ڈی سی نے یونٹی فوڈز کو "رائز و دالیں اے پی" کے مکمل اینڈ ٹو اینڈ سسلوشنز فراہم کرنے کے لیے شراکت داری کی، جو حقیقی ڈیٹا سینٹرک اور ڈیٹا پرائیویسیٹی کمپنی کے ورژن کے ساتھ منسلک ہے تاکہ کاروباری استعداد کو بہتر بنایا جاسکے اور کمپنی میں جدت کی رفتار کو تیز کیا جاسکے۔ ڈیجیٹلائزیشن، SAP کے جدید ترین طریقہ کار پر غور کرتے ہوئے، کمپنی کے لیے بلاک چین کو مزید اپنانے اور لاگو کرنے کے لیے، کمپنی کے کاموں میں نئی جہتیں شامل کرنے اور عالمی سپلائرز اور صارفین کو ایک ماحولیاتی نظام فراہم کرنے کا باعث بنے گی۔ اس سے وہ بلاک چین فریم ورک کو اپنے سسٹمز میں ضم کر سکیں گے جو کمپنی کی سپیڈ ٹو مارکیٹ حکمت عملیوں اور عمل درآمد میں بہت زیادہ معاونت کرے گا۔

اس پروگرام کو جدید اور جدید ERP اور صنعتی آٹومیشن سسلوشنز کا استعمال کرتے ہوئے اپنے تمام کاروباری عمودی حصوں میں ڈیجیٹل تبدیلی کے لیے کمپنی کے اسٹریٹجک پلان کا ایک حصہ سمجھا جاتا ہے۔ یہ کمپنی کے کاموں میں مزید افادیت لائے گا اور آنے والے سالوں میں مزید ترقی کو آگے بڑھانے کے لیے کمپنی کی گوٹو مارکیٹ کی حکمت عملیوں کو حتمی طور پر سپورٹ کرنے کے لیے عالمی بہترین طرز عمل اور انتہائی موثر عمل متعارف کرائے گا۔

## انسانی وسائل

انسانی وسائل تنظیم میں ریڈھ کی بڑی کی حیثیت رکھتے ہیں۔ کمپنی اور اس کے ذیلی اداروں میں مختلف کام انجام دینے کے لئے، سال کے دوران مزید اہل اور پیشہ ور عملے کو شامل کیا گیا ہے اور گروپ کمپنیوں کی بڑھتی ہوئی سرگرمیوں کو پورا کرنے کے لئے متعدد اضافی عملے کو شامل کیا گیا ہے۔

کمپنی ایک مساوی مواقع فراہم کرنے والی آجر ہے۔ کئی خواتین کمپنی کے مختلف محکموں میں درجہ بندی کی مختلف سطحوں پر کام کر رہی ہیں جبکہ ایک خاتون ہیڈ آف ڈیپارٹمنٹ کی سطح پر کام کر رہی ہے جو براہ راست CEO کو رپورٹ کرتی ہے۔

## ریجنل آفس کا قیام اور ہیڈ آفس کی لاہور منتقلی

پنجاب میں گروپ کمپنیوں کی سرگرمیوں پر بہتر کنٹرول اور قریبی نگرانی کے لئے جہاں اس کی فلور مل بھی ہے، لاہور میں ایک علاقائی دفتر قائم کیا گیا ہے جس میں مختلف کاموں کی دیکھ بھال کے لئے مناسب طور پر اہل عملہ تعینات ہے۔ مزید برآں، یہ منصوبہ بنایا گیا ہے کہ یونٹی فوڈز لمیٹڈ کے ہیڈ آفس اور اس کے ذیلی اداروں کو بھی ریگیٹیوری منظور یوں کے بعد لاہور منتقل کیا جائے گا۔ یہ توقع کی جاتی ہے کہ ہولڈنگ اور ماتحت کمپنیوں کا انتظام بہتر کارکردگی کا مظاہرہ کرے گا اور کمپنیوں کے کام کو زیادہ موثر طریقے سے منظم کرے گا۔

حصہ ڈالتا ہے، اسی طرح تقسیم ہونے والا ہر راشن پیک، ہر شراکت داری، اور ہر زندگی کو چھونے والا بھوک سے پاک پاکستان کی طرف ایک قدم ہے۔ سفر جاری ہے، لیکن اتحاد کے ہر عمل کے ساتھ، ایک ایسی قوم کی منزل قریب آتی ہے جہاں کوئی بھوکا نہیں سوتا۔ ایک ایسا نظارہ جہاں کھانے کی یقین دہانی ایک آفاقی وعدہ بن جاتی ہے۔

فوڈ سیفٹی اور کوالٹی کی بنیادی اہمیت پر عالمی زور کے پیش نظر، سنرج فوڈز اپنے صارفین اور اہم اسٹیک ہولڈرز کو ایک مثبت اور روشن خیال پیغام پہنچانے کے لیے وقف ہے۔ یہ اقدام اس بات کے ثبوت کے طور پر کام کرتا ہے کہ کس طرح ان کا شفاف نقطہ نظر نہ صرف ان کے کاموں کی رہنمائی کرتا ہے بلکہ ایک ایسی صنعت میں ان کی کامیابیوں میں بھی حصہ ڈالتا ہے جہاں شفافیت سب سے اہم ہے۔

سنرج، صرف پانچ سال پرانا برانڈ ہونے کے ناطے، اپنے ہدف والے کسٹمر تک اپنی رسائی کو زیادہ سے زیادہ کرنے کے لیے مارکیٹ میں داخل ہونے کے مرحلے میں ہے۔ لہذا، ایک طویل المدتی مارکیٹنگ کی حکمت عملی تیار کی گئی ہے تاکہ سنرج کو پورے پاکستان میں سب سے بڑے سٹیبل برانڈ کے طور پر مستحکم کیا جاسکے۔ ہمیں یقین ہے کہ یہ حکمت عملی مستقبل قریب میں ثمر آور ہوگی کیونکہ پہلے سے شروع کیے گئے صلاحیت میں توسیع کے منصوبے فروخت کے حجم اور منافع کے مارجن میں نمایاں اضافہ کرنا شروع کر دیں گے۔

### سنرج کفیکشنری لمیٹڈ (سابقہ یونی فوڈ انڈسٹریز لمیٹڈ)

زیر نظر سال کے دوران، سنرج فوڈز نے یونی فوڈ انڈسٹریز لمیٹڈ کا حصول مکمل کیا، یہ ایک ایسا اقدام ہے جو انضمام کے مواقع کے ذریعے اس کے پروڈکٹ پورٹ فولیو کو مضبوط کرتا ہے۔ اس حصول سے سنرج فوڈز کو قدر میں اضافہ کرنے والی اشیاء، بشمول کپ کیکیس اور مختلف کفیکشنری مصنوعات کی قریبی مدت میں کاروبار کرنے کی اجازت ملتی ہے۔ جدید ترین پروڈکشن لائن اور درآمد شدہ پلانٹ اور مشینری سنرج فوڈز کے سہولت کے بنیادی ڈھانچے کے معیار کے مطابق ہیں اور معیار اور حفظان صحت کے حوالے سے اپنی وابستگی کو ظاہر کرتی ہیں۔ سنرج فوڈز سے توقع کی جاتی ہے کہ وہ اپنی ذیلی کمپنی کی فروخت کو بڑھانے اور ڈاؤن اسٹریم مارجن کو حاصل کرنے کے لیے متنوع مصنوعات کے اپنے موجودہ کسٹمر نیٹ ورک سے فائدہ اٹھائے گی۔ اس سے کاموں کو متنوع بنانے میں مدد ملے گی اور خطرات کو کم کرنے میں مدد ملے گی جیسے FX پر مبنی درآمدات پر انحصار، زرعی پر مبنی اجناس کی قیمتوں کی سائیکلکی نقل و حرکت اور اس وجہ سے کمپنی کی مستقل منافع پوسٹ کرنے کی صلاحیت کو تقویت ملے گی۔ پاکستان کی فوڈ ویلیو چین میں شامل برانڈز کے ساتھ مل کر جدید ترین انفراسٹرکچر کی تنصیب طویل مدت میں پائیدار منافع کی راہ ہموار کرے گی۔

### ڈیجیٹل ٹرانزیشن کا سفر

زیر جائزہ مدت کے دوران، یونٹی فوڈز نے کامیابی سے SAPs/4 HANA کو لاگو کیا ہے اور کلاؤڈ پر لائیو چلا گیا ہے، 2H CY23 کے دوران SAP Success Factors اور SAP Ariba کے نفاذ کے ساتھ، ڈیجیٹل ٹرانزیشن کے سفر میں ایک اور سنگ میل کو

والی آمدنی میں کمی آئے گی۔ کمپنی کی مارکیٹنگ اور اشتہاری اخراجات بھی اب اس کی مصنوعات کے بڑھتے ہوئے مارکیٹ شیئر کے ساتھ پھل دے رہے ہیں۔ کمپنی پورٹ قاسم میں اپنی سہولت پر آٹے کے زمرے میں اپنی صلاحیت میں اضافے کی بھی توقع کر رہی ہے جو مالی سال 24 کی چوتھی سہ ماہی تک مکمل ہو جائے گی۔ یہ توسیع اعلیٰ معیار کے آٹے کی مسلسل بڑھتی ہوئی مانگ کو پورا کرنے میں سہولت فراہم کرے گی اور کمپنی کے طویل مدتی اہداف کے مطابق ہے۔ بورڈ کو یقین ہے کہ فروخت کی موثر حکمت عملی اور مضبوط ڈسٹری بیوشن چینلز کے ساتھ آنے والے وقت میں فروخت مزید بڑھے گی۔

کمپنی نے دو نئی مکمل ملکیتی ذیلی کمپنیاں قائم کرنے کے منصوبوں کی بھی نقاب کشائی کی۔ یوٹی پلائیشنز (پرائیویٹ) لمیٹڈ کے قیام کا بنیادی مقصد کارپوریٹ فارمنگ اور متعلقہ کاموں سے متعلق اقدامات کو آسان بنانا ہے۔ ان کوششوں میں بہت سی سرگرمیاں شامل ہیں جن میں زرعی مصنوعات کی درآمد اور زراعت سے متعلق آلات شامل ہیں۔ یہ اسٹریٹجک اقدام خوراک کی حفاظت کو بڑھانے اور ایک موثر فارم ٹوٹیل سپلائی چین قائم کرنے کے لیے یوٹی کے بڑے مشن کے ساتھ بغیر کسی رکاوٹ کے ہم آہنگ ہے جو پورے ملک میں پھیلا ہوا ہے۔

اس کے ساتھ ہی، یوٹی ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کی شمولیت ایک متحرک اور اختراعی سٹارٹ اپ ایکوسیٹم کی پرورش کے مقصد کو پورا کرتی ہے۔ یہ ذیلی کمپنی جامع جدید ترین تکنیکی حل پیش کرنے کے لیے تیار ہے جو اس کی بنیادی کمپنیوں کے بنیادی کاروباری ڈومینز کے ساتھ ہم آہنگی پیدا کرتی ہے۔ اس اسٹریٹجک اقدام کے ذریعے، یوٹی کا مقصد جدید ٹیکنالوجی کی صلاحیت کو بروئے کار لانا ہے تاکہ اپنے موجودہ آپریشنز کو وسعت دی جاسکے اور کارکردگی اور تاثیر کی نئی بلندیوں تک پہنچ سکے۔

پھر بھی، ان کوششوں کا اثر فوری طور پر موجودہ دور سے باہر ہے۔ ان کے کام کا مثبت اثر ماؤں اور بچوں، بیماریوں سے دوچار خاندانوں، اور غذائی قلت کا مقابلہ کرنے والے اداروں کی زندگیوں کو چھوٹا ہے۔

طبی شعبے میں، UFL نے NICVD اور JPMC، کئی اے ایم ایم ہسپتال، MMI ہسپتال، اور سول ہسپتال جیسے اداروں کے ساتھ مل کر، معاشرے کے سب سے زیادہ کمزور افراد کے لیے ہمدردانہ وابستگی کا مظاہرہ کیا ہے۔ غذائی قلت کے شکار بچوں کی دل کی بیماری میں مبتلا ماؤں کی مدد کرنے سے لے کر کینسر کے مریضوں، ڈائیلیسز کے مریضوں اور معذور افراد کے خاندانوں کی مدد کرنے تک، UFL ان لوگوں میں امید اور رزق پیدا کر رہا ہے جو اکثر نظر انداز ہوتے ہیں۔

کھانے کی عدم تحفظ کا خاتمہ ایک ایسا سفر ہے جس کے لیے سپرنٹ کے بجائے میراتھن کی طرح برداشت کی ضرورت ہوتی ہے۔ یوٹی فوڈز اینڈ سنز اس سچائی کو سمجھتا ہے اور اپنا بھروسا بڑھاتی ہوئی ترقی کی صلاحیت پر رکھتا ہے۔ جس طرح پانی کا ایک قطرہ کسی دریا کی طاقت میں

کلوگرام اور کینولا کھانے کے لیے 168 روپے فی کلوگرام ہیں۔ مویشیوں کے چارے کی قیمتوں میں بھی 62-64 روپے کی حد سے 82 روپے فی کلوگرام کی موجودہ قیمتوں میں معمولی اضافہ دیکھا گیا۔

آپ کی کمپنی اپنی اشیاء کا انتظام کرنے کے قابل تھی اور مقامی ریپسڈ کو کچلنے پر انحصار کیا۔ مجموعی طور پر فیڈ کی مقدار میں قدرے کمی آئی کیونکہ سپلائی کی قلت کے تناظر میں مینجمنٹ کے ذریعے شروع کردہ سٹاک راشمنگ کے طریقے۔ ڈویژن نے بہتر مارجن اور سیلز پوسٹ کیے کیونکہ کمپنی سال بھر بروقت ڈیلیوری کے ذریعے صارفین کی توقعات کا انتظام کرنے میں کامیاب رہی۔

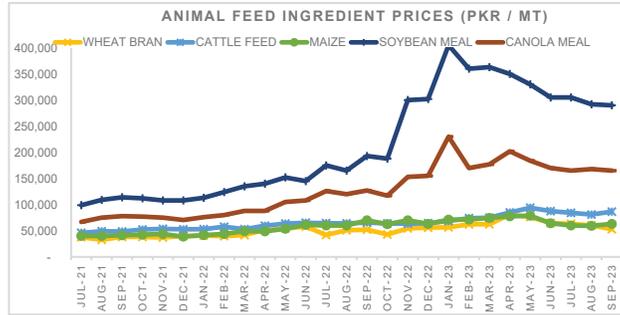


Figure 5 Source: Company Channel Checks

پاکستان کی 224 ملین سربراہان کی متاثر کن مویشیوں کی آبادی کے باوجود، جانوروں سے حاصل ہونے والی پیداوار سے دودھ اور گوشت کی موجودہ پیداوار انسانی آبادی کی غذائی ضروریات کو پورا کرنے کے لیے ناکافی ہے۔ نتیجتاً، اس سیکٹر میں مارکیٹ کی نمایاں صلاحیت موجود ہے۔ اس مساوات کا بنیادی پہلو فیڈ کے وسائل کی دستیابی اور استعمال میں ہے، جو پاکستان کے زرعی شعبے کی ترقی اور صلاحیت کی رفتار کو تشکیل دینے میں اہم کردار ادا کرتے ہیں۔

### سنرج فوڈز (پرائیویٹ) لمیٹڈ

سال کے دوران سنرج فوڈز (پرائیویٹ) لمیٹڈ کی کارکردگی میں نمایاں بہتری آئی۔ اس کی خالص فروخت گزشتہ سال کی 5.7 بلین روپے کی سطح کے مقابلے میں 11.0 بلین روپے سے زیادہ ہوگئی، جو کہ سال بہ سال 94.8 فیصد اضافہ ہے۔ کھانے کی صنعت کو متاثر کرنے والے ملک گیر رکاوٹوں کے باوجود، کمپنی نے 182.1 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا، جبکہ گزشتہ سال 255.1 ملین روپے کا نقصان ہوا۔ صلاحیت میں اضافہ میں آٹا اور چاول دونوں پروسیسنگ کی صلاحیتیں شامل ہیں۔ سنرج کی پروسیسنگ کی صلاحیت بالترتیب گندم کے آٹے اور چاول کی پروسیسنگ کے لیے 167,100 ٹن اور 39,420 ہے۔ فروخت اور تقسیم کے اخراجات گزشتہ سال فروخت کے 8.3 فیصد کے مقابلے میں 7.1 فیصد تھے جبکہ مالی سال 2022 میں انتظامیہ کے اخراجات 2.2 فیصد کے مقابلے میں 3.3 فیصد تھے۔

کمپنی نے سنرج فوڈز کی پین پاکستان میں موجودگی کو یقینی بنانے کے لیے اپنے پروڈکشن انفراسٹرکچر اور ڈسٹری بیوشن نیٹ ورک کو بہتر بنانے میں سرمایہ کاری کی۔ حجم پچھلے سال کے مقابلے میں دوگنا سے بھی زیادہ ہو گیا ہے اور کمپنی کو ایک قابل توسیع اور منافع بخش منصوبے میں تبدیل کرنے کی انتظامیہ کی صلاحیت کا ثبوت ہے، بالآخر طویل مدت میں حصص یافتگان کی قدر فراہم کرتا ہے۔

آگے بڑھتے ہوئے، کمپنی اپنے پلانٹس کو بہترین سطح پر چلانے کی توقع رکھتی ہے جس سے اس کی فی یونٹ آپریٹنگ لاگت بمقابلہ پیدا ہونے

آمدنی میں اضافہ ہماری پروڈکٹ ریجن میں نمایاں توسیع کے باعث ہے۔ یہ قابل ذکر عوامل کے ہم آہنگ امتزاج کی مرہون منت ہے: ایک سازگار پورٹ فولیو، متحرک ڈیمانڈ جزیں کی کوششیں، اور قیمتوں کے تعین کی حکمت عملیوں کا فعال انتظام۔ ہماری مصنوعات کی صفوں کو متنوع بنانے اور مقامی طور پر سورسنگ پر زیادہ زور دینے کے اسٹریٹجک فیصلے کے ذریعے، ہماری کمپنی اپنے پورے کنزیومر پیک پورٹ فولیو میں اپنی مصنوعات کی دستیابی اور ترسیل کی کارکردگی کو بڑھانے میں کامیاب رہی ہے۔ یہ کامیابی عمدگی اور اختراع کے لیے ہماری غیر متزلزل عزم کا مظہر ہے۔

## خوردنی تیل

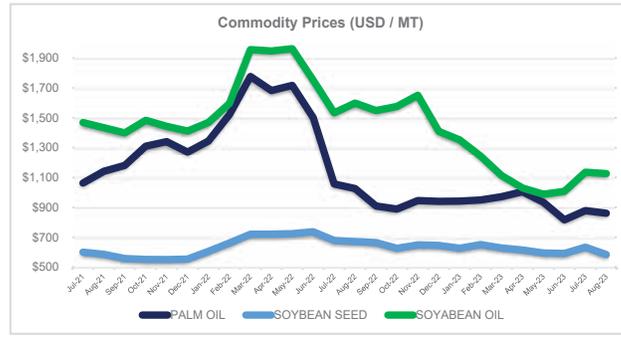
پاکستان مقامی کوکنگ آئل اور گھی کے ساتھ ساتھ ویلیو ایڈڈ کنفیکشری کی پیداوار کی مانگ کو پورا کرنے کے لیے پام آئل کی درآمدات پر بہت زیادہ انحصار کرتا ہے۔ صنعتی/تجارتی سیلز کے ذریعے ایک مستحکم بنیاد بناتے ہوئے، آپ کی کمپنی HoReCa سیگمنٹ میں ٹیپ کر کے اپنے تعلقات کو مضبوط کرنے میں کامیاب رہی ہے۔ مشترکہ اثرات کے نتیجے میں سیلز ویلیو میں 3.9% کا اضافہ ہوا ہے اور پچھلے سال کی اسی مدت کے دوران سیلز کے حجم میں 15.7% کی کمی واقع ہوئی ہے۔

کنزیومر پیک کی فروخت میں 18 فیصد کا حجمی اضافہ اور قیمت میں 43 فیصد اضافہ ہوا جس کے نتیجے میں مارجن میں مجموعی طور پر بہتری آئی۔ انتظامیہ اپنی پروکیورمنٹ اور صارفین کو ڈیلیوری میں چک رکھتی ہے، انوینٹری پوزیشنز کے فعال انتظام کو ملازمت دیتی ہے اور اعلیٰ معیار کے خوردنی تیل کی پیداوار کے لیے پورٹ قاسم پر کمپنی کی جدید ترین انٹیگریٹڈ ریفاؤنڈری کے استعمال کے ذریعے درآمد شدہ کارگو کو متبادل بناتی ہے۔

## جانوروں کے کھانے کے اجزاء:

پاکستان کے زرعی منظر نامے میں مویشیوں کی پیداوار ایک اہم ستون کے طور پر کھڑی ہے۔ ان زرعی سرگرمیوں میں، لائیو سٹاک کا شعبہ، بشمول پولٹری، ملک کی مجموعی گھریلو پیداوار (جی ڈی پی) میں ایک اہم شراکت دار کے طور پر ابھرتا ہے۔ خاص طور پر، وسیع تر زرعی فریم ورک کے اندر، لائیو سٹاک کی صنعت سب سے اہم حصہ رکھتی ہے، جو کہ زرعی قیمت کا 62.68% اور مجموعی قومی جی ڈی پی کا کافی 14.36% ہے۔

جانوروں کے کھانے کے طبقے نے درآمدی افراط زر کے ساتھ ساتھ سویا بین میل اور کینولا کھانے سمیت اہم فیڈ اجزاء کی کمی کی وجہ سے قیمتوں میں بے پناہ اضافہ دیکھا۔ 2022 کے اختتام کے دوران، GMO (Genetically Modified Organism) تیل کے بیجوں کی درآمد روک دی گئی۔ قیمتیں جون 2022 کی سطح سے دگنی ہو گئی ہیں اور فی الحال سویا بین کھانے کے لیے 290 روپے فی



گندم:

Figure 3 Source: World Bank, The Pink sheet, FOB Prices

تقریباً 125 کلوگرام فی سال، پاکستان میں گندم کی فی کس کھپت دنیا میں سب سے زیادہ ہے۔ سال 2022-23 کے دوران، گندم کی کاشت وسیع پیمانے پر 9.04 ملین ہیکٹر پر پھیلی ہوئی تھی، جو کہ پچھلے سال کے 8.97 ملین ہیکٹر کے پھیلاؤ کے مقابلے میں ایک اضافے کو ظاہر کرتی ہے۔ اس سے کاشت شدہ رقبہ میں 0.7% کا اضافہ ہوا۔ اس عرصے کے دوران گندم کی مجموعی پیداوار 27.634 ملین ٹن کی قابل ذکر تعداد تک پہنچ گئی۔

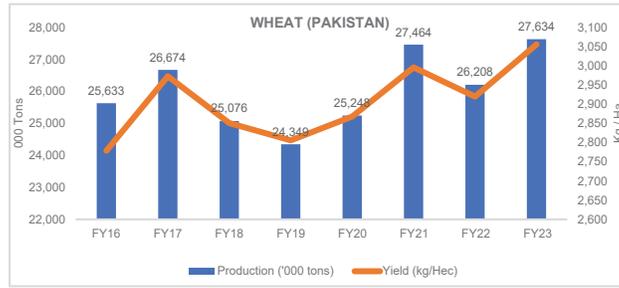


Figure 4 Source: Economic Survey 22-23

گندم کی پیداوار میں اضافے کو حکومت کی جانب سے کسان پکیج-22 کے اسٹریٹجک نفاذ سے منسوب کیا جاسکتا ہے، جس کا مقصد سیلاب 2022 کے دوران ہونے والے نقصانات کو کم کرنا ہے۔ یہ جان بوجھ کر کیا گیا اقدام گندم کی کاشت کے لیے بہتر معاشی منافع کو یقینی بناتا ہے، اس طرح اس عمل سے منسلک زیادہ لاگت کو پورا کرنے میں مدد ملتی ہے۔ 3QFY23 کے دوران گندم کی لاگت 124 روپے فی کلو گرام پری کٹائی کی عبوری بلندیوں تک پہنچ گئی لیکن اس کے بعد سے 110-114 روپے فی کلوگرام کی سطح پر واپس آگئی ہے، پھر بھی پچھلے سال کی اسی مدت کے مقابلے میں ~40% اضافہ ہوا۔

تاہم، گندم کی پیداوار پاکستان کی ~30.0 ملین MT کی طلب کے مقابلے میں کم رہی، اس طرح ضروری ایشیا کے لیے غذائی ضروریات کو پورا کرنے کے لیے گندم کی درآمد پر مجبور ہونا پڑا۔ پاکستان کو زرعی شعبے میں اعلیٰ معیار کے بیجوں کے استعمال اور کارپوریٹ فارمنگ طریقوں کے نفاذ کے ذریعے موجودہ پیداوار کو بہتر بنانے کے وسیع مواقع نظر آتے ہیں۔ عالمی طلب کو مد نظر رکھتے ہوئے، پاکستان - درست مداخلتوں کے ذریعے گندم کا علاقائی سپلائر بن سکتا ہے اور ساتھ ہی برآمدات میں بہتری کے لیے ویلیو ایڈڈ ایشیا تیار کر سکتا ہے اور اس عمل میں قیمتی زرمبادلہ کمانے میں مدد کر سکتا ہے۔

### کاروباری کارکردگی کا جائزہ

جدید انفراسٹرکچر میں ابتدائی سرمایہ کاری کر کے، یونیٹ فوڈز نے خود کو ملک میں صنعت سے متعلق سب سے جدید ترین ساز و سامان سے لیس کیا ہے۔ اس ٹیکنالوجی کے فروغ کے ساتھ اور زرین نظر مدت کے دوران عالمی کساد بازاری کے خدشات کے ساتھ ساتھ میکرو اکنامک سپلائی میں رکاوٹوں کے باوجود، آپ کی کمپنی مجموعی مارجن میں بہتری لائی ہے اور حصص یافتگان کی قدر کی ترقی کے اپنے طویل مدتی ہدف کے لیے پرعزم ہے۔



Figure 1 Source: SBP

ملک نے USD کے مقابلے میں روپے کی تاریخی گراؤٹ ریکارڈ کی، جو کہ 204.6 (مالی سال 22 کے قریب) سے بڑھ کر 286.1 (مالی سال 23 کے اختتام پر) ہو گیا، جس میں تقریباً 40 فیصد اضافہ ہوا۔ لاگت کے دباؤ، سپلائی کے جھٹکے، سبسڈی کی تبدیلی اور کمزور روپیہ افراط زر کے دباؤ میں اضافے کے لیے بنیادی معاون رہے ہیں، بین الاقوامی اجناس کی قیمتوں میں کمی اور اعلیٰ بنیاد کے اثرات کے ساتھ، آگے بڑھتے ہوئے، ہیڈ لائن افراط زر کو نیچے آنا چاہیے۔ تاہم، کچھ انتظامی اور دیگر اقدامات کی وجہ سے روپیہ مضبوط ہوا اور تاریخی نچلی سطح سے اوپر بڑھ گیا۔

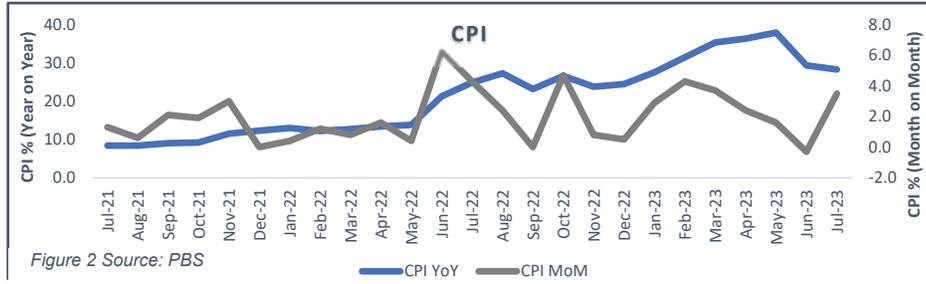


Figure 2 Source: PBS

— CPI YoY — CPI MoM

اجناس کے بازار

خوردنی تیل اور تیل کے بیج

2023 میں خام پام آئل کی قیمتیں گزشتہ سال کی ریکارڈ بلند یوں کو چھونے کے بعد کم ہوئیں، اور "وائٹ کارڈز" جیسے کہ ملائیشیا کے کھجور کے باغات میں مزدوروں کی کمی، چین کا دوبارہ کھلنا، اور کساد بازاری کے خدشات نے قیمتوں میں کمی کی پیشین گوئیوں کو برقرار رکھا ہے۔ خام پام آئل کی قیمتوں کا نقطہ نظر معمولی کمزوری کے رجحان کی نشاندہی کرتا ہے۔ یہ بنیادی طور پر 2023 کے دوسرے نصف میں متوقع تیل کے بیجوں کی وافر سپلائی سے منسوب ہے۔

آئل ورلڈ کے مطابق، 2023/24 کی مدت کے لیے عالمی سطح پر تیل کے بیجوں کے ذخیرے میں نمایاں 16 فیصد اضافہ متوقع ہے، جو ایک سال پہلے کے 116 ملین ٹن کے مقابلے میں 136 ملین ٹن تک پہنچ جائے گا۔ یہ اضافہ بنیادی طور پر سویا بین کی وجہ سے ہوا ہے۔

ملائیشین پام آئل کونسل کا خیال ہے کہ پام آئل کی پیداوار تین سال کی کمی کے بعد 2023 میں بحال ہونے والی ہے، صنعت کے تخمینے کے مطابق 2022 میں پیدا ہونے والے تقریباً 18 ملین میٹرک ٹن کے مقابلے میں 3% سے 5% تک اضافے کی پیش گوئی کی گئی ہے۔ انڈونیشین پام آئل ایسوسی ایشن، یاگیکی کے مطابق، ملائیشیا کے سب سے بڑے حریف، انڈونیشیا کی 2023 کی پیداوار سال میں 3 فیصد بڑھ کر 48.1 ملین میٹرک ٹن، اور برآمدات 2.5 ملین میٹرک ٹن بڑھ کر 33.5 ملین ٹن ہونے کی پیش گوئی کی گئی ہے۔

تاہم، یہ بات قابل غور ہے کہ ال نیور رجحان کی ترقی پام آئل کی قیمتوں پر اوپر کی طرف دباؤ ڈالنے کی توقع ہے، ممکنہ طور پر انہیں RM 3,250 (USD 702) کے نشان سے اوپر رکھتی ہے۔ کرڈ پام فیوچر کی قیمت کے وکر کے ساتھ سویا بین کا ایک سرپلس فی الحال ایک کانٹینگو پیٹرن کو ظاہر کرتا ہے۔ یہ تجویز کرتا ہے کہ مارکیٹ قیمتوں پر غیر جانبدار مندی کے نقطہ نظر کی توقع کرتی ہے۔

1.83	0.57	2.04	0.48	EPS/نی شیئر آمدنی
63,213	77,549	58,621	71,531	مجموعی اثاثے
20,711	21,308	21,157	21,724	کل ایکویٹی

اجتماعی		انفرادی		تناسب کا تجزیہ
FY22	FY23	FY22	FY23	
9.39%	13.69%	9.55%	13.46%	گراس مارجن
4.50%	3.85%	5.05%	3.96%	EBIT مارجن
2.49%	0.67%	2.96%	0.63%	نیٹ مارجن
1.63	1.43	1.62	1.39	اثاثوں کا ٹرن اوور
1.22	1.06	1.32	1.05	موجودہ تناسب

### میکرو اکنامک چیلنجز

عوامی مالیات اور بیرونی کھاتے میں مسلسل خسارے کی وجہ سے پاکستان کا میکرو اکنامک استحکام کمزور رہا۔ یہ عدم توازن میکرو اکنامک عدم استحکام کا باعث بنا ہے اور سرمایہ کاری میں رکاوٹ ہے، خاص طور پر نجی شعبے میں، جو درآمدات پر پابندیوں اور امریکی ڈالر کے اخراج سے بری طرح متاثر ہوا ہے۔ پالیسی کی شرح، جو کہ 30 جون 2022 کو 13.75% تھی، اس کے بعد سے 22% کی موجودہ سطح پر پہنچ گئی ہے، جس سے تمام شعبوں میں کاروبار کرنے کی لاگت میں نمایاں اضافہ ہوا ہے۔

مزید برآں، پاکستان نے جولائی اور اگست 2022 میں کافی مومن سون کا سامنا کیا، جس کے نتیجے میں دو اہم ذیلی شعبوں: فصلوں اور مویشیوں کو نقصان پہنچا۔ اس کی وجہ سے ملکی پیداوار متوقع سطح سے نیچے آگئی جس کی وجہ سے اشیائے ضروریہ کی قیمتیں تاریخی بلند یوں تک پہنچ گئیں۔ ان گھریلو چیلنجوں کے علاوہ پاکستان بین الاقوامی رکاوٹوں سے بھی نبرد آزما ہے۔ اگرچہ مالیاتی سختی، مالی استحکام، اور غیر رسمی شرح مبادلہ کی حد کو ہٹانے جیسے حالیہ اقدامات نے کسی حد تک عدم توازن کو دور کرنے میں مدد کی ہے، لیکن وہ معیشت کو اس کی مشکلات سے نکالنے کے لیے کافی نہیں ہیں۔ آئی ایم ایف کی طرف سے خاطر خواہ حمایت کے باوجود، روپے کی قدر میں مسلسل کمی واقع ہوئی، جس سے مستقبل قریب میں مقامی کرنسی کے استحکام کے بارے میں جائز خدشات پیدا ہوئے۔ ہم نے ماضی قریب میں اس رجحان کے الٹ جانے کا مشاہدہ کیا ہے، تاہم روپے کو مستحکم کرنے کے لیے معاشی بنیادوں کو ابھی بھی بہتر کرنے کی ضرورت ہے۔

# ڈائریکٹرز کی رپورٹ

ہمیں یونٹی فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2023 کو ختم ہونے والے سال کے لیے درج ذیل رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

## مالیاتی کارکردگی

زیر نظر سال کے لیے 100.8 بلین روپے کا مجموعی کاروبار گزشتہ سال کی اسی مدت کے مقابلے میں 15.0 فیصد زیادہ تھا۔ یہ اضافہ بنیادی طور پر ہمارے تمام کاروباری طبقوں میں اعلیٰ سیلز ویلیو اور آپریشنل عہدگی کی وجہ سے ہوا، جس کے نتیجے میں مجموعی منافع میں 67.6 فیصد اضافہ ہوا جو کہ 13.8 بلین روپے رہا۔ جبکہ مجموعی مارجن پچھلے سال کی اسی مدت میں 9.4% سے 13.7% تک بہتر ہوا، غیر ملکی کرنسی کے نقصانات اور مالیاتی لاگت میں نمایاں اضافے نے ہمارے قبل از ٹیکس اور بعد از ٹیکس کے اعداد و شمار کو شدید نقصان پہنچایا۔

سال کے لیے زرمبادلہ کا نقصان 7,488 ملین روپے رہا، جس کی وجہ زیر جائزہ مدت کے لیے امریکی ڈالر کے مقابلے پاکستانی روپے کی تقریباً 40 فیصد کمی ہے۔ غیر ملکی کرنسی کے اس غیر معمولی نقصان کے باوجود، آپ کی کمپنی سال کے لیے خالص منافع 675.1 ملین روپے اور EPS 0.57 روپے ریکارڈ کرنے میں کامیاب ہوئی۔

روپے کی قدر میں کمی کے ساتھ ساتھ شرح سود میں غیر معمولی اضافے سے پیدا ہونے والے ورکنگ کیپیٹل کی ضروریات میں اضافے کی وجہ سے مالیاتی لاگت 3,564 ملین روپے پر گزشتہ سال کے مقابلے میں 97.9% زیادہ تھی۔

## کلیدی آپرینٹنگ اور مالیاتی جھلکیاں

اجتماعی		انفرادی		پاک روپے بلین میں، سوائے کے EPS
FY22	FY23	FY22	FY23	
87,713	100,870	82,185	90,158	خالص فروخت
8,238	13,831	7,846	12,139	مجموعی منافع
3,950	3,879	4,152	3,570	سود اور ٹیکس سے پہلے منافع
2,181	675	2,436	567	ٹیکس کے بعد منافع



## **SDG 4: Ensuring Quality Education**

UFL has taken proactive steps to champion SDG 4, which strives to achieve inclusive and equitable quality education for all. In pursuit of this goal, UFL has forged a meaningful partnership with The School of Karachi in Ghaggar Phattak, an underprivileged community in Karachi.

As part of our commitment, Unity Foods has made significant financial contributions to the school, allocating Rs 1.2 million for essential capital expenditures, Rs 1.44 million to support ongoing operational expenses, and Rs 0.4 million per month to assist deserving students with their educational costs.



Beyond financial support, UFL is actively engaged in providing technical assistance to the school. This includes aiding the school in developing a sustainable business model and organizing vocational training programs for the residents of Ghaggar Phattak. These initiatives are designed to create enhanced livelihood opportunities, enabling parents to meet school fees promptly. Additionally, UFL is introducing computer training programs within the school, equipping the children with essential skills needed for the 21st-century workforce.

In our commitment to ensuring Quality Education, Unity Foods is also dedicated to making a meaningful impact within its supply chain. At the heart of our efforts lies a direct connection with over 1,000 farmers with whom we collaborate. Through this direct engagement, we have eliminated the involvement of intermediaries, thereby empowering these farmers. We provide training on sustainable agricultural practices that not only increase crop yields but also reduce expenses. This endeavor contributes significantly to strengthening Pakistan's food security and underscores our commitment to the principles of SDG 4.

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 33rd Annual General Meeting (AGM) of Unity Foods Limited (the "Company") will be held on Friday, October 27, 2023 at 11:30 a.m. at Regent Plaza Hotel and Convention Centre, Main Shahrah-e-Faisal, Karachi, to transact the following businesses:

## Ordinary Business:

1. To receive, consider and adopt the audited annual financial statements of the Company for the year ended June 30, 2023 together with Directors' and Auditors' reports thereon and Chairman's Review Report.
2. To appoint the auditors of the Company and fix their remuneration. The members are hereby given notice that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants, Chartered Accountants for re-appointment as auditors of the Company.

## Special Business:

3. To consider and if deemed fit, to approve the shifting the Registered Office of the Company from Karachi (the province of Sindh) to Lahore (the province of Punjab) and consequent alteration in Clause II of the Memorandum of Association of the Company by passing with or without modification, the resolution as special resolution as proposed in the statement of material facts.
4. To consider and if deemed fit, approve the circulation of annual audited financial statements to the members of the Company through QR enable code and weblink and by passing a resolution as ordinary resolution proposed in the statement of material facts.

Attached to this Notice circulated to the members, is a statement of material facts under section 134(3) of the Companies Act, 2017 pertaining to the Special Business to be transacted at the Annual General Meeting.

## By Order of the Board

Umar Shahzad  
Company Secretary

Dated: October 05, 2023  
Place: Karachi

## Notes:

- i) The Share Transfer Books of the Company shall remain closed from October 21, 2023 to October 27, 2023 (both days inclusive) for determining the entitlement of shareholders for attending the Annual General Meeting.
- ii) Physical Transfers received by the Company at the close of business on October 20, 2023 will be treated as being in time for the purpose of attending and voting at the meeting.
- iii) Members entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend, speak and vote on him /her behalf.
- iv) Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.
- v) Members who have deposited their shares into the Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan (SECP).

**A. For attending the Meeting**

- a) In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or, original Passport at the time of attending the meeting.
- b) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**B. For appointing Proxies**

- a) In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form accordingly.
- b) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his original CNIC or original passport.
- e) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
- vi) Members are requested to immediately notify any change in their addresses to the Company's registrar and share transfer agent.

**Special Notes to the Shareholders  
Online Participation in the Annual General Meeting**

- vii. The members can also participate in the Annual General Meeting through video link facility.

To attend the AGM through video link, members and their proxies are requested to register their following particulars by sending an e-mail at [umar.shahzad@unityfoods.pk](mailto:umar.shahzad@unityfoods.pk)

Folio / CDC Account No.	No. of shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 24, 2023.

**vii) E-Voting / Postal ballot**

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Unity Foods Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Friday, October 27, 2023 at 11:30 a.m. at Regent Plaza Hotel and Convention Centre, Main Shahrah-e-Faisal, Karachi, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at [www.unityfoods.pk](http://www.unityfoods.pk) for download.

### **Procedure for E-Voting**

- a. In accordance with the Companies (Postal Ballot) Regulation, 2018, (the "Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations.
- b. Detail of e-voting facility will be shared through e-mail with those members of the Company who have valid cell numbers / e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the end of business on October 20, 2023. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses on or before October 20, 2023.
- c. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d. Members shall cast vote for agenda item No. 3 and 4 online from October 24, 2023 at 9:00 a.m. till October 26, 2023 5:00 p.m. Voting shall close on October 26, 2023, at 5:00 p.m. A vote once cast by a member, shall not be allowed to be changed.

### **Procedure for Voting Through Postal Ballot**

- a. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website [www.unityfoods.pk](http://www.unityfoods.pk) to download.
- b. The members must ensure that the duly filled and signed ballot paper, along with a copy of valid Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Attention: Chairman, Unity Foods Limited, Unity Tower, Plot 8-C, Block 6, P.E.C.H.S, Karachi, or email at [chairman@unityfoods.pk](mailto:chairman@unityfoods.pk) one day before the AGM, i.e., on October 26, 2023 before 5:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

### **viii) Payment of Cash Dividend through Electronic Mode**

In terms of section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address mentioned below, electronic dividend mandate on E- Dividend Form which is available on website of the Company i.e. [www.unityfoods.pk](http://www.unityfoods.pk). In case of shares held in CDC, the same information should be provided to the CDS Participants for updating and forwarding to the Company in order to make process of payment of cash dividend, electronically.

### **ix) Unclaimed dividend**

Pursuant to Section 244 of the Companies Act, 2017 any shares issued, or dividend declared by the Company which remains unclaimed or unpaid for a period of three years from the date it became due and payable shall vest with the Federal Government after compliance with the procedures prescribed under the Companies Act, 2017.

Therefore, all shareholders of the Company, who for any reason could not claim their dividend(s), if any, are requested to contact Company's Share Registrar, Digital Custodian Company Limited, 4th Floor, Perdesi House, Old Queens Road, Karachi for any unclaimed dividend(s) outstanding in their name. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedures, all such dividend(s) appearing as outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government.

In pursuance of Section 244 of Companies ACT 2017, the Company has sent Notices to relevant shareholders at their registered address in this regard and also published a Final Notice in newspapers (Daily The Nation and Daily Nawa-e-Waqt) of September 08, 2022.

### **x) Circulation of Annual Audited Financial Statements and Notice of AGM to Members through Email**

SECP through its Notification No. 787 (1) / 2014, dated September 08, 2014, has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting ("AGM") to their members through email.

The shareholders of the Company who desire to received Annual Audited Financial Statements and Notice of AGM through email are requested to fill the requisite form placed on the Company's website and send it to the Company Secretary at the Registered Office of the Company. In case any member, subsequently, requests for hard copy of Annual Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.

### **xi) Placement of Financial Statements**

The Company has placed the Audited Financial Statements for the year ended June 30, 2023 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: [www.unityfoods.pk](http://www.unityfoods.pk).

**xii) Withholding of payment of Dividend - Submission of copies of CNIC (Mandatory)**

In accordance with the directives of SECP, the dividends of shareholders who's valid CNIC copies have not been received by the Company shall be withheld and shall not be electronically credited until receipt thereof. Therefore, the individual shareholders who have not submitted their CNIC copies are requested to send the same at the earliest to the share registrar of the Company. Corporate entities are requested to provide their NTN. While providing their CNIC / NTN, shareholders must quote their respective folio number(s).

**xiii) Conversion of Physical Shares into Book Entry Form**

As per provisions of Section 72(2) of the Companies Act 2017 and as per the instructions issued by SECP vide its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, every existing company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act i.e. May 31, 2017.

Therefore, shareholders having physical shares holding may open CDC sub-account with any of the broker or investor account directly with CDC to place their physical share(s) into scripless form, this will facilitate them in many forms including safe custody, and trade in shares anytime they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

**xiv) Withholding Tax on dividends**

Withholding Tax on cash dividend of those shareholders, whose name will not appear (at the time of issuance/process of dividend) in the Active Tax Payers List, will be subject to higher rate of tax deduction as required under prevailing Income Tax Laws. Corporate shareholders are also required to update their NTN number in CDC records or provide copy of their NTN certificate to the Company's Share Registrar (if shares are held in physical form).

**xv) Tax in case of Joint Shareholders**

In accordance with the instructions of Federal Board of Revenue, the tax on dividend income of joint holders of share will be deducted in accordance with their shareholding proportion or in equal proportion, if such proportion is not provided. Therefore, shareholders are requested to provided, if not provided earlier, shareholding proportion of each joint shareholder(s) to the Company's Share Registrar latest by October 20, 2023 in the following manner:

Folio / CDC A/c No.	Name of Shareholders (Joint Holders)	No. of shares (proportion)	CNIC No. (valid copy attached)	Signature
	1)			
	2)			
	.....			
	Total Shares			

**Statement of material fact under Section 134(3) of the Companies Act, 2017**

The statement setting out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on October 23, 2023.

**Agenda No. 3 Shifting the Registered Office of the Company from Karachi (the province of Sindh) to Lahore (the province of Punjab) and Alteration of Memorandum of Association**

At present, the registered office of the Company is in the Province of Sindh at Unity Tower, 8-C, P.E.C.H.S. Block-6, Karachi. It is proposed that the Registered Office of the Company be shifted to Ground Floor, TAMC Building, 27-C-3, M. M. Alam Road, Gulberg-III, Lahore.

The Company is expanding its business activities in the province of Punjab, therefore, it will be operationally more convenient to shift registered office at Lahore.

**Geographical dispersion of the members of the company (of total as well as of those who attended last three annual general meetings)**

Sr. No.	Name of Province	Number of Folios	Number of shares held	% of shares held
1	Sindh	5,388	572,431,868	47.94%
2	Punjab	3,524	340,868,201	28.55%
3	Balochistan	54	198,303	0.02%
4	Khyber Pakhtunkhwa	348	1,480,590	0.12%
5	Islamabad	536	7,236,690	0.61%
6	Gilgit Baltistan	9	3,510	0.00%
7	Azad Jammu & Kashmir	29	122,869	0.01%
8	Foreign	662	271,707,969	22.76%
<b>Total</b>		<b>10,550</b>	<b>1,194,050,000</b>	<b>100%</b>

Shareholders who physically attended last three AGMs belonged to the province of Sindh, except Wilmar Pakistan Holdings Pte. Ltd. which is based in Singapore and held 20.62% shares in 2022 and 16.41% shares in 2021.

As the Company is expanding its business activities in the province of Punjab and its Chief Executive has recently shifted to Lahore for business operations and two directors are based in Islamabad, therefore, it will be more economical to shift registered office at Lahore.

An inspection Order dated December 27, 2019 and a notice for investigation dated October 17, 2022 are pending which were assailed by the Company before the High Courts.

None of the Directors of the Company have any direct or indirect interest in the special business except to the extent of their shareholding in the Company.

**Existing Clause II of the Memorandum of Association:**

The Registered Office of the company shall be situated in the province of Sindh.

**Proposed Clause II of the Memorandum of Association:**

The Registered Office of the company shall be situated in the province of Punjab.

**Reasons and justification of proposed change in Memorandum of Association:**

The change in Clause II is consequent to the approval to shift registered office from Karachi in the Province of Sindh to Lahore in the province of Punjab.

**Statement of the Board of Directors**

"We, the Board of Directors of the Company hereby confirm that the proposed amendments/alterations in the Memorandum of Association of the Company are in line with the applicable provisions of the laws and regulatory framework".

**Availability of Relevant Documents and Inspection**

A copy of the Memorandum of Association of the Company as on date and also indicating the proposed amendment(s) is available for inspection at the registered office of the Company from 9:00 a.m. to 5:00 p.m. on any working day, up-to the last working day before the date appointed for the meeting.

The following resolution is proposed to be passed as special resolution:

**"RESOLVED THAT** subject to fulfillment of requirements as per the Companies Act, 2017, the shifting of Registered Office of the Company from Unity Tower, 8-C, P.E.C.H.S. Block-6, Karachi in the Province of Sindh to Ground Floor, TAMC Building, 27-C-3, M. M. Alam Road, Gulberg-III, Lahore in the Province of Punjab be and is hereby approved.

**RESOLVED FURTHER THAT** Clause II of the Memorandum of Association of the Company be and is hereby altered to read as under:

II. The Registered Office of the company shall be situated in the Province of Punjab.

**RESOLVED FURTHER THAT** the Chief Executive Officer and the Company Secretary, be and are hereby jointly or severally authorized to undertake all such actions, execute all such documents and do all such things for and on behalf of the Company, including seeking the approval of the Securities and Exchange Commission of Pakistan for alteration in the Memorandum of the Company, filing of all requisite returns with the Registrar of Companies and complying with all requirements of the Companies Act, 2017, so as to effectuate the change of the Registered Office of the Company from Karachi in the Province of Sindh to Lahore in the Province of Punjab."

**Agenda No. 4 To approve the circulation of the annual audited financial statements to the members through QR enabled code and weblink.**

SECP has issued an S.R.O. 389 (I)/2023 dated March 22, 2023 whereby the SECP has allowed the listed companies to circulate the Annual Audited Financial Statements including Annual Balance Sheet and Profit and Loss Account, Auditor's Report and Directors Report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink subject to the fulfilment of the following requirements:

- the approval of the shareholders has been obtained in the general meeting to circulate the annual audited financial statements to its members through QR enabled code and weblink;
- the notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act; and
- It shall be the responsibility of the Company to ensure that the QR code and web link is accurate and members are able to download the required information at all times.

The Company shall circulate Annual Audited Financial Statements through email addresses in cases where email addresses have been provided by the members to the Company and the consent of members to receive the copies through email is not required, and upon demand, the Company will supply hard copies of the Annual Audited Financial Statements to the shareholders free of cost upon receipt of a duly completed Request Form available at the Company's website [www.unityfoods.pk](http://www.unityfoods.pk).

As the SECP has allowed that considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB may be discontinued, therefore, the Company will discontinue to circulate the Annual Report through CDs in future.

None of the Directors of the Company have any direct or indirect interest in the special business except to the extent of their shareholding in the Company.

The following resolution is proposed to be passed as ordinary resolution, with or without any modification.

**"RESOLVED THAT** approval of the shareholders of Unity Foods Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized to circulate the Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enabled code and weblink instead of circulation through CD/DVD/USB and the circulation of annual audited financial statements through CD/DVD/USB be and is hereby discontinued.

**RESOLVED FURTHER THAT** the Chief Executive Officer and the Company Secretary be and are hereby jointly or severally empowered and authorized to do all acts, deeds and things, take or cause to be taken all necessary action for the proposes of implementing this resolution."

**Ballot paper for voting through post  
for poll at the Annual General Meeting to be held on Friday, October 27, 2023  
at 11:30 a.m. at Regent Plaza Hotel and Convention Centre, Main Shahrah-e-Faisal, Karachi**



UNITY FOODS LIMITED  
food for life!

Registered Office Address: Unity Tower, 8 C, Block-6, P.E.C.H.S, Karachi 75400, Pakistan  
Tel: +92-21-34373605-7 website: www.unityfoods.pk

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

**Business Address:** Unity Tower, 8 C, Block-6, P.E.C.H.S, Karachi 75400, Pakistan  
**Designated email address:** chairman@unityfoods.pk

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (For)	I/We dissent to the Resolutions (Against)
01	<p><u>Agenda No. 03 - Special Resolution</u></p> <p><b>"RESOLVED THAT</b> subject to fulfillment of requirements as per the Companies Act, 2017, the shifting of Registered Office of the Company from Unity Tower, 8-C, P.E.C.H.S. Block-6, Karachi in the Province of Sindh to Ground Floor, TAMC Building, 27-C-3, M. M. Alam Road, Gulberg-III, Lahore in the Province of Punjab be and is hereby approved.</p> <p><b>RESOLVED FURTHER THAT</b> Clause II of the Memorandum of Association of the Company be and is hereby altered to read as under: II. The Registered Office of the company shall be situated in the province of Punjab.</p> <p><b>RESOLVED FURTHER THAT</b> the Chief Executive Officer and the Company Secretary, be and are hereby jointly or severally authorized to undertake all such actions, execute all such documents and do all such things for and on behalf of the Company, including seeking the approval of the Securities and Exchange Commission of Pakistan for alteration in the Memorandum of the Company, filing of all requisite returns with the Registrar of Companies and complying with all requirements of the Companies Act, 2017, so as to effectuate the change of the Registered Office of the Company from Karachi in the Province of Sindh to Lahore in the Province of Punjab."</p>			

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (For)	I/We dissent to the Resolutions (Against)
02	<p><u>Agenda No. 4- Ordinary Resolution</u> Agenda No. 4- Ordinary Resolution</p> <p><b>“RESOLVED THAT</b> approval of the shareholders of Unity Foods Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized to circulate the Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enabled code and weblink instead of circulation through CD/DVD/USB and the circulation of annual audited financial statements through CD/DVD/USB be and is hereby discontinued.</p> <p><b>RESOLVED FURTHER THAT</b> the Chief Executive Officer and the Company Secretary be and is hereby jointly or severally empowered and authorized to do all acts, deeds and things, take or cause to be taken all necessary action for the proposes of implementing this resolution.”</p>			

Signature of shareholder(s)

Place:

Date:

**Notes:**

1. Dully filled postal ballot should be sent to Chairman at above-mentioned postal or email address.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach Chairman of the meeting on or before October 26, 2023, during working hours. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF UNITY FOODS LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Unity Foods Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlighted below instances of non-compliance with the requirements of the regulations as reflected in the paragraph reference where it is stated in the statement of compliance:

Regulation Reference	Description
19(1)(iii)	One director namely Miss Lie Hong Hwa has not yet completed director's training program.
27(2)(i)	The meeting of audit committee was not held in the first quarter during the year.

Place: Islamabad  
Date: October 04, 2023  
UDIN: CR202310596LpfqW8oXR



Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants

## **STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

Name of Company: **UNITY FOODS LIMITED**  
Year ended: **JUNE 30, 2023**

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

1. The total number of directors are Seven as per the following:
  - a. Male: Six
  - b. Female : One
2. The Composition of the Board is as follows:

<b>CATEGORY</b>	<b>NAMES</b>
a) Independent Directors	Mr. Muneer S. Godil Dr. Safdar Ali Butt
b) Non-Executive Directors	Let. Gen. Omar Mahmood Hayat (Retd) Mr. Abdul Majeed Ghaziani
c) Executive Directors	Mr. Muhammad Farrukh Mr. Amir Shehzad
d) Female Director	Ms. Lie Hong Hwa (Non-Executive)

Note: The Board of the Company comprises of seven directors and one-third works out to be 2.33. The fractional requirement has not been rounded up, as two (2) Independent Directors elected by the shareholders in terms of Section 166 of the Companies Act, 2017 who have the requisite competence, skills, knowledge and experience, are considered adequate to discharge and execute their duties competently as per laws and regulations.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Directors of the Company have completed Directors' Training program except one Director namely Ms. Lie Hong Hwa.

10. The Board has approved appointment of CFO, Company Secretary and Acting Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below.

Name of Committee	Name of Members and Chairperson
Audit Committee	a) Mr. Muneer S. Godil - (Independent Director) - Chairman b) Dr. Safdar Ali Butt - Member c) Mr. Abdul Majeed Ghaziani - Member
Human Resources and Remuneration Committee	a) Dr. Safdar Ali Butt - (Independent Director) - Chairman b) Mr. Muhammad Farrukh - Member c) Mr. Abdul Majeed Ghaziani - Member d) Mr. Muneer S. Godil - Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/ half yearly/ yearly) of the committee were as following:
  - a. Audit committee Six Meetings during the year
  - b. HR and Remuneration Committee Two Meetings during the year
15. The Board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (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 Institute of Chartered Accountants of Pakistan (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 requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation of non-compliance with requirements of following regulations are below:



Regulation	Compliance Requirement	Explanation
19(1)(iii)	It is encouraged that by June 30, 2023, all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Due to busy schedule of the Director (Ms. Lie Hong Hwa) based in Singapore, a training could be not arranged for her, during the year.
27(2)(i)	It is mandatory that meetings of the audit committee shall be held as per the following requirements,- (i) the audit committee of a company shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the company by its Board and after completion of external audit.	Due to unexpected delay in completion of annual audit of the Company as of 30.06.2022, no meeting of Board Audit Committee could be held during the quarter of July to September 2022.
29(1)	<b>Non-Mandatory Requirement</b> Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted the Nomination Committee. The function of the Nomination Committee is performed by the board.
30(1)	<b>Non-Mandatory Requirement</b> Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted the Risk Management Committee and the function is being performed by the Board.

**Abdul Majeed Ghaziani**  
Director  
Karachi  
October 03, 2023

**Muhammad Farrukh**  
Chief Executive Officer



## **SDG 8: Promoting Decent Work and Economic Growth**

At UFL, our unwavering commitment lies in nurturing national growth and prosperity. We firmly believe that economic growth is the cornerstone of creating opportunities for meaningful employment and advancement for all individuals. This is why we are dedicated to not only enhancing our operations but also investing in technology across various sectors to promote diversification and skills development.

Our comprehensive strategy exemplifies these principles as we embark on large-scale initiatives at the domestic level, resulting in the generation of both direct and cascading employment opportunities.



UFL places a high priority on ensuring food safety. In January 2022, the company conducted a Food Safety System Certification (FSSC) training program, which saw participation from 15 individuals representing various production facilities. The training, facilitated by an external expert from SGS Pakistan, extended over 8 hours. Additionally, UFL is in the process of implementing an extensive learning and development program for its workforce, encompassing a total of 4,200 hours of training. This program includes specialized sessions tailored for middle management, with each employee receiving 12 hours of training annually. Furthermore, a program specifically designed for senior management is currently under development.

These training initiatives underscore UFL's dedication to equipping its employees with the requisite skills and knowledge to perform their roles effectively and safely. The company's commitment extends beyond its workforce to ensure the safety of its products for consumers. By investing in these training programs, UFL actively contributes to establishing a more secure and sustainable food system.

This strategic trajectory extends its positive impact throughout the socio-economic landscape, amplifying the effects of job creation and cultivating an environment conducive to innovation and entrepreneurship. As we champion the principles of decent work and economic growth, we solidify our role as a catalyst for positive change, propelling a cycle of development that radiates from the grassroots to the national level.

# Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A member firm of



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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITY FOODS LIMITED

Report on the Audit of the unconsolidated financial statements

### Opinion

We have audited the annexed unconsolidated financial statements of Unity Foods Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including 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 unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity, and its cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matter(s)

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

S. No	Key audit matter(s)	How the matter was addressed in our audit
01	<p><b>Property, Plant and Equipment</b></p> <p>As disclosed in note 5.1 and 5.5.1 to the unconsolidated financial statements, the Company has incurred substantial amount of capital expenditure in operating fixed assets (including transfers from CWIP) and under capital work-in-progress amounting to Rs. 234.53 million and Rs. 2,538.51 million respectively during the year for enhancement of production and operating capacity and to improve efficiency.</p> <p>We focused on capital expenditure incurred during the year as this represents significant transactions for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures to assess the additions in Capital Work-In-Progress (CWIP) and capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system and following policies consistently;</li> <li>• testing, on sample basis, the costs incurred on various items with supporting documentation and contracts;</li> <li>• assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards;</li> <li>• inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation;</li> <li>• physical verification of the additions in fixed assets on sample basis and reviewed the relevant contracts and documents supporting various components of the capitalised cost of fixed assets; and</li> <li>• inspecting the title documents for the property added during the year to ensure that all properties are in the name of the Company.</li> </ul>

<p><b>02</b></p>	<p><b>Stock in trade</b></p> <p>As disclosed in note 12 to the accompanying unconsolidated financial statements, the stock in trade constitutes 14.2% of total assets of the Company. The cost of raw material, work in process and finished goods is determined at weighted average cost including a proportion of production overheads.</p> <p>We focused on stock in trade as it is a significant portion of Company's total assets and it requires management judgement in determining an appropriate costing basis and assessing its total cost.</p>	<p>We performed a range of audit procedures with respect to inventory items including:</p> <ul style="list-style-type: none"> <li>• attended physical inventory count performed by the Company on 26 June 2023 to gain comfort over the existence and condition of inventories;</li> <li>• worked forward for next four days to ascertain the quantity of stock and reconciled the balances as on 30 June 2023;</li> <li>• carried out a quantitative reconciliation of the stock produced and sold during the year and balance of stock at the year-end;</li> <li>• for a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>• testing the calculations of per unit cost of finished goods, and work in process and assessing the appropriateness of management's basis for the allocation of cost and production overheads;</li> <li>• testing valuation methods and their appropriateness in accordance with the applicable accounting standards; and</li> <li>• assessing the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.</li> </ul>
<p><b>03</b></p>	<p><b>Trade Debts</b></p> <p>As disclosed in note 13 to the unconsolidated financial statements, the Company's gross trade debtors were Rs. 23,688.10 million.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the provision of Expected Credit Loss (ECL) and recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control process (including credit account application approvals and credit limit review), debt collections process and making allowance for ECLs;</li> </ul>

		<ul style="list-style-type: none"> <li>• obtaining an understanding of the financial model used by the Company’s management for the determination of ECL on trade receivables;</li> <li>• testing the accuracy of trade receivable aging report, on a sample basis, by comparing individual balances in the report with underlying documentation to ensure the balances appearing in the ageing report were classified within appropriate ageing bracket;</li> <li>• reviewing assessment of expected credit loss made by independent firm of accounting advisory compliance;</li> <li>• assessing the completeness and accuracy of the data used in the model to the underlying accounting records on sample basis;</li> <li>• checking the mathematical accuracy of the model by performing recalculations;</li> <li>• circularizing direct confirmation to selected debtors on sample basis; and</li> <li>• assessing the historical accuracy of Credit loss if any under IFRS 9 by examining the utilization or release of previously recorded provisions for doubtful debts.</li> </ul>
<p><b>04</b></p>	<p><b>Short term investment</b></p> <p>As disclosed in note 16 to the accompanying unconsolidated financial statements, the Company has made investments in Mutual fund units and Term Deposit Receipts amounting to Rs. 9,568.94 million which constitutes 13.3% of total assets of the Company.</p> <p>We focused on the investment made during the year as this represents a significant event occurred during the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• understanding the design and implementation of management controls and testing control over investment made and accuracy of its recording in the system and impaling policies consistently;</li> <li>• verifying the consideration paid and inspecting supporting documents and contracts and approval at appropriate level;</li> <li>• reviewing control exercised by the investment committee over the investments; and</li> <li>• assessing the adequacy of the disclosures made in respect of the details of investments held by the Company at the year-end.</li> </ul>

<p><b>05</b></p>	<p><b>Sales</b></p> <p>Refer note 27 to the unconsolidated financial statements which shows that revenue of the company has substantially increased.</p> <p>Revenue is recognised when control of the underlying products is transferred to the customers. The Company recognized revenue of Rs. 90,158.19 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2023 as compared to Rs. 82,184.55 million in previous year.</p> <p>We identified recognition of sales as a key audit matter because sales are one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the risk and rewards.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li> <li>• assessing the appropriateness of the Company’s accounting policies for recording of sales and compliance of those policies with applicable accounting standards;</li> <li>• assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 ‘Revenue from Contracts with Customers’;</li> <li>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;</li> <li>• comparing a sample of sale transactions recorded around the year with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period;</li> <li>• comparing, on a sample basis, specific sale transactions recorded just before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period;</li> <li>• scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation;</li> <li>• worked out party wise sales and noticed parties having large portion of sale and undertaken audit procedures to confirm that the sales to those parties and related parties have been made under normal commercial basis;</li> <li>• performing audit procedures to analyze variation in the price and quantity sold during the year; and</li> <li>• assessing the adequacy of disclosures made in the unconsolidated financial statements related to sales.</li> </ul>
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<p><b>06</b></p>	<p><b>Borrowings and finance costs</b></p> <p>Refer notes 25 and 34 to the unconsolidated financial statements.</p> <p>The Company has obtained a range of financing facilities from different financial institutions amounting to Rs. 24,603.32 million, being 49.4% of total liabilities, as at 30 June 2023 with varying terms and tenure and incurred substantial cost.</p> <p>This was considered to be a key audit matter as these affects Company's gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design and operating effectiveness of the Company's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs;</li> <li>• Reviewed loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management in order to verify finance costs, fair value determination and ensured that the borrowings have been approved at appropriate level;</li> <li>• testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan;</li> <li>• assessing the adequacy of the Company's compliance with the loan covenants and the disclosure in the unconsolidated financial statements; and</li> <li>• Obtaining direct confirmations of borrowings as at 30 June 2023 directly from the financial institutions.</li> </ul>
<p><b>07</b></p>	<p><b>Deferred tax asset</b></p> <p>Deferred tax asset</p> <p>As disclosed in note 10 to the unconsolidated financial statement the company has booked net deferred tax asset of Rs. 1,139.34 million which has mainly arisen due to heavy unrealized exchange losses. Under the International Accounting Standard-12 (IAS-12), the company is required to review the recoverability of deferred tax asset recognized in the statement of financial position at each reporting period.</p> <p>Recognition of deferred tax is dependent on estimate of sufficient future taxable profit against which such tax asset can be utilized.</p> <p>The future taxable profit is based on approved management projections. The estimation involved the degree of uncertainty as required judgement in relation to the future cash flow.</p> <p>Valuation of deferred tax is considered as a Key Audit Matter because the amount involved is material, the complexities of the calculation of the future taxable profit and inherit uncertainty involve in the forecasting of taxable profit available in future periods.</p>	<p>Our audit procedure included the following;</p> <ul style="list-style-type: none"> <li>• Understanding the design, implementation of management control and testing control over the recognition of deferred tax asset and accuracy of its recording in the system and the process of calculation of such asset;</li> <li>• Considered the expected timing of utilization of deferred tax asset keeping in view the relevant portion of Income Tax Ordinance, 2001 that apply to the adjustment / utilization of unrealized exchange losses;</li> <li>• Determined the extent to which the sufficient probable taxable profit would arise in the period within which the related losses would be available for adjustment / utilization;</li> <li>• Considered whether the tax balances calculated using appropriate and substantively enacted tax laws and rate;</li> <li>• Obtained understanding of the Company process of preparing its financial projections;</li> <li>• Evaluated the financial projection and assessed the likelihood of company generating sufficient future taxable profit; and</li> <li>• Assessed the adequacy of disclosures made in the unconsolidated financial statements related to deferred tax asset.</li> </ul>

### **Information Other than the unconsolidated financial statements and Auditor's Report Thereon**

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

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

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

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

### **Responsibilities of Management and Board of Directors for the unconsolidated financial statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the unconsolidated financial statements**

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of 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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shah Naveed Saeed.



Chartered Accountants

Islamabad

Date: October 04, 2023

UDIN: AR202310596CnPHNFZK7

# Unconsolidated Financial Statements

# Unconsolidated Statement of Financial Position

As at June 30, 2023

ASSETS	Note	2023 ------(Rupees in '000)-----	2022
<b>Non-Current Assets</b>			
Property, plant and equipment	5	10,858,641	8,477,954
Right-of-use assets	6	31,412	71,848
Intangible assets	7	79,792	75,333
Long-term deposits	8	44,827	32,963
Long-term loans	9	13,754	23,396
Deferred taxation - net	10	1,139,337	79,030
Long-term investment	11	7,827,641	827,641
		<b>19,995,404</b>	<b>9,588,165</b>
<b>Current Assets</b>			
Stock-in-trade	12	10,203,672	11,222,630
Stores and spares		51,505	40,716
Trade debts	13	23,648,100	21,946,839
Advances, deposits and prepayments	14	1,302,111	362,366
Other receivables	15	500,083	89,807
Sales tax receivable		-	262,556
Current portion of long-term loans	9	4,292	19,115
Taxation - net of provision		5,251,401	4,222,764
Short-term investments	16	9,568,937	10,224,837
Cash and bank balances	17	1,006,054	641,186
		<b>51,536,155</b>	<b>49,032,816</b>
<b>TOTAL ASSETS</b>		<b>71,531,559</b>	<b>58,620,981</b>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Share capital	18	11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		6,383,506	5,816,048
		<b>21,724,006</b>	<b>21,156,548</b>
<b>Non-Current Liabilities</b>			
Long-term financing	19	522,986	248,932
Diminishing musharika arrangement	20	1,735	1,965
Lease liabilities	21	2,801	36,246
Deferred government grant	22	198,563	55,769
		<b>726,085</b>	<b>342,912</b>
<b>Current Liabilities</b>			
Current portion of long-term financing	19	71,141	118,488
Current portion of diminishing musharika arrangement	20	252	241
Current portion of lease liabilities	21	36,370	48,527
Current portion of deferred government grant	22	49,805	13,510
Trade and other payables	23	23,751,852	20,686,951
Contract liabilities		14,742	18,290
Accrued mark-up	24	553,450	332,703
Short-term borrowings	25	24,603,316	15,902,167
Unclaimed dividend		540	644
		<b>49,081,468</b>	<b>37,121,521</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,531,559</b>	<b>58,620,981</b>
Contingencies and commitments	26		

The annexed notes from 1 to 47 form an integral part of these annual audited unconsolidated financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

# Unconsolidated Statement of Profit or Loss

For the Year Ended June 30, 2023

	Note	2023 ------(Rupees in '000)-----	2022
Sales - net	27	<b>90,158,188</b>	82,184,552
Cost of sales	28	<b>(78,018,707)</b>	(74,338,958)
<b>Gross profit</b>		<b>12,139,481</b>	7,845,594
Selling and distribution expenses	29	<b>(1,066,210)</b>	(790,030)
Administrative expenses	30	<b>(817,615)</b>	(594,490)
Other expenses	31	<b>(12,107)</b>	(217,232)
Allowance for impairment of financial assets	13.3	-	(23,805)
Exchange loss	32	<b>(7,488,050)</b>	(2,910,474)
		<b>(9,383,982)</b>	(4,536,031)
Other income	33	<b>814,538</b>	842,671
		<b>3,570,037</b>	4,152,234
Finance cost	34	<b>(3,406,680)</b>	(1,663,596)
<b>Profit before taxation</b>		<b>163,357</b>	2,488,638
Taxation	35	<b>404,101</b>	(52,220)
<b>Profit after taxation</b>		<b>567,458</b>	2,436,418
<b>Basic and diluted earnings per share</b>	36	<b>0.48</b>	2.04

The annexed notes from 1 to 47 form an integral part of these annual audited unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Unconsolidated Statement of Comprehensive Income

For the Year Ended June 30, 2023

	2023	2022
	------(Rupees in '000)-----	
<b>Profit after taxation</b>	<b>567,458</b>	2,436,418
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b><u>567,458</u></b>	<u>2,436,418</u>

The annexed notes from 1 to 47 form an integral part of these annual audited unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Unconsolidated Statement of Changes in Equity

For the Year Ended June 30, 2023

	Reserves			Total
	Share capital	Capital Share premium	Revenue Unappropriated profit	
	------(Rupees in '000)-----			
<b>Balance as at June 30, 2021</b>	9,940,500	-	3,438,779	13,379,279
<b>Transactions with owners recorded directly in equity</b>				
Issuance of right shares	2,000,000	3,400,000	-	5,400,000
Transaction cost incurred on issuance of right shares	-	-	(59,149)	(59,149)
<b>Total comprehensive income for the year ended June 30, 2022</b>				
Profit after taxation	-	-	2,436,418	2,436,418
Other comprehensive income for the year	-	-	-	-
<b>Balance as at June 30, 2022</b>	<b>11,940,500</b>	<b>3,400,000</b>	<b>5,816,048</b>	<b>21,156,548</b>
<b>Total comprehensive income for the year ended June 30, 2023</b>				
Profit after taxation	-	-	567,458	567,458
Other comprehensive income for the year	-	-	-	-
<b>Balance as at June 30, 2023</b>	<b>11,940,500</b>	<b>3,400,000</b>	<b>6,383,506</b>	<b>21,724,006</b>

The annexed notes from 1 to 47 form an integral part of these annual audited unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Unconsolidated Statement of Cash Flows

For the Year Ended June 30, 2023

	Note	2023 ------(Rupees in '000)-----	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operating activities</b>	37	<b>4,953,699</b>	1,085,645
Taxes paid		(1,684,843)	(1,553,056)
Long-term loan returned by / (given to) employees		24,465	(24,564)
Long-term deposits paid		(11,864)	(12,025)
Donations paid		(108,289)	(34,202)
<b>Net cash generated from / (used in) operating activities</b>		<b>3,173,168</b>	(538,202)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(2,763,942)	(1,019,094)
Proceeds from disposal of property, plant and equipment		56,488	3,270
Purchase of intangible assets		(20,005)	(69,188)
Investment in shares of the subsidiary		(7,000,000)	-
Short-term investments - net		(655,900)	(3,411,413)
Profit received from bank deposits and short-term investments		1,668,321	395,248
<b>Net cash (used in) investing activities</b>		<b>(8,715,038)</b>	(4,101,177)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from / (repayment of) short-term borrowings - net		13,207,661	(2,450,005)
Long-term financing received - net		510,233	20,257
Rentals paid against right-of-use assets and diminishing musharika		(54,386)	(87,549)
Outstanding dividend paid		(104)	(24)
Finance cost paid		(3,250,154)	(1,519,623)
Proceeds from issuance of right shares		-	5,400,000
Transaction cost paid on issuance of right shares		-	(59,149)
<b>Net cash generated from financing activities</b>		<b>10,413,250</b>	1,303,907
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>4,871,380</b>	(3,335,472)
Cash and cash equivalents at the beginning of the year		(4,274,269)	(938,797)
<b>Cash and cash equivalents at the end of the year</b>	37.1	<b>597,111</b>	(4,274,269)

The annexed notes from 1 to 47 form an integral part of these annual audited unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Notes to the Unconsolidated Financial Statements

For the Year Ended June 30, 2023

## 1 THE COMPANY AND ITS OPERATIONS

1.1 Unity Foods Limited ("the Company") was incorporated in Pakistan in 1991 as a Private Limited Company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a Public Limited Company on June 16, 1991. Shares of the Company are listed in Pakistan Stock Exchange since February 01, 1994. The principal business activity of the Company has been changed from yarn manufacturing to edible oil extraction, refining and related businesses.

1.2 Geographical locations and addresses of business units including plants of the Company are as under:

Addresses	Purpose
<b>Karachi, Sindh</b>	
- Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.	Registered office of the Company
- Plot # A-48, Industrial Zone, Port Qasim.	Oil Refinery
- Plot # A-55 & 56, Industrial Zone, Port Qasim.	Feed Mill
<b>Kotri, District Hyderabad, Sindh</b>	
- Plot # N-25 & N-27/B, N37/A, SITE Area	Edible Oil Extraction Plant, Refinery and Pelletizing Mills
<b>Hub, Balochistan</b>	
- Plot # C-375, C-376, C-377, C-382, C-383 and C-384, Hub Industrial Estate, Lasbella,	Soap plant
<b>Lahore, Punjab</b>	
- Plot # 27-C-3, M.M. Alam Road, gulberg-III	Regional Office

1.3 The Company has the following subsidiaries:

### - Sunridge Foods (Private) Limited - 100% Shareholding

Sunridge Foods (Private) Limited was incorporated in Pakistan as a private limited company on March 16, 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the Subsidiary Company is the processing of food items. Sunridge Foods (Private) Limited is the holding company of Sunridge Confectionery Limited (Formerly: Uni-Food Industries Limited).

### - Sunridge Confectionery Limited (Formerly: Uni-Food Industries Limited) - 100% Shareholding through Subsidiary

Sunridge Confectionery Limited (Formerly: Uni-Food Industries Limited) is a wholly owned subsidiary of Sunridge Foods (Private) Limited and was incorporated in Pakistan as a Public Limited Company on September 01, 2016 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the Subsidiary Company is the processing of food items.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

## **2.2 Basis of measurement**

These annual audited unconsolidated financial statements have been prepared under the historical cost convention except otherwise stated.

## **2.3 Functional and presentation currency**

These annual audited unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional currency. Figures have been rounded-off to the nearest thousand Rupees unless otherwise stated.

## **2.4 Use of estimates and judgments**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in future periods are described in the following notes:

- Property, plant and equipment and depreciation (refer note 4.1)
- Right-of-use assets (refer note 4.3)
- Intangible assets and amortization (refer note 4.4)
- Stock-in-trade (refer note 4.7)
- Lease liabilities (refer note 4.16)
- Government grant (refer note 4.17)
- Provisions (refer note 4.19)
- Taxation (refer note 4.22)
- Contingent liabilities (refer note 4.23)
- Impairment (refer note 4.27)

## **3 ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

### **3.1 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant:**

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract.
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41).

### **3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2024
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 7 'Statement of Cash flows'- Supplier finance arrangements	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.	January 01, 2024
- Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IFRS 7 'Financial Instruments: Disclosures'- Supplier finance arrangements	January 01, 2024

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

#### **4 SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the presentation of these annual audited unconsolidated financial statements are set out below. These policies have been consistently applied to the years presented.

##### **4.1 Property, plant and equipment and depreciation**

###### **Initial recognition**

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

###### **Measurement**

Property, plant and equipment (except freehold land) are stated at cost less accumulated depreciation and impairment losses, if any. The costs of Property, plant and equipment include:

- a) Its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates,
- b) Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and
- c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### **Subsequent expenditure**

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) are charged to profit or loss as an expense when it is incurred.

### **Depreciation**

Depreciation on all items except for freehold land is charged on straight line method at the rates specified in respective note to these annual audited unconsolidated financial statements and is charged to profit or loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal. Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each financial year end.

### **Gain or loss on disposal**

Gain or loss on disposal of asset is the difference between the consideration received and the net book value of asset at the date of disposal. Gain or loss is charged to profit or loss.

## **4.2 Capital work-in-progress**

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant class of assets as and when assets are available for intended use.

## **4.3 Right-of-use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as disclosed in note 6 to these annual audited unconsolidated financial statements.

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## **4.4 Intangible assets and amortization**

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure are charged to profit or loss as incurred.

Amortization is charged to profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

## **4.5 Trade debts**

Trade debts originated by the Company is recognised and carried at original invoice amounts less allowance for expected credit losses (ECL). Bad debts are written-off when identified with BOD approval when identified. The Company recognizes allowance for ECL as per policy stated in note 4.27.

#### **4.6 Advances and other receivables**

These are recognised at cost which is the fair value of the consideration given. These are subsequently measured at amortised cost less allowance for impairment, if any.

#### **4.7 Stock-in-trade**

Stock-in-trade and stock-in-transit are stated at the lower of cost less impairment loss if any or net realizable value. Cost is arrived at on a weighted average basis. Cost of work-in-process and finished goods include cost of materials and appropriate portion of production overheads. Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

#### **4.8 Stores and spares**

Stores and spares are stated at cost less provision for slow moving and obsolete items. Cost is determined by using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

#### **4.9 Cash and cash equivalents**

For the purpose of presentation in the unconsolidated statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and short term borrowings (running finance) availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

#### **4.10 Trade and other payables**

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized costs.

#### **4.11 Staff retirement benefits**

##### **4.11.1 Defined contribution plan**

The Company contributes to an approved contributory provident fund scheme for all its permanent employees. Equal monthly contributions, both by the Company and the employees are made to the fund, at the rate of 8.33% of the basic salary. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan by the Company is recognized as an expense in the unconsolidated statement of profit or loss.

##### **4.11.2 Compensated Absences**

As per human resource policy, there is no accumulated liability against leaves, the leaves unless availed within the year are encashed.

#### **4.12 Borrowing cost**

Borrowing cost and other related costs directly attributable to the acquisition, construction or production of qualifying assets (assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising on foreign currency borrowings, obtained for acquisition, construction or production of qualifying assets, to the extent that they are regarded as an adjustment to interest cost are included in the cost of qualifying assets.

#### **4.13 Contract liabilities**

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

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

Financial assets and financial liabilities are off-set and the net amount is reported in these annual audited unconsolidated financial statements only when the Company has currently legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

#### **4.15 Foreign currency translation**

Transactions in foreign currencies are converted into functional currency "Rupees" at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the date of the statement of financial position. Exchange gains or losses are charged to profit or loss.

#### **4.16 Lease liabilities**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

##### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of regional sales offices and warehouses, (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### **4.17 Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to income, it is recognized as income on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are expensed out.

#### **4.18 Related party transactions**

Related parties comprise of subsidiary, associated companies, directors, companies with common directorship, provident fund and key management personnel and their relatives. Transactions involving related parties arising in the normal course of business are conducted at arm's length and at normal commercial rates on the same term and conditions as are applicable to third party transactions using valuation models as applicable, unless otherwise specifically approved by the board of directors.

#### **4.19 Provisions**

A provision is recognized in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate, reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

#### **4.20 Revenue recognition**

Revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer. Revenue from sale of goods is recognized at the point in time when control of the product has transferred. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from factory or warehouse or when it is delivered by the Company at customer's premises and the customer has accepted the product.

Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances and other trade discounts. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is also recognized for short term advances that the Company receives from its customers.

#### **4.21 Income on bank deposits and finance cost**

The Company's finance income is included in other income and interest expense is included in finance cost. Interest income or expense is charged using the effective interest method.

#### **4.22 Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is charged to profit and loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

##### **a) Current**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

##### **b) Deferred**

Deferred tax is recognized using balance sheet asset / liability method, providing for deductible / temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the date of the unconsolidated statement of financial position.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **4.23 Contingent liabilities**

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

#### **4.24 Investments**

##### **Investments in subsidiaries**

Investments in subsidiaries are initially recognized at cost. At subsequent reporting dates, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to their revised recoverable amounts but limited to the extent of initial cost of investments. Reversal of impairment loss is recognized in the profit or loss.

The profits and losses of subsidiaries are carried forward in their financial statements and not dealt within these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries. Gains or losses on disposal of investments is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate the retained investment is carried at fair value.

#### **4.25 Share Capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **4.26 Financial Instruments**

##### **a) Classification and initial measurement**

The Company classifies its financial assets in to following three categories;

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

### **Financial assets at FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

### **Financial assets at FVTPL**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

### **Financial assets measured at amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

For assets measured at fair value, gain or loss will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

## **b) Subsequent measurement**

### **Financial assets at FVOCI**

These assets are measured at fair value, with gain or loss arising from changes in fair value recognized in the unconsolidated statement of other comprehensive income.

### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gain or loss, including any interest / mark-up or dividend income, are recognized in the unconsolidated statement of profit or loss.

### **Financial assets measured at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gain or loss and impairment are recognized in the unconsolidated statement of profit or loss.

**c) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**d) Financial liabilities**

Financial liabilities are classified as "measured at amortized cost" or "measured at fair value through profit or loss". A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or loss, including any interest expense, are recognized in the unconsolidated statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been subsequently modified.

**4.27 Impairment**

**a) Financial assets**

The Company recognizes loss allowances for expected credit loss (ECL) in respect of financial assets measured at amortized cost.

The Company applies the simplified approach to recognize lifetime expected credit loss for trade debts. The Company assesses on a forward looking basis the expected credit loss associated with its financial assets.

The Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Allowances for ECL financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of the Company.

**b) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use or fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are charged to profit or loss.

**4.28 Proposed dividend and transfer between reserves**

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognized in the period in which these are approved.

**4.29 Earnings per share**

The Company presents earning per share (EPS) for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**4.30 Operating segment**

As the Board of Directors solely makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments, the management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>6,290,380</b>	6,439,106
Capital work-in-progress (CWIP)	5.5	<b>4,568,261</b>	2,038,848
		<b><u>10,858,641</u></b>	<u>8,477,954</u>

## 5.1 Operating fixed assets

	COST			Depreciation Rate %	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2022	Additions/ transfers (Rupees in '000)	As at June 30, 2023		As at July 01, 2022	Depreciation for the year	Disposals	
<b>Owned</b>								
Free hold land	20,815	-	20,815	-	-	-	-	20,815
Building on leasehold land	2,140,036	-	2,140,036	4%	(134,044)	(85,630)	(219,674)	1,920,362
Plant and machinery	3,306,868	29,861	3,336,729	5%	(373,273)	(166,175)	(539,448)	2,797,281
Furniture, fixtures and office equipment	78,529	34,986	113,455	10-20%	(33,763)	(15,521)	(49,252)	64,203
Computer and auxiliary equipment	34,904	20,722	55,143	25%	(14,726)	(9,204)	(23,740)	31,403
Vehicles	184,521	144,560	276,689	20%	(27,780)	(41,795)	(48,708)	227,981
<b>Leased</b>								
Lease hold land	1,327,384	4,400	1,331,784	1.12-1.14%	(70,365)	(33,084)	(103,449)	1,228,335
	<b>7,093,057</b>	<b>234,529</b>	<b>7,274,651</b>		<b>(653,951)</b>	<b>(351,409)</b>	<b>(984,271)</b>	<b>6,290,380</b>

	COST			Depreciation Rate %	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2021	Additions/ transfers (Rupees in '000)	As at June 30, 2022		As at July 01, 2021	Depreciation for the year	Disposals	
<b>Owned</b>								
Free hold land	20,815	-	20,815	-	-	-	-	20,815
Building on leasehold land	1,771,910	368,126	2,140,036	4%	(59,521)	(74,523)	(134,044)	2,005,992
Plant and machinery	2,766,934	539,934	3,306,868	5%	(229,286)	(143,987)	(373,273)	2,933,595
Furniture, fixtures and office equipment	49,418	29,111	78,529	10-20%	(19,027)	(14,736)	(33,763)	44,766
Computer and auxiliary equipment	22,417	12,901	34,904	25%	(7,781)	(7,026)	(14,726)	20,178
Vehicles	104,670	82,654	184,521	20%	(5,980)	(22,825)	(27,780)	156,741
<b>Leased</b>								
Lease hold land	1,327,384	-	1,327,384	1.12-1.14%	(37,399)	(32,966)	(70,365)	1,257,019
	<b>6,063,548</b>	<b>1,032,726</b>	<b>7,093,057</b>		<b>(358,994)</b>	<b>(296,063)</b>	<b>(653,951)</b>	<b>6,439,106</b>

	Note	2023	2022
		----- (Rupees in '000) -----	
<b>5.2 The depreciation charged for the year has been allocated as follows:</b>			
Cost of sales	28	300,557	270,669
Selling and distribution expenses	29	23,867	3,050
Administrative expenses	30	26,985	22,344
		<b>351,409</b>	<b>296,063</b>

**5.3** Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Total Area
Lease hold land (Manufacturing plant)	Plot # N27/B & N37/A, Site Area, Kotri, District Hyderabad.	38,429.60 Sq. Yd
Free hold land (Under construction)	Plot # N25, Site Area, Kotri, District Hyderabad.	148,733.20 Sq. Yd
Lease hold land (Under construction)	Plot # D-51 & D-52, North Western Industrial Zone, Port Muhammad Bin Qasim, Karachi.	13,333.33 Sq. Yd
Lease hold land (Under construction)	Plot # W2/1/67 & 68, North Western Industrial Zone, Port Muhammad Bin Qasim, Karachi.	6,222.22 Sq. Yd
Lease hold land (Manufacturing plant)	Plot # A-48, Eastern Industrial Zone, Port Muhammad Bin Qasim, Karachi.	24,200.00 Sq. Yd
Lease hold land (Manufacturing plant)	'Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella, Hub.	11,960.00 Sq. Yd
Office premises	Unity Tower, 8-C, Shahrah-e-Faisal, P.E.C.H.S., Block 6, Karachi.	600 Sq. Yd

**5.4** Details of property, plant and equipment disposed off / scrapped having book value of five hundred thousand rupees or more each are as follows:

Asset category	Description	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relation with buyer
----- (Rupees in '000) -----									
Vehicles	Lexus Lx 570	49,655	(19,034)	30,621	53,000	22,379	Negotiation	Pakistan Kuwait Investment Company (PVT) Limited	N/A

	2023	2022	
		----- (Rupees in '000) -----	
<b>5.5 Capital work-in-progress (CWIP)</b>			
Land - leasehold	712,335	320,920	
Building on lease / free hold land	964,998	423,227	
Plant and machinery	2,870,015	1,249,650	
Furniture, fixtures and office equipment	13,005	14,335	
Computers & IT Equipments	7,908	-	
Vehicles	-	30,716	
	<b>4,568,261</b>	<b>2,038,848</b>	

		2023	2022
		----- (Rupees in '000) -----	
<b>5.5.1 Movement in capital work-in-progress is as follows:</b>	Note		
Balance at the beginning of the year		2,038,848	2,054,575
Additions during the year	5.5.2	2,538,514	871,643
Transfers / adjustments to operating fixed assets during the year		(9,101)	(887,370)
<b>Balance at the end of the year</b>		<b>4,568,261</b>	<b>2,038,848</b>

**5.5.2** It includes an amount of markup of Rs. 17.68 million (2022: Rs. 15.91 million) which has been capitalized during the year which was calculated at the rates ranging between 9.75% to 17.84% (2022: 9.75% to 10.75 %).

		2023	2022
		----- (Rupees in '000) -----	
<b>6 RIGHT-OF-USE ASSETS</b>	Note		
Written down value (WDV) - opening		71,848	192,882
Disposal		(1,153)	(7,928)
Impact of lease re-measurement		3,323	(35,640)
Depreciation charged during the year	6.3	(42,606)	(77,466)
Written down value (WDV) - closing		<b>31,412</b>	<b>71,848</b>

**6.1** The right-of-use assets comprise of rental premises consisting of three warehouses.

**6.2** The annual rate of depreciation for the right-of-use assets ranges between 25% - 50%

**6.3** Depreciation for the year has been allocated as follows:

Cost of sales	28	39,872	72,495
Selling and distribution expenses	29	2,734	4,971
		<b>42,606</b>	<b>77,466</b>

		2023	2022
		----- (Rupees in '000) -----	
<b>7 INTANGIBLE ASSETS</b>	Note		
Computer software and ERP system	7.1	77,692	6,301
Systems under development	7.3	2,100	69,032
		<b>79,792</b>	<b>75,333</b>

**7.1 Computer software and ERP system  
Net carrying value basis**

Net book value - opening		6,301	6,599
Additions / transfer - at cost		86,937	2,879
Amortization for the year	7.2	(15,546)	(3,177)
Net book value - closing		<b>77,692</b>	<b>6,301</b>

**Gross carrying value basis**

Cost		102,821	15,884
Accumulated amortization		(25,129)	(9,583)
Net book value		<b>77,692</b>	<b>6,301</b>

Useful life (years) 5

Amortization rate (%) 20%

**7.2** Amortization for the year has been allocated as follows:

Cost of sales	28	4,664	910
Selling and distribution expenses	29	3,109	607
Administrative expenses	30	7,773	1,660
		<b>15,546</b>	<b>3,177</b>

7.3 This represents amount given to vendor / consultant for the development of software which is expected to be capitalized next year.

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>8. LONG-TERM DEPOSITS</b>			
Long-term deposits	8.1	<u>44,827</u>	<u>32,963</u>

8.1 This includes deposits given to Sui Southern Gas Company (SSGC) and Pakistan State Oil Company Limited against supply of gas and fuel respectively. Further, this also includes amount paid to Nazir High court in respect of tariff increase as stated in note 26.1.2 and have not been discounted as the amount involved is not material to these unconsolidated financial statements.

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>9. LONG-TERM LOANS</b>			
Loan to employees and executives	9.1	<u>18,046</u>	42,511
Less: current portion		<u>(4,292)</u>	(19,115)
		<u>13,754</u>	<u>23,396</u>

9.1 These represent interest free loans to executives and employees for purchase of vehicles, house building, marriage and others, in accordance with the Company's policy. These loans are recoverable through monthly installments or adjusted against provident fund. These loans have not been discounted as the amount involved is not significant to these unconsolidated financial statements. These loans are secured against the provident fund.

		2023	2022
		----- (Rupees in '000) -----	
<b>9.2 Reconciliation of carrying amount of long-term loans:</b>			
Balance at the beginning of the year		<u>42,511</u>	17,947
Disbursement made during the year		<u>11,816</u>	37,483
Repayments during the year		<u>(36,281)</u>	(12,919)
Balance at the end of the year		<u>18,046</u>	<u>42,511</u>

9.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 42.226 million (June 30, 2022: Rs. 35.366 million).

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>10. DEFERRED TAXATION - NET</b>			
<b>Deferred tax asset in respect of:</b>			
Allowance for impairment of financial assets		11,599	11,599
Lease liabilities		11,360	24,584
Minimum tax		5,278	-
Unrealized exchange loss		1,460,446	308,151
<b>Deferred tax liability in respect of:</b>			
Taxable temporary difference on tax depreciation		(337,629)	(257,679)
Re-measurement gain / loss on short term investment		(1,706)	13,213
Right-of-use assets		(9,110)	(20,836)
Taxable temporary difference on tax amortization		(901)	(2)
<b>Deferred tax asset - net</b>	10.1	<u>1,139,337</u>	<u>79,030</u>

10.1 The amount of Rs. 1,060 million being difference of opening Rs. 79 million deferred tax liability and closing deferred tax asset of Rs. 1,139 million has been recorded in profit or loss in these unconsolidated financial statements.

		2023	2022
		----- (Rupees in '000) -----	
<b>11. LONG-TERM INVESTMENT</b>	Note		
<b>Investment in subsidiary (unquoted) - at cost</b>			
Sunridge Foods (Private) Limited		7,827,641	827,641
	11.1	<u>7,827,641</u>	<u>827,641</u>
<b>11.1</b>	During the period, the Company further acquired 155,555,556 shares of Rs. 10/- each of the Subsidiary during the year at a price of Rs. 45 per share. This represents investment in a wholly owned subsidiary formed under Companies Act 2017. The principal business of the Subsidiary is processing of food products.		
<b>12. STOCK-IN-TRADE</b>	Note	2023	2022
		----- (Rupees in '000) -----	
<b>Raw materials</b>			
In-hand		7,223,320	7,079,128
In-transit		918,685	2,235,575
		<u>8,142,005</u>	9,314,703
<b>Packing Material</b>		213,638	129,086
<b>Finished goods</b>	28	1,848,029	1,778,841
		<u>10,203,672</u>	<u>11,222,630</u>
<b>13. TRADE DEBTS</b>			
Trade debts - unsecured	13.1	23,688,095	21,986,834
Allowance for impairment - expected credit loss	13.2	(39,995)	(39,995)
		<u>23,648,100</u>	<u>21,946,839</u>
<b>13.1</b>	Related party from whom trade debts are due as under:		
Sunridge Foods (Private) Limited		<u>30,337</u>	29,886
<b>13.2</b>	An extensive independent review of expected credit loss was carried out for the year end balance based on which the allowance for expected credit loss was determined to be Rs. 3.274 million which is below the prior year accrued balance of Rs. 39.995 million. Being prudent, the management has kept the allowance for expected credit loss at the prior year accrued level.		
<b>13.3</b>		2023	2022
		----- (Rupees in '000) -----	
<b>Movement of allowance for impairment:</b>			
Balance at the beginning of the year		39,995	16,190
Amount charged during the year		-	23,805
Balance at the end of the year		<u>39,995</u>	<u>39,995</u>
<b>13.4</b>	The maximum aggregate amount of receivable due from related party at the end of any month during the year was Rs. 65.93 million (June 30, 2022: Rs. 184.18 million).		
<b>13.5</b>	The aging of the trade debts from related parties as at the reporting date is as under:		
		2023	2022
		----- (Rupees in '000) -----	
Not yet due		9,369	6,428
Past due 1- 180 days		20,968	23,458
Total		<u>30,337</u>	<u>29,886</u>

	Note	2023 ----- (Rupees in '000) -----	2022
<b>14. ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
Advances to suppliers	14.1	125,655	267,475
Margin against letter of credit	14.2	1,154,720	77,132
Security deposits	14.3	7,929	3,153
Prepayments	14.3	13,807	14,606
		<u>1,302,111</u>	<u>362,366</u>

14.1 These advances to suppliers are in an ordinary course of business and are non-interest bearing.

14.2 This includes amount kept with banks for the import of items which were only allowed to be imported with Cash Margin Requirement (CMR) by State Bank of Pakistan.

14.3 These deposits and prepayments are mainly against rent, utilities and insurance and are not considered doubtful. These do not carry any mark-up arrangements.

#### 15. OTHER RECEIVABLES

15.1 This includes amount receivable from Sunridge Foods (Private) Limited amounting to Rs. 192.962 million (June 30, 2022: Nil) against salary, marketing and rent expense. This also includes profit receivable against investment in term deposit receipts (TDRs) amounting to Rs. 32.686 million (June 30, 2022: Rs. 87.285 million).

	Note	2023 ----- (Rupees in '000) -----	2022
<b>16. SHORT-TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Mutual funds	16.1	1,001,037	4,574,891
<b>At amortized cost</b>			
Term deposit receipts	16.2	8,567,900	5,649,946
		<u>9,568,937</u>	<u>10,224,837</u>

16.1 This represents HBL Cash Fund Units redeemable along with dividend units at closing price of previous day Net Asset Value. As at June 30, 2023, Rs. 1,001.04 million (June 30, 2022: Rs. 4,574.89 million) out of the total investment value was pledged as security for a Rs. 1,001.48 million (June 30, 2022: Rs. 5,329.87 million) facility from HBL as per note 26.2.3.

	Number of Units	Rate / unit
<b>16.1.1 <u>The details of investment in mutual fund are as follows:</u></b>		
<b><u>As on June 2023</u></b>		
HBL Cash Fund	9,798,256	102.16
HBL Financial Sector Fund	-	-
	<u>9,798,256</u>	
<b><u>As on June 2022</u></b>		
HBL Cash Fund	5,627,996	101.31
HBL Financial Sector Fund	40,028,847	100.05
	<u>45,656,843</u>	

16.2 This carries markup at 6.5% to 19.50% per annum (June 30, 2022: 6.5% to 14.47% per annum) having maturity upto one year.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>17. CASH AND BANK BALANCES</b>			
<b>Bank balances - Islamic banking</b>			
Saving accounts	17.1	52,536	2,732
Current accounts		311,781	18,817
		<b>364,317</b>	21,549
<b>Bank balances - conventional banking</b>			
Saving accounts	17.1	210,766	196,093
Current accounts		427,557	420,341
		<b>638,323</b>	616,434
<b>Cash in hand</b>		<b>3,414</b>	3,203
		<b>1,006,054</b>	641,186

17.1 Profit on saving accounts ranges from 6.50% - 10.14% against Islamic and from 8.75% to 19.50% against conventional (June 30, 2022: from 2.76% - 9.11% against Islamic and 5.5% to 12.25% against conventional) per annum.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>18. SHARE CAPITAL</b>			
<b>Authorized share capital</b>			
1,200,000,000 (June 30, 2022: 1,200,000,000) ordinary shares of Rs. 10/- each		12,000,000	12,000,000
<b>Issued, subscribed and paid-up capital</b>			
1,194,050,000 (June 30, 2022: 1,194,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	18.1	11,940,500	11,940,500

18.1 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares, as the case may be, as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>19. LONG-TERM FINANCING</b>			
Financing under ITERF Scheme - shariah arrangement	19.1	594,127	269,858
Financing under SBP Scheme - non-shariah arrangement	19.2 & 19.3	-	97,562
		<b>594,127</b>	367,420
Less: current portion shown under current liabilities		<b>(71,141)</b>	(118,488)
		<b>522,986</b>	248,932

19.1 The Company has obtained long term financing from Al Baraka Bank (Pakistan) Limited and Dubai Islamic Bank under the expansion projects with 25% margin and lien over bank account under ITERF. The facility was valid till March 2022 for opening letter of credit for import of plant and machinery. During the year additional tranche of Rs. 510.233 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% to 21.41% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. These are repayable in quarterly installments of Rs. 28.6 million commencing from October 2024.

19.2 The Company obtained long-term financing from JS Bank Limited under a refinance scheme of the State Bank of Pakistan to pay salaries and wages. The financing carried a flat mark-up of 3% per annum. However, the effective interest rate was calculated as 10.40% per annum and the loan had been recognized at the present value. The sanctioned facility amounts to Rs. 196.06 million. This loan was paid in 8 equal quarterly installments. The financing was secured against the plant and machinery of the Company (inclusive of 25% margin). This facility have been settled during the year.

19.3 The Company obtained long term financing from Bank of Punjab under a refinance scheme of the State Bank of Pakistan to pay salaries and wages. The financing carried a flat mark-up at the rate of 1% per annum. However, the effective interest rate was calculated as 10.40% per annum and the loan had been recognized at the present value. The sanctioned facility amounts to Rs. 196.89 million. This loan was paid in 8 equal quarterly installments. The financing was secured against hypothecation charge over current assets and plant and machinery of the Company (inclusive of 25% margin). These facilities have been settled during the year.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>20. DIMINISHING MUSHARIKA ARRANGEMENT</b>			
Diminishing musharika	20.1	<b>1,987</b>	2,206
Less: current portion		<b>(252)</b>	(241)
		<b>1,735</b>	1,965

20.1 The Company has obtained a diminishing musharika facility from Al Baraka Bank (Pakistan) Limited for a vehicle aggregating to Rs. 2.385 million for a period of 7 years. The rate of return is 6 months KIBOR plus 1.5%. Musharika units are to be purchased in 7 years in 84 monthly installments latest by September 2028 and are secured against title of the asset.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>21. LEASE LIABILITIES</b>			
Balance at the beginning of the year		<b>84,773</b>	205,776
Impact of lease re-measurement		<b>3,323</b>	(40,834)
Disposals during the year - net		<b>(2,355)</b>	(8,466)
Lease rentals paid		<b>(54,167)</b>	(86,840)
Accretion of interest charged in statement of profit or loss	34	<b>7,597</b>	15,137
Balance at the end of the year		<b>39,171</b>	84,773
Less current portion		<b>(36,370)</b>	(48,527)
Non current portion		<b>2,801</b>	36,246

21.1 The amount of future minimum lease payments, together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2023		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
	----- <b>(Rupees in '000)</b> -----		
<b>Not later than one year</b>	<b>38,146</b>	<b>(1,776)</b>	<b>36,370</b>
<b>Later than one year but not later than five years</b>	<b>2,869</b>	<b>(68)</b>	<b>2,801</b>
<b>Total future minimum lease payments</b>	<b>41,015</b>	<b>(1,844)</b>	<b>39,171</b>
	2022		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
	----- <b>(Rupees in '000)</b> -----		
Not later than one year	55,830	(7,302)	48,528
Later than one year but not later than five years	37,756	(1,511)	36,245
Total future minimum lease payments	93,586	(8,813)	84,773

	Note	2023	2022
		----- (Rupees in '000) -----	
<b>22. DEFERRED GOVERNMENT GRANT</b>			
Balance at the beginning of the year		69,279	26,928
Recognized during the year		198,087	63,467
Amortized during the year	33	(18,998)	(21,116)
Balance at the end of the year		248,368	69,279
Less: current portion		(49,805)	(13,510)
Non-current portion		198,563	55,769

**22.1** The value of benefit of below-market interest rate on the loans disclosed in note 19 to these unconsolidated financial statements has been accounted for as government grant under IAS - 20 Government grants.

**22.2** As mentioned in note 19.2 and 19.3, the purpose of the government grants recognized to facilitate the Company in making timely payments of salaries and wages to its employees in light of the COVID-19 pandemic. The grants were conditional upon the fact that the Company would not terminate any employee, due / owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche. During the year the carrying amount of these grants have been completely amortized upon the settlement of related loan facilities.

**22.3** As mentioned in note 19.1, the purpose of the government grant given under ITERF is to facilitate the Company in making payments of imported and locally manufactured new plant and machinery to be used for setting-up of new projects. The grant is conditional upon the fact that the Company would be required to contribute its equity share in an escrow account maintained with the Participating Islamic Banking Institution (PIBI). The proceeds shall be used by the Company only for the purpose of setting up of the project / payment to the supplier etc, representing Company's equity share in the project.

	Note	2023	2022
		----- (Rupees in '000) -----	
<b>23. TRADE AND OTHER PAYABLES</b>			
Trade creditors	23.1	21,312,948	19,101,760
Accrued liabilities	23.2	2,078,433	1,350,424
Sales tax payable		260,495	-
Withholding sales tax payable		5,399	3,752
Withholding income tax payable		65,685	46,361
Provident fund	23.3	510	1,985
Worker's welfare fund		3,334	47,272
Worker's profit participation fund	23.4	23,596	131,430
Other		1,452	3,967
		23,751,852	20,686,951

	2023	2022
	----- (Rupees in '000) -----	
<b>23.1</b> This amount includes the following balances with related parties:		
Sunridge Foods (Private) Limited	111,119	47,487
Wilmar Trading Pte Limited	17,275,155	15,058,218
Sunridge Confectionery Limited (Formerly: Uni-Food Industries Limited)	1,199	-
	17,387,473	15,105,705

**23.2** This includes a provision of Sindh Development and Infrastructure Cess (SDIC) amounting to Rs. 1,693.352 million (June 30, 2022: Rs. 900.375 million) levied by the Excise and Taxation Department of the Government of Sindh on goods entering or leaving the province through air or sea at the prescribed rate under Sindh Finance Ordinance 2001. Earlier, a Constitutional Petition C.P No. 4090/2020 was filed in the Sindh High Court (SHC) by the Company on September 02, 2020, to challenge the levy of SDIC. An interim relief was granted by the SHC on condition to furnish of 50% bank guarantee and 50% should be paid in cash of the value of infrastructure cess. On June 04, 2021, the SHC in its judgement decided to encash the bank guarantee submitted and pay it to Collectorate. The Company filed an appeal in the Honorable Supreme Court of Pakistan (SCP). The SCP vide Judgment dated September 01, 2021, has suspended SHC's Judgment dated June 04, 2021 (Impugned Judgment) granting interim relief to the appellants on the condition that all future consignments be released on furnishing 100% bank guarantee to the satisfaction of Excise and Taxation Department.

This also includes provision of gas infrastructure development cess (GIDC) amounting to Rs. 27.992 million (June 30, 2022: Rs. 26.132 million).

**23.3** All investment out of provident fund have been made in accordance with the provision of section 218 of the Companies Act 2017 and the conditions specified thereunder.

	Note	2023 ----- (Rupees in '000) -----	2022
<b>23.4 Worker's profit participation fund</b>			
Balance at the beging of the year	23.4.1	131,430	182,515
Interest	34	14,823	7,031
Allocation for the year	31	8,773	124,399
Paid during the year		(131,430)	(182,515)
Balance at the end of the year		<u>23,596</u>	<u>131,430</u>

**23.4.1** Interest on the workers profit participation fund has been accrued at the rate of 17.82% (June 30, 2022: 10.57%) per annum.

	Note	2023 ----- (Rupees in '000) -----	2022
<b>24. ACCRUED MARK-UP</b>			
Markup accrued on running finance and short term loans	24.1	<u>553,450</u>	<u>332,703</u>

**24.1** This includes mark-up accrued amounting to Rs. 142.095 million (June 30, 2022: Rs. 133.12 million) on shariah arrangements.

	Note	2023 ----- (Rupees in '000) -----	2022
<b>25. SHORT-TERM BORROWINGS - SECURED</b>			
<b>Under conventional arrangements</b>			
Finance against imported merchandise	25.1	19,895,626	4,423,499
Short term running finance	25.2	408,943	4,915,455
Foreign currency loan	25.5	420,623	-
<b>Under Islamic arrangements</b>			
Short term finance	25.3 & 25.4	3,186,117	6,563,213
Foreign currency loan	25.5	692,007	-
		<u>24,603,316</u>	<u>15,902,167</u>

- 25.1** Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from commercial banks under mark-up arrangements amounted to Rs. 19,896 million (June 30, 2022: Rs. 4,423 million), having Facility limit of Rs. 24,500 million (June 30, 2022: Rs. 21,910 million). At year end, the applicable mark-up rates ranged between 16.16% to 23.57% (June 30, 2022: 7.00% to 16.63%) per annum. These facilities are valid upto February 28, 2024 and are from 3 months to 6 months.
- 25.2** Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 1,200 million (June 30, 2022: Rs. 8,700 million) out of which Rs. 409 million was outstanding. At year-end, the applicable mark-up rates ranged between 16.41% to 24.16% (June 30, 2022: 7.00% to 13.20%) per annum.
- 25.3** Short term facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 1,545 million (June 30, 2022: Rs. 12,700 million), having facility limit of Rs. 2,200 million. At year end, the applicable mark-up rates ranged between 16.35% to 23.97% (June 30, 2022: 7.25% to 16.74%) per annum. These facilities are valid upto January 31, 2024.
- 25.4** Short term running musharakah available from Al Baraka Bank (Pakistan) Limited under mark-up arrangements amounted to Rs. 2,000 million (June 30, 2022: Rs. 2,000 million) out of which Rs. 1,640 million was outstanding. Mark-up on these arrangements is three month KIBOR plus 1% (June 30, 2022: three month KIBOR plus 1%). At year end, the applicable mark-up rate was 23.91% (June 30, 2022: 12.89%) .
- 25.5** At the year-end, the Company had foreign currency borrowing of USD 2.42 million under Islamic arrangement i.e. Rs. 692 million (June 30, 2022: Nil) & USD 1.47 million from commercial bank i.e. approx. Rs. 421 million (June 30, 2022: USD Nil), having Facility limit of Rs. 25,600 million.
- 25.6** Above facilities are secured by way of joint pari passu charge over current and fixed assets of the Company amounting to Rs. 13,200 million and pledge of imported goods of the Company amounting to Rs. 650 million (June 30, 2022: Rs. 18,867 million), corporate guarantee amounting to Rs. 20,000 million (June 30, 2022: Rs. Nil), and lien on liquid collateral (cash, term deposits and mutual funds) of the Company and its subsidiary Sunridge Foods (Private) Limited.

## **26. CONTINGENCIES AND COMMITMENTS**

### **26.1 Contingencies**

- 26.1.1** In respect of the GIDC matter, the Supreme Court of Pakistan (SCP) in its judgment dated November 03, 2020, while dismissing all review petitions filed against its earlier judgement dated August 13, 2020, clearly stated that as the SCP held the Act to be intra-vires therefore all the sections are to be applied and that the question pertaining to the applicability of Section 8(2) and its proviso has not been agitated and its relief lies elsewhere and that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. Further, SCP has permitted the Government to collect arrears of GIDC that have become due up to July 31, 2020 in 48 equal installments. Meanwhile, during the year 2021, the Company had filed petition in the Honorable High Court of Sindh (SHC) whereby challenging the recovery of installments of GIDC arrears initiated by SSGCL through separate GIDC bills. The SHC in its order allowed a stay order restraining SSGCL from collection of GIDC and any adverse action against the Company. The management maintains that since the Company has not passed on the burden to its consumers / clients, it is not liable to pay GIDC, by whatever name charged as it clearly falls within the ambit of the exemption in line with Section 8(2) of the GIDC Act, 2015.
- 26.1.2** The increase in Gas Tariff through Notification dated October 23, 2020 was challenged by the Company whereby the Honorable High Court (HC) has granted interim relief through its order dated 30 November 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the High Court till further orders. The Company has deposited security cheques of the disputed amount of Rs. 18.977 accumulated till June 30, 2023. (June 30, 2022: Rs. 10.958 million).
- 26.1.3** A petition has been filed by the Company against SECP & others in the High Court of Sindh seeking declaration that the impugned order dated December 27, 2019 by SECP for the appointment of inspector(s) to conduct inspection on all aspects of the Company including the books of accounts for the period from July 01, 2017 to June 30, 2019 be declared illegal with a pray to set aside the investigation against the Company. The Court passed interim order suspending the operation of the impugned order to the extent of the appointment of inspectors, with the direction that, if any of the officer is authorized by the Commission, the Company shall co-operate by providing every document that is asked for by such authorized officer. The matter is at the stage of hearing of applications. The Company, including on the basis of the opinion of the legal advisors, believe that it has a good arguable case and there is no likelihood of unfavorable outcome of this litigation.

## 26.2 Commitments

**26.2.1** Commitments under letter of credit for raw materials as at June 30, 2023 amounted to Rs. 5,406 million (June 30, 2022: Rs. 5,869 million).

**26.2.2** Capital expenditure commitments outstanding as at June 30, 2023 amounted to Rs. 10.170 million (June 30, 2022: 52.944 million)

**26.2.3** Guarantee issued at the year end on behalf of the Company amounted to Rs. 1,670 million (June 30, 2022: Rs. 880 million). Above facility is the part of the borrowing limits and is secured by way of pledge on the Company's mutual funds amounting to Rs. 1 billion and term deposits amounting to Rs. 670 million.

	2023	2022
	----- (Rupees in '000) -----	
<b>27. SALES - NET</b>		
Local	102,732,085	94,599,066
Export	864,730	432,687
	<u>103,596,815</u>	<u>95,031,753</u>
Sales tax	(13,437,675)	(12,828,929)
Trade discount	(952)	(18,272)
	<u>(13,438,627)</u>	<u>(12,847,201)</u>
	<u>90,158,188</u>	<u>82,184,552</u>

**27.1** In the following table, revenue is disaggregated by primarily geographical markets:

	2023	2022
	----- (Rupees in '000) -----	
<b>Primarily geographical markets:</b>		
Local	102,732,085	94,599,066
Sri Lanka	379,759	207,387
Malaysia	432,123	153,372
Vietnam	52,848	-
Thailand	-	71,928
	<u>103,596,815</u>	<u>95,031,753</u>

**27.2** Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 14.742 million (June 30, 2022: Rs. 18.290 million).

		2023	2022
		----- (Rupees in '000) -----	
<b>28. COST OF SALES</b>	Note		
Raw material consumed		76,183,665	72,674,574
Salaries, wages and benefits	28.1	551,089	568,570
Rent, rates and taxes		8,605	47,587
Fuel, power and electricity		521,288	431,760
Insurance		95,039	80,633
Security and janitorial		4,281	16,006
Postage, telephone and internet		2,871	2,607
Printing, stationary and office supplies		1,224	972
Vehicle, travelling and conveyance		19,648	10,195
Transport - freight		259,780	197,833
Depreciation on operating fixed assets	5.2	300,557	270,669
Depreciation on right-of-use assets	6.3	39,872	72,495
Amortization on intangible assets	7.2	4,664	910
Repair and maintenance		66,940	79,302
Others		28,372	7,906
		<u>78,087,895</u>	<u>74,462,019</u>
Add: opening stock of work-in-process		-	94,938
Less: closing stock of work-in-process		-	-
Cost of goods manufactured		<u>78,087,895</u>	<u>74,556,957</u>
Add: opening stock of finished goods		1,778,841	1,560,842
Less: closing stock of finished goods	28	<u>(1,848,029)</u>	<u>(1,778,841)</u>
		<u>78,018,707</u>	<u>74,338,958</u>

**28.1** Salaries, wages and benefits include Rs. 9.599 million for the year ended June 30, 2023 (June 30, 2022: Rs. 7.159 million) in respect of staff retirement benefits.

		2023	2022
		----- (Rupees in '000) -----	
<b>29. SELLING AND DISTRIBUTION EXPENSES</b>	Note		
Salaries, wages and benefits	29.1	126,065	97,817
Security and janitorial		4,200	2,036
Freight and forwarding		650,499	360,486
Travelling, conveyance and entertainment		17,321	10,244
Depreciation on operating fixed assets	5.2	23,867	3,050
Depreciation on right-of-use assets	6.3	2,734	4,971
Amortization on intangible assets	7.2	3,109	607
Electricity, gas and water		686	1,232
Printing, stationary and office supplies		463	166
Repair and maintenance		1,870	1,172
Distributor expenses		149,716	125,096
Insurance		5,602	2,234
Fees and subscription		17,375	10,738
Postage, telephone and internet		548	624
Advertising and sales promotion		59,854	168,590
Others		2,301	967
		<u>1,066,210</u>	<u>790,030</u>

**29.1** Salaries, wages and benefits include Rs. 4.302 million for the year ended June 30, 2023 (June 30, 2022: Rs. 1.527 million) in respect of staff retirement benefits.

30. ADMINISTRATIVE EXPENSES	Note	2023	2022
		----- (Rupees in '000) -----	
Salaries, wages and benefits	30.1	236,262	262,333
Directors' remuneration		59,483	20,503
Rent, rates and taxes		5,959	439
Travelling, conveyance and entertainment		63,329	36,190
Electricity, gas and water		8,310	14,079
Postage, telephone and internet		25,460	20,851
Insurance		8,907	6,558
Repair and maintenance		19,800	7,117
Advertising expense		109	40
Auditor's remuneration	30.2	8,600	8,300
Legal and professional		32,175	13,616
Consultancy services		64,188	32,804
Fees and subscription		125,167	99,503
Security and janitorial		7,312	6,810
Donations	30.3	108,289	34,202
Depreciation on operating fixed assets	5.2	26,985	22,344
Amortization on intangible assets	7.2	7,773	1,660
Printing, stationary and office supplies		5,969	4,364
Others		3,538	2,777
		<u>817,615</u>	<u>594,490</u>

**30.1** Salaries, wages and benefits include Rs. 11.744 million for the year ended June 30, 2023 (June 30, 2022: Rs. 11.708 million) in respect of staff retirement benefits

30.2 Auditor's remuneration	2023	2022
	----- (Rupees in '000) -----	
Audit fee	5,500	5,500
Half yearly review	1,750	1,750
Consolidation of financial statements with the subsidiary	750	750
Review of code of corporate governance	200	200
Out of pocket expenses	200	-
	<u>8,400</u>	<u>8,200</u>
Certifications for regulatory purposes	200	100
	<u>8,600</u>	<u>8,300</u>

**30.3** The Company has paid donations to the following which exceeds 10% of total donations paid during the year or Rs. 1 million, whichever is higher:

Name of Donee	2023	2022
	----- (Rupees in '000) -----	
Saylani Welfare Trust	76,882	19,981
	<u>76,882</u>	<u>19,981</u>

During the year, no donations were paid to any donee / party in which any director of the Company is interested.

		2023	2022
		----- (Rupees in '000) -----	
<b>31. OTHER EXPENSES</b>	Note		
Worker's welfare fund		3,334	47,272
Re-measurement loss on investment in mutual fund units		-	45,561
Worker's profit participation fund	23.4	8,773	124,399
		<u>12,107</u>	<u>217,232</u>
<b>32. EXCHANGE LOSS</b>			
<b>32.1</b>	This includes unrealized exchange loss amounting to Rs. 5,031.196 million (June 2022: Rs. 1,062.588 million).		
		2023	2022
		----- (Rupees in '000) -----	
<b>33. OTHER INCOME</b>	Note		
<b>Income / return on financial assets</b>			
Income on bank deposits		80,304	22,539
Income on TDRs		255,545	373,215
Income on PIBs		-	3,658
Interest income on loan to related party		228,537	-
Re-measurement gain on investment in mutual fund units		13,648	-
Profit realized on redemption of mutual fund units		243	18,455
Dividend income from mutual fund units		188,763	393,372
		<u>767,040</u>	<u>811,239</u>
<b>Income from non-financial assets</b>			
Amortization of deferred government grant	22	18,998	21,116
Scrap sales		2,657	3,209
Gain on disposal of fixed assets		24,642	1,159
Gain on re-assessment of right-of-use-assets		1,201	5,727
Others		-	221
		<u>47,498</u>	<u>31,432</u>
		<u>814,538</u>	<u>842,671</u>
<b>34. FINANCE COST</b>	Note	2023	2022
		----- (Rupees in '000) -----	
Interest on non-shariah arrangements		2,679,146	1,120,643
Profit on shariah arrangements		696,039	506,907
Interest on worker's profit participation fund	23.4	14,823	7,031
Finance charge of lease liabilities	21	7,597	15,137
Bank charges		5,685	13,878
Transaction cost on debt financing		3,390	-
		<u>3,406,680</u>	<u>1,663,596</u>
<b>35. TAXATION</b>	Note	2023	2022
		----- (Rupees in '000) -----	
Current		512,517	196,022
Prior		143,689	-
Deferred	10.1	(1,060,307)	(143,802)
		<u>(404,101)</u>	<u>52,220</u>

The provision of current tax is against the income falling under normal tax regime. In case of exports and dividends, the provision is under final tax regime.

	2023	2022
	----- (Rupees in '000) -----	
<b>35.1 Numerical reconciliation between tax expense and accounting profit:</b>		
Profit before taxation	<u>163,357</u>	<u>2,488,638</u>
Tax applicable rate	<u>29%</u>	<u>29%</u>
Tax on accounting profit	47,374	721,705
Effect of final tax regime	(36,796)	(53,370)
Effect of minimum tax	(5,278)	-
Prior	(143,689)	-
Effect of tax credit and unused tax losses	(261,784)	(613,070)
Effects due to different rate applicable to capital gains	(3,928)	(3,045)
	<u>(404,101)</u>	<u>52,220</u>
<b>35.2</b> Provision for current tax is calculated on the taxable income after adjusting the income eligible for tax credit under section 65 (E) of the Income tax ordinance 2001.		
	2023	2022
	----- (Rupees in '000) -----	
<b>36. EARNINGS PER SHARE</b>		
Profit after taxation	<u>567,458</u>	<u>2,436,418</u>
	2023	2022
	----- (Number of shares) -----	
Weighted average number of ordinary shares outstanding	<u>1,194,050,000</u>	<u>1,194,050,000</u>
	2023	2022
	----- (Rupees) -----	
Basic and diluted earnings per share	<u>0.48</u>	<u>2.04</u>

37. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2023 ----- (Rupees in '000) -----	2022
<b>Profit before taxation</b>		<b>163,357</b>	2,488,638
<b>Adjustments for non-cash and other items:</b>			
Depreciation on operating fixed assets	5.2	<b>351,409</b>	296,063
Depreciation on right-of-use assets	6.2	<b>42,606</b>	77,465
Amortization on intangible assets	7.2	<b>15,546</b>	3,177
Amortization on deferred government grant	22	<b>(18,998)</b>	(21,116)
Exchange loss - unrealized	32	<b>5,036,769</b>	1,062,589
Loss / (gain) on re-measurement of mutual fund units	31 & 33	<b>(13,648)</b>	45,561
Allowance for impairment of financial assets	13.3	<b>-</b>	23,805
Gain on disposal of property, plant and equipment	33	<b>(24,642)</b>	(1,159)
Dividend income	33	<b>(188,763)</b>	(393,372)
Profit on short term investment	33	<b>(335,849)</b>	(6,040)
Interest income on related party Loan	33	<b>(228,537)</b>	-
Finance cost	34	<b>3,406,680</b>	1,663,596
		<b>8,205,930</b>	5,239,207
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets:</b>			
Stock-in-trade		<b>1,018,958</b>	(470,095)
Stores and spares		<b>(10,789)</b>	(2,314)
Trade debts		<b>(1,701,261)</b>	(9,679,799)
Advances, deposits and prepayments		<b>(939,745)</b>	(262,669)
Sales tax receivable		<b>262,556</b>	138,080
		<b>(1,370,281)</b>	(10,276,797)
<b>Increase / (decrease) in current liabilities:</b>			
Trade and other payables		<b>(1,878,402)</b>	6,110,184
Contract liabilities		<b>(3,548)</b>	13,051
Sales tax payable		<b>-</b>	-
		<b>(1,881,950)</b>	6,123,235
<b>Cash generated from / (used in) operating activities</b>		<b>4,953,699</b>	1,085,645
<b>37.1 Cash and cash equivalents comprise of:</b>			
Cash and bank balances	17	<b>1,006,054</b>	641,186
Short term borrowings - running finance (secured)	25	<b>(408,943)</b>	(4,915,455)
		<b>597,111</b>	(4,274,269)

Description	Long term financing	Lease liabilities	Diminishing musharika	Short term borrowings	Accrued markup	Unclaimed dividend	Total
Balance as at July 1, 2022	367,420	84,773	2,206	15,902,167	332,703	644	16,689,913
<b>Changes from financing cash flows</b>							
Long term financing received - net	510,233	-	-	-	-	-	510,233
Proceeds from short term finance facilities	-	-	-	13,207,661	-	-	13,207,661
Proceeds from running finance facilities shown as cash equivalents	-	-	-	(4,506,512)	-	-	(4,506,512)
Rentals paid against right of use asset / diminishing musharika	-	(54,167)	(219)	-	-	-	(54,386)
Finance cost paid	(135,893)	-	-	-	(3,114,261)	-	(3,250,154)
Dividend paid	-	-	-	-	-	(104)	(104)
	<b>374,340</b>	<b>(54,167)</b>	<b>(219)</b>	<b>8,701,149</b>	<b>(3,114,261)</b>	<b>(104)</b>	<b>5,906,738</b>
<b>Other changes</b>							
Interest expense	50,454	7,597	-	-	3,335,008	-	3,393,059
Additions / reassessment / termination of lease	-	968	-	-	-	-	968
Government grant	(198,087)	-	-	-	-	-	(198,087)
	<b>(147,633)</b>	<b>8,565</b>	<b>-</b>	<b>-</b>	<b>3,335,008</b>	<b>-</b>	<b>3,195,940</b>
<b>Balance as at June 30, 2023</b>	<b>594,127</b>	<b>39,171</b>	<b>1,987</b>	<b>24,603,316</b>	<b>553,450</b>	<b>540</b>	<b>25,792,591</b>

### 38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

### 38.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

#### Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2023 ----- (Rupees in '000) -----	2022
Long term deposits	8	44,827	32,963
Long term loans	9	18,046	42,511
Trade debts	13	23,648,100	21,946,839
Advances and deposits	14	1,288,304	347,760
Other receivables	15	500,083	89,807
Short term investments	16	9,568,937	10,224,837
Bank balances	17	1,002,640	637,983
		<u>36,070,937</u>	<u>33,322,700</u>

#### Long term deposits

These represent security deposits provided to utility companies as per the contractual terms and Nazir High Court against increase in gas tariff. The Company does not expect material loss against these deposits.

#### Long term loans

These represents loan given to executives and employees of the company in accordance with the Company's policy. The Company does not expect any material loss against these loans.

#### Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Company establishes an allowance for expected credit loss that represents its estimate of expected losses.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2023 ----- (Rupees in '000) -----	2022
Domestic	<u>23,688,095</u>	<u>21,986,834</u>
The ageing of trade debts as at the date of the statement of financial position is:		
Not past due	10,231,565	14,073,937
Past due 1 - 90 days	10,139,004	5,084,400
Past due 91 - 180 days	2,756,025	2,547,475
Past due 181 - 270 days	539,657	224,930
Past due 271 - 360 days	21,826	34,302
Past due above 360 days	18	21,790
	<u>23,688,095</u>	<u>21,986,834</u>

#### Advances and deposits

These represents advances to various suppliers in an ordinary course of business to secure the availability of supplies and services. The management does not expect to incur credit loss there against.

#### Others receivables

These represent profit receivable against investment in term deposit receipts. The management does not expect to incur credit loss there against.

### Short term investments

These represent investment in mutual fund units and term deposit receipts. The management does not expect to incur credit loss there against.

### Bank balances

The Company kept its surplus funds with banks having good credit rating. Currently, the surplus funds are kept with banks having rating from AAA to A-.

### Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political, or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

## 38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual maturities	Maturity up to one year	Maturity after one year
------(Rupees in '000)-----				
<b>As at June 30, 2023</b>				
<b>Non-derivative financial liabilities</b>				
Long term financing	594,127	1,031,530	71,141	960,389
Diminishing musharika arrangement	1,987	3,222	626	2,596
Lease liabilities	39,171	41,015	38,145	2,870
Trade and other payables	23,653,838	23,653,838	23,653,838	-
Accrued mark-up	553,450	553,450	553,450	-
Short term borrowings	24,603,316	24,603,316	24,603,316	-
Unclaimed dividend	540	540	540	-
	<u>49,446,429</u>	<u>49,886,911</u>	<u>48,921,056</u>	<u>965,855</u>
------(Rupees in '000)-----				
<b>As at June 30, 2022</b>				
<b>Non-derivative financial liabilities</b>				
Long term financing	367,420	435,449	102,138	333,312
Diminishing musharika arrangement	2,206	2,206	260	1,946
Lease liabilities	84,773	93,585	55,829	37,756
Trade and other payables	20,458,136	20,458,136	20,458,136	-
Accrued mark-up	332,703	332,703	332,703	-
Short term borrowings	15,902,167	15,902,167	15,902,167	-
Unclaimed dividend	645	645	645	-
	<u>37,148,050</u>	<u>37,224,891</u>	<u>36,851,878</u>	<u>373,014</u>

## 38.3 Market risk

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

### 38.3.1 Currency risk

Currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on foreign trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

	2023		2022	
	Rupees	US Dollars	Rupees	US Dollars
Financial liabilities	----- (Amounts in '000) -----		----- (Amounts in '000) -----	
Trade creditors - foreign	<u>19,461,203</u>	<u>68,048</u>	<u>17,098,025</u>	<u>83,466</u>

The following significant spot exchange rates were applicable at the end of the year:

US Dollars (USD) to Pakistani Rupees	<u>285.99</u>	<u>204.85</u>
--------------------------------------	---------------	---------------

#### Sensitivity analysis

A 10 percent strengthening / weakening of the Pakistani Rupee against the US Dollar at June 30, 2023 would have decreased / increased the equity / profit after tax by Rs. 1,946.12 million (June 30, 2022: 1,709.26 million).

### 38.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets and liabilities include balance of Rs. 8,831.20 million (June 30, 2022: Rs 5,848.77 million) and Rs. 25,238.60 million (June 30, 2022: 16,356.56 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

As at June 30, 2023, if interest rates had been 100 basis points higher / lower with all other variables held constant, profit after tax for the year would have been Rs. 164.07 million (June 30, 2022: Rs. 105.08 million) lower/ higher, mainly as a result of lower / higher interest expense / income from these financial liabilities and assets.

### 38.3.3 Price risk

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

### 38.3.4 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

### 38.3.5 Financial instruments by categories

	Note	2023 ----- (Rupees in '000) -----	2022
<b>Financial assets</b>			
<b>Held at amortized cost</b>			
Long term deposits	8	44,827	32,963
Long term loan	9	18,046	42,511
Trade debts	13	23,648,100	21,946,839
Advances and deposits	14	1,288,304	347,760
Other receivables	15	500,083	89,807
Short term investments	16	8,567,900	5,649,946
Bank balances	17	1,002,640	637,983
		<u>35,069,900</u>	<u>28,747,809</u>
<b>Held at fair value</b>			
Short term investments	16	1,001,037	4,574,891
<b>Financial liabilities</b>			
<b>Held at amortized cost</b>			
Long term financing	19	594,127	367,420
Diminishing musharika arrangement	20	1,987	2,206
Lease liabilities	21	39,171	84,773
Trade and other payables	23	23,653,838	20,458,136
Accrued mark-up	24	553,450	332,703
Short term borrowings	25	24,603,316	15,902,167
Unclaimed dividend		540	644
		<u>49,446,429</u>	<u>37,148,049</u>

### 39. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023				
	Non Executive Directors	Executive Directors	Chief Executive	Executives	Total
	----- (Rupees in '000) -----				
Managerial remuneration	-	13,410	22,444	91,625	127,479
House rent	-	6,039	10,112	41,264	57,415
Medical	-	1,341	2,244	9,163	12,748
Retirement benefits	-	1,099	2,794	6,697	10,590
Director's meeting fee	9,900	-	-	-	9,900
	<u>9,900</u>	<u>21,889</u>	<u>37,594</u>	<u>148,749</u>	<u>218,132</u>
Number of persons	<u>5</u>	<u>1</u>		<u>41</u>	<u>48</u>
	2022				
	Non Executive Directors	Executive Directors	Chief Executive	Executives	Total
	----- (Rupees in '000) -----				
Managerial remuneration	-	5,836	7,742	141,691	155,269
House rent	-	1,437	3,484	52,497	57,418
Medical	-	319	774	11,666	12,759
Retirement benefits	-	266	645	8,084	8,995
Director's meeting fee	9,760	-	1,550	-	11,310
	<u>9,760</u>	<u>7,858</u>	<u>14,195</u>	<u>213,938</u>	<u>245,751</u>
Number of persons	<u>5</u>	<u>1</u>		<u>59</u>	<u>66</u>

39.1 Chief executive emoluments are for 12 months in current year whereas these were for 3 months in prior year.

39.2 No independent and non executive directors are provided with the remuneration or any other perquisites other than directors' meeting fees.

## 40 TRANSACTIONS WITH RELATED PARTIES

### 40.1 Name of the related party Relationship and percentage of shareholding

Transactions involving related parties arising in the normal course of business are conducted at arm's length and at normal commercial rates unless otherwise specifically approved by the board of directors.

Wilmar Pakistan Holdings Pte Limited	Associated Company incorporated in Singapore (holds 21.74% shares of the Company)
Wilmar Trading Pte Limited	Associated Company incorporated in Singapore (Member of same group in which Wilmar Pakistan holdings Pte is a member)
Sunridge Foods (Private) Limited	Wholly owned subsidiary by nature of hundred percent shareholding
Unity Feeds (Private) Limited	Associated Company by nature of common directorship
Unity Packages (Pvt) Ltd.	Associated Company by nature of common directorship
Unity Enterprises (Pvt) Ltd.	Associated Company by nature of common directorship
Unity Wilmar Foods (Pvt) Ltd.	Associated Company by nature of common directorship
Unity Wilmar Packages (Pvt) Ltd.	Associated Company by nature of common directorship
Unity Wilmar Agro (Pvt) Ltd.	Associated Company by nature of common directorship
Kairos Resources (Pvt) Ltd.	Associated Company by nature of common directorship
Emerald oil and fats (Pvt) Ltd	Associated Company by nature of common directorship
Agro Allianz Limited	Associated Company by nature of common directorship
Aloia (Private) Limited	Associated Company by nature of common directorship
Artciti (Pvt.) Limited	Associated Company by nature of common directorship
Lets Wrap (Pvt.) Limited.	Associated Company by nature of common directorship
SSG Traders (Pvt.) Limited.	Associated Company by nature of common directorship
Pakistan Humanitarian Forum	Associated Company by nature of common directorship
Sunridge Confectionery Limited (Formerly: Uni-Food Industries Limited)	Associated Company & wholly owned subsidiary of Sunridge Foods (Private) Limited
Ujala Education Foundation	Associated Company by nature of common directorship
MMG Engineering Associates (Pvt.) Limited	Associated Company by nature of common directorship
Pak Agro Packaging Limited	Associated Company by nature of common directorship
High Tech Lubricants Limited	Associated Company by nature of common directorship
Unity Food Ltd staff provident fund	Post employment benefits
Unity Commodities	Associated person
Let. Gen. Omar Mahmood Hayat (Retd)	Director
Mr. Muhammad Farrukh	Director
Mr. Abdul Majeed Ghaziani	Director
Mr. Muneer S. Godil	Director
Ms. Lie Hong Hwa	Director
Dr. Safdar Ali Butt	Director
Mr. Amir Shehzad	Director
Mr. Jalees Edhi	Key management personnel
Mr. Umar Shahzad	Key management personnel
Mr. Imran Ahmed Khan	Key management personnel
Mr. Rana Muhammad Nouman	Key management personnel
Mr. Syed Faiq Ahmed Jilane	Key management personnel

Following are the related parties with whom the Company had entered into transaction otherwise stated elsewhere

**Transactions with related parties**

Name	Nature of relationship	Nature of transaction	For the year ended	
			2023	2022
			----- (Rupees in '000) -----	
Sunridge Foods (Private) Limited	Subsidiary	Sales	30,926	29,886
		Purchases	360,137	111,552
		Payment made on behalf of the Subsidiary Company against purchase of SAP S4 Hana	64,719	-
		Payment made on behalf of the Subsidiary Company against expenses	192,962	-
		Long term investment	7,000,000	-
		Payment of loan to Subsidiary Company	5,000,000	-
		Interest income earned	228,537	-
Wilmar Trading Pte Limited	Associated Company	Purchases	44,065,186	35,855,962
		Payments	45,726,354	26,345,812
Unity Feeds (Private) Limited	Associated company	Sales	-	69,778
		Sales proceed	-	140,697
		Purchase of Vehicle	3,429	-
		Payment made against vehicle	3,429	-
Sunridge Confectionery Limited (Formerly: Uni - Food Industries Limited)	Subsidiary	Purchases	1,199	-
Unity Commodities	Associated person	Purchase of Vehicle	76,800	-
		Payment made against vehicle	76,800	-
Ms. Fehmida Amin	Associated person	Purchase of Vehicle	3,250	-
		Payment made against vehicle	3,250	-
Provident fund	Staff retirement benefit fund	Contribution paid	50,486	44,655
Directors and executives	Key management personnel	Remuneration paid	119,645	76,972

**41. CAPITAL RISK MANAGEMENT**

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, to maximize return of shareholders and to optimize capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

	Note	2023 ----- (Rupees in '000) -----	2022
The gearing ratio is as follows;			
Long term financing	19	594,127	367,420
Diminishing musharika arrangement	20	1,987	2,206
Short term borrowings	25	24,603,316	15,902,167
<b>Total debt</b>		<b>25,199,430</b>	16,271,793
Cash and bank balances	17	(1,006,054)	(641,186)
<b>Net debt</b>		<b>24,193,376</b>	15,630,607
Share capital	18	11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		6,383,506	5,816,048
<b>Share capital and reserves</b>		<b>21,724,006</b>	21,156,548
<b>Gearing ratio (Net debt/(Net debt + Share capital and reserves))</b>		<b>52.69%</b>	42.49%

#### 42. MEASUREMENT OF FAIR VALUES

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Fair value measurement using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, all financial assets and financial liabilities are carried at amortized cost which is approximate to their fair value, except short term investment which is carried at fair value.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

**43. ANNUAL PRODUCTION CAPACITY**

**Production capacity as at year end was as follows:**

Edible oil refinery  
 Feed Mill  
 Solvent extraction plant  
 Soap plant

**The actual production for the year was:**

Edible oil refinery  
 Feed Mill  
 Solvent extraction plant  
 Soap plant

**2023                      2022**  
 -----(Metric Tonnes)-----

<b>264,600</b>	264,600
<b>302,400</b>	302,400
<b>162,000</b>	162,000
<b>15,600</b>	15,600
<b>214,775</b>	255,305
<b>166,401</b>	266,382
<b>22,445</b>	47,911
<b>2,144</b>	1,951

The above production is carried out as per sales demand.

**44. CORRESPONDING FIGURES**

In addition, certain corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions, the effect of which is immaterial other than those stated below:

Nature	2022	2023	Amount '000
Margin against letter of credit	Cash and bank balances	Advances, deposits and prepayments	77,132
Trade and other payables	Trade creditors	Accrued liabilities	475,942
Salaries, wages and benefits	Administrative expenses	Selling and distribution expenses	64,195
Other income	Profit realized on redemption of mutual fund units	Dividend income from mutual fund units	393,372

**45. SUBSEQUENT EVENTS**

The Board of Directors of the Company in their meeting held on October 03, 2023 have not recommended any dividend.

**46. NUMBER OF EMPLOYEES**

Total number of employees as at year end  
 Average number of employees during the year

<b>2023</b>	<b>2022</b>
<b>577</b>	551
<b>564</b>	556

**47. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue in the Board of Directors meeting held on October 03,2023.

  
 Director

  
 Chief Executive

  
 Chief Financial Officer

# Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A member firm of



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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITY FOODS LIMITED

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the annexed consolidated financial statements of Unity Foods Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

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

### Key Audit Matter(s)

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

Following are the key audit matters:

S. No	Key audit matter(s)	How the matter was addressed in our audit
01	<p><b>Property, Plant and Equipment</b></p> <p>As disclosed in note 6.1 and 6.5.1 to the consolidated financial statements, the Group has incurred substantial amount of capital expenditure in operating fixed assets (including transfers from CWIP) and under capital work-in-progress amounting to Rs. 1,607.18 million and Rs. 4,448.03 million respectively during the year for enhancement of production and operating capacity and to improve efficiency.</p> <p>We focused on capital expenditure incurred during the year as this represents significant transactions for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures to assess the additions in Capital Work-In-Progress (CWIP) and capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system and following policies consistently;</li> <li>• testing, on sample basis, the costs incurred on various items with supporting documentation and contracts;</li> <li>• assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards;</li> <li>• inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation;</li> <li>• physical verification of the additions in fixed assets on sample basis and reviewed the relevant contracts and documents supporting various components of the capitalised cost; and</li> <li>• inspecting the title documents for the property added during the year to ensure that all properties are in the name of the Company.</li> </ul>

<p><b>02</b></p>	<p><b>Stock in trade</b></p> <p>As disclosed in note 13 to the accompanying consolidated financial statements, the stock in trade constitutes 15.1% of total assets of the Group. The cost of raw material, work in process and finished goods is determined at weighted average cost including a proportion of production overheads.</p> <p>We focused on stock in trade as it is a significant portion of Group's total assets and it requires management judgement in determining an appropriate costing basis and assessing its total cost.</p>	<p>We performed a range of audit procedures with respect to inventory items including:</p> <ul style="list-style-type: none"> <li>• attended physical inventory count performed by the Group on 26 and 27 June 2023 to gain comfort over the existence and condition of inventories;</li> <li>• worked forward for next three to four days to ascertain the quantity of stock and reconciled the balances as on 30 June 2023;</li> <li>• carried out a quantitative reconciliation of the stock produced and sold during the year and balance of stock at the year-end;</li> <li>• for a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>• testing the calculations of per unit cost of finished goods and assessing the appropriateness of management's basis for the allocation of cost and production overheads;</li> <li>• testing valuation methods and their appropriateness in accordance with the applicable accounting standards; and</li> <li>• assessing the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Group at the year end.</li> </ul>
<p><b>03</b></p>	<p><b>Trade Debts</b></p> <p>Refer to note 14 to the consolidated financial statements.</p> <p>As at 30 June 2023, the Group's gross trade debtors were Rs. 24,931.33 million.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control process (including credit account application approvals and credit limit review), debt collections process and making allowance for ECLs;</li> <li>• obtained an understanding of the financial model used by the Group's management for the determination of ECL on trade receivables;</li> <li>• testing the accuracy of trade receivable aging report, on a sample basis, by comparing individual balances in the report with underlying documentation to ensure the balances appearing in the ageing report were classified within appropriate ageing bracket;</li> </ul>

		<ul style="list-style-type: none"> <li>• reviewing assessment of expected credit loss made by independent firm of accounting advisory compliance;</li> <li>• assessing the completeness and accuracy of the data used in the model to the underlying accounting records on sample basis;</li> <li>• checking the mathematical accuracy of the model by performing recalculations;</li> <li>• circularizing direct confirmation to debtors on sample basis; and</li> <li>• assessing the historical accuracy of Credit loss if any under IFRS 9 by examining the utilization or release of previously recorded provisions for doubtful debts.</li> </ul>
<p><b>04</b></p>	<p><b>Short term investment</b></p> <p>As disclosed in note 17 to the accompanying consolidated financial statements, the Group has made investments in Mutual Fund Units and Term Deposit Receipts amounting to Rs. 9,568.94 million which constitutes 12.3% of total assets of the Group.</p> <p>We focused on the investment made during the year as this represents a significant event occurred during the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• understanding the design and implementation of management controls and testing control over investment made and accuracy of its recording in the system and impaling policies consistently;</li> <li>• verifying the consideration paid and inspecting supporting documents and contracts and approval at appropriate level;</li> <li>• assessing the adequacy of the disclosures made in respect of the details of investments held by the Group at the year-end.</li> </ul>

<p><b>05</b></p>	<p><b>Sales</b></p> <p>Refer note 29 to the consolidated financial statements which shows that revenue of the Group has substantially increased.</p> <p>Revenue is recognised when control of the underlying products is transferred to the customers. The Group recognized revenue of Rs. 100,870.35 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2023 as compared to Rs. 87,713.01 million in the previous year.</p> <p>We identified recognition of sales as a key audit matter because sales are one of the key performance indicators of the Group and gives rise to a risk that revenue is recognized without transferring the risk and rewards.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li> <li>• assessing the appropriateness of the Group’s accounting policies for recording of sales and compliance of those policies with applicable accounting standards;</li> <li>• assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 ‘Revenue from Contracts with Customers’;</li> <li>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;</li> <li>• comparing a sample of sale transactions recorded around the year with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period;</li> <li>• comparing, on a sample basis, specific sale transactions recorded just before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period;</li> <li>• scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation;</li> <li>• worked out party-wise sales and noticed concentration of large portion of sale with one party and undertaken audit procedures to confirm that the sales to this party have been made under normal commercial basis;</li> <li>• performing audit procedures to analyze variation in the price and quantity sold during the year; and</li> <li>• assessing the adequacy of disclosures made in the consolidated financial statements related to sales.</li> </ul>
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<p><b>06</b></p>	<p><b>Borrowings and finance costs</b></p> <p>Refer notes 27 and 36 to the consolidated financial statements.</p> <p>The Group has obtained a range of financing facilities from different financial institutions amounting to Rs. 30,581.90 million, being 54.4% of total liabilities, as at 30 June 2023 with varying terms and tenure and incurred substantial cost.</p> <p>This was considered to be a key audit matter as these affects Group's gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design and operating effectiveness of the Group's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs;</li> <li>• reviewed loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management in order to verify finance costs, fair value determination and ensured that the borrowings have been approved at appropriate level;</li> <li>• testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan; and</li> <li>• assessing the adequacy of the Group's compliance with the loan covenants and the disclosure in the consolidated financial statements.</li> <li>• obtaining direct confirmations of borrowings as at 30 June 2023 directly from the financial institutions;</li> </ul>
<p><b>07</b></p>	<p><b>Deferred tax asset</b></p> <p>As disclosed in note 11 to the consolidated financial statement the company has booked net deferred tax asset of Rs. 1,282.93 million which has mainly arisen due to heavy unrealized exchange losses. Under the International Accounting Standard-12 (IAS-12), the group is required to review the recoverability of deferred tax asset recognized in the statement of financial position at each reporting period.</p> <p>Recognition of deferred tax is dependent on estimate of sufficient future taxable profit against which such tax asset can be utilized.</p> <p>The future taxable profit is based on approved management projections. The estimation involved the degree of uncertainty as required judgement in relation to the future cash flow.</p> <p>Valuation of deferred tax is considered as a Key Audit Matter because the amount involved is material, the complexities of the calculation of the future taxable profit and inherent uncertainty involve in the forecasting of taxable profit available in future periods.</p>	<p>Our audit procedure included the following;</p> <ul style="list-style-type: none"> <li>• Understanding the design, implementation of management control and testing control over the recognition of deferred tax asset and accuracy of its recording in the system and the process of calculation of such asset;</li> <li>• Considered the expected timing of utilization of deferred tax asset keeping in view the relevant portion of Income Tax Ordinance, 2001 that apply to the adjustment / utilization of unrealized exchange losses;</li> <li>• Determined the extent to which the sufficient probable taxable profit would arise in the period within which the related losses would be available for adjustment / utilization;</li> <li>• Considered whether the tax balances calculated using appropriate and substantively enacted tax laws and rate;</li> <li>• Obtained understanding of the Group process of preparing its financial projections;</li> <li>• Evaluated the financial projection and assessed the likelihood of company generating sufficient future taxable profit; and</li> <li>• Assessed the adequacy of disclosures made in the consolidated financial statements related to deferred tax asset.</li> </ul>

### **Information Other than the unconsolidated financial statements and Auditor's Report Thereon**

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

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

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

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

### **Responsibilities of Management and Board of Directors for the unconsolidated financial statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the unconsolidated financial statements**

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

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

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

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

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

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

**Other Matter**

The financial statements of the indirect subsidiary for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed unmodified opinion vide their report dated September 20, 2023 on those statements.

The engagement partner on the audit resulting in this independent auditor's report is Shah Naveed Saeed.



**Chartered Accountants**

Islamabad

Date: October 04, 2023

UDIN: AR2023105963zlpWwXLg

# Consolidated Financial Statements

# Consolidated Statement of Financial Position

As at June 30, 2023

ASSETS	Note	2023 ------(Rupees in '000)-----	2022
<b>Non-current assets</b>			
Property, plant and equipment	6	16,634,612	11,109,577
Right-of-use assets	7	31,412	71,848
Intangible assets	8	591,892	356,855
Long-term deposits	9	87,143	40,547
Long-term loans	10	22,603	29,162
Deferred taxation - net	11	1,282,934	249,307
Long-term investment	12	230,938	-
		<b>18,881,534</b>	11,857,296
<b>Current assets</b>			
Stock-in-trade	13	11,747,761	12,697,007
Stores and spares		69,780	40,716
Trade debts	14	24,830,944	22,499,673
Advances, deposits and prepayments	15	5,840,219	445,895
Other receivables	16	90,889	92,878
Sales tax receivable		23,931	268,522
Current portion of long-term loans	10	4,292	19,116
Taxation - net of provision		5,280,658	4,227,796
Short-term investments	17	9,568,937	10,224,838
Cash and bank balances	18	1,210,119	839,290
		<b>58,667,530</b>	51,355,731
<b>TOTAL ASSETS</b>		<b>77,549,064</b>	<b>63,213,027</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	19	11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		5,967,332	5,370,498
		<b>21,307,832</b>	20,710,998
<b>Non-current liabilities</b>			
Long-term financing	20	522,986	248,931
Diminishing musharika arrangement	21	1,735	1,965
Lease liabilities	22	2,801	36,246
Deferred government grant	23	198,563	55,769
Staff retirement benefits	24	23,400	16,046
		<b>749,485</b>	358,957
<b>Current liabilities</b>			
Current portion of long-term financing	20	71,141	126,678
Current portion of diminishing musharika arrangement	21	252	241
Current portion of lease liabilities	22	36,370	48,527
Current portion of deferred government grant	23	49,805	13,829
Trade and other payables	25	24,126,962	21,054,677
Contract liabilities		44,831	2,774,286
Accrued mark-up	26	579,950	351,740
Short-term borrowings	27	30,581,896	17,772,447
Unclaimed dividend		540	647
		<b>55,491,747</b>	42,143,072
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>77,549,064</b>	<b>63,213,027</b>
Contingencies and commitments	28		

The annexed notes from 1 to 49 form an integral part of these annual audited consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Consolidated Statement of Profit or Loss

For the year ended June 30, 2023

	Note	2023 ----- (Rupees in '000) -----	2022
Sales - net	29	100,870,351	87,713,011
Cost of sales	30	(87,059,117)	(79,475,327)
<b>Gross profit</b>		<b>13,811,234</b>	<b>8,237,684</b>
Selling and distribution expenses	31	(1,852,854)	(1,261,645)
Administrative expenses	32	(1,208,661)	(717,753)
Other expenses	33	(33,149)	(217,232)
Allowance for impairment of financial assets	14.2	(22,805)	(57,623)
Exchange loss	34	(7,488,050)	(2,899,240)
		<b>(10,605,519)</b>	<b>(5,153,493)</b>
Other income	35	673,271	865,881
		<b>3,878,986</b>	<b>3,950,072</b>
Finance cost	36	(3,564,114)	(1,800,963)
<b>Profit before taxation</b>		<b>314,872</b>	<b>2,149,109</b>
Taxation	37	360,219	32,201
<b>Profit after taxation</b>		<b>675,091</b>	<b>2,181,310</b>
<b>Basic and diluted earnings per share</b>	38	<b>0.57</b>	<b>1.83</b>

The annexed notes from 1 to 49 form an integral part of these annual audited consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Consolidated Statement of Comprehensive Income

For the year ended June 30, 2023

	2023	2022
	----- (Rupees in '000) -----	
<b>Profit after taxation</b>	<b>675,091</b>	2,181,310
Other comprehensive income	-	-
<b>Items that will not be subsequently reclassified to consolidated statement of profit or loss</b>		
Re-measurement gain on staff retirement benefits - net of tax	-	427
Fair value reserve of financial asset carried at FVOCI - net of tax	(78,257)	-
<b>Total comprehensive income</b>	<b>596,834</b>	<b>2,181,737</b>

The annexed notes from 1 to 49 form an integral part of these annual audited consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Consolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Share capital	Reserves		Total equity
		Capital Share premium	Revenue Unappropriated profit	
------(Rupees in '000)-----				
<b>Balance as at June 30, 2021</b>	9,940,500	-	3,247,910	13,188,410
<b>Transactions with owners recorded directly in equity</b>				
Issuance of right shares	2,000,000	3,400,000	-	5,400,000
Transaction cost incurred on issuance of right shares	-	-	(59,149)	(59,149)
	2,000,000	3,400,000	(59,149)	5,340,851
<b>Total comprehensive income for the year ended June 30, 2022</b>				
Profit after taxation	-	-	2,181,310	2,181,310
Other comprehensive income for the year	-	-	427	427
<b>Balance as at June 30, 2022</b>	<b>11,940,500</b>	<b>3,400,000</b>	<b>5,370,498</b>	<b>20,710,998</b>
<b>Total comprehensive income for the year ended June 30, 2023</b>				
Profit after taxation	-	-	675,091	675,091
Other comprehensive income for the year	-	-	(78,257)	(78,257)
<b>Balance as at June 30, 2023</b>	<b>11,940,500</b>	<b>3,400,000</b>	<b>5,967,332</b>	<b>21,307,832</b>

The annexed notes from 1 to 49 form an integral part of these annual audited consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Consolidated Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023 ------(Rupees in '000)-----	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash (used in) / generated from operating activities</b>	39	<b>(2,187,780)</b>	2,769,567
Taxes paid		(1,725,869)	(1,568,701)
Long-term loan returned by / (given to) employees - net		21,379	(8,488)
Long-term deposits paid		(40,748)	(14,765)
Staff retirement benefits paid		(2,856)	-
Donations paid		(113,086)	(34,302)
<b>Net cash (used in) / generated from operating activities</b>		<b>(4,048,960)</b>	1,143,311
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(4,869,741)	(2,786,815)
Proceeds from disposal of property, plant and equipment		56,712	3,270
Purchase of intangible assets		(85,118)	(68,865)
Net consideration paid under business combination		(576,125)	-
Long term investment in listed equity securities		(320,375)	-
Short-term investments - net		858,312	(3,411,413)
Profit received on short-term investments and bank deposits		257,534	395,248
<b>Net cash used in investing activities</b>		<b>(4,678,801)</b>	(5,868,575)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from / (repayment of) short-term borrowings - net		19,186,241	(2,450,005)
Disbursement of long-term financing		510,233	4,694
Repayment of long-term financing		(434,612)	-
Rentals paid against right-of-use assets and diminishing musharika		(54,386)	(89,123)
Outstanding dividend paid		(107)	(24)
Finance cost paid		(3,731,987)	(1,658,199)
Proceeds from issuance of right shares		-	5,400,000
Transaction cost paid on issuance of right shares		-	(59,149)
<b>Net cash generated from financing activities</b>		<b>15,475,382</b>	1,148,194
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>6,747,621</b>	(3,577,070)
Cash and cash equivalents at the beginning of the year	39.1	(5,946,445)	(2,369,375)
<b>Cash and cash equivalents at the end of the year</b>		<b>801,176</b>	(5,946,445)

The annexed notes from 1 to 49 form an integral part of these annual audited consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

## 1 THE GROUP AND ITS OPERATIONS

1.1 The Group consists of Unity Foods Limited ("the Holding Company") and its subsidiaries namely Sunridge Foods (Private) Limited and Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited). Brief profiles of the Holding Company and the subsidiaries are as follows:

### 1.1.1 Unity Foods Limited

Unity Foods Limited ("the Holding Company") was incorporated in Pakistan in 1991 as a Private Limited Company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a Public Limited Company on June 16, 1991. Shares of the Company are listed on Pakistan Stock Exchange since February 01, 1994. The principal business activity of the Company has been changed from yarn manufacturing to edible oil extraction, refining and related businesses.

### 1.1.2 Sunridge Foods (Private) Limited

Sunridge Foods (Private) Limited, the wholly owned subsidiary, was incorporated in Pakistan as a Private Limited Company on March 16, 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the Subsidiary Company is the processing of food items.

### 1.1.3 Sunridge Confectionery Limited

Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited), the subsidiary wholly owned through Sunridge Foods (Private) Limited was incorporated in Pakistan as a Public Limited Company on September 1, 2016 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the Subsidiary Company is the processing of food items.

1.2 Geographical locations and addresses of business units including plants of the Group are as under:

Addresses	Purpose	In Use
<b>Karachi, Sindh</b>		
Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.	Registered office	Unity Foods Limited
Plot No. A-48, Industrial Zone, Port Qasim.	Oil refinery	Unity Foods Limited
Plot No. A-55 & 56, Industrial Zone, Port Qasim.	Feed mill	Unity Foods Limited
C6, North West Zone, Port Qasim.	Registered office / Pesa flour plant	Sunridge Foods (Pvt.) Limited
Office No. 602-604, 6th Floor Fortune Center, P.E.C.H.S, Block 6	Corporate office	Sunridge Foods (Pvt.) Limited
Industrial Plot No. H/14, SITE Super Highway, Phase II.	Flour mill	Sunridge Foods (Pvt.) Limited
<b>Kotri, District Hyderabad, Sindh</b>		
Plot No. N-25 & N-27/B, N37/A, SITE Area.	Edible Oil Extraction Plant, Refinery and Pelletising Mills	Unity Foods Limited
<b>Hub, Balochistan</b>		
Plot No. C-375, C-376, C-377, C-382, C-383 and C-384, Hub Industrial Estate, Lasbella.	Soap Plant	Unity Foods Limited
Plot No. 16-21, Main Road, Hub Chowki.	Confectionary Plant	Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited)
<b>Lahore, Punjab</b>		
Plot No. 27 - C-3, M.M. Alam Road, Gulberg-III	Regional Office	Unity Foods Limited
Muhammad Pura / Dhamkay, Tehsil Sharaqpur, District Sheikhpura.	Flour and Rice Mill	Sunridge Foods (Pvt.) Limited

## 2. BUSINESS COMBINATION

During the year, Sunridge Foods (Private) Limited acquired controlling interest of 100% of the paid up capital of Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited) dated January 20, 2023 in accordance with share purchase agreement between Sunridge Foods (Private) Limited and the shareholders of Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited).

At the acquisition date, land, building and plant and machinery were recognized at their fair values assessed by an independent valuer. Other assets acquired and liabilities assumed were recognized at their carrying values which are approximately equal to fair values of these assets and liabilities.

The following table summarizes the estimated fair values of consideration paid, as well as the assets acquired and the liabilities assumed at the date of acquisition:

	<b>Carrying value</b>	<b>Fair value</b>
	<b>As on January 20, 2023</b>	
	<b>------(Rupees in '000)-----</b>	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	721,432	1,165,294
Intangible assets	1,128	1,128
Long-term deposits	5,848	5,848
Deferred taxation - net	36,442	(37,670)
	<u>764,850</u>	<u>1,134,600</u>
<b>Current assets</b>		
Stock-in-trade	27,278	27,278
Stores and spares	14	14
Advances, deposits and prepayments	1,968	1,968
Sales tax receivable	26,888	26,888
Taxation - net of provision	3,665	3,665
Cash and bank balances	565	565
	<u>60,378</u>	<u>60,378</u>
<b>Total assets</b>	<u><u>825,228</u></u>	<u><u>1,194,978</u></u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loan from related party	694,577	694,577
<b>Current liabilities</b>		
Trade and other payables	18,627	18,627
Accrued mark-up	78,488	78,488
	<u>97,115</u>	<u>97,115</u>
<b>Total liabilities</b>	<u><u>791,692</u></u>	<u><u>791,692</u></u>
Fair value of net assets acquired through business combination		<u>403,286</u>
Goodwill		<u>173,404</u>
<b>Total Consideration</b>		<u><u>576,690</u></u>
<b>Cash outflow on acquisition</b>		
Net cash acquired with subsidiary		565
Cash paid		(576,690)
<b>Net cash outflow</b>		<u><u>(576,125)</u></u>

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected revenue growth, future market development and assembled work force of the Group.

The results of operations of Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited) since the acquisition date that have been included in the consolidated statement of profit or loss for the year ended June 30, 2023 are as follows:

	<b>2023</b>
	<b>-(Rupees in '000)-</b>
Turnover	<u>1,165</u>
Net loss attributable to owners of the Holding Company	<u><u>(48,586)</u></u>

### **3 BASIS OF PREPARATION AND CONSOLIDATION**

#### **3.1 Statement of compliance**

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

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

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

#### **3.2 Basis of consolidation**

These annual audited consolidated financial statements include the financial statements of the Holding Company and the subsidiaries as referred in note 1.1.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The unconsolidated financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All intra-group balances, transactions and unrealised gains or losses resulting from intra-group transactions and dividends (if any) are eliminated in full.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income and recognises fair value of consideration received, any investment retained, surplus or deficit in profit or loss and reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss.

The assets, liabilities, income and expenses of the subsidiaries are consolidated on a line by line basis and carrying value of investments held by the Holding Company are eliminated against the subsidiaries' shareholders' equity in these annual audited consolidated financial statements.

#### **3.3 Operating segment**

These consolidated financial statements have been prepared on the basis of a single reportable segment.

#### **3.4 Basis of measurement**

These annual audited consolidated financial statements have been prepared;

- (i) under the historical cost convention except otherwise stated.
- (ii) following accrual basis of accounting except for cash flow information.

### **3.4 Functional and presentation currency**

These annual audited consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional currency.

Figures have been rounded-off to the nearest thousand Rupees unless otherwise stated.

### **3.5 Use of estimates and judgments**

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

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the significant effect on the amounts recognized in these annual audited consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property, plant and equipment and depreciation (refer note 5.1)
- Right-of-use assets (refer note 5.3)
- Intangible assets, goodwill and amortization (refer note 5.4)
- Stock-in-trade (refer note 5.7)
- Staff retirement benefits (refer note 5.11)
- Lease liabilities (refer note 5.16)
- Government grant (refer note 5.18)
- Provisions (refer note 5.20)
- Taxation (refer note 5.23)
- Contingent liabilities (refer note 5.24)
- Fair value measurement of financial instrument (refer note 5.26)
- Impairment (refer note 5.27)

## **4. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

### **4.1 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant:**

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract.
- Annual Improvements to IFRS Standards 2018–2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41).

#### 4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2024
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 7 'Statement of Cash flows'- Supplier finance arrangements	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.	January 01, 2024
- Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IFRS 7 'Financial Instruments: Disclosures'- Supplier finance arrangements	January 01, 2024
- Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
- IFRS 1 - First Time Adoption of International Financial Reporting Standards	
- IFRS 17 - Insurance Contracts	

#### 5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these annual audited consolidated financial statements are set out below. These policies have been consistently applied to the years presented.

##### 5.1 Property, plant and equipment and depreciation

###### Initial recognition

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

###### Measurement

Property, plant and equipment (except freehold land) are stated at cost less accumulated depreciation and impairment losses, if any. The costs of property, plant and equipment include:

- a) Its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates,
- b) Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and
- c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### **Subsequent expenditure**

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other expenditures (including repairs and normal maintenance) are charged in the consolidated statement of profit or loss as an expense when incurred.

#### **Depreciation**

Depreciation on all items except for free hold land is charged on straight line method at the rates specified in respective note to these annual audited consolidated financial statements and is charged to profit or loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal. Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each financial year end.

#### **Gain or loss on disposal**

Gain or loss on disposal of asset is the difference between the consideration received and the net book value of asset at the date of disposal. Gain or loss is charged to profit or loss.

### **5.2 Capital work-in-progress**

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant class of assets as and when assets are available for intended use.

### **5.3 Right-of-use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as disclosed in note 7 to these annual audited consolidated financial statements.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### **5.4 Intangible assets, goodwill and amortization**

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are charged to profit or loss as incurred.

Amortization is charged to profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- (a) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- (b) its intention to complete and its ability and intention to use or sell the asset.
- (c) how the asset will generate future economic benefits.
- (d) the availability of resources to complete the asset.
- (e) the ability to measure reliably the expenditure during development.

Goodwill acquired as a result of business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the consolidated statement of profit or loss on the acquisition date.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating unit (CGU) (Wheat Production Unit) that are expected to benefit from the synergies of the operations irrespective of whether other assets or liabilities of the acquiree are assigned to these units or group of units.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## **5.5 Trade debts**

Trade debts originated by the Group is recognised and carried at original invoice amounts less allowance for expected credit losses (ECL). Bad debts are written-off when identified with BOD approval when identified. The Group recognizes allowance for ECL as per policy stated in note 5.27.

## **5.6 Advances and other receivables**

These are recognised at cost which is the fair value of the consideration given. These are subsequently measured at amortised cost less allowance for impairment, if any.

## **5.7 Stock-in-trade**

Stock-in-trade and stock-in-transit are stated at the lower of cost less impairment loss if any or net realizable value. Cost is arrived at on a weighted average basis. Cost of work-in-process and finished goods include cost of materials and appropriate portion of production overheads. Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses. Scrap stocks and by-products are valued at their estimated net realizable value.

## **5.8 Stores and spares**

Stores and spares are stated at cost less provision for slow moving and obsolete items. Cost is determined by using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

## **5.9 Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and short term borrowings (running finance) availed by the Group, which are repayable on demand and form an integral part of the Group's cash management.

## **5.10 Trade and other payables**

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized costs.

## **5.11 Staff retirement benefits**

### **5.11.1 Defined contribution plan**

The Group contributes to an approved contributory provident fund scheme for all its permanent employees. Equal monthly contributions, both by the Group and the employees are made to the fund, at the rate of 8.33% of the basic salary plus cost of living allowance. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan by the Group is recognized as an expense in the consolidated statement of profit or loss.

### **Unfunded gratuity scheme**

Sunridge Foods (Private) Limited, the wholly owned subsidiary, operated an unapproved and unfunded gratuity scheme covering of all its permanent employees who have completed the qualifying period under the scheme. The scheme was being administered by the directors and contribution therein were being made in the accordance with actuarial recommendations.

The valuation in this regard was carried using the Projected Unit Credit Method with actuarial valuation being carried out at the end of each annual reporting period. Remeasurement of the defined benefit liability, which comprises of actuarial gain and losses were recognized in other comprehensive income.

All the past service costs were recognised at the earlier of when the amendments or curtailment occurs and when the Group had recognised related restructuring or terminations benefits. Net interest expenses, current and past service costs relating to defined benefit scheme were recognised in the statement of profit or loss.

From January 01, 2023 gratuity scheme was discontinued and replaced with provident fund scheme.

### **Compensated absences**

As per human resource policy, there is no accumulated liability against leaves. The leaves, unless availed within the year, are encashed.

## **5.12 Borrowing cost**

Borrowing cost and other related costs directly attributable to the acquisition, construction or production of qualifying assets (assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising on foreign currency borrowings, obtained for acquisition, construction or production of qualifying assets, to the extent that they are regarded as an adjustment to interest cost are included in the cost of qualifying assets.

## **5.13 Contract liabilities**

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

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

Financial assets and financial liabilities are off-set and the net amount is reported in these annual audited consolidated financial statements only when the Group has currently legally enforceable right to set-off the recognized amounts and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the group or the counter parties.

### **5.15 Foreign currency translation**

Transactions in foreign currencies are converted into functional currency "Rupees" at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the date of the statement of financial position. Exchange gains and losses are charged in the consolidated statement of profit or loss.

### **5.16 Lease liabilities**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Group uses the interest rate implicit in the lease. In case, where the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### **5.17 Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of regional sales offices and warehouses, (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **5.18 Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to income, it is recognised as income on a systematic basis over the periods in which related costs, for which it is intended to compensate, are expensed out.

### **5.19 Related party transactions**

Related parties comprise of subsidiaries, associated companies, directors, companies with common directorship, provident fund, key management personnel and their relatives. Transactions involving related parties arising in the normal course of business are conducted at arm's length and at normal commercial rates on the same term and conditions as are applicable to third party transactions using valuation models as applicable, unless otherwise specifically approved by the board of directors.

### **5.20 Provisions**

A provision is recognised in consolidated the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate, reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

## 5.21 Revenue recognition

Revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer. Revenue from sale of goods is recognized at the point in time when control of the product has transferred. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from factory or warehouse or when it is delivered by the Company at customer's premises and the customer has accepted the product.

Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances and other trade discounts. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is also recognized for short term advances that the Company receives from its customers.

## 5.22 Income on bank deposits and finance cost

The Group's finance income is included in other income and interest expense is included in finance cost. Interest income or expense is charged using the effective interest method.

## 5.23 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is charged in the consolidated statement of profit and loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Group, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

### a) Current

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Group under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

### b) Deferred

Deferred tax is recognized using balance sheet asset / liability method, providing for deductible / temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the date of the consolidated statement of financial position.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## 5.24 Contingent liabilities

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

## 5.25 Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 5.26 Financial Instruments

### (a) Classification and initial measurement

The Group classifies its financial assets in to following three categories;

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

#### Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

#### Financial assets at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

For assets measured at fair value, gain or loss will either be recorded in the consolidated statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

### (b) Subsequent measurement

#### Financial assets at FVOCI

These assets are measured at fair value, with gain or loss arising from changes in fair value recognized in the consolidated statement of other comprehensive income.

### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gain or loss, including any interest / mark-up or dividend income, are recognized in the consolidated statement of profit or loss.

### **Financial assets measured at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gain or loss and impairment are recognized in the consolidated statement of profit or loss.

#### **(c) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### **(d) Financial liabilities**

Financial liabilities are classified as "measured at amortized cost" or "measured at fair value through profit or loss". A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or loss, including any interest expense, are recognized in the consolidated statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been subsequently modified.

### **5.27 Impairment**

#### **(a) Financial assets**

The Group recognizes loss allowances for expected credit loss (ECL) in respect of financial assets measured at amortized cost.

The Group applies the simplified approach to recognize lifetime expected credit loss for trade debts. The Group assesses on a forward looking basis the expected credit loss associated with its financial assets.

The Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Allowances for ECL financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of the Group.

**(b) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use or fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are charged in the consolidated statement of profit or loss.

**5.28 Trade debts**

Trade debts originated by the Group are recognised and carried at original invoice amounts less allowance for expected credit losses (ECL). Bad debts are written-off when identified.

**5.29 Advances, deposits, prepayments and other receivable**

These are recognised at cost which is the fair value of the consideration given. These are subsequently measured at amortised cost less allowance for impairment, if any.

**5.30 Proposed dividend and transfer between reserves**

Dividend distributions to the Group's shareholders are recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the reporting date is considered as a non-adjusting event and is recognized in the period in which such transfers are made.

**5.31 Earnings per share**

The Group presents earning per share (EPS) for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	<b>10,737,422</b>	8,474,949
Capital work-in-progress (CWIP)	6.5	<b>5,897,190</b>	2,634,628
		<b><u>16,634,612</u></b>	<u>11,109,577</u>

## 6.1 Operating fixed assets

	COST				ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE				
	As at July 01, 2022	Additions/ transfers	Acquired under business combination	Effects of reclassification	Disposals	As at June 30, 2023	Depreciation Rate (%)	As at July 01, 2022	Depreciation for the year	Effects of reclassification	Disposals	As at June 30, 2023	As at June 30, 2023
	----- (Rupees in '000) -----												
<b>Owned</b>													
Free hold land	255,766	847,900	317,100	-	-	1,420,766	-	-	-	-	-	-	1,420,766
Building on leasehold land	2,438,469	18,526	219,248	-	-	2,676,243	4%	(146,927)	(102,490)	-	-	(249,417)	2,426,826
Plant and machinery	4,500,241	138,893	613,528	-	-	5,252,662	5%	(408,430)	(244,986)	-	-	(653,416)	4,599,246
Furniture, fixtures and office equipment	100,349	76,057	12,104	-	(60)	188,450	10% - 20%	(45,998)	(28,743)	-	32	(74,709)	113,741
Computer and auxiliary equipment	41,659	34,714	114	-	(769)	75,718	25%	(15,334)	(12,015)	-	476	(26,873)	48,845
Vehicles	189,564	210,894	3,200	-	(52,577)	351,081	20%	(26,351)	(47,208)	-	20,988	(52,571)	298,510
<b>Leased</b>													
Lease hold land	1,670,623	280,195	-	-	-	1,950,818	1.12% - 1.14%	(78,682)	(42,648)	-	-	(121,330)	1,829,488
	<b>9,196,671</b>	<b>1,607,179</b>	<b>1,165,294</b>	<b>-</b>	<b>(53,406)</b>	<b>11,915,738</b>		<b>(721,722)</b>	<b>(478,090)</b>	<b>-</b>	<b>21,496</b>	<b>(1,178,316)</b>	<b>10,737,422</b>
	----- (Rupees in '000) -----												
<b>Owned</b>													
Free hold land	20,815	234,951	-	-	-	255,766	-	-	-	-	-	-	255,766
Building on leasehold land	1,921,513	516,956	-	-	-	2,438,469	4%	(65,621)	(81,306)	-	-	(146,927)	2,291,542
Plant and machinery	3,107,168	1,390,223	-	2,850	-	4,500,241	5%	(245,011)	(164,410)	991	-	(408,430)	4,091,811
Furniture, fixtures and office equipment	59,018	48,473	-	(7,142)	-	100,349	10% - 20%	(20,649)	(22,051)	(3,298)	-	(45,998)	54,351
Computer and auxiliary equipment	24,880	12,901	-	4,292	(414)	41,659	25%	(10,695)	(7,026)	2,307	80	(15,334)	26,325
Vehicles	106,874	85,493	-	-	(2,803)	189,564	20%	(3,031)	(24,345)	-	1,025	(26,351)	163,213
<b>Leased</b>													
Lease hold land	1,462,251	208,372	-	-	-	1,670,623	1.12% - 1.14%	(39,175)	(39,507)	-	-	(78,682)	1,591,941
	<b>6,702,519</b>	<b>2,497,369</b>	<b>-</b>	<b>-</b>	<b>(3,217)</b>	<b>9,196,671</b>		<b>(384,182)</b>	<b>(338,645)</b>	<b>-</b>	<b>1,105</b>	<b>(721,722)</b>	<b>8,474,949</b>

	Note	2023 ------(Rupees in '000)-----	2022
<b>6.2 The depreciation charged for the year has been allocated as follows:</b>			
Cost of sales	30	414,173	307,206
Selling and distribution expenses	31	28,237	3,893
Administrative expenses	32	35,680	27,547
		<b>478,090</b>	<b>338,646</b>

**6.3** Particulars of immovable property (i.e. land and building) in the name of the Group are as follows:

Particulars	Location	Total Area
<b>Unity Food Limited</b>		
Lease hold land (Manufacturing plant)	Plot # N27/B & N37/A, SITE Area, Kotri, District Hyderabad.	38,429.60 Sq. Yd
Free hold land (Under construction)	Plot # N25, SITE Area, Kotri, District Hyderabad.	148,733.20 Sq. Yd
Lease hold land (Under construction)	Plot # D-51 & D-52, North Western Industrial Zone, Port Muhammad Bin Qasim, Karachi.	13,333.33 Sq. Yd
Lease hold land (Under construction)	Plot # W2/1/67 & 68, North Western Industrial Zone, Port Muhammad Bin Qasim, Karachi.	6,222.22 Sq. Yd
Lease hold land (Manufacturing plant)	Plot # A-48, Eastern Industrial Zone, Port Muhammad Bin Qasim, Karachi.	24,200.00 Sq. Yd
Lease hold land (Manufacturing plant)	Plot # C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella, Hub.	11,960.00 Sq. Yd
Office premises	Unity Tower, 8-C, Shahrah-e-Faisal, P.E.C.H.S., Block 6, Karachi.	600 Sq. Yd

**Sunridge Foods (Private) Limited**

Lease hold land (Manufacturing plant)	C-6, North West Zone, Port Qasim, Karachi.	14,520 Sq. Yd
Lease hold land (Manufacturing plant)	Industrial Plot # H-14, SITE Super Highway Phase II, Karachi.	4,307 Sq. Yd
Lease hold land (Manufacturing plant)	Muhammad Pura / Dhamkay, Tehsil Sharaqpur, District Sheikhpura.	38,127 Sq. Yd
Free hold land (Manufacturing plant)	63,9 Off Road, Dhamkay, Tehsil Sharaqpur, District Sheikhpura.	9,680 Sq. Yd
Lease hold land (For construction of Office premises)	Plot # 18-C, Block 6, P.E.C.H.S., Karachi.	1,500 Sq. Yd
Lease hold land (Warehouse)	Plot # W2/1/72-73, Port Qasim, Karachi.	9,680 Sq. Yd
Freehold land (For construction of Office premises)	Plot # 5, Q Block, Gulberg II.	24,200 Sq. Yd

**Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited)**

Freehold land (Manufacturing plant)	Plot # 16-21, Main Road, Hub Chowki, Hub, Balochistan.	43,850 Sq. Yd
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6.4 Details of property, plant and equipment disposed off having book value of five hundred thousand Rupees or more are as follows:

Asset category	Description	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relation with buyer
----- (Rupees in '000) -----									
Vehicles	Lexus Lx 570	49,655	(19,034)	30,621	53,000	22,379	Negotiation	Pakistan Kuwait Investment Company (PVT) Limited	N/A

		Note	2023 ----- (Rupees in '000) -----	2022
<b>6.5</b>	<b>Capital work-in-progress (CWIP)</b>			
	Land - leasehold		752,335	179,000
	Building on lease / free hold land		1,629,741	1,022,988
	Plant and machinery		3,480,909	1,387,589
	Furniture, fixtures and office equipment		17,358	14,335
	Computers & IT equipments		16,847	-
	Vehicles		-	30,716
			<u>5,897,190</u>	<u>2,634,628</u>
<b>6.5.1</b>	<b>Movement in capital work-in-progress is as follows:</b>			
	Balance at the beginning of the year		2,634,628	2,345,181
	Additions during the year	6.5.2	4,448,028	1,533,949
	Transfers / adjustments to operating fixed assets during the year		(1,185,466)	(1,244,502)
	Balance at the end of the year		<u>5,897,190</u>	<u>2,634,628</u>

6.5.2 It includes an amount of markup of Rs. 17.68 million (2022: Rs. 15.91 million) which has been capitalized during the year which was calculated at the rates ranging between 9.75% to 17.84% (2022: 9.75% to 10.75 %).

## 7. RIGHT-OF-USE ASSETS

Written down value (WDV) - opening		71,848	198,043
Disposal		(1,153)	(11,875)
Impact of lease re-measurement		3,323	(35,639)
Depreciation charged during the year	7.3	(42,606)	(78,681)
Written down value (WDV) - closing		<u>31,412</u>	<u>71,848</u>

7.1 The right-of-use assets comprise of rental premises consisting of three warehouses.

7.2 The annual rate of depreciation for the right-of-use assets ranges between 25% - 50%

		Note	2023 ----- (Rupees in '000) -----	2022
<b>7.3</b>	<b>Depreciation for the year has been allocated as follows:</b>			
	Cost of sales	30	39,872	72,495
	Selling and distribution expenses	31	2,734	4,971
	Administrative expenses	32	-	1,215
			<u>42,606</u>	<u>78,681</u>

## 8. INTANGIBLE ASSETS

Goodwill	8.1	454,653	281,249
Computer software and ERP system	8.2&8.3	135,139	6,574
Systems under development	8.4	2,100	69,032
		<u>591,892</u>	<u>356,855</u>

## 8.1 Goodwill

Goodwill amounting to Rs. 173.404 million has been recognized by the Group on acquisition of Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited).

For impairment testing, management has decided to evaluate on annualized basis after completion of one year from the date of acquisition.

	Note	2023 ----- (Rupees in '000) -----	2022
<b>8.2 Computer software and ERP system</b>			
<b>Net carrying value basis</b>			
Net book value - opening		6,574	6,870
Additions / transfer - at cost		152,050	2,945
Acquired under business combination		1,128	-
Amortization for the year	8.3	(24,613)	(3,241)
Net book value - closing		<u>135,139</u>	<u>6,574</u>
<b>Gross carrying value basis</b>			
Cost		169,404	16,226
Accumulated amortization		(34,265)	(9,652)
Net book value - closing		<u>135,139</u>	<u>6,574</u>
Useful life (years)		<u>5</u>	<u>5</u>
Amortization rate (%)		<u>20%</u>	<u>20%</u>
<b>8.3 Amortization for the year has been allocated as follows:</b>			
Cost of sales	30	7,444	974
Selling and distribution expenses	31	4,873	607
Administrative expenses	32	12,296	1,660
		<u>24,613</u>	<u>3,241</u>

8.4 This represents amount given to vendor / consultant for the development of software which is expected to be capitalized next year.

	Note	2023 ----- (Rupees in '000) -----	2022
<b>9. LONG-TERM DEPOSITS</b>			
Long-term deposits	9.1	<u>87,143</u>	<u>40,547</u>

9.1 This includes deposits given to Sui Southern Gas Company (SSGC) and Pakistan State Oil Company Limited against supply of gas and fuel respectively. Further, this also includes amount paid to Nazir High court in respect tariff increase as stated in note 29.1.2 and have not been discounted as the amount involved is not material to these consolidated financial statements.

	Note	2023 ----- (Rupees in '000) -----	2022
<b>10. LONG-TERM LOANS</b>			
Loan to employees and executives	10.1	26,895	48,278
Less: current portion		(4,292)	(19,116)
		<u>22,603</u>	<u>29,162</u>

10.1 These represent interest free loans to executives and employees for purchase of vehicles, house building, marriage and other, in accordance with the Group's policy. These loans are recoverable through monthly installments or adjusted against provident fund. These loans have not been discounted as the amount involved is not significant to these consolidated financial statements.

	2023	2022
	----- (Rupees in '000) -----	
<b>10.2</b> Reconciliation of carrying amount of long-term loans:		
Balance at the beginning of the year	48,278	20,674
Disbursement made during the year	19,394	41,143
Repayments during the year	(40,777)	(13,539)
Balance at the end of the year	<u>26,895</u>	<u>48,278</u>

**10.3** The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 42.226 million (2022: Rs. 48.278 million).

	2023	2022
	----- (Rupees in '000) -----	
<b>11. DEFERRED TAXATION - NET</b>	Note	
<b>Deferred tax asset in respect of:</b>		
Brought forward losses	11.1	300,506
Allowance for impairment of financial assets		29,113
Lease liabilities		11,360
Unrealized exchange loss		1,460,446
Staff retirement benefit		6,786
Provision against inventory		580
Minimum tax		76,900
Equity investment held as FVOCI		11,180
<b>Deferred tax liability in respect of:</b>		
Taxable temporary difference on tax depreciation		(602,169)
Remeasurement gain/ (loss) on short term investment		(1,706)
Right-of-use assets		(9,109)
Taxable temporary difference on tax amortization		(953)
<b>Deferred tax asset - net</b>		<u>1,282,934</u>
		<u>249,307</u>

**11.1** During the year, the subsidiaries have recognized deferred tax asset on unused tax losses pertaining to prior years. The recognition was based on the assessment that sufficient taxable profits will exist that will be used against these unused tax losses.

	2023	2022
	----- (Rupees in '000) -----	
<b>12. LONG-TERM INVESTMENT</b>	Note	
<b>Fair value through other comprehensive income</b>		
Listed equity securities - Al Shaheer Corporation Limited	12.1	230,938
		-

**12.1** Sunridge Foods (Private) Limited, the subsidiary, holds 8.5% ownership interest in Al Shaheer Corporation Limited which represents 31,941,586 (June 30, 2022: nil) shares at cost of Rs. 320,374,110 (June 30, 2022: nil).

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>13. STOCK-IN-TRADE</b>			
<b>Raw materials</b>			
In-hand		7,759,108	8,463,303
In-transit		918,924	2,235,575
		<b>8,678,032</b>	10,698,878
<b>Packing Material</b>		371,244	129,086
<b>Finished goods</b>	30	<b>2,700,486</b>	1,869,043
		<b>11,749,762</b>	12,697,007
<b>Provision against inventory</b>	14.1	<b>(2,001)</b>	-
		<b>11,747,761</b>	12,697,007
<b>13.1</b>	Movement for provision against inventory:		
	Balance at the beginning of the year	-	-
	Amount charged during the year	2,001	-
	Balance at the end of the year	<b>2,001</b>	-
<b>14. TRADE DEBTS</b>			
Trade debts - unsecured		24,931,331	22,577,255
Allowance for impairment - expected credit loss		(100,387)	(77,582)
		<b>24,830,944</b>	22,499,673

**14.1** The Group as per policy applies simplified approach in calculating expected credit losses. The assessment of expected credit loss has been independently made by a firm of accounting advisory compliance by establishing a provision matrix that is based on Groups's historical credit loss experience adjusted for forward looking factors specific to the trade receivables and the economic environment.

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>14.2</b>	Movement of allowance for impairment:		
	Balance at the beginning of the year	77,582	19,959
	Amount charged during the year	22,805	57,623
	Balance at the end of the year	<b>100,387</b>	77,582

**15. ADVANCES, DEPOSITS AND PREPAYMENTS**

Advances to employees		562	-
Advances to suppliers	15.1	4,653,190	346,696
Margin against letter of credit	15.2	1,154,720	77,132
Security deposits	15.3	10,665	5,889
Prepayments	15.3	21,082	16,178
		<b>5,840,219</b>	445,895

**15.1** These advances to suppliers are in an ordinary course of business and are non-interest bearing.

**15.2.** This includes amount kept with banks for the import of items which were only allowed to be imported with Cash Margin Requirement (CMR) by State Bank of Pakistan.

**15.3** These deposits and prepayments are mainly against rent, utilities and insurance and are not considered doubtful. These do not carry any mark-up arrangements.

**16. OTHER RECEIVABLES**

**16.1** It also includes profit receivable by the Holding Company against investment in term deposit receipts (TDRs) amounting to Rs. 28.355 million (June 30, 2022: Rs. 87.285 million).

	Note	2023 ----- (Rupees in '000) -----	2022
<b>17. SHORT-TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Mutual funds	17.1	1,001,037	4,574,892
<b>At amortized cost</b>			
Term deposit receipts	17.2	8,567,900	5,649,946
		<u>9,568,937</u>	<u>10,224,838</u>

**17.1** This represents HBL Cash Fund Units held by the Holding Company redeemable along with dividend units at closing price of previous day Net Asset Value. As at June 30, 2023, Rs.1,001.037 million (June 30, 2022: Rs. 4,574.89 million) out of the total investment value was pledged as security for a Rs. 1,000.48 million (June 30, 2022: Rs. 5,329.87 million) facility from HBL as per note 28.2.3.

<b>17.1.1 The details of investment in mutual fund are as follows:</b>	Number of units	Rate / unit
<b><u>As on June 30, 2023</u></b>		
HBL Cash Fund	<u>9,798,256</u>	102.16
<b><u>As on June 30, 2022</u></b>		
HBL Cash Fund	5,627,996	101.31
HBL Financial Sector Fund	40,028,847	100.05
	<u>45,656,843</u>	

**17.2** This carries markup at 6.50% to 19.50% per annum (June 30, 2022: 6.95% to 14.47% per annum) having maturity upto one year.

	Note	2023 ----- (Rupees in '000) -----	2022
<b>18. CASH AND BANK BALANCES</b>			
<b>Bank balances - Islamic banking</b>			
Saving accounts	18.1	53,211	196,093
Current accounts		431,228	575,260
		484,439	771,353
<b>Bank balances - conventional banking</b>			
Saving accounts	18.1	212,085	23,293
Current accounts		506,193	37,925
		718,278	61,218
<b>Cash in hand</b>		7,402	6,719
		<u>1,210,119</u>	<u>839,290</u>

**18.1** Profit on saving accounts ranges from 5.75% to 10.14% against Islamic and from 8.75% to 20.5% against conventional (June 30, 2022: from 2.76% to 9.11% against Islamic and 5.5% to 12.25% against conventional) per annum.

		2023	2022
		----- (Rupees in '000) -----	
<b>19. SHARE CAPITAL</b>	Note		
<b>Authorized share capital</b>			
1,200,000,000 (June 30, 2022: 1,200,000,000) ordinary shares of Rs. 10/- each		<u>12,000,000</u>	<u>12,000,000</u>
<b>Issued, subscribed and paid-up capital</b>			
1,194,050,000 (June 30, 2022: 1,194,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	19.1	<u>11,940,500</u>	<u>11,940,500</u>
<b>19.1</b>	The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares, as the case may be, as and when declared by the Group. All shares carry one vote per share without restriction.		
		2023	2022
		----- (Rupees in '000) -----	
<b>20. LONG-TERM FINANCING</b>	Note		
Financing under ITERF Scheme - shariah arrangement	20.1	<u>594,127</u>	269,858
Financing under SBP Scheme - non-shariah arrangement	20.2 & 20.3	<u>-</u>	105,751
		<u>594,127</u>	<u>375,609</u>
Less: current portion shown under current liabilities		<u>(71,141)</u>	<u>(126,678)</u>
		<u>522,986</u>	<u>248,931</u>
<b>20.1</b>	The Holding Company has also obtained long term financing from Al Baraka Bank (Pakistan) Limited and Dubai Islamic Bank under ITERF "Islamic Temporary Economic Refinance Facility" refinance scheme by State Bank of Pakistan, the facility is secured with exclusive charge over the imported machineries under the expansion projects with 25% margin and lien over bank account under ITERF. The facility was valid till March 2022 for opening letter of credit for import of plant and machinery. During the year, additional tranche of Rs. 510.233 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% to 21.41% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. These are repayable in quarterly installments of Rs. 28.6 million commencing from October 2024.		
<b>20.2</b>	The Group obtained long-term financing from JS Bank under a refinance scheme of the State Bank of Pakistan to pay salaries and wages. The financing carried a flat mark-up of 3% per annum. However, the effective interest rate was calculated as 10.40% per annum and the loan had been recognized at the present value. The sanctioned facility amounted to Rs. 196.06 million. This loan was paid in 8 equal quarterly installments. The financing was secured against the plant and machinery of the Group (inclusive of 25% margin). This facility loan amount has been settled during the year.		
<b>20.3</b>	The Holding Company obtained long term financing from Bank of Punjab under a refinance scheme of the State Bank of Pakistan to pay salaries and wages. The financing carried a flat mark-up at the rate of 1% per annum. However, the effective interest rate was calculated as 10.40% per annum and the loan had been recognized at the present value. The sanctioned facility amounts to Rs. 196.89 million. This loan was paid in 8 equal quarterly installments. The financing was secured against hypothecation charge over current assets and plant and machinery of the Company (inclusive of 25% margin). This facility loan amount has been settled during the year.		
<b>20.4</b>	On acquisition of Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited), the subsidiary, all previous long term financing of the Subsidiary has been early settled by the new management.		
		2023	2022
		----- (Rupees in '000) -----	
<b>21. DIMINISHING MUSHARIKA ARRANGEMENT</b>	Note		
Diminishing musharika	21.1	<u>1,987</u>	2,206
Less: current portion		<u>(252)</u>	<u>(241)</u>
		<u>1,735</u>	<u>1,965</u>
<b>21.1</b>	The Holding Company has obtained a diminishing musharika facility from Al Baraka Bank (Pakistan) Limited for a vehicle aggregating to Rs. 2.385 million for a period of 7 years. The rate of return is 6 months KIBOR plus 1.5%. Musharika units are to be purchased in 7 years in 84 monthly installments latest by September 2028 and are secured against title of the vehicle.		

22. LEASE LIABILITIES	Note	2023	2022
		----- (Rupees in '000) -----	
Balance at the beginning of the year		84,773	212,143
Impact of lease re-measurement		3,323	(40,834)
Disposals during the year - net		(2,355)	(14,020)
Lease rentals paid		(54,167)	(88,414)
Accretion of interest charged in statement of profit or loss	36	7,597	15,898
Balance at the end of the year		39,171	84,773
Less: current portion		(36,370)	(48,527)
Non: current portion		2,801	36,246

22.1 The amount of future minimum lease payments, together with the present value of the minimum lease payments, and the periods during which they fall due are as follows:

	2023		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
	----- (Rupees in '000) -----		
Not later than one year	38,145	(1,776)	36,369
Later than one year but not later than five years	2,870	(68)	2,802
<b>Total future minimum lease payments</b>	<b>41,015</b>	<b>(1,844)</b>	<b>39,171</b>

	2022		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
	----- (Rupees in '000) -----		
Not later than one year	55,829	(7,302)	48,527
Later than one year but not later than five years	37,756	(1,511)	36,245
<b>Total future minimum lease payments</b>	<b>93,585</b>	<b>(8,813)</b>	<b>84,772</b>

23. DEFERRED GOVERNMENT GRANT	Note	2023	2022
		----- (Rupees in '000) -----	
Balance at the beginning of the year		69,598	28,515
Acquired under business combination		8,574	-
Recognized during the year	35	198,087	63,467
Amortized during the year		(22,127)	(22,384)
Balance at the end of the year		254,132	69,598
Less: early retirement		(5,764)	-
Less: current portion		(49,805)	(13,829)
Non-current portion		198,563	55,769

23.1 The value of benefit of below-market interest rate on the loans disclosed in note 20 to these consolidated financial statements has been accounted for as government grant under IAS - 20 Government grants.

**23.2** As mentioned in note 20.2 and 20.3, the purpose of the government grants so recognized was to facilitate the Group in making timely payments of salaries and wages to its employees in light of the COVID-19 pandemic. The grants were conditional upon the fact that the Group would not terminate any employee, due / owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche. During the year the carrying amount of these grants have been completely amortized upon the settlement of related loan facilities.

**23.3** As mentioned in note 20.1, the purpose of the government grant given under ITERF is to facilitate the Holding Company in making payments of imported and locally manufactured new plant and machinery to be used for setting-up of new projects. The grant is conditional upon the fact that the Holding Company would be required to contribute its equity share in an escrow account maintained with the Participating Islamic Banking Institution (PIBI). The proceeds shall be used by the Holding Company only for the purpose of setting up of the project / payment to the supplier etc, representing the Holding Company's equity share in the project.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>24. STAFF RETIREMENT BENEFITS</b>			
Gratuity	24.1	<b>15,203</b>	9,892
Compensated absences		<b>8,197</b>	6,154
		<b>23,400</b>	16,046

**24.1** From January 01, 2023 gratuity scheme was discontinued and replaced with provident fund scheme.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>25. TRADE AND OTHER PAYABLES</b>			
Trade creditors	25.1	<b>21,560,267</b>	18,445,133
Accrued liabilities	25.2	<b>2,144,425</b>	2,369,259
Sales tax payable		<b>260,495</b>	-
Withholding sales tax payable		<b>5,399</b>	3,752
Withholding income tax payable		<b>88,920</b>	51,513
Provident fund	25.3&25.4	<b>12,219</b>	1,985
Worker's welfare fund		<b>8,577</b>	47,272
Worker's profit participation fund	25.5	<b>37,394</b>	131,798
Others		<b>9,266</b>	3,965
		<b>24,126,962</b>	21,054,677

**25.1** This amount includes the following balance with a related party:

Wilmar Trading Pte. Limited	<b>17,275,155</b>	15,058,218
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**25.2** This includes a provision of Sindh Development and Infrastructure Cess (SDIC) amounting to Rs. 1,693.352 million (June 30, 2022: Rs. 900.375 million) levied by the Excise and Taxation Department of the Government of Sindh on goods entering or leaving the province through air or sea at the prescribed rate under Sindh Finance Ordinance 2001. Earlier, a Constitutional Petition C.P No. 4090/2020 was filed in the Sindh High Court (SHC) by the Holding Company on September 02, 2020, to challenge the levy of SDIC. An interim relief was granted by the SHC on condition to furnish of 50% bank guarantee and 50% should be paid in cash of the value of infrastructure cess. On June 04, 2021, the SHC in its judgement decided to encash the bank guarantee submitted and pay it to Collectorate. The Holding Company filed an appeal in the Honorable Supreme Court of Pakistan (SCP). The SCP vide Judgment dated September 01, 2021, has suspended SHC's Judgment dated June 04, 2021 (Impugned Judgment) granting interim relief to the appellants on the condition that all future consignments be released on furnishing 100% bank guarantee to the satisfaction of Excise and Taxation Department.

This also includes provision of Gas Infrastructure Development Cess (GIDC) amounting to Rs. 27.992 million (June 30, 2022: Rs.26.132).

**25.3** All investment out of provident fund have been made in accordance with the provision of section 218 of the Companies Act 2017 and the conditions specified thereunder, except as mentioned in note 25.4.

**25.4** As per the provisions of section 218 of the Companies Act 2017, a company is required to deposit within fifteen days from the date of receipt of contributions collected in a special account to be opened for that purpose. The contribution received by Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited), the subsidiary, has not been deposited as per the said requirement. The Subsidiary has registered its provident fund and is in process of registering it with provincial government under the Trust Act 2020 which is required for opening a separate bank account.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>25.5 Worker's profit participation fund</b>			
Balance at the beginning of the year	25.5.1	<b>131,798</b>	191,470
Interest	36	<b>14,823</b>	7,399
Allocation for the year	33	<b>22,571</b>	124,399
Paid during the year		<b>(131,798)</b>	(191,470)
Balance at the end of the year		<b>37,394</b>	131,798

**25.5.1** Interest on the workers profit participation fund has been accrued at the rate of 17.82% (June 30, 2022: 10.57%) per annum.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>26. ACCRUED MARK-UP</b>			
Markup accrued on running finance and short term loans	26.1	<b>579,950</b>	351,740

**26.1** This includes mark-up accrued amounting to Rs. 254.81 million (June 30, 2022: Rs. 133.12 million) on shariah arrangements.

	Note	2023 ----- <b>(Rupees in '000)</b> -----	2022
<b>27. SHORT-TERM BORROWINGS - SECURED</b>			
<b>Under conventional arrangements</b>			
Finance against imported merchandise	27.1	<b>19,895,626</b>	4,423,499
Short term running finance	27.2	<b>408,943</b>	4,915,455
Foreign currency loan	27.3	<b>420,623</b>	-
<b>Under Islamic arrangements</b>			
Short term finance	27.4 27.5 27.7 & 27.8	<b>9,164,697</b>	6,563,213
Short term running finance		-	1,870,280
Foreign currency loan	27.3	<b>692,007</b>	-
		<b>30,581,896</b>	17,772,447

#### **Holding Company**

**27.1** Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from commercial banks under mark-up arrangements amounted to Rs. 24,500 (June 30, 2022: Rs. 21,910 million) million. At year end, the applicable mark-up rates ranged between 16.16% to 23.57% (June 30, 2022: 7.00% to 16.63%) per annum. These facilities are valid upto February 28, 2024 and are from 3 months to 6 months.

**27.2** Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 1,200 million (June 30, 2022: Rs. 8,700 million) out of which Rs. 409 million was outstanding. At year-end, the applicable mark-up rates ranged between 16.41% to 24.16% (June 30, 2022: 7.00% to 13.20%) per annum.

- 27.3** At the year-end, the Holding Company had foreign currency borrowing of USD 2.42 million under Islamic arrangement i.e. Rs. 692 million (June 30, 2022: nil) & USD 1.47 million from commercial bank i.e. approx. Rs. 420 million (June 30, 2022: USD nil), having facility limit of Rs. 25,600 million.
- 27.4** Short term facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 1,545 million having facility limit of Rs. 2,200 million. At year end, the applicable mark-up rates ranged between 16.35% to 23.97% per annum (June 30, 2022: 7.25% to 16.74%). These facilities are valid upto January 31, 2024.
- 27.5** Short term running musharakah available from Al Baraka Bank (Pakistan) Limited under mark-up arrangements amounted to Rs. 2,000 million (June 30, 2022: Rs. 2,000 million) out of which Rs. 1,640 million was outstanding. Mark-up on these arrangements is three month KIBOR plus 1% (June 30, 2022: three month KIBOR plus 1%). At year end, the applicable mark-up rate was 23.91% (June 30, 2022: 12.89%).
- 27.6** Above facilities are secured by way of joint pari passu charge over current and fixed assets of the Holding Company amounting to Rs. 13,200 million and pledge of imported goods of the Holding Company amounting to Rs. 650 million (June 30, 2022: Rs. 18,867), corporate guarantee amounting to Rs. 20,000 million (June 30, 2022: nil), and lien on liquid colateral (cash, term deposits and mutual funds) of the Group.

#### **Subsidiaries**

- 27.7** This includes Istisna finance obtained by Sunridge Foods (Private) Limited from Al Baraka Bank (Pakistan) Limited, having a limit of Rs. 2,000 million (2022: Rs. 2,000 million) out of which Rs. 21.42 million (June 30, 2022: Rs. 129.72 million) remained unutilised at the reporting date. The rate of profit is relevant KIBOR plus spread range of (+1% to -1%) effectively 0.75%. These arrangements are secured against lien over cash and TDR of the Holding Company upto Rs. 2 billion.
- 27.8** This also includes facility obtained by Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited), the subsidiary, during the year from Al Baraka Bank (Pakistan) Limited carrying markup at matching KIBOR plus 0.75% (June 30, 2022 : matching KIBOR plus 1.50% ) per annum. The tenure of financing is 180 days inclusive of agency period and the facility is payable through cash flows of the subsidiary. The facility is secured against 100% cash collateral.

## **28. CONTINGENCIES AND COMMITMENTS**

### **28.1 Contingencies**

#### **Holding Company**

- 28.1.1** In respect of the GIDC matter, the Supreme Court of Pakistan (SCP) in its judgment dated November 03, 2020, while dismissing all review petitions filed against its earlier judgement dated August 13, 2020, clearly stated that as the SCP held the Act to be intra-vires therefore all the sections are to be applied and that the question pertaining to the applicability of Section 8(2) and its proviso has not been agitated and its relief lies elsewhere and that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. Further, SCP has permitted the Government to collect arrears of GIDC that have become due up to July 31, 2020 in 48 equal installments. Meanwhile, during the year 2021, the Holding Company had filed petition in the Honorable High Court of Sindh (SHC) whereby challenging the recovery of installements of GIDC arrears initiated by SSGCL through separate GIDC bills. The SHC in its order allowed a stay order restraining SSGCL from collection of GIDC and any adverse action against the Holding Company. The management maintains that since the Holding Company has not passed on the burden to its consumers / clients, it is not liable to pay GIDC, by whatever name charged as it clearly falls within the ambit of the exemption in line with Section 8(2) of the GIDC Act, 2015.
- 28.1.2** The increase in Gas Tariff through Notification dated October 23, 2020 was challenged by the Holding Company whereby the Honorable High Court (HC) has granted interim relief through its order dated November 30, 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the HC till further orders. The Holding Company has deposited security cheques of the disputed amount of Rs. 18.977 accumulated till June 30, 2023. (June 30, 2022: Rs. 10.958 million).
- 28.1.3** A petition has been filed by the Holding Company against SECP & others in the High Court of Sindh seeking declaration that the impugned order dated December 27, 2019 by SECP for the appointment of inspector(s) to conduct inspection on all aspects of the Holding Company including the books of accounts for the period from July 1, 2017 to June 30, 2019 be declared illegal with a pray to set aside the investigation against the Holding Company. The Court passed interim order suspending the operation of the impugned order to the extent of the appointment of inspectors, with the direction that, if any of the officer is authorized by the Commission, the Holding Company shall co-operate by providing every document that is asked for by such authorized officer. The matter is at the stage of hearing of applications. The Holding Company, including on the basis of the opinion of the legal advisors, believe that it has a good arguable case and there is no likelihood of unfavorable outcome of this litigation.

### Subsidiaries

**28.1.4** With regards to subsidiaries i.e. Sunridge Foods (Private) Limited and Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited, there are no contingencies to report in these annual audited consolidated financial statements as of reporting date.

### 28.2 Commitments

**28.2.1** Commitments under letter of credit for raw materials as at June 30, 2023 amounted to Rs. 5,406 million (June 30, 2022: Rs. 5,869 million).

**28.2.2** Capital expenditure commitments outstanding as at June 30, 2023 amounted to Rs. 10.170 million (June 30, 2022: Rs. 52.944 million).

**28.2.3** Guarantee issued at the year end on behalf of the Holding Company amounted to Rs. 1,670 million (June 30, 2022: Rs. 880 million). Above facility is the part of the borrowing limits and is secured by way of pledge on Holding Company's mutual funds amounting to Rs. 1 billion and term deposits amounting to Rs. 670 million.

	2023	2022
	----- (Rupees in '000) -----	
<b>29. SALES - NET</b>		
Local	113,703,167	99,347,584
Export	864,730	1,342,190
	<u>114,567,897</u>	<u>100,689,774</u>
Sales tax	(13,392,081)	(12,832,044)
Trade discount	(305,465)	(144,719)
	<u>(13,697,546)</u>	<u>(12,976,763)</u>
	<u>100,870,351</u>	<u>87,713,011</u>

**29.1** In the following table, revenue is disaggregated by primarily geographical markets:

	2023	2022
	----- (Rupees in '000) -----	
<b>Primarily geographical markets:</b>		
Local	113,703,167	99,347,584
Sri Lanka	379,759	207,387
Malaysia	432,123	486,603
Vietnam	52,848	576,272
Thailand	-	71,928
	<u>114,567,897</u>	<u>100,689,774</u>

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>30. COST OF SALES</b>			
Raw material consumed		<b>85,054,483</b>	77,002,612
Salaries, wages and benefits	30.1	<b>850,640</b>	731,676
Rent, rates and taxes		<b>10,722</b>	50,817
Fuel, power and electricity		<b>810,481</b>	552,841
Insurance		<b>110,410</b>	88,315
Security and janitorial		<b>21,667</b>	23,410
Postage, telephone and internet		<b>4,821</b>	3,992
Printing, stationary and office supplies		<b>3,258</b>	1,703
Vehicle, travelling and conveyance		<b>24,402</b>	10,578
Transport - freight		<b>331,242</b>	223,203
Depreciation on operating fixed assets	6.2	<b>414,173</b>	307,206
Depreciation on right-of-use assets	7.3	<b>39,872</b>	72,495
Amortization on intangible assets	8.3	<b>7,444</b>	974
Repair and maintenance		<b>142,292</b>	119,829
Factory canteen expenses		<b>17,156</b>	5,533
Cleaning expense		<b>2,915</b>	3,169
Others		<b>44,821</b>	8,564
		<b>87,890,799</b>	79,206,917
Add: opening stock of work-in-process		-	94,938
Less: closing stock of work-in-process		-	-
Cost of goods manufactured		<b>87,890,799</b>	79,301,855
Add: opening stock of finished goods		<b>1,869,043</b>	2,042,515
Less: closing stock of finished goods	13	<b>(2,700,725)</b>	(1,869,043)
		<b>87,059,117</b>	79,475,327

**30.1** Salaries, wages and benefits include Rs. 13.988 million for the year ended June 30, 2023 (June 30, 2022: Rs. 7.159 million) in respect of staff retirement benefits.

		2023	2022
	Note	----- (Rupees in '000) -----	
<b>31. SELLING AND DISTRIBUTION EXPENSES</b>			
Salaries, wages and benefits	31.1	<b>302,380</b>	188,129
Security and janitorial		<b>9,214</b>	2,257
Freight and forwarding		<b>940,724</b>	616,026
Travelling, conveyance and entertainment		<b>30,977</b>	10,544
Depreciation on operating fixed assets	6.2	<b>28,237</b>	3,893
Depreciation on right-of-use assets	7.3	<b>2,734</b>	4,971
Amortization on intangible assets	8.3	<b>4,873</b>	607
Electricity, gas and water		<b>3,357</b>	1,232
Printing, stationary and office supplies		<b>1,037</b>	211
Repair and maintenance		<b>8,512</b>	1,172
Distributor expenses		<b>279,874</b>	196,497
Rent, rates and taxes		<b>13,990</b>	-
Insurance		<b>6,343</b>	2,605
Fees and subscription		<b>17,375</b>	10,738
Postage, telephone and internet		<b>931</b>	624
Marketing and research cost		-	49,906
Advertising and sales promotion		<b>197,017</b>	171,241
Others		<b>5,279</b>	992
		<b>1,852,854</b>	1,261,645

**31.1** Salaries, wages and benefits include Rs. 10.030 million for the year ended June 30, 2023 (June 30, 2022: Rs. 1.527 million) in respect of staff retirement benefits.

32. ADMINISTRATIVE EXPENSES	Note	2023	2022
		----- (Rupees in '000) -----	
Salaries, wages and benefits	32.1	376,459	282,826
Directors' remuneration		183,262	65,504
Rent, rates and taxes		25,758	3,080
Travelling, conveyance and entertainment		68,104	36,296
Electricity, gas and water		11,208	15,211
Postage, telephone and internet		31,394	23,290
Insurance		10,662	6,805
Repair and maintenance		23,516	8,503
Advertising expense		109	40
Auditor's remuneration	32.2	16,929	12,340
Legal and professional		50,969	22,782
Consultancy services		64,188	32,804
Fees and subscription		162,654	127,206
Security and janitorial		9,095	7,385
Donations	32.3	113,086	34,302
Depreciation on operating fixed assets	6.2	35,680	27,547
Depreciation on right-of-use assets	7.3	-	1,215
Amortization on intangible assets	8.3	12,296	1,660
Printing, stationary and office supplies		6,440	5,635
Others		6,852	3,322
		<u>1,208,661</u>	<u>717,753</u>

32.1 Salaries, wages and benefits include Rs. 24.900 million for the year ended June 30, 2023 (June 30, 2022: Rs. 11.708 million) in respect of staff retirement benefits

32.2 Auditor's remuneration	2023	2022
	----- (Rupees in '000) -----	
Audit fee	10,049	9,500
Half yearly review	1,750	1,750
Consolidation of Financial Statements with the Subsidiary	750	750
Review of Code of Corporate Governance	200	200
Out of pocket expenses	200	-
	<u>12,949</u>	<u>12,200</u>
Certifications for regulatory purposes	3,980	140
	<u>16,929</u>	<u>12,340</u>

32.3 The Company has paid donations to the following which exceeds 10% of total donations paid during the year or Rs.1 million, whichever is higher:

Name of Donee	2023	2022
	----- (Rupees in '000) -----	
Saylani Welfare Trust	<u>76,882</u>	<u>19,981</u>

32.3.1 During the year, no donations were paid to any donee / party in which any director of the Group is interested.

		2023	2022
		----- (Rupees in '000) -----	
<b>33. OTHER EXPENSES</b>	Note		
Worker's welfare fund		8,577	47,272
Re-measurement loss on investment in mutual fund units		-	45,561
Worker's profit participation fund	25.5	22,571	124,399
Provision against inventory		2,001	-
		<u>33,149</u>	<u>217,232</u>

**34. EXCHANGE LOSS**

**34.1** This includes unrealized exchange loss amounting to Rs. 5,031.196 million (June 30, 2022: Rs. 1,062.588 million).

		2023	2022
		----- (Rupees in '000) -----	
<b>35. OTHER INCOME</b>	Note		
<b>Income / return on financial assets</b>			
Income on bank deposits- under conventional banking		80,304	22,539
Income on TDRs		255,545	373,215
Income on PIBs		-	3,658
Interest income on loan to related party	35.1	78,302	-
Remeasurement gain on investment in mutual fund units		13,648	-
Profit realized on redemption of mutual fund units		243	18,455
Dividend income from mutual fund units		188,763	393,372
Profit on bank deposits - under islamic banking		697	118
		<u>617,502</u>	<u>811,357</u>
<b>Income from non-financial assets</b>			
Amortization of deferred government grant	23	22,127	22,384
Scrap sales		7,639	23,426
Gain on disposal of fixed assets		24,802	1,159
Gain on re-assessment of right-of-use-assets		1,201	5,727
Gain on termination of lease		-	1,607
Others		-	221
		<u>55,769</u>	<u>54,524</u>
		<u>673,271</u>	<u>865,881</u>

**35.1** This represents interest income earned in pre-acquisition period by Sunridge Foods (Private) Limited on loan receivable from Sunridge Confectionery Limited (formerly: Uni-Food Industries Limited).

		2023	2022
		----- (Rupees in '000) -----	
<b>36. FINANCE COST</b>	Note		
Interest on non-shariah arrangements		2,679,146	1,122,036
Interest on long term financing		73	-
Profit on shariah arrangements	25.5	851,707	623,637
Interest on worker's profit participation fund	22	14,823	7,399
Finance charge of lease liabilities		7,597	15,898
Interest cost on staff retirement benefits		935	487
Bank charges		6,443	31,506
Transaction cost on debt financing		3,390	-
		<u>3,564,114</u>	<u>1,800,963</u>

	Note	2023 ------(Rupees in '000)-----	2022
<b>37. TAXATION</b>			
Current		556,206	218,492
Prior		143,689	-
Deferred		(1,060,114)	(250,693)
	37.2	<u>(360,219)</u>	<u>(32,201)</u>

**37.1** The income tax assessment of the Group is deemed to be finalized upto tax year 2022.

**37.2 Numerical reconciliation between tax expense and accounting profit:**

Profit before taxation		<u>314,872</u>	<u>2,149,109</u>
Tax applicable rate		<u>29%</u>	<u>29%</u>
Tax on accounting profit		91,313	623,241
Effect of final tax regime		(36,796)	(47,463)
Effect of minimum tax		(63,776)	-
Effect of prior year tax		(143,689)	-
Effect of tax credit and unused tax losses		(203,343)	(604,934)
Effects due to different rate applicable to capital gains		(3,928)	(3,045)
		<u>(360,219)</u>	<u>(32,201)</u>

**37.3** The Group has opted for tax credit under section 65 (E) of the Income Tax Ordinance, 2001. Provision for current tax has been made in these consolidated financial statements on non-exempted activities of the Group.

	2023 ------(Rupees in '000)-----	2022
<b>38. EARNINGS PER SHARE</b>		
Profit after taxation	<u>675,091</u>	<u>2,181,310</u>
	<b>2023</b>	<b>2022</b>
	------(Number of shares)-----	
Weighted average number of ordinary shares outstanding during the quarter (for basic earning per share)	<u>1,194,050,000</u>	<u>1,194,050,000</u>
	<b>2023</b>	<b>2022</b>
	------(Rupees)-----	
Basic and diluted earnings per share	<u>0.57</u>	<u>1.83</u>

39. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2023 ----- (Rupees in '000) -----	2022
<b>Profit before taxation</b>		<b>314,872</b>	2,149,109
<b>Adjustments for non-cash and other items:</b>			
Depreciation on operating fixed assets	6.2	<b>478,090</b>	338,646
Depreciation on right-of-use assets	7.3	<b>42,606</b>	78,680
Amortization on intangible assets	8.3	<b>24,613</b>	3,241
Amortization on deferred government grant	23	<b>(22,127)</b>	(22,384)
Exchange loss - unrealized	34	<b>5,036,769</b>	1,062,588
(Gain) / loss on re-measurement of mutual fund units	33&35	<b>(13,648)</b>	45,561
Provision for staff retirement benefit		<b>9,275</b>	9,517
Provision against inventory	13	<b>2,001</b>	-
Allowance for impairment of financial assets	14.2	<b>(22,805)</b>	57,623
Gain on disposal of property, plant and equipment	35	<b>(24,802)</b>	(1,159)
Gain on remeasurement of right-of-use asset		<b>(1,201)</b>	-
Gain on termination of lease		-	(22,383)
Dividend income		<b>(188,763)</b>	(393,372)
Profit on short term investment		<b>(255,545)</b>	(6,158)
Finance cost	36	<b>3,539,458</b>	1,800,963
		<b>8,918,793</b>	5,100,472
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets:</b>			
Stock-in-trade		<b>974,523</b>	(929,255)
Stores and spares		<b>(27,096)</b>	(2,314)
Trade debts		<b>(2,195,380)</b>	(10,048,875)
Advances, deposits and prepayments		<b>(5,394,310)</b>	(327,542)
Other receivables		-	(8,261)
Sales tax receivable		<b>248,256</b>	132,113
		<b>(6,394,007)</b>	(11,184,134)
<b>Increase / (decrease) in current liabilities:</b>			
Trade and other payables		<b>(1,983,111)</b>	6,124,114
Contract liabilities		<b>(2,729,455)</b>	2,729,115
		<b>(4,712,566)</b>	8,853,229
<b>Cash (used in) / generated from operating activities</b>		<b>(2,187,780)</b>	2,769,567
<b>39.1 Cash and cash equivalents comprise of:</b>			
Cash and bank balances	18	<b>1,210,119</b>	839,290
Short term borrowings - running finance (secured)	27.2	<b>(408,943)</b>	(6,785,735)
		<b>801,176</b>	(5,946,445)

### 39.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

Description	Long-term financing	Lease liabilities	Diminishing musharika	Short term borrowings	Accrued markup	Unclaimed dividend	Total
	------(Rupees in '000)-----						
Balance as at July 1, 2022	375,609	84,773	2,206	17,772,447	351,740	647	37,846,462
<b>Changes from financing cash flows</b>							
-Long-term financing received	510,233	-	-	-	-	-	510,233
-Repayment of long term financing	(434,612)	-	-	-	-	-	(434,612)
-Net proceeds from short term finance facilities	-	-	-	19,186,241	-	-	19,186,241
-Net cashflows from running finance facilities shown as cash equivalents	-	-	-	(6,376,792)	-	-	(6,376,792)
-Rentals paid against right-of-use assets and diminishing musharika	-	(54,167)	(219)	-	-	-	(54,386)
-Finance cost paid	(350,856)	-	-	-	(3,381,131)	-	(3,731,987)
-Dividend paid	-	-	-	-	-	(107)	(107)
	(275,235)	(54,167)	(219)	12,809,449	(3,381,131)	(107)	9,098,590
<b>Other changes</b>							
-Interest expense	73	7,597	-	-	3,530,853	-	3,538,523
-Additions / reassessment / termination of lease	-	968	-	-	-	-	968
-Loan recognized under business combination	694,577	-	-	-	-	-	694,577
-Markup recognized under business combination	-	-	-	-	78,488	-	78,488
-Deferred government grant recognized	(200,897)	-	-	-	-	-	(200,897)
	493,753	8,565	-	-	3,609,341	-	4,111,659
<b>Balance as at June 30, 2023</b>	<b>594,127</b>	<b>39,171</b>	<b>1,987</b>	<b>30,581,896</b>	<b>579,950</b>	<b>540</b>	<b>31,797,671</b>

### 40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework.

#### Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

#### 40.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

##### Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2023 ------(Rupees in '000)-----	2022
Long-term deposits	9	87,143	40,547
Long-term loans	10	26,895	48,278
Trade debts	14	24,830,944	22,499,673
Advances and deposits	15	5,818,575	429,717
Other receivables	16	90,889	92,878
Short-term investments	17	9,568,937	10,224,838
Bank balances	18	1,202,717	832,571
		<u>41,626,100</u>	<u>34,168,502</u>

##### Long term deposits

These represent security deposits provided to utility companies as per the contractual terms and Nazir high court against increase in gas tariff. The Group does not expect material loss against these deposits.

##### Long term loans

These represents loan given to executives and employees of the Group in accordance with the Group's policy. The Group does not expect any material loss against these loans.

##### Trade debts

The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Group establishes an allowance for expected credit loss that represents its estimate of expected losses.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2023 ------(Rupees in '000)-----	2022
Domestic	<u>24,931,331</u>	<u>22,577,255</u>
The ageing of trade debts as at the date of the statement of financial position is:		
Not past due	10,522,611	14,354,568
Past due 1 - 90 days	10,867,913	5,323,726
Past due 91 - 180 days	2,840,441	2,568,538
Past due 181 - 270 days	633,812	234,791
Past due 271 - 360 days	35,574	37,743
Past due above 360 days	30,980	57,889
	<u>24,931,331</u>	<u>22,577,255</u>

### Advances and deposits

These represents advances to various suppliers in an ordinary course of business to secure the availability of supplies and services. The management does not expect to incur credit loss there against.

### Others receivables

These represent profit receivable against investment in term deposit receipts. The management does not expect to incur credit loss there against.

### Short term investments

These represent investment in mutual fund units and term deposit receipts. The management does not expect to incur credit loss there against.

### Bank balances

The Group kept its surplus funds with banks having good credit rating. Currently, the surplus funds are kept with banks having rating from AAA to A-.

### Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political or other conditions. The Group believes that it is not exposed to major concentration of credit risk.

## 40.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	<u>Carrying amount</u>	<u>Contractual maturities</u>	<u>Maturity up to one year</u>	<u>Maturity after one year</u>
----- (Rupees in '000) -----				
<b>As at June 30, 2023</b>				
<b>Non-derivative financial liabilities</b>				
Long-term financing	594,127	1,031,530	71,141	960,389
Diminishing musharika arrangement	1,987	3,222	626	2,596
Lease liabilities	39,171	41,015	38,145	2,870
Trade and other payables	23,653,838	23,653,838	23,653,838	-
Accrued mark-up	553,450	553,450	553,450	-
Short-term borrowings	24,603,316	24,603,316	24,603,316	-
Unclaimed dividend	540	540	540	-
	<u>49,446,429</u>	<u>49,886,911</u>	<u>48,921,056</u>	<u>965,855</u>
	<u>Carrying amount</u>	<u>Contractual maturities</u>	<u>Maturity up to one year</u>	<u>Maturity after one year</u>
----- (Rupees in '000) -----				
<b>As at June 30, 2022</b>				
<b>Non-derivative financial liabilities</b>				
Long-term financing	375,609	435,449	102,138	333,311
Diminishing musharika arrangement	2,206	2,206	260	1,946
Lease liabilities	84,773	93,585	55,829	37,756
Trade and other payables	20,820,342	20,820,342	20,820,342	-
Accrued mark-up	351,740	351,740	351,740	-
Short-term borrowings	17,772,447	17,772,447	17,772,447	-
Unclaimed dividend	647	647	647	-
	<u>39,407,764</u>	<u>39,476,416</u>	<u>39,103,403</u>	<u>373,013</u>

### 40.3 Market risk

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

#### 40.3.1 Currency risk

Currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Group is exposed to currency risk on foreign trade creditors that are denominated in a currency other than the respective functional currency of the Group, primarily U.S. Dollar. The Group's exposure to foreign currency risk is as follows:

	2023		2022	
	Rupees	US Dollars	Rupees	US Dollars
Financial liabilities	----- (Amounts in '000) -----		----- (Amounts in '000) -----	
Trade creditors - foreign	<u>19,461,169</u>	<u>68,048</u>	<u>17,098,026</u>	<u>83,466</u>

The following significant spot exchange rates were applicable at the end of the year:

	2023	2022
US Dollar (USD) to Pakistani Rupees	<u>285.99</u>	<u>204.85</u>

#### Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the US Dollar at June 30, 2023 would have decreased / increased the equity / profit after tax by Rs. 1,946.12 million (June 30, 2022: 1,709.26 million).

#### 40.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets and liabilities include balance of Rs. 8,833.20 million (June 30, 2022: Rs 5,869.33 million) and Rs. 31,217.18 million (June 30, 2022: 18,325.05 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

As at June 30, 2023, if interest rates had been 100 basis points higher / lower with all other variables held constant, profit after tax for the year would have been Rs. 223.84 million (June 30, 2022: Rs. 123.657 million) lower / higher, mainly as a result of lower / higher interest expense / income from these financial liabilities and assets.

#### 40.3.3 Price risk

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

#### 40.3.4 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

#### 40.3.5 Financial instruments by categories

	Note	2023 ------(Rupees in '000)-----	2022
<b>Financial assets</b>			
<b>Held at amortized cost</b>			
Long-term deposits	9	87,143	40,547
Long-term loans	10	26,895	48,278
Trade debts	14	24,830,944	22,499,673
Advances and deposits	15	5,818,575	429,717
Other receivables	16	90,889	92,878
Short-term investments	17	8,567,900	5,649,946
Bank balances	18	1,202,717	832,571
		<u>40,625,063</u>	<u>29,593,610</u>
<b>Held at fair value</b>			
Long-term investment	12	230,938	-
Short-term investments	17	1,001,037	4,574,892
		<u>1,231,975</u>	<u>4,574,892</u>
<b>Financial liabilities</b>			
<b>Held at amortized cost</b>			
Long-term financing	20	594,127	375,609
Diminishing musharika arrangement	21	1,987	2,206
Lease liabilities	22	39,171	84,773
Trade and other payables	25	23,726,177	20,820,342
Accrued mark-up	26	579,950	351,740
Short-term borrowings	27	30,581,896	17,772,447
Unclaimed dividend		540	647
		<u>55,523,848</u>	<u>39,407,764</u>

#### 41. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023				
	Non Executive Directors	Executive Directors	Chief Executive	Executives	Total
	------(Rupees in '000)-----				
Managerial remuneration	-	67,591	46,438	171,260	285,289
House rent	-	30,440	20,918	66,397	117,755
Medical	-	6,759	4,643	14,743	26,145
Retirement benefits	-	3,306	3,116	7,795	14,217
Director's meeting fee	9,900	-	-	-	-
	<u>9,900</u>	<u>108,096</u>	<u>75,115</u>	<u>260,195</u>	<u>443,406</u>
Number of persons	<u>5</u>	<u>3</u>		<u>64</u>	<u>73</u>
	------(Rupees in '000)-----				
	2022				
	------(Rupees in '000)-----				
Managerial remuneration	-	28,417	15,613	155,911	199,941
House rent	-	13,856	5,613	58,727	78,196
Medical	-	319	774	11,666	12,759
Retirement benefits	-	266	645	8,459	9,370
Director's meeting fee	9760	-	1,550	-	11,310
	<u>9,760</u>	<u>42,858</u>	<u>24,195</u>	<u>234,763</u>	<u>311,576</u>
Number of persons	<u>5</u>	<u>3</u>		<u>64</u>	<u>73</u>

41.1 Chief executive emoluments are for 12 months in current year whereas these were for 3 months in prior year.

41.2 No independent and non executive directors are provided with the remuneration or any perquisites other than directors' meeting fees.

## 42. TRANSACTIONS WITH RELATED PARTIES

42.1 Transactions involving related parties arising in the normal course of business are conducted at arm's length and at normal commercial rates unless otherwise specifically approved by the Board of Directors.

42.2 Name of the related party	Relationship and percentage of shareholding
Wilmar Pakistan Holdings Pte. Limited	Associated company incorporated in Singapore (holds 21.74% shares of the Holding Company)
Wilmar Trading Pte. Limited	Associated company incorporated in Singapore (Member of same group in which Wilmar Pakistan Holdings Pte. Limited is a member)
Unity Feeds (Private) Limited	Associated company by nature of common directorship
Unity Packages (Pvt) Ltd.	Associated company by nature of common directorship
Unity Enterprises (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Foods (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Packages (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Agro (Pvt) Ltd.	Associated company by nature of common directorship
Kairos Resources (Pvt) Ltd.	Associated company by nature of common directorship
Emerald Oil and Fats (Pvt) Ltd.	Associated company by nature of common directorship
Agro Allianz Limited	Associated company by nature of common directorship
Aloia (Private) Limited	Associated company by nature of common directorship
Artciti (Pvt.) Limited	Associated company by nature of common directorship
Lets Wrap (Pvt.) Limited.	Associated company by nature of common directorship
SSG Traders (Pvt.) Limited.	Associated company by nature of common directorship
Pakistan Humanitarian Forum	Associated company by nature of common directorship
Ujala Education Foundation	Associated company by nature of common directorship
MMG Engineering Associates (Pvt.) Limited	Associated company by nature of common directorship
Pak Agro Packaging Limited	Associated company by nature of common directorship
High Tech Lubricants Limited	Associated company by nature of common directorship
Unity Food Ltd Staff Provident Fund	Post employment benefits
Unity Commodities	Associated person
Let. Gen. Omar Mahmood Hayat (Retd)	Director
Mr. Muhammad Farrukh	Director
Mr. Abdul Majeed Ghaziani	Director
Mr. Muneer S. Godil	Director
Ms. Lie Hong Hwa	Director
Dr. Safdar Ali Butt	Director
Mr. Amir Shehzad	Director
Mr. Jalees Edhi	Key management personnel
Mr. Umar Shahzad	Key management personnel
Mr. Imran Ahmed Khan	Key management personnel
Mr. Rana Muhammad Nouman	Key management personnel
Mr. Syed Faiq Ahmed Jilanee	Key management personnel

42.3 Following are the related parties with whom the Group had entered into transaction otherwise stated elsewhere:

**Transactions with related parties**

<b>Name</b>	<b>Nature of relationship</b>	<b>Nature of transaction</b>	<b>For the year ended</b>	
			<b>2023</b>	<b>2022</b>
			<b>----- (Rupees in '000) -----</b>	
Wilmar Trading Pte Limited	Associated Company	Purchases	<b>44,065,186</b>	35,855,962
		Payments	<b>45,726,354</b>	26,345,812
Unity Feeds (Private) Limited	Associated Company	Sales	-	69,778
		Sales proceeds	-	140,697
		Purchase of Vehicle	<b>3,429</b>	-
		Payment made against vehicle	<b>3,429</b>	-
Unity Commodities	Associated person	Purchase of Vehicle	<b>76,800</b>	-
		Payment made against vehicle	<b>76,800</b>	-
Ms. Fehmida Amin	Associated person	Purchase of Vehicle	<b>3,250</b>	-
		Payment made against vehicle	<b>3,250</b>	-
Provident fund	Staff retirement benefit fund	Contribution paid	<b>61,375</b>	44,654
Directors and executives	Key management personnel	Remuneration paid	<b>226,745</b>	142,797

**43. CAPITAL RISK MANAGEMENT**

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group's objectives when managing capital are to ensure the Group's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, to maximize return of shareholders and to optimize capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

	Note	<b>2023</b>	<b>2022</b>
		<b>----- (Rupees in '000) -----</b>	
The gearing ratio is as follows;			
Long-term financing	20	<b>594,127</b>	375,609
Diminishing musharika arrangement	21	<b>1,987</b>	2,206
Short-term borrowings	27	<b>30,581,896</b>	17,772,447
<b>Total debt</b>		<b>31,178,010</b>	18,150,262
Cash and bank balances	18	<b>(1,210,119)</b>	(839,290)
<b>Net debt</b>		<b>29,967,891</b>	17,310,972
Share capital	19	<b>11,940,500</b>	11,940,500
Share premium		<b>3,400,000</b>	3,400,000
Unappropriated profit		<b>5,967,332</b>	5,370,498
<b>Share capital and reserves</b>		<b>21,307,832</b>	20,710,998
<b>Gearing ratio (Net debt/(Net debt + Share capital and reserves))</b>		<b>58.44%</b>	45.53%

#### 44. MEASUREMENT OF FAIR VALUES

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Group is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Fair value measurement using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, all financial assets and financial liabilities are carried at amortized cost which is approximate to their fair value, except short term investment which is carried at fair value.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

#### 45. ANNUAL PRODUCTION CAPACITY

##### Production capacity as at year end is as follows:

Edible oil refinery  
Solvent extraction plant  
Soap plant  
Feed mill  
Flour plant  
Rice plant  
Confectionery plant

	2023	2022
	----- (Metric Tonnes) -----	
	<b>264,600</b>	264,600
	<b>162,000</b>	162,000
	<b>15,600</b>	15,600
	<b>302,400</b>	302,400
	<b>167,100</b>	167,100
	<b>39,420</b>	39,420
	<b>280</b>	-

##### The actual production for the year was:

Edible oil refinery  
Solvent extraction plant  
Soap plant  
Feed mill  
Flour plant  
Rice plant  
Confectionery plant

	<b>214,775</b>	255,305
	<b>22,445</b>	47,911
	<b>2,144</b>	1,951
	<b>166,401</b>	266,382
	<b>101,201</b>	68,277
	<b>3,103</b>	-
	<b>-</b>	-

The above production is carried out as per sales demand.

#### 46. CORRESPONDING FIGURES

In addition, certain corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions, the effect of which is immaterial other than those stated below:

Nature	Financial statements line item		Rupees in '000'
	2022	2023	
Trade and other payables	Trade creditors	Accrued liabilities	<u>475,942</u>
Salaries, wages and benefits	Administrative expenses	Selling and distribution expenses	<u>64,195</u>
Margin against letter of credit	Cash and bank balances	Advances, deposits and prepayments	<u>77,132</u>
Other income	Profit realized on redemption of mutual fund units	Dividend income on mutual fund units	<u>393,372</u>

#### 47. NUMBER OF EMPLOYEES

	2023	2022
Total number of employees as at year end	<u>786</u>	<u>696</u>
Average number of employees during the year	<u>759</u>	<u>702</u>

#### 48. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of Sunridge Foods (Private) Limited, the subsidiary company, has incorporated the following wholly owned subsidiaries subsequent to the reporting date:

##### Unity Plantations (Private) Limited

The Company was incorporated on August 9, 2023 with an investment up to 500 million that would be made in the Company for carrying out the business of corporate farming and related activities, import and export of agricultural produce and equipments.

##### Unity Technologies (Private) Limited

The Company was incorporated on August 31, 2023 with an investment up to 500 million that would be made for carrying the business of a dynamic and innovative start up aiming to provide comprehensive latest technology solutions related to existing business lines of the Group.

#### 49. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue in the Board of Directors meeting held on October 03, 2023.



Director



Chief Executive



Chief Financial Officer

# UNITY FOODS LIMITED

## Pattern of Shareholding

### Shareholders Statistics

As On June 30, 2023

Serial Number	Shareholding		Number of Shareholders	Total Shares Held
	From	To		
1	1	100	1215	54,600
2	101	500	1860	688,878
3	501	1000	1632	1,486,681
4	1001	5000	3258	9,017,667
5	5001	10000	1042	8,153,081
6	10001	15000	354	4,512,053
7	15001	20000	241	4,457,473
8	20001	25000	150	3,553,492
9	25001	30000	120	3,410,318
10	30001	35000	69	2,279,134
11	35001	40000	54	2,058,611
12	40001	45000	29	1,249,644
13	45001	50000	75	3,714,129
14	50001	55000	19	1,009,133
15	55001	60000	23	1,348,814
16	60001	65000	16	1,005,815
17	65001	70000	21	1,445,567
18	70001	75000	14	1,025,924
19	75001	80000	13	1,015,532
20	80001	85000	14	1,170,130
21	85001	90000	9	795,676
22	90001	95000	7	644,675
23	95001	100000	47	4,682,865
24	100001	105000	8	817,576
25	105001	110000	10	1,082,735
26	110001	115000	3	341,500
27	115001	120000	8	934,215
28	120001	125000	12	1,486,776
29	125001	130000	2	251,827
30	130001	135000	5	662,994
31	135001	140000	6	823,417
32	145001	150000	5	750,000
33	150001	155000	4	608,666
34	155001	160000	2	319,500
35	160001	165000	1	160,500
36	165001	170000	4	673,954
37	170001	175000	5	866,589
38	175001	180000	4	710,920
39	180001	185000	2	367,000
40	185001	190000	2	378,137
41	190001	195000	2	382,396
42	195001	200000	13	2,600,000

Serial Number	Shareholding		Number of Shareholders	Total Shares Held
	From	To		
43	200001	205000	1	200,483
44	205001	210000	3	626,776
45	210001	215000	3	631,375
46	215001	220000	2	432,710
47	220001	225000	1	225,000
48	230001	235000	3	698,404
49	245001	250000	9	2,247,000
50	255001	260000	2	519,223
51	260001	265000	3	788,966
52	265001	270000	1	267,500
53	270001	275000	2	543,938
54	275001	280000	1	280,000
55	280001	285000	1	284,346
56	285001	290000	5	1,435,916
57	295001	300000	4	1,199,000
58	300001	305000	3	905,215
59	305001	310000	1	310,000
60	310001	315000	2	623,991
61	315001	320000	1	316,105
62	325001	330000	1	330,000
63	330001	335000	3	996,044
64	335001	340000	1	340,000
65	340001	345000	1	345,000
66	345001	350000	5	1,750,000
67	360001	365000	3	1,088,224
68	365001	370000	1	368,722
69	385001	390000	2	776,859
70	405001	410000	2	814,900
71	410001	415000	1	415,000
72	415001	420000	1	420,000
73	430001	435000	1	433,000
74	435001	440000	1	438,000
75	450001	455000	1	451,000
76	495001	500000	11	5,499,489
77	535001	540000	1	537,870
78	570001	575000	1	575,000
79	575001	580000	1	575,500
80	595001	600000	3	1,796,557
81	645001	650000	1	649,000
82	660001	665000	1	665,000
83	665001	670000	1	667,500
84	680001	685000	1	682,540
85	695001	700000	2	1,400,000
86	735001	740000	1	737,000
87	745001	750000	3	2,250,000
88	750001	755000	1	753,500
89	770001	775000	2	1,547,541
90	895001	900000	2	1,800,000
91	910001	915000	1	912,000
92	945001	950000	1	950,000

Serial Number	Shareholding		Number of Shareholders	Total Shares Held
	From	To		
93	965001	970000	1	970,000
94	995001	1000000	2	2,000,000
95	1000001	1005000	1	1,002,000
96	1035001	1040000	1	1,039,788
97	1040001	1045000	1	1,041,684
98	1070001	1075000	1	1,071,795
99	1080001	1085000	1	1,084,800
100	1155001	1160000	1	1,156,761
101	1200001	1205000	1	1,205,000
102	1340001	1345000	1	1,342,499
103	1385001	1390000	1	1,385,670
104	1430001	1435000	1	1,431,352
105	1440001	1445000	1	1,445,000
106	1445001	1450000	1	1,450,000
107	1480001	1485000	1	1,480,595
108	1495001	1500000	1	1,500,000
109	1615001	1620000	1	1,617,000
110	1775001	1780000	2	3,555,174
111	1995001	2000000	1	2,000,000
112	2465001	2470000	1	2,465,021
113	2495001	2500000	1	2,500,000
114	2560001	2565000	1	2,564,497
115	2795001	2800000	1	2,800,000
116	2985001	2990000	1	2,987,208
117	3000001	3005000	1	3,002,992
118	3070001	3075000	1	3,071,500
119	3185001	3190000	1	3,186,864
120	3210001	3215000	1	3,213,007
121	3485001	3490000	1	3,490,000
122	3580001	3585000	1	3,580,500
123	3620001	3625000	1	3,620,642
124	3685001	3690000	1	3,689,086
125	3995001	4000000	1	4,000,000
126	4995001	5000000	1	5,000,000
127	5075001	5080000	1	5,080,000
128	5480001	5485000	1	5,483,216
129	5915001	5920000	1	5,916,986
130	6335001	6340000	1	6,338,000
131	7115001	7120000	1	7,117,500
132	7395001	7400000	1	7,400,000
133	9995001	10000000	1	10,000,000
134	11995001	12000000	1	12,000,000
135	12810001	12815000	1	12,815,000
136	14590001	14595000	1	14,591,922
137	15475001	15480000	1	15,478,381
138	17165001	17170000	1	17,169,442
139	17315001	17320000	1	17,315,848
140	19995001	20000000	1	20,000,000
141	22815001	22820000	1	22,815,142
142	24255001	24260000	1	24,258,979

Serial Number	Shareholding		Number of Shareholders	Total Shares Held
	From	To		
143	24425001	24430000	1	24,426,512
144	24870001	24875000	1	24,872,941
145	24995001	25000000	1	25,000,000
146	32605001	32610000	1	32,605,500
147	33780001	33785000	1	33,782,960
148	37505001	37510000	1	37,508,940
149	41265001	41270000	1	41,268,389
150	45950001	45955000	1	45,952,292
151	47995001	48000000	1	48,000,000
152	60695001	60700000	1	60,700,000
153	163165001	163170000	1	163,165,877
154	259535001	259540000	1	259,535,950
			10,550	1,194,050,000

# UNITY FOODS LIMITED

## Details of Pattern of Shareholding

As On June 30, 2023

Shareholder's Name	Holding	Total
<b>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>		
WILMAR PAKISTAN HOLDINGS PTE. LTD.	259,535,950	
UNITY WILMAR AGRO (PRIVATE) LIMITED	166,153,085	425,689,035
<b>DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN</b>		
MR. MUHAMMAD FARRUKH	77,096,003	
MR. ABDUL MAJEED GHAZIANI	61,030,390	
MS. SALMA MAJEED	3,689,086	
MR. MUNEER	3,530	
MR. OMAR MAHMOOD HAYAT	101	
MR. SAFDAR ALI BUTT	200	
MR. AAMIR SHAHZAD	100	141,819,410
<b>FOREIGN COMPANIES</b>		
ABDOOLALLY EBRAHIM & CO. (HK) LTD	150,300	150,300
<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS AND NON BANKING FINANCIAL INSTITUTIONS</b>		
THE BANK OF KHYBER	500,000	
ASKARI BANK LIMITED	388,859	
AHSAM SECURITIES (PRIVATE) LIMITED	117,708	
SAYA SECURITIES (PRIVATE) LIMITED	287,086	
FAIR EDGE SECURITIES (PVT.) LIMITED	25,000	1,318,653
<b>INSURANCE COMPANIES AND TAKAFUL</b>		
PREMIER INSURANCE LIMITED	20,000	
DAWOOD FAMILY TAKAFUL LIMITED	10,000	
PAK QATAR FAMILY TAKAFUL LIMITED	5,080,000	
PAK QATAR FAMILY TAKAFUL LIMITED	6,338,000	
PAK QATAR FAMILY TAKAFUL LIMITED	12,815,000	
PAK QATAR FAMILY TAKAFUL LIMITED	2,800,000	
JUBILEE LIFE INSURANCE COMPANY LIMITED	2,000,000	29,063,000

# UNITY FOODS LIMITED

## Details of Pattern of Shareholding

As On June 30, 2023

### MODARABA AND MUTUAL FUNDS

TRUST MODARABA	67,000	
FIRST EQUITY MODARABA	575	
FIRST ALNOOR MODARABA	34,000	
AL-ZAMIN MODARABA MANAGEMENT (PRIVATE) LIMITED	10,000	
CDC - TRUSTEE AKD INDEX TRACKER FUND	125,471	
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1,780,000	
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	2,465,021	
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1,775,174	
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	81,500	
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	40,000	
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	159,500	
CDC - TRUSTEE NIT INCOME FUND - MT	3,000	
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	33,000	
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	350,000	
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	260,000	
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	175,000	
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	25,000	
FIRST ELITE CAPITAL MODARABA	10,550	
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1,480,595	
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	57,131	
CDC-TRUSTEE NITPF EQUITY SUB-FUND	120,119	
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	35,000	
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	20,000	
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	70,000	
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	65,000	
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	100,000	
CDC - TRUSTEE MEEZAN PAKISTAN EXCHANGE TRADED FUND	170,688	
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	150,866	
CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	287,037	
CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND	272,691	10,223,918

### JOINT STOCK COMPANIES

FRANCISCANS OF ST JOHN THE BAPTIST PAKISTAN	5,000	
GATLENE INDUSTRIES (PRIVATE) LIMITED	420,000	
SHAFFI SECURITIES (PVT) LIMITED	16,000	
PETROMARK (PRIVATE) LIMITED	22,500	
TPS PAKISTAN (PRIVATE) LIMITED	27	
APEX FINANCIAL SERVICES (PVT.) LIMITED	25,000	
CAPITAL FINANCIAL SERVICES (PVT.) LIMITED	15,000	
ROOMI ENTERPRISES (PVT) LIMITED.	361,345	
BULK MANAGEMENT PAKISTAN (PVT.) LTD.	17,169,442	
SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED	1,385,670	
WESTBURY (PRIVATE) LTD	1,342,499	
CUMBERLAND (PVT) LIMITED	261,966	
NOVATEX LIMITED	950,000	
AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	60,059	
ZAHID LATIF KHAN SECURITIES (PVT) LTD.	1,000	
MAPLE LEAF CAPITAL LIMITED	1	
SIDDIQ LEATHER WORKS (PVT.) LIMITED	1,000,000	
GHANI HALAL FEED MILL (PRIVATE) LIMITED	500,000	
PEARL SECURITIES LIMITED	1,013	
FAWAD YUSUF SECURITIES (PVT.) LIMITED	1,445,000	
MRA SECURITIES LIMITED	190,548	

# UNITY FOODS LIMITED

## Details of Pattern of Shareholding

As On June 30, 2023

BAWA SECURITIES (PVT) LTD.	105,500	
FRIENDLY SECURITIES (PVT) LTD.	76,500	
RAFI SECURITIES (PRIVATE) LIMITED	16,509	
DALAL SECURITIES (PVT) LTD.	185,000	
RAO SYSTEMS (PVT.) LTD.	15,000	
ADAM SECURITIES LIMITED	75,705	
ADAM SECURITIES LIMITED-MM-MZNP-ETF	576	
AKHAI SECURITIES (PRIVATE) LIMITED	1,000	
DJM SECURITIES LIMITED	32,605,500	
AMPLE SECURITIES (PRIVATE) LIMITED	364,449	
JS GLOBAL CAPITAL LIMITED	3,071,500	
JS GLOBAL CAPITAL LIMITED-MM-MZN-ETF	4,868	
JS GLOBAL CAPITAL LIMITED-MM-ALFALAH-ETF	1,232	
SIGN SOURCE LIMITED	775,000	
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	14,591,922	
GROWTH SECURITIES (PVT) LTD.	47,000	
A. H. M. SECURITIES (PRIVATE) LIMITED	150,000	
DARSON SECURITIES LIMITED	36,000	
STEEL COMPLEX (PVT) LIMITED	368,722	
SIDDIQ LEATHER WORKS (PVT) LIMITED	772,541	
UNITED TOWEL EXPORTERS (PVT.) LIMITED	25,000	
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	750,000	
BHAYANI SECURITIES (PVT) LTD.	3,580,500	
ALTAF ADAM SECURITIES (PVT) LTD.	575,500	
DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED	11,000	
TOPLINE ASSOCIATE (PRIVATE.) LIMITED	338	
BRR FINANCIAL SERVICES (PVT.) LIMITED	1,000	
AKD SECURITIES LIMITED.	970	
TEXPAK (PVT.) LIMITED	1,000	
SIDDIQ LEATHER WORKS (PVT) LTD	682,540	
SEVEN STAR SECURITIES (PVT.) LTD.	2,500	
ABA ALI HABIB SECURITIES (PVT) LIMITED	1,071,795	
ABA ALI HABIB SECURITIES (PVT) LIMITED - MT	37,125	
AL HABIB CAPITAL MARKETS (PRIVATE) LIMITED - MT	1,039,788	
PEARL SECURITIES LIMITED - MF	14,500	
JS GLOBAL CAPITAL LIMITED - MF	4,085	
ASDA SECURITIES (PVT.) LTD.	182,000	
H. M. IDREES H. ADAM (PRIVATE) LIMITED	5,297	
M. F. STOCKS (PRIVATE) LIMITED	8,000	
YAPARVAR (PRIVATE) LIMITED	1,000	
F. D. REGISTRAR SERVICES (SMC-PRIVATE) LIMITED.	6,500	
KTRADE SECURITIES LIMITED	1	
MRA SECURITIES LIMITED - MF	135,000	
BAWA SECURITIES (PVT) LTD. - MF	65,000	
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	1,617,000	
FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	25,094	
TRUST SECURITIES & BROKERAGE LIMITED - MF	500	
GPH SECURITIES (PRIVATE) LIMITED	50,000	
HIGH LAND SECURITIES (PRIVATE) LIMITED	40	
OCEAN SECURITIES LIMITED	25,000	
DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED - MT	131,363	
ABBASI & COMPANY (PRIVATE) LIMITED - MT	433,000	
BACKERS & PARTNERS (PRIVATE) LIMITED - MT	4,500	
AMER COTTON MILLS (PVT) LTD	10,000	
SULTANABAD MODEL GINNING FACTORY (PVT) LTD	2,500	
NATIONAL EXPORT CORPORATION (PVT) LTD	2,939	88,938,969

# UNITY FOODS LIMITED

## Details of Pattern of Shareholding

As On June 30, 2023

### OTHERS

HONEYCOMB (PRIVATE) LIMITED	100,000	
SEA WORLD (SMC-PVT.) LIMITED	3,304	
SAGE CONSULTING (PRIVATE) LIMITED	20,000	
TRUSTEES ARVABAI&FAKHRUDDIN MEMORIAL FDN	5,000	
PAK-QATAR INVESTMENT (PVT.) LIMITED	4,000,000	
KIRAN FOUNDATION	10,000	
TRUSTEES OF HAMDARD LABORATORIES (WAQF) PAKISTAN.	25,000,000	
HAMID ADAMJEE TRUST	10,000	
SUMYA BUILDERS & DEVELOPERS	48,000,000	
IHSAN SONS (PRIVATE) LIMITED	48,047	
MZW LOGISTICS (PVT.) LIMITED	1,800	
KIRAN BUILDERS & DEVELOPERS (PRIVATE) LIMITED	92,147	
B. R. R. INVESTMENT (PRIVATE) LIMITED	106,338	
PAKISTAN RESOURCES DEVELOPMENT SERVICES (PRIVATE) LIMITED.	70,000	
AQEEL KARIM DHEDHI SECURITIES (PVT.) LIMITED STAFF PRO.FUND	250,000	
TRUSTEE AVARI HOTELS LIMITED EMPLOYEES PROVIDENT FUND	5	
DADABHOY FOUNDATION	350,000	
SITARA CHEMICAL INDUSTRIES LIMITED	45,000	
UNITED TOWEL EXPORTERS (PVT.) LIMITED	10,000	
HILAL GROUP EMPLOYEES PROVIDENT FUND	240	
ICI PAKISTAN MANAGEMENT STAF PROVIDENT FUND	711	
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEEES P.FUND	1,500	
B. R. R. INVESTMENT (PRIVATE) LIMITED	21,781	
FIRST DAWOOD INVESTMENT BANK LIMITED	50,000	
LSE FINANCIAL SERVICES LIMITED - MT	1,156,761	79,352,634

### GENERAL PUBLIC (INDIVIDUALS)

1) LOCAL	416,546,281	
2) FOREIGN	947,800	417,494,081
		1,194,050,000

# UNITY FOODS LIMITED

## Categories of Shareholders

As On June 30, 2023

S.No.	Categories of Shareholders	No of Shareholders	Shares Held	Percentage
1	Associated Companies, undertakings and related parties.	2	425,689,035	35.65
2	Directors, Chief Executive Officer and their spouse and minor children.	7	141,819,410	11.88
3	Foreign Companies	1	150,300	0.01
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	5	1,318,653	0.11
5	Insurance Companies and Takaful	7	29,063,000	2.43
6	Modarabas and Mutual Funds	30	10,223,918	0.86
7	Joint Stock Companies	77	88,938,969	7.45
8	Others	25	79,352,634	6.65
9	General Public (Individuals)			
	Local	10379	416,546,281	34.89
	Foreign	11	947,800	0.08
	Grand Total:	10,544	1,194,050,000	100
	<b>Shareholders holding 10% Shares or more Voting Rights</b>		<b>Holding</b>	<b>%</b>
	WILMAR PAKISTAN HOLDINGS PTE. LTD.		259,535,950	21.74
	UNITY WILMAR AGRO (PRIVATE) LIMITED		166,153,085	13.92

**Note:** As required under Rule Book of Pakistan Stock Exchange Limited, the threshold for Executives, set by the Board of Directors of the Company for the purpose of disclosure of trades in shares of the Company, means employees of the Company holding the designation of "Executive Director".



# E- DIVIDEND MANDATE FORM (MANDATORY CREDIT OF DIVIDEND INTO BANK ACCOUNT)

Digital Custodian Company Limited (DCCL)  
(Share Registrar of **Unity Foods Limited**)  
4th Floor, Pardesi House, Old Queens Road, Karachi  
Email: share.registrar@digitalcustodian.co  
Phone No. +92 21 32419770 & 32430485  
Fax No. +92 21 32416371  
Website: <https://digitalcustodian.co>

Dear Sir / Madam,

The undersigned being member of **UNITY FOODS LIMITED** (the Company), hereby authorize the Company that all my cash dividend amounts declared by the Company, from time to time, be credited directly into my / our bank account as per following details:

SHAREHOLDER'S BANK DETAILS																							
Title of Bank Account: _____																							
Bank Account Number: _____																							
Bank's Name : _____																							
Branch Name and Address : _____																							
International Bank Account Number (IBAN) (24 digit)																							
P	K																						

It is stated that the above mentioned information is correct and I will intimate any change in the above mentioned information to the Company and the Concerned Share Registrar as soon as these occur.

\_\_\_\_\_  
Signature of the member / Shareholder  
(Please affix company stamp in case of corporate entity)  
Name of Shareholder(s): \_\_\_\_\_  
Folio No. \_\_\_\_\_  
Encl: Photocopy of valid CNIC  
Passport no. ( in case of Foreign Shareholder)

Note:

1. Please provide complete IBAN after consultation with your bank branch. In case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment.
2. In case of Physical shares, a duly filled-in-E-Dividend Mandate Form shall be submitted with the Company's Share Registrar. While for shares held in CDC, E- Dividend Mandate Form shall be submitted directly to member's broker / participant / CDC as required by the Central Depository Company of Pakistan Limited vide its Circular No. 16 of 2017 issued on August 31, 2017.

# STANDARD REQUEST FORM FOR TRANSMISSION OF ANNUAL AUDITED ACCOUNTS AND NOTICES OF GENERAL MEETINGS AND OTHERS

Digital Custodian Company Limited (DCCL)  
(Share Registrar of **Unity Foods Limited**)  
4th Floor, Pardesi House,  
Old Queens Road, Karachi  
Email: share.registrar@digitalcustodian.co  
Phone No. +92 21 32419770 & 32430485  
Fax No. +92 21 32416371  
Website: <https://digitalcustodian.co>

Dear Sir,

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan (SECP) through its SRO 787/(I)/2014 dated September 08, 2014, SRO 470(I)/2016 dated May 31, 2016 and S.R.O. 389(I)/2023 dated March 21, 2023, I/We, Mr. / Ms. / Mrs. \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_ being shareholder of Unity Foods Limited, desires and hereby consent to electronically receive the Annual Audited Accounts and Notices of the General Meetings and others, of **Unity Foods Limited** through e-mail on my following e-mail ID:

Name of Shareholder	
Folio / CDC Account Number of shareholder	
CNIC /Passport Number of shareholder	
E-mail Address	

I hereby confirm that the above-mentioned information is correct and in case of any change therein, I undertake to immediately intimate to the Company through revised Request Form.

\_\_\_\_\_  
Shareholder's Signature  
Authorised Signature in case of Shareholder  
Other Than Individual  
(Please affix company stamp in case of corporate entity)

Date : \_\_\_\_\_

**FORM OF PROXY**  
**33<sup>rd</sup> ANNUAL GENERAL MEETING**

The Company Secretary,  
**Unity Foods Limited,**  
8-C PECHS, Block 6,  
Karachi, Pakistan

I/We \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_ shareholder(s) of  
Unity Foods Limited (the Company) holding \_\_\_\_\_ ordinary shares, as per Share  
Register Folio No. \_\_\_\_\_ and /or CDC Participant ID No. \_\_\_\_\_ and A/c  
No. \_\_\_\_\_ (for members who have shares in CDS) hereby appoint  
Mr./Ms. \_\_\_\_\_ Folio # \_\_\_\_\_ of \_\_\_\_\_ or  
failing him /her Mr./Ms. \_\_\_\_\_ Folio # \_\_\_\_\_ of  
\_\_\_\_\_, who is also a shareholder of the Company, as my /our proxy in my /our  
absence to attend, act and vote for me / us and on my /our behalf at the Annual General Meeting of the  
Company to be held on Friday, October 27, 2023, at 11:30 a.m. and /or any adjournment thereof.

Signature across  
Five Rupees  
Revenue Stamp

(Signature should agree with the specimen signature registered with the Registrar).

As a witness my/our hand/seal this \_\_\_\_\_ day of October, 2023.

1. Witness Signature \_\_\_\_\_ 2. Witness Signature \_\_\_\_\_

Name \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address \_\_\_\_\_

**NOTE:**

1. A member of the Company entitled to attend, and vote may appoint another member as his/her/ its/their proxy to attend and vote instead of him/her/them. To be appointed as proxy, a person has to be a member of the Company.
2. In the case of bank or company, the proxy form must be executed under its common seal and signed by its authorized person. The certified copy of the Board's resolution/ power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
3. Proxy form duly completed and signed, must be received at the registered office of the Company at Unity Tower, Plot 8-C, Block-6, PECHS, Karachi at least 48 hours before the time of holding the meeting.
4. In case of CDC account holders:
  - i) Attested Copies of CNIC or Passport of the Beneficial Owners and the Proxy shall be furnished with the proxy form.
  - ii) The Proxy shall produce his/her original CNIC or original Passport at the time of meeting.







**UNITY FOODS LIMITED**

— food for life! —

Unity Tower, Plot # 8-C, Block-6, P.E.C.H.S, Karachi 75400, Pakistan  
 Phone: +92 21 34373605 - 7  
 info@unityfoods.pk - www.unityfoods.pk