# UNITY FOODS LIMITED

food for life!

# ANNUAL REPORT

2021

UNITY FOODS LIMITED

Food for life

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## VISION

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

## MISSION

Enhance food security in Pakistan by developing sustainable efficient food supply chain system.

## CORE VALUES

• Our values - defining who we are and the way we work, comprise of Integrity. Excellence. Innovation, Teamwork, Passion, Ownership and safety

• We value honesty. trustworthiness and high ethical standards

• We strive for excellent performance in everything we do, and value innovative efforts, ideas, and methods to continually improve our business processes

• We work as one team and are passionate towards delivering our corporate goal

• We pay careful consideration to the health and safety of our team members at the workplace.

# Company Information

UNITY FOODS LIMITED
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| | | |
|---|---|---|
| **Board of Directors** | Mr. Sulaiman Sadruddin Mehdi | Chairman- Independent |
| | Mr. Muhammad Farrukh | Chief Executive |
| | Mr. Abdul Majeed Ghaziani | Non- Executive |
| | Mr. Muneer S. Godil | Independent |
| | Mr. Saad Amanullah Khan | Independent* |
| | Ms. Lie Hong Hwa | Non-Executive |
| | Ms. Tayyaba Rasheed | Independent |

**(*Mr. Saad Amanullah Khan has been appointed as Independent Director in place of Ms. Maria Abdul Hafeez on August 06, 2021)**

| | | |
|---|---|---|
| **Audit Committee** | Mr. Saad Amanullah Khan | Chairman |
| | Mr. Abdul Majeed Ghaziani | |
| | Mr. Muneer S. Godil | |
| | Ms. Tayyaba Rasheed | |
| **Human Resource & Remuneration Committee** | Ms. Tayyaba Rasheed | Chairman |
| | Mr. Saad Amanullah Khan | |
| | Mr. Muneer S. Godil | |
| | Mr. Abdul Majeed Ghaziani | |
| **Investment Committee** | Mr. Sulaiman Sadruddin Mehdi | Chairman |
| | Ms. Tayyaba Rasheed | |
| | Mr. Abdul Majeed Ghaziani | |

**The Board in its meeting held on August 6, 2021 formed the Investment Committee.**

**Chief Financial Officer**
Mr. Jalees Edhi

**Company Secretary**
Syed Muhammad Tariq Nabeel Jafri

**External Auditor**
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
1st Floor, Modern Motors House
Beaumont Road
Karachi

**Internal Auditor**
Mr. Imran Ahmed Khan

**Bankers**
Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Habib 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
Bank of Punjab
Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited
JS Bank Limited

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|---|---|
| **Legal Advisor** | Mohsin Tayebaly & Co.<br>1st Floor, Dime Centre,BC-4, Block-9<br>Kehkashan, Clifton, Karachi -75500<br>Phone # +92-21-111-682-529 |
| **Share Registrar** | F.D. Share Registrar (Pvt.) Ltd<br>17th Floor, Saima Trade Tower A,<br>I.I Chundrigar Road, Karachi<br>Phone # +92-21-32271905-6 |
| **Registered Office** | Unity Tower, 8-C, PECHS<br>Block-6, Karachi 75400. |
| **Phone No.** | +92 21 34373605-607, 34388666, 34387666 |
| **Fax No** | +92 21 34373608 |
| **Email** | info@unityfoods.pk |
| **Website** | www.unityfoods.pk |
| **Business** | Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and processing of by-products. |
| **Status of Company** | Public Listed Company (PLC) |
| **Company Registration number** | K-0023133 |
| **National Tax Number** | 0698412-6 |
| **Contact Person** | Syed Muhammad Tariq Nabeel Jafri |
| **Phone No.** | +92-21-34373605-607 |
| **Email** | info@untiyfoods.pk |
| **Factories** | Solvent Extraction Plant, Refinery and Pellitising Mills<br>N-25 & N-27 / B<br>Site Area, Kotri<br>District Hyderabad |
| | Oil Refinery<br>A-48, (Chemical Area), Eastern Industrial Zone,<br>Port Qasim Authority,<br>Karachi |
| | Soap Plant<br>C-375, C-376, C-377, C-382, C-383, C-384<br>Hub Industrial Estate, Lasbella, Hub<br>Balochistan |

# DIRECTORS' PROFILE

### Sulaiman S. Mehdi – Chairman / Director

Sulaiman is the CEO Cyan Ltd., formerly Central Insurance Company Limited (CICL). In 2011, Sulaiman orchestrated the business restructuring of CICL (insurance) to Cyan (investments), a landmark transaction, and the first of its kind in Pakistan.Before Cyan, he has served PICIC DFI, PICIC Asset Management Company Ltd., Allied Bank (ABL) and ABL Asset Management Company Limited. He has had the privilege of establishing two leading AMCs of this country. As a senior executive he has been working on strategy, organization, mergers and acquisitions. He is a proven business leader with a track record of delivering sustainable change and superior results in Pakistan. Sulaiman's experience spans over 20 years in multiple areas of financial services including investments, operations, marketing, legal and corporate affairs.

Amongst his prominent achievements have been the acquisition of HUBCO from National Power in June 2012. The acquisition value was PKR 6bn and was sold in March 2018 for PKR 22bn resulting in gains of app. PKR 23bn (incl dividends) in less than 6 years. He also had the privilege of leading the election process of HUBCO for DH Group twice in 2012 and 2015 and managed 8 out of 11 seats with just 17.5% shareholding while managing the rest through proxies.

He has been the youngest Chairman of the Pakistan Stock Exchange (PSX). At PSX besides being the Chairman of the Board, Sulaiman was also the Chairman of the Nomination Committee, Human Resource and Remuneration Committee and Regulatory Affairs Committee. He is also Chairman Pebbles Ltd. - the real estate arm of Dawood Hercules (DH) Group and is spearheading all real estate initiatives of the Group. He serves on the Board of Governors of The Institute of Business Management (IOBM). He is the Founding member of the Presidential Initiative for artificial Intelligence and Computing (PIAIC) and a Member of the Committee on Emerging Technologies of MOIT. He represents Sindh as an Independent Member on Private Power and Infrastructure Board (PPIB) and is also an Independent Director on Sind Energy Holding Company Pvt Ltd. He is also an Independent Director on the Board of Bank Islami Pakistan Ltd.

He has also served on the Board of Dawood Lawrence pur Limited, FOCUS Pakistan (an Aga Khan Foundation backed NGO), Inbox Business Technologies (Pvt.) Ltd., Inbox Consulting (Pvt.) Ltd., Inbox Corporation (Pvt.) Ltd. and Sach International (Pvt.) Ltd. He holds a master's degree and is also a fellow member of The Institute of Corporate Secretaries of Pakistan (FCIS). He is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

### Mr. Muhammad Farrukh –Chief Executive Officer / Director

Mr. Farrukh has over 19 years' local and international business experience in the fields of commodities trading, FMCG, animal feeds, import and export, joint venture and overall business management. Mr. Muhammad Farrukh is a seasoned businessman. He also has extensive experience in establishing, expanding and acquiring businesses and consolidating them into integrated business unit bringing synergy. Furthermore, he has established joint ventures with foreign collaboration channeling foreign investment in the country.

### Mr. Abdul Majeed Ghaziani –Director

Abdul Majeed holds a B. Com from University of Karachi and is a member of Institute of Cost and Management Accountants of Pakistan. He passed the final examination of ICMAP in November 1994. Majeed has over twenty-four years' experience as entrepreneur in various agri-businesses that he established and managed. He has also completed directors training program under the aegis of ICMAP in April 2019. He is an ex-treasurer of the Rice Exporters Association of Pakistan.

### Mr. Muneer S. Godil – Independent Director

Mr. Muneer S. Godil is a graduate from the NED University of Engineering and Technology, with specialization in Energy and Power from the US. He is a recognized expert in his filed having spent over two decades in planning, engineering and implementation of Green Filed Projects including Power and Cogeneration. He has a wealth of experience to draw on in operating plants of various configurations. He is currently working as advisor to the Board of Directors of various global and nationally renowned companies, assisting them with planning, development and operational challenges.

### Ms. Tayyaba Rasheed – Independent Director

Tayyaba Rasheed is highly qualified with a successful career in corporate and investment banking with more than 19 years of diversified experience. She has profound skills in Structured Financing, Infrastructure financing, Sukuk Issuance, Syndication, Credit Analysis, Capital Markets, Credit Risk, and Islamic finance. She is an experienced investment banker with a demonstrated history of working in the banking industry with focus on delivering results across the board. Being an investment banker, she has closed numerous key mandates for approximately running in USD 1500 MN. She holds an MBA from IBA and is a CFA, FRM and NIBAF. She has been instrumental in driving some of the Landmark Project Finance and Syndication deals to closure from the platform of National Bank of Pakistan and Faysal Bank Limited. She has worked in Senior Positions at CIBG,
NBP and Bank Alfalah where she started her career as Management Trainee officer. Her areas of expertise include IPPs, infrastructure Financing, Port Infrastructure Development Projects and other green field and brown field projects. In her role as Head PF and Structured Finance she has closed KEY Mandates of Sukuk, Commercial Papers and TFCs for reputable and diversified base of various corporate clients. She has also served as visiting faculty in KASBIT, SZABIST and CBM.

### 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).

### Saad Amanullah Khan

Saad has three decades of experience working for Procter & Gamble in Europe, Middle East and Pakistan. He was Gillette Pakistan CEO from 2007 to 2014 and previously held senior executive positions in Procter & Gamble. He was twice elected as President of American Business Council (ABC) the largest single country business chamber in Pakistan and twice to the Executive Council of Overseas Investors Chamber of Commerce and Industry (OICCI).

Currently Saad is an independent director on the boards of Fauji Fertilizer Corporation (FFC), Jaffer Brothers, NBP Funds, Burque Corporation, International Packaging Films Ltd. and ZIL Corporation. Previously, he has been part of the boards of State Life Insurance Corporation (SLIC) and Pakistan Stock Exchange (PSX) as an independent director. Saad is a published author, "It's Business, It's Personal" which was published in 2016 to assist management how to set a company's vision and on how to deliver it through organizational excellence. He has helped co-found the following organizations: Chairman of Pakistan Innovation Foundation (PIF); President of I AM KARACHI (IAK); Ex-Chairman and Director of South East Asia Leadership Academy (SEALA); Director of OMNI KARTING (opening soon in Karachi); and Co-owner of Big Thick Burgerz restaurant chain.

Saad held the position of Chairman of Public Interest Law Association of Pakistan (PILAP) for 4 years and is currently its Vice Chairman. He works as a volunteer at JPMC and sits on board of another six social enterprises. Saad is a graduate of the University of Michigan, Ann Arbor MBA program and holds two engineering degrees in

# MANAGEMENT PROFILE

## Mr. Muhammad Farrukh – CEO

Mr. Farrukh has over 19 years' local and international business experience in the fields of commodities trading, FMCG, animal feeds, import and export, joint venture and overall business management. Mr. Muhammad Farrukh is a seasoned businessman. He also has extensive experience in establishing, expanding and acquiring businesses and consolidating them into integrated business unit bringing synergy. Furthermore, he has established joint ventures with foreign collaboration channeling foreign investment in the country.

## Mr. Rana Nouman – Head of Sales

Mr. Rana Nouman is an experienced and highly accomplished sales professional with knowledge of various sales processes, demonstrating solid analytical and team management skills. He has a proven track-record of generating new business through strategic negotiation while cultivating new relationships with key decision. He brings with him 18+ years of experience in different industries, Edible Oil, FMCG, HealthCare, Naturals & Herbal OTC Pharma, Personal Care & Beverage. Having rich experience of Sales Management, Business Development, Key Account management, Direct & Indirect channel management including sales force management, forecasting, sales planning, BTL activities, Trade Marketing, distribution, business process analysis and best practices implementation.

## Ms. Zarmina Khan – Head of Marketing

Ms. Zarmina is an experienced senior marketing professional having a diversified experience of oil & gas and FMCG for over 14 years. She has done Masters in Business Administration (Marketing) from institute of Business Management (IoBM). She brings with her outstanding skills in brand Management, corporate communications, Trade and Digital Marketing, Customer Relationship Management (CRM), Market Research and has a a proven record of accomplishment in planning and leading comprehensive marketing strategies in support of business goals and objectives. Have a significant experience in Business Turnaround, Innovation Management, eCommerce & Strategic Revenue Management demonstrated in diversified industries such as Oil & Gas mainly in Total and PUMA along with FMCG at Unity Foods.

## Mr. Usama Ebrahim – Head of Information Technology

Mr. Usama joined Unity Foods Limited in March 2021. He brings with him 15+ years of experience in IT leadership and business partnering, business solutions, ERP Operations (SAP S/4Hana/MS Dynamics, IT Infrastructure/Networks, Service/ Project management domains in FMCG and Healthcare sectors. He has practiced in development, improvement and implementation of IT/IS processes and best practices in line with business strategies. Particularly in domains of Content management, Collaborative solutions, Sales Operations, Distribution Management Systems and Reporting, using Analytics platforms. He has proved himself successfully in clarifying business requirements, managing demand, performing gap analysis between goals and existing procedures and by introducing innovative solutions contribute in business growth, increase productivities and reduce costs.

### Mr. Jalees Edhi – Chief Financial Officer

An accomplished professional with over 13 years of leading the Accounts and Finance divisions of large local and multinational organizations and a quoted entity. He has been associated with PWC Pakistan with having exposure of external and internal audits, developments of ERP, SOPs and budgets. His vast experience has enabled him to gain business insight and acumen particularly in the taxation and business analytics.

### Mr. Safdar Sajjad - Executive Director

Mr. Safdar Sajjad's Multi-dimensional experience is the key through which the group is managing voluminous trade. His responsibilities include but not restricted to managing the logistics, procurement and disbursement of the products. He has over eighteen years of experience. His deep knowledge of various aspects of the edible oil business has played an instrumental role in group's growth

### Mr. Abdul Hafeez – Executive Director

Mr. Abdul Hafeez is Masters in Computer Science. He has gained dual experience of Information Technology as well as Accountancy in his career and has over sixteen years of experience in these areas. His also possesses vast expertise of imports that has enabled the group to achieve market competitiveness.

### Mr. Amir Shehzad – Executive Director

Mr. Amir Shehzad has over 25 years of experience in investment banking and capital markets. He has held senior positions at National Bank, UBL and Askari Bank Limited where he has been involved in planning and implementing business strategies

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**Terms of Reference of Different Committees**

**TOR Approved by the Board of Directors on May 15, 2017 & later Changes in TOR approved on March 01, 2019**

**The Terms of Reference of the Board Audit Committee of the Company shall include the following:**

The quorum of the Committee shall be two persons including Chairman of the Committee.

(i) Determination of appropriate measures to safeguard the listed company's assets;

(ii) Review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on:

i. Major judgmental areas;

ii. Significant adjustments resulting from the audit;

iii. The going concern assumption;

iv. Any changes in accounting policies and practices;

v. Compliance with applicable accounting standards;

vi. Compliance with PSX Rule Book and other statutory and regulatory requirements; and

vii. Significant related party transactions.

(iii) Review of preliminary announcements of results prior to external communication and publication;

(iv) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

(v) Review of management letter issued by external auditors and management's response thereto;

(vi) ensuring coordination between the internal and external auditors of the Company;

(vii) Review of the scope and extent of internal audit, audit plan, reporting frame work and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

(viii) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

(ix) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

(x) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

(xi) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;

(xii) Determination of compliance with relevant statutory requirements;

(xiii) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

(xiv) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.

(xv) recommend to the Board, the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliance with the Regulations. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.

(xvi) Consideration of any other issue or matter as may be assigned by the Board of Directors.

## Terms of Reference of the Board Human Resources & Remuneration Committee.

**The TORs of HR&R Committee have been approved by the Board of Directors of the Company on July 10, 2017.**

The Terms of Reference of the Board HR&R Committee of the Company shall include the following:

(i) The Committee is appointed by the Board of Directors. There must be at least four (4) members, of whom one must be independent director. In the event of Casual vacancy, appointment is made immediately in the following board meeting. Chairman of the committee is an independent Director.

(ii) Quorum of the meeting is at least two (2) members present either in person or through video/audio conference call, of whom one must be the Independent Director. The meeting is compulsorily convened once a year.

(iii) The Committee reviews and approves the Company's compensation and benefits policies generally including reviewing and approving any incentive-compensation plans of the Company. Reviewing compensation policies and guide lines relating to all employees, including annual salary and incentive policies and programs, material new benefits programs and material changes to existing benefits programs. In reviewing such compensation and benefits policies, the Committee may consider the recruitment, development, promotion, retention and compensation of senior executives and other employees of the Company and any other factors that it deems appropriate.

(iv) Monitor and evaluate matters relating to the compensation and benefits structure of the Company as the Committee deems appropriate, including providing guidance to management on significant issues affecting compensation philosophy or policy and review and approve compensation policies regarding CFO, Company Secretary, Internal Auditors and other senior Executive Officers Compensation.

(v) The committee, in consultation with the CEO, reviews the CEO's assessment of Senior Executives (including CFO, Company Secretary & Internal Auditor), oversee an evaluation of the performance of the Company's Senior Executive officers and approve the annual compensation, including salary, bonus, incentive and equity compensation, if any, for the Executive Officers. Review the structure and competitiveness of the Company's Executive Officers Compensation programs considering the following factors:
   - The attraction and retention of Executive Officers
   - The motivation of Executive Officers to achieve the Company's Business Objectives; and
   - The alignment of the interests of Executive Officers with the long – term interests of the Company's Shareholders.

(vi) The Committee periodically reviews the Company's management organization structure and the CEO's proposals for changes to that structure and report any significant organizational changes, along with the Human Resource and Remuneration Committee recommendations, to the Board.

(vii) The Committee annually reviews the Company's Succession Plans. The Committee monitors the progress and development of executives in accordance with the succession plans and annually reviews the adequacy of the succession candidates to foster timely and effective executive continuity.

(viii) Recommendation to the Board for consideration and approval a policy frame work for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer.

(ix) Undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualification of such consultant and major terms of his / its appointment.

(x) Recommending human resources management policies to the Board

(xi) Consideration and approval on recommendations of chief executive on such matters for key management positions who report directly to chief executive officer or chief operating officer

(xii) where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company

## Terms of Reference of Board Investment Committee

### Background of the Committee

The Board in its meeting held on August 6, 2021 formed the Investment Committee to assist in prompt decisions on acquisitions, strategic investments and divestment proposals of Unity Foods Limited, submitted to it by the Project Committee or by the CEO.

### Meetings and Composition

The Committee shall meet on a need basis and shall comprise the following members:

Chairman - Mr. Sulaiman Sadruddin Mehdi

Ms. Tayyaba Rasheed - Member

Abdul Majeed Ghaziani - Member

### Attendance

Chief Executive Officer, Chief Strategy Officer and Chief Financial Officer shall attend the meetings of the Committee to present the proposals and to address other queries of the Investment Committee.

The Company Secretary shall be the Secretary to the Committee. The Secretary shall maintain minutes and other record of all meetings.

The Secretary shall send the notice of Meeting along with complete agenda and working papers at least one week in advance. Provided that with the prior permission of the Chairman, a meeting may be held at shorter notice to address any emergent issue.

The Committee may coopt such other persons as are deemed necessary in discharge of its duties under its ToRs.

### ToRs of the Investment Committee

### The Committee shall

- Coordinate with Projects Committee and discuss the reports, monitor operating, financial and other activities of the Company in consultation with respective department/ segment heads
- Advise on development and implementation of business plans, policies, procedures and CAPEX budgets that have been approved by the Board
- monitor the operating and financial performance of the projects approved and review actual and budgeted results
- Supervise investments and resources of the Company

- monitor the risk associated with each project of the Company approved by the Committee in conjunction with overall risk profile of the Company
- report to the Board any major deviant, risk issues or matters relating to projects approved by the Committee
- The Committee may form sub-committee for a particular task comprising such members as deemed necessary. The said Sub-committee shall submit its reports to the Investment Committee.

### Quorum

The quorum for the meeting of the Investment Committee shall be two members, including the Chairman.

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## UNITY FOODS LIMITED
## KEY OPERATING & FINANCIALS RESULTS SIX YEARS AT GLANCE

| OPERATING DATA | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| | RUPEES | | | | | |
| | | | | | | |
| Sales | 66,400,968,204 | 29,872,020,642 | 14,097,237,284 | 2,782,172,064 | - | - |
| Cost of goods sold | (61,209,315,624) | (27,847,049,156) | (12,820,034,063) | (2,534,098,638) | - | - |
| Gross profit | 5,191,652,580 | 2,024,971,486 | 1,277,203,221 | 248,072,426 | - | - |
| Operating profit / (loss) | 4,269,253,622 | 735,222,844 | 562,929,180 | 149,637,697 | (4,343,650) | (3,001,104) |
| Profit / (loss) before taxation | 3,389,131,701 | 194,550,290 | 274,721,618 | 97,797,326 | (4,343,650) | (3,001,104) |
| Profit / (loss) after taxation | 3,111,739,492 | 209,628,796 | 255,074,520 | 121,516,425 | (4,343,650) | (3,001,104) |
| | | | | | | |
| FINANCIAL DATA | | | | | | |
| | | | | | | |
| Paid up capital | 9,940,500,000 | 5,440,500,000 | 5,440,500,000 | 1,690,500,000 | 40,500,000 | 40,500,000 |
| Equity balance | 13,379,279,398 | 5,849,690,974 | 5,694,467,178 | 1,773,917,658 | 2,401,233 | 6,744,883 |
| Fixed assets | 7,768,451,723 | 3,341,837,947 | 3,090,175,592 | 1,527,524,826 | - | - |
| Current assets | 33,728,462,655 | 15,122,615,252 | 7,371,378,588 | 3,015,913,659 | 2,984,752 | 6,787,283 |
| Current liabilities | 28,812,366,675 | 12,877,046,393 | 4,771,159,003 | 2,793,264,926 | 608,519 | 67,400 |
| | | | | | | |
| KEY RATIOS | | | | | | |
| | | | | | | |
| Gross margin (%) | 7.82 | 6.78 | 9.06 | 8.92 | - | - |
| Operating margin (%) | 5.67 | 3.73 | 3.99 | 5.38 | - | - |
| Net profit (%) | 4.69 | 0.70 | 1.81 | 4.37 | - | - |
| Return on Equity (%) | 23.26 | 3.58 | 4.48 | 6.85 | (180.89) | (44.49) |
| Current ratio (%) | 1.17 | 1.17 | 1.54 | 1.08 | 0.20 | 0.01 |
| Earning per share (Rs.) | 3.44 | 0.35 | 1.03 | 1.18 | (1.07) | (0.74) |
| Cash Dividend (%) | - | - | 1.00 | 5.00 | | |

## CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I am pleased to present to you Review of Annual Report of Unity Foods Limited ("the Company") for the year ended June 30, 2021.

## ECONOMIC AND COMPANY'S PERFORMANCE

On the economic front, Pakistan has been moving towards stability while recovering from COVID-19 Pandemic. Credit must be given to the Government on smart lockdowns that led the Industrial wheel moving. Your Company falling under the category of "Essential Services" was allowed to continue its production facilities under the SOPs and supplies were ensured to consumers across Pakistan.

The Financial Year 2020-21 has been exceptional in terms of high growth and performance of the company, backed by recovery from overall economic slowdown due to outbreak of the COVID-19 Pandemic. During the year the consolidated sales of the Company stood at PKR 68.8 billion versus PKR 30.5 billion in the corresponding period last year reflecting a growth of 126%. Likewise, the profit after tax of PKR 3.3 billion was achieved during the year versus PKR 214 mn last year reflecting a growth of 1,458%.

During the year, the Company also consolidated its consumer staples business by acquiring the remaining 31% shareholding in Sunridge Foods (Pvt) Ltd. With this acquisition, Sunridge Foods is now a 100% owned subsidiary.

During the year A.F. Ferguson & Co. Chartered Accountants assisted revamp the overall SOPs of the Company.

During the year the Company engaged Systems Limited for SAP S4/HANA, SAP Success Factor and ARIBA implementation. The purpose is to implement ERP and industrial solutions. The digitalization, considering SAP's driven state-of-art processes, will be an enabler for the Company to implement Blockchain, adding new dimensions of operations and deliver an ecosystem to global suppliers and customers.

The Company remains committed towards its responsibility of paying back to the society and is evident from our CSR activities.

## BOARD'S OVERVIEW AND PERFORMANCE

The Board has been recently reconstituted by appointing two new independent directors. A nominee of Wilmar International Limited has also been appointed on the Board. Now the Board has an appropriate mix of Directors in terms of relevant experience. The Board's primary objective is to provide strategic direction to the Company and supervising the management. All efforts will be concentrated towards setting up the highest possible standards of Governance in the Company. The Objective of the Board is to ensure that shareholders value is ameliorated while producing the best quality products for our customers and by innovating on new products as per international standards.

## FUTURE OUTLOOK

The management is focused on consolidating in the markets and will continue to strengthen its supply chain management as well as increasing its market share in the consumer packs.

The Company intends to further strengthen its Industrial and Commercial segment. As COVID-19 is getting under control with extended vaccination program and other steps taken by the Government, the restrictions are likely to soften which will open the HORECA sector generating new demand for the Company's products.

## ACKNOWLEDGEMENT

I would like to thank the Board members for their continued support to the management that has helped realize the key milestones during the year. The management stays fully committed in enhancing shareholders value.

In the end I would also like to thank all our stakeholders for their confidence and trust reposed upon us at all times.

Sulaiman Sadruddin Mehdi
Chairman
October 6, 2021

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## مستقبل پر نظر:

مینجمنٹ مارکیٹس میں مضبوتی طور پر توجہ مرکوز کئے ہوئے ہے اور اپنی سپلائی چین کو بہتر بنانے کے لئے کوشاں رہے گی اور ساتھ ہی ساتھ صارفین کی سطح پر مارکیٹ میں اپنے حصے کو بڑھاتی رہے گی۔

کمپنی اپنے صنعتی اور تجارتی شعبوں کو مزید مستحکم کرنا چاہتی ہے حکومت کے ویکسینیشن پروگرام اور دیگر کاموں کی وجہ سے کووڈ 19 قابو میں آرہا ہے جسکی وجہ سے اس بات کا امکان ہے کہ (HORECA) ہوٹل، ریسٹورینٹ اور پکوان کے شعبے میں کمپنی کی مصنوعات کی طلب میں اضافہ ہوگا۔

## اعتراف:

میں بورڈ ممبرز کا مینجمنٹ کی مسلسل مدد کا شکرادا کرنا چاہوگا۔ جسکی وجہ سے سال کے دوران اہم سنگ میل عبور کرنے میں سہولت ہوئی۔ مینجمنٹ حصص یافتگان کی دولت میں اضافے کے لئے پوری طرح کوشاں ہے۔

آخر میں اپنے تمام حصص داروں کا ہم پر بھروسہ کرنے کا شکرادا کرنا چاہونگا۔

سلیمان صدرالدین مہدی

چیئرمین

اکتوبر 2021,6

# چیئرمین کی جانب سے جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے یونیٹی فوڈز لمیٹڈ (کمپنی) کے 30 جون 2021 کو ختم ہونے والے سال کے چیئرمین ریویو پیش کرتے ہوئے مجھے بہت مسرت ہے۔

## معاشی اور کمپنی کی کارکردگی:

معاشی محاذ پر پاکستان کووڈ 19 کی عالمی وباء سے باہر آتے ہوئے استحکام کی طرف بڑھ رہا ہے۔ حکومت کا سمارٹ لاک ڈاؤن کا فیصلہ قابل تحسین ہے۔ جسکی وجہ سے معیشت کا پہیہ حرکت میں آیا۔ آپکی کمپنی کو ضروری خدمات مہیا کرنے والی کمپنی میں شامل ہونے کی وجہ مخصوص طریقہ کار کی پیروی کرتے ہوئے پیداوار جاری رکھنے کی اجازت ملی، اور کمپنی نے مال کی رسد کو پاکستان کے تمام علاقوں میں برقرار رکھا۔

کووڈ 19 کی وجہ سے معاشی سست روی سے باہر آتے ہوئے معاشی سال 21-2020 ترقی کی بلند شرح اور کارکردگی کے لحاظ سے غیر معمولی سال رہا ہے۔

اس سال مجموعی سیلز پچھلے سال کی 30.5 ارب روپے کے مقابلے میں 68.8 ارب رہی جو کے 126% کا اضافہ ظاہر کرتی ہے۔ اسی طرح خالص منافع بھی 3.3 ارب رپے کے ساتھ پچھلے سال کے 214 ملین روپے کے مقابلے میں 1,458% زائد ہے۔

اس سال کے دوران کمپنی نے اپنے صارفین کے بنیادی غذا کے کاروبار کو مستحکم کیا اور سن رج فوڈز (پرائیوٹ) لمیٹڈ کے بقایا 31% حصص خریدے۔ اس اکتساب کے بعد سن ریج فوڈز اب یونیٹی فوڈز کی 100% یک ملکیتی ذیلی کمپنی بن گئی ہے۔

اس سال اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاونٹنٹ نے کمپنی SOP کی اصلاح میں مدد اور رہنمائی فراہم کی۔

اس برس کمپنی نے Success Factor, SAP 4 HANA اور ARIBA کے نفاذ کے لیے سسٹمز لمیٹڈ کا تقرر کیا۔ اسکا مقصد ERP اور صنعتی طریقہ کار کا نفاذ ہے۔ ڈیجیٹلائزیشن، SAP کے زیر چلنے والے جدید پروسیس کی وجہ سے کمپنی کو بلاک چین کے نفاذ میں مدد دے گا جسکی وجہ سے یونیٹی فوڈز آپریشن میں جدت پیدا ہوئی اور جس سے سپلائر اور کسٹمر کا جدید ماحول تشکیل پا سکا۔

کمپنی کو معاشرے کی مدد کا احساس ہے اور سماجی خدمات کی مد میں کی جانے والی سرگرمیاں اس ذمہ داری کو عیاں کرتی ہیں۔

## بورڈ کا جائزہ اور کارکردگی:

بورڈ کی حال ہی میں از سر نو تشکیل ہوئی ہے اور دو خود مختار ڈائریکٹر کا تقرر کیا گیا ہے۔ ولمار انٹرنیشنل لمیٹیڈ کی ایک نامزد کردہ ڈائریکٹر کا بھی بورڈ پر تقرر کیا گیا ہے۔ اب بورڈ پر متعلقہ تجربہ کے ڈائریکٹرز کی مناسب نمائندگی ہے بورڈ کا بنیادی مقصد کمپنی کی حکمت عملی کو سمت کا تعین کرنا ہے اور مینجمنٹ کی نگرانی کرنا ہے۔ اس بات کی پوری کوشش کی جائیگی کہ کمپنی کے گورننس کو بہترین انداز میں چلایا جائے۔ بورڈ کا مقصد یہ ہے کہ حصص یافتگان کی دولت میں اضافہ ہو اور ساتھ ہی ساتھ اعلی معیار کی اشیاء پیدا کی جائیں۔

## Directors' Report

On behalf of the Board of Directors of Unity Foods Limited (UFL or the Company) we are pleased to present the Directors' Report for the year ended June 30, 2021.

We are pleased to report that your Company has continued its stellar growth for this year as well. The company closed the financial year with a topline of over PKR 66.4 billion which is an impressive growth of over 122% year on year. This growth is a contribution of both volumetric growth (over 75%) as well as price growth (over 45%) largely led by increasing international commodity prices. On a consolidated basis, our topline sales stood at around PKR 68.8 billion.

Consequently, our net profit also increased exponentially and we were able to close the year with a profit after tax of PKR 3.1 billion. This is an increase of 1384% from last year's profit of PKR 210 million.

During the year, the Company also consolidated its consumer staples business by acquiring the remaining 31% shareholding in Sunridge Foods (Pvt) Ltd. With this acquisition, Sunridge Foods is now a 100% owned subsidiary of Unity Foods Limited.

This financial year was both challenging as well as a year of opportunities for the Company. With last year's rights proceed of PKR 4.5 billion, the Company was able to augment its capacity to import, process and sell higher quantities of edible oil, oil seeds (Soybean and Canola Seeds) and PKE (Palm Kernel Expeller) which led to higher sales, however, increase in international commodity prices, especially in the first half of the year, did pose a challenge for the Company in maintaining its margin while capturing a larger market share. This impact was more pronounced for sale of consumer packs where cost pass-on come into effect with a lag.

Despite the aforementioned challenges, the Company, through better management of sales and inventory, was able to maintain its net margins at approximately 5%. The Company's adaptive sales strategy and strong footing in the Industrial/Commercial space allowed it to negotiate prices on a near real time basis and maintain margins. Additionally, the Company successfully managed its costs by bringing General and Administration expenses to 0.59% of net sales compared to 0.73% for the previous year. Sales and Distribution cost was also reduced from last year's 2.3% of net sales to 1.6% of net sales.

Moreover, we are very pleased to inform that your Company has been awarded the prestigious Asiamoney award of "Most Outstanding Company in Pakistan in Consumer Staple Sector." for 2020.

## Edible Oil Segment

While building a stable foundation through Industrial / Commercial sales, the Company continues to focus on its Consumer Pack Sales by following last year's successful strategy where it targets the popular segment under the brand name "Dastak", whereas the discount segment is being catered to by our brands "Zauqeen" and "Ehtimam". All three brands have been able to increase their volumetric sales thereby increasing their respective market shares.

### Animal Feed Segment

Your company has continued to make in-roads in the animal feed production. Pakistan being one of the largest producers and consumers of milk, animal feed plays a vital role in contributing towards the dairy production.

### Sunridge Foods (Pvt) Limited

Sunridge Foods (Pvt) Ltd. is well on its way to establish itself as a leading consumer staples company. Sunridge is now known as a premium brand in its category and has established nationwide presence. Sunridge's 100% focus is on consumer/retail sales and is present in all major retail markets in the country. The company has introduced the following variants of flour (Atta) for its consumers:

1. Sunridge Whole Wheat Chakki Atta;
2. Sunridge Fortified Chakki Atta;
3. Sunrdige Super Fine Atta;
4. Sunridge High Fiber Atta;
5. Sunridge Safaid (White) Chakki Atta;
6. Sunridge Maida.

All the above variants received an overwhelming response from their respective target market segments.

During the year, Sunridge Foods successful advertising and marketing campaigns created tremendous brand awareness and following amongst the masses.

With the introduction of "Fortified Atta" and recent introduction of the "Sunridge Taqatwar Pakistan" campaign, Sunridge has pledged to play its part in improving nutritional wellbeing of the under-privileged segment of the society. Such campaigns bring overall awareness to the pressing issues of the country and also encourages other members of the society to contribute in the overall wellbeing of our society.

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## Key Operating and Financial Highlights

### Unconsolidated

### commentary

| PKR 000,000 except for per share date | FY21 | FY20 | 4QFY21 | 4QFY20 |
|---|---|---|---|---|
| Net Sales | 66,401 | 29,872 | 18,214 | 9,243 |
| Gross Profits | 5,192 | 2,025 | 1,252 | 511 |
| Operating Profits | 3,763 | 1,115 | 900 | 318 |
| Net Income | 3,112 | 210 | 453 | 168 |
| EPS | 3.44 | 0.35 | 0.46 | 0.28 |
| Total Assets | 42,538 | 18,943 | 42,538 | 18,943 |
| Total Equity | 13,379 | 5,850 | 13,379 | 5,850 |

### Consolidated

### commentary

| PKR 000,000 except for per share date | FY21 | FY20 | 4QFY21 | 4QFY20 |
|---|---|---|---|---|
| Net Sales | 68,831 | 30,480 | 19,036 | 9,546 |
| Gross Profits | 5,651 | 2,100 | 1,293 | 545 |
| Operating Profits | 4,004 | 1,122 | 874 | 308 |
| Net Income | 3,338 | 214 | 470 | 154 |
| EPS | 3.61 | 0.36 | 0.46 | 0.26 |
| Total Assets | 44,186 | 19,541 | 44,186 | 19,541 |
| Total Equity | 13,188 | 5,905 | 13,188 | 5,905 |

### Commentary on QoQ (4QFY21vs 4QFY20) and YoY Comparison

### Summary of Key Financial Ratios

### Unconsolidated

| Ratio Analysis | FY21 | FY20 | 4QFY21 | 4QFY20 |
|---|---|---|---|---|
| Gross Margins | 7.82% | 6.78% | 6.87% | 5.52% |
| Operating Margins | 5.67% | 3.73% | 4.94% | 3.44% |
| Net Margins | 4.69% | 0.70% | 2.49% | 1.81% |
| Asset Turnover | 2.16 | 2.03 | 0.45 | 0.50 |
| Current Ratio | 1.17 | 1.17 | 1.17 | 1.17 |

**Consolidated**

| Ratio Analysis | FY21 | FY20 | 4QFY21 | 4QFY20 |
|---|---|---|---|---|
| Gross Margins | 8.21% | 6.89% | 6.80% | 5.71% |
| Operating Margins | 5.82% | 3.68% | 4.59% | 3.23% |
| Net Margins | 4.85% | 0.70% | 2.47% | 1.62% |
| Asset Turnover | 2.16 | 2.03 | 0.45 | 0.50 |
| Current Ratio | 1.14 | 1.16 | 1.14 | 1.16 |

**Other Investments**

During the year the Company acquired 16,467,818 shares of Sunridge Foods (Pvt.) Limited comprising 31% equity stake in this company taking the total holding to 100%.

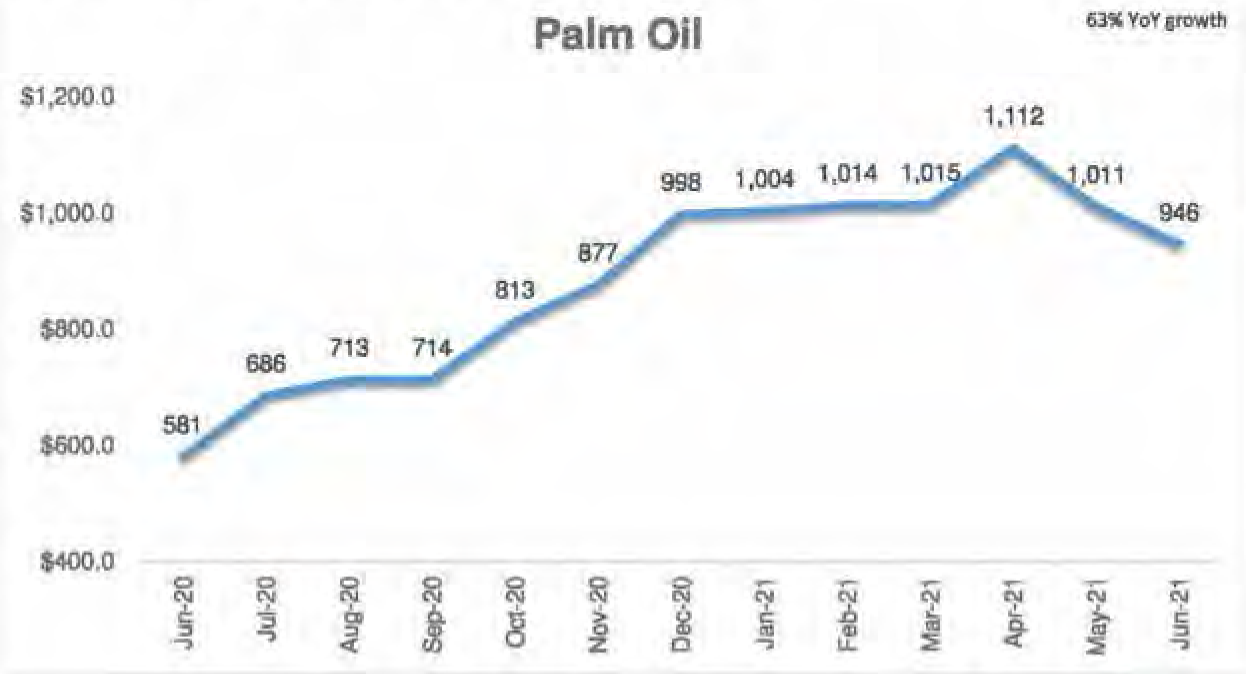
Sunridge Foods commenced production in 2017 as a flour milling company with the only PESA technology installed in the country thus-far. As mentioned above, Sunridge is creating a space for itself in the premium segment of the staples food market and has been very well received by its customers. It has a 43,800 tons per annum capacity plant. The flour produced by the company commands premium due to cleanliness, long shelf life and durability of the final consumable products. Besides, the milling process also eliminates the risk of residual stones that are part of conventional "chakki atta".

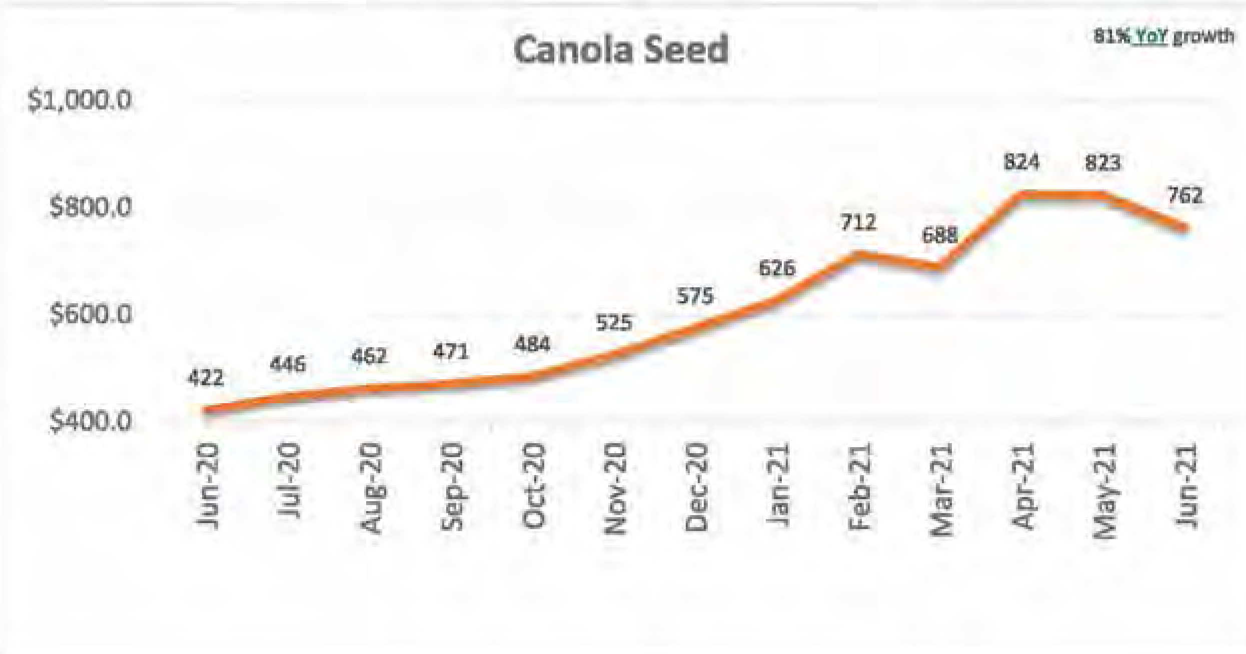
During the fiscal year, Sunridge Foods also acquired a second flour processing mill in Karachi. This is a roller mill with a capacity of 57,600 tons per annum of flour processing. This is a needed addition to company's processing capacity as demand for the product is rising exponentially. Following this acquisition, the total milling capacity has risen to 101,400 tons per annum.

During the period under review, Unity Foods also acquired the fixed assets of PKR 1.78 billion under its second right issue announced in February, 2019. The acquisition was as per plan announced at the time of right issue.

**Commodity Prices – A Review:**

Prices of all commodities that Unity Foods deals in have shown a significant increase in the last fiscal year as shown in the graphs given below:



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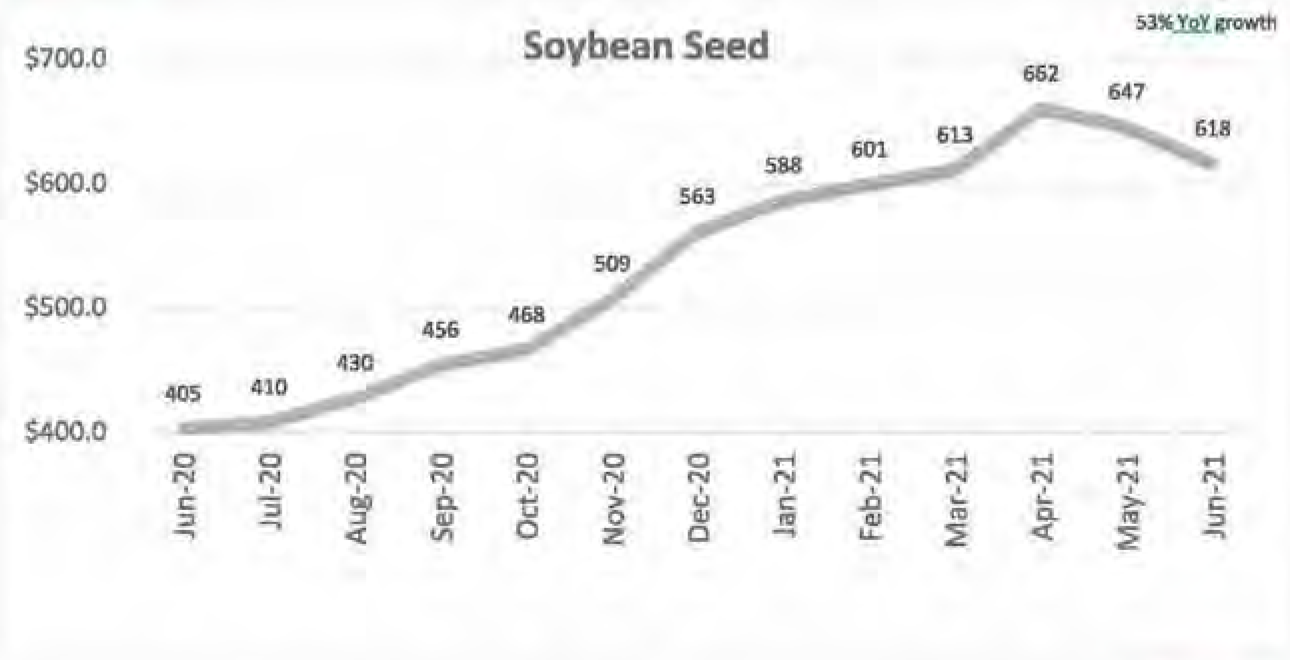


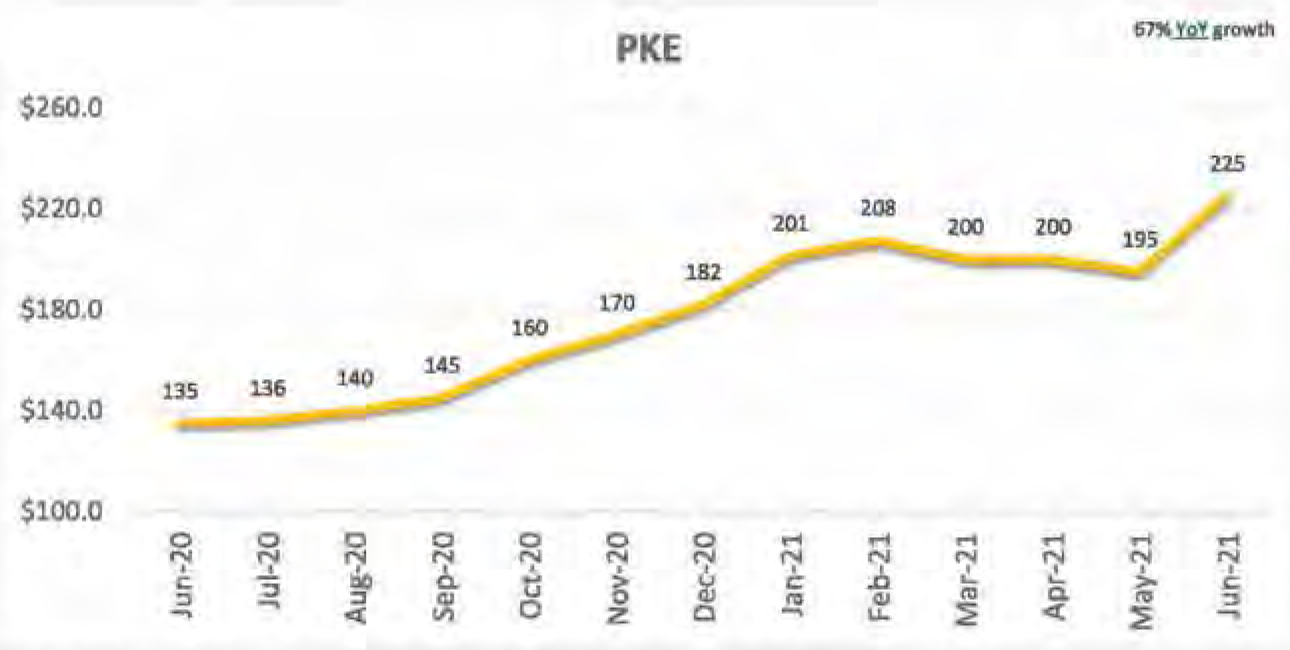


**Palm Oil**

Palm Oil prices remain strong and are currently trading at all-time highs of approximately USD 1,200 per ton (September 2021). The above graph shows price movement till June 30, 2021. This increase is mainly attributed to loss of production in Malaysia / Indonesia as their agricultural workforce was affected by Covid. Due to non-availability of labor and lockdowns, the production of palm oil was reduced hence resulting in supply driven pressures.

Going forward, production levels are gradually showing signs of improvement, but the prices continue to remain strong mainly due to external factors i.e., comparative prices of Soy Oil and Canola Oil.

Currently, due to high prices, overall world demand is also getting affected. At these high prices, it is possible to have negative parity at destinations, which may result in demand reduction. Furthermore, current multiyear high prices pose risk of demand destruction at consumer level as well, which will build price pressure and may result in lower prices in the next 2 quarters.

Another factor fueling high prices is massive liquidity in commodity investment funds. Any liquidation of these long positions will also help in easing off prices.

It is also expected that the production levels will improve going forward which will ease off the edible oil prices.

As mentioned above, labor shortage (production losses) has been a major constraint. Rising investments in mechanization likely in 2021 and 2022 is expected to increase palm oil production.

Management is cognizant of the above facts and is prudently managing its inventory levels to reduce any risk of sharp price movements of relevant commodities.

**Soybean Oil**

With regards to Soybean Seeds, its crushing is now increasingly driven by Soya Oil demand but due to the fact that Soybean seeds yield 19% oil and approximately 78% meal, Soybeans cannot solve the oil supply tightness without creating a surplus in soya meal. In addition, there is a slowdown in global Soybean demand where world exports have declined by 8.8 mn tons from a year earlier in the June-August period. It is, therefore, expected that Soybean seed prices will remain steady or further decline from these levels.

**Future Outlook**

The Company is now focusing on consolidating in the markets where it has achieved optimal product penetration. It will continue to build relations with both its suppliers and distributors for smooth and efficient supply chain management, while continuing to increase its market share with respect to consumer packs.

The Company will also continue to develop its client base in the Industrial/Commercial segment. With Covid vaccination program moving forward smoothly in the country, and the fact that the 3rd wave (Delta Variant wave) is under control, it is expected that the Government will reduce Covid restrictions going forward which will open the HORECA sector to hopefully full strength, creating further demand in the market for the Company's products.

While retaining focus on business development, the Company has also been cognizant of developing a complementary infrastructure. These additions into your Company's oil division are inter linked; such that the output of one plant is input of others. UFL's infrastructure development and investment teams have conducted feasibilities for these supplementary units such that their production levels and product mix is harmonized, the business units are profitable, and all output is utilized efficiently. The objective is to attain sustainable growth and capitalize on synergizing the entire value chain of your Company. The final impact of our capital expenditure is to realize UFL's Vision to own and control the most sophisticated Edible Oil Manufacturing facility in Pakistan. With added benefits of the Company's certifications, UFL's products will be internationally competitive, creating further avenues for future business development.

**Changes on the Board and the Committees of the Board**

As on June 30, 2021 there were six members of the Board with one casual vacancy which was duly filled on August 06, 2021.

On June 30, 2021 there were two female and four male directors. Following appointment of seventh director the number of male directors rose to five.
Following is the current Board composition:

| | |
|---|---|
| (a) Independent Directors | Four |
| (b) Other Non-executive Directors | Two |
| (c) Executive Directors | One |

During the period from July 1, 2020 to June 30, 2021 following persons held the position of directors.

Mr. Muhammad Farrukh, Abdul Majeed Ghaziani, Muneer S. Godil and Ms. Tayyaba Rasheed remained on the Board throughout the year.

Sheikh Ali Baakza resigned on April 27 while Ms. Hina and Ms. Maria resigned the Board on June 15.

Mr. Sulaiman Sadruddin Mehdi joined the Board in place of Ms. Hina on June 15, and was appointed as Chairman as Abdul Majeed Ghaziani stepped down as Chairman.

Ms. Lie Hong Hwa joined the Board on June 21 in place of Sheikh Ali Baakza. She is nominee of Wilmar International Limited. On August 6, Mr. Saad Amanullah Khan was appointed in place of Ms. Maria.

Mr. Sulaiman, Ms. Tayyaba, Mr. Saad and Mr. Muneer are independent Directors while Ms. Hwa and Mr. Majeed are non-executive directors. Mr. Farrukh being the CEO, is the only executive director on the Board.

Attendance at the meetings.

## Board Meetings

| | Name of Director | Eligible to attend | Meetings attended |
|---|---|---|---|
| 1 | Mr. Muhammad Farrukh (CEO) | 5 | 5 |
| 2 | Mr. A. Majeed Ghaziani (Non-Executive Director) | 5 | 5 |
| 3 | Ms. Hina Safdar (Non-Executive Director) | 5 | 5 |
| 4 | Ms. Maria Abdul Hafeez (Non-Executive Director) | 5 | 5 |
| 5 | Mr. Sheikh Ali Baakza (Non-Executive Director) | 4 | 2 |
| 6 | Mr. Muneer S. Godil (Independent Director) | 5 | 4 |
| 7 | Ms. Tayyaba Rasheed (Independent Director) | 5 | 5 |
| 8 | Mr. Sulaiman Sadruddin Mehdi (Chairman/Independent Director) | - | - |
| 9 | Ms. Lie Hong Hwa (Non-Executive Director) Nominee of Wilmar International Limited | - | - |
| 10 | Mr. Saad Amanullah Khan (Independent Director) | - | - |

## Board Audit Committee Meetings

| | Name of Director | Eligible to | Meetings attended |
|---|---|---|---|
| 1 | Mr. Muneer S. Godil (Chairman/Independent Director) | 4 | 4 |
| 2 | Mr. A. Majeed Ghaziani (Non-Executive Director) | 4 | 4 |
| 3 | Ms. Maria Abdul Hafeez (Non-Executive Director) | 4 | 4 |

## Board Human Resources & Remuneration Committee Meetings

| | Name of Director | Eligible to attend | Meetings attended |
|---|---|---|---|
| 1 | Mr. Muneer S. Godil (Independent Director) | 1 | 1 |
| 2 | Mr. Muhammad Farrukh (CEO) | 1 | 1 |
| 3 | Ms. Hina Safdar (Non-Executive Director) | 1 | 1 |

Following changes on the Board, the Committees were also recomposed after close of financial year, as follows:

**Board Audit Committee**

| | July 1 to June 15 | Re-composition on August 6, 2021 |
|---|---|---|
| 1 | Mr. Muneer S. Godil – Chairman | Mr. Saad Amanullah Khan – Chairman |
| 2 | Mr. A. Majeed Ghaziani | Mr. Muneer S. Godil |
| 3 | Ms. Maria Abdul Hafeez | Mr. A. Majeed Ghaziani |
| 4 | | Ms. Tayyaba Rasheed |
| | Head of Internal Audit | Secretary to the Committee |

**Board Human Resources & Remuneration Committee**

| | July 1 to June 15 | Re-composition on August 6, 2021 |
|---|---|---|
| 1 | Mr. Muneer S. Godil – Chairman | Ms. Tayyaba Rasheed– Chair Person |
| 2 | Mr. Muhammad Farrukh | Mr. Muneer S. Godil |
| 3 | Ms. Hina Safdar | Mr. A. Majeed Ghaziani |
| 4 | | Mr. Saad Amanullah Khan |
| | Company Secretary | Secretary to the Committee |

In its meeting held on August 6, 2021, the Board also constituted a Board Investment Committee with following composition:

| | | |
|---|---|---|
| 1 | Mr. Sulaiman Sadruddin Mehdi | Chairman |
| 2 | Ms. Tayyaba Rasheed | Member |
| 3 | Abdul Majeed Ghaziani | Member |
| | Company Secretary | Secretary to the Committee |

The ToRs of all the Committees are provided in the Annual Report.

**Risks and Uncertainties**

The Company faces risks or uncertainty primarily in two exogenous factors i.e., commodity prices 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 a certain level of natural hedge against this risk; as sale price is 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.

## Credit Rating

VIS Credit Rating Company Limited had assigned initial entity rating A-/A-2 (Single A-minus/A-Two) to the Company in October 2019. In April 2021 the rating was upgraded to A/A-2 (Single A/A-Two). The long-term rating 'A-' signifies good credit quality; Protection factors are adequate, risk factors may vary with possible changes in the economy. The short-term rating of 'A-2' signifies good certainty of timely payment, liquidity factors and sound Company fundamentals. Access to capital market is good. Risk factors are small. Outlook on the assigned ratings is 'stable'.

## Appointment of Auditors

The external auditors of the Company Naveed Zafar Ashfaq Jaffery, Chartered Accountants shall stand retired at the conclusion of Annual General Meeting scheduled for October 28, 2021 and being eligible for reappointment, have offered their services for the financial year ending June 30, 2022. The Board has recommended to the Shareholders to replace the Auditor and appoint KPMG Taseer Hadi & Co. Chartered Accountants.

## Pattern of Shareholding

The pattern of shareholding is given in the Annual Report of the Company.

## Internal Control & Business Automation

In order to strengthen the internal audit and control of the Company, the management has taken following key steps.

An internal audit department is in place headed by a suitably qualified and experienced person to carry out the various functions of the internal audit.

The Internal Financial Control of the Company are managed under SAP. The system was developed and implemented by Abacus Consulting.

The Company appointed A.F. Ferguson & Co. Chartered Accountants to revamp the SOPs of the Company. The exercise was completed during the year and the SOPs have been implemented.

During the year the Company engaged Systems Limited for SAP S4/HANA, SAP Success Factor and ARIBA implementation. The purpose is to implement ERP and industrial solutions, which will contribute and support the Company in becoming a truly future-ready, agile and innovative FMCG and strengthen its expertise and innovation.

The digitalization, considering SAP's driven state-of-art processes, will be an enabler for the Company to further adopt/implement "Blockchain", adding new dimensions of Unity Foods operations and deliver an ecosystem to global suppliers and customers. This will allow them to integrate blockchain framework to their systems which will greatly support the Company's Speed-to-market strategies and executions.

This program is considered part of Unity Foods' 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, introduce global best practices and most effective processes to ultimately support Unity Foods' Go-To Market strategies in driving further growth in years to come.

**Commitments and Contingencies**

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

**Financial Results**

During the year, the Company posted unconsolidated earnings of PKR 3,112 million (an EPS of PKR 3.44).

Summary of financial operations of the Company for financial year ended June 30, 2021 is provided below:

| (Rupees) | Consolidated | Unconsolidated |
|---|---|---|
| Net Sales | 68,831,301,040 | 66,400,968,204 |
| Cost of Sales | (63,180,175,227) | (61,209,315,624) |
| **Gross Profit** | 5,651,125,813 | 5,191,652,580 |
| Selling and Distribution Expenses | (1,236,246,093) | (1,035,076,796) |
| Administrative Expenses | (410,663,355) | (393,197,611) |
| Other Operating Expenses | 177,925,351 | 189,354,485 |
| **Total Distribution, Selling, Administrative and Other Operating Expenses** | (1,468,984,097) | (1,238,919,922) |
| Other Income | 334,708,789 | 316,520,964 |
| **Profit Before Interest and Taxation** | 4,516,850,505 | 4,269,253,622 |
| Finance Cost | (960,978,338) | (880,121,921) |
| **Profit Before Taxation** | 3,555,872,167 | 3,389,131,701 |
| Taxation | (217,679,236) | (277,392,209) |
| **Profit After Taxation** | 3,338,192,931 | 3,111,739,492 |
| **Profit attributable to:** | | |
| - Owners of the Holding Company | 3,263,697,353 | |
| - Non-controlling interest | 74,495,578 | |
| **Profit After Taxation** | 3,338,192,931 | |
| **EPS (Basic and Diluted)** * | 3.61 | 3.44 |

*Calculated on weighted average number of shares to give effect to the 450 million shares on 22 September 2020 following Right Issue of the Company.

The Company has not declared any dividend for the financial year ended June 30, 2021. The dividend has been omitted considering the funds required for the rapid expansion to cater to the growth in all business segments. Consolidation of resources is required to establish a large capital and assets base.

The Company did declare dividend for the financial years ended June 30 2018 and June 30 2019 and intends to follow policy of equitable return to the shareholders in the form of cash and other dividends subject to requisite net income and considering the CAPEX and other funding needs of the Company.

**The Environment**

We are happy to inform that the Company is Roundtable of Sustainable Palm Oil (RSPO) certified. The Company's operations in edible oil extraction and refining have minimal adverse impact on environment. Furthermore, the management has taken steps that will facilitate operations under highest standards of environmental protection.

Sunridge Foods, the wholly owned subsidiary of Unity Foods is involved in milling of wheat and other related products and its operations also have minimal or no adverse impact on the environment.

**Compliance & Certifications**

In line with the commitment and resolve of the Company to create and maintain highest standards of product safety, hygiene and working environment, we are pleased to report that the Company and its subsidiary have during the year successfully secured following certification with the addition of Occupational Health and Safety Management System.

UNITY FOODS LIMITED

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| | Sunridge Foods (Maymar Plant) | Solvent Plant (Kotri) | Oil Refinery (Port Qassim Plant) | Sunridge Foods (Port Qassim Plant) |
|---|---|---|---|---|
| **Standards** | ISO 9001 (Quality Management System) | ISO 9001 (Quality Management System) | ISO 9001 (Quality Management System) | ISO 9001 (Quality Management System) |
| | ISO 22000 (Food Safety Management System) | ISO 22000 (Food Safety Management System) | ISO 22000 (Food Safety Management System) | ISO 22000 (Food Safety Management System) |
| | | | HACCP | |
| | | | RSPO | |
| | | | 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) |
| | ISO14001:2015 Environmental management system | ISO14001:2015 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 |

## Remuneration package of the Directors and the Chief Executive

Each member of the Board is paid fee of PKR 50,000 for each meeting attended by such member. Each member of the Board Audit Committee and Board Human Resources & Remuneration Committee is paid a fee of PKR 30,000 for each meeting attended by such member. No other remuneration or benefit is paid to any other director including the Chief Executive Officer.

## Provision of Corporate Guarantee to Subsidiary Company

Sunridge Foods (Private) Limited (Sunridge) is a subsidiary of the Company. The subsidiary required funding for its expansion / enhanced operations and a corporate guarantee from the Company to the extent of PKR 2.0 billion was required from the Unity Foods Limited as holding company of Sunridge to secure financial assistance to be extended to Sunridge by lenders for a period of one year starting from November 1, 2020, as per terms and conditions disclosed to the members. In view of majority of directors being interested, the matter was placed before the shareholders as required under the applicable laws in the last Annual General meeting held on October 23, 2020 and the shareholders had unanimously approved the provision of corporate guarantee for an amount of up to PKR 2,000,000,000 (Pak Rupees Two Billion Only) for a period of one year starting from November 1, 2020 to be issued in favor of lenders of Sunridge to secure financial assistance to be extended to Sunridge.

In pursuance to Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 it is hereby disclosed

| Disclosure required | Update |
|---|---|
| (a) total investment approved; | Corporate Guarantee of PKR 2,000,000,000 to be issued in favor of lenders of Sunridge to secure financial assistance to be extended to Sunridge |
| (b) amount of investment made to date; | Nil |
| (c) reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; | There was no specified timeline to implement the decision to provide the Corporate Guarantee. The facility was for one year starting from November 1, 2020. |
| (d) material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment. | The key figures of financial statements of Sunridge Foods (Pvt.) Limited for the quarter ended September 30, 2020, December 31, 2020, March 31, 2021 and June 30, 2021 are summarized below: |

| PKR | Sep-20 | Dec-20 | Mar-21 | Jun-21 | FY 2021 |
|---|---|---|---|---|---|
| Sales | 411,026,682 | 654,505,079 | 1,599,360,984 | 938,035,121 | 3,602,927,866 |
| Profit after tax | 43,915,077 | 25,159,139 | 139,970,023 | 17,409,198 | 226,453,437 |

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| | | | | | |
|---|---|---|---|---|---|
| **Total assets** | 994,726,153 | 2,308,155,445 | 2,140,924,020 | 2,269,298,655 | 2,269,298,655 |
| **Total Equity** | 172,946,553 | 198,321,743 | 339,067,817 | 355,522,112 | 355,522,112 |
| **No. of shares** | 53,121,995 | 53,121,995 | 53,121,995 | 53,121,995 | 53,121,995 |
| **EPS** | **0.83** | **0.47** | **2.63** | **0.33** | **4.26** |

## Corporate Social Responsibility

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

The Company donated a sum of PKR 10 million to the Future Trust, a non-profit benevolent philanthropic organization, a charitable trust, set up for the promotion, advancement and encouragement of technology and innovation against poverty and general improvement of socio-economic conditions and living standards of the people of Pakistan. It supports youth in acquiring progressive education, vocational and career guidance and entrepreneurship.

The Company also donated 5,000 Euro to Project Art Divvy for its international art exhibition.

## Acknowledgements

Alhamdulillah, we are humbled and grateful to our various stakeholders including the shareholders, bankers and others in the faith imposed in the Company that helped 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 this 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.

For and on behalf of the Board,

| | |
|---|---|
| Muhammad Farrukh | Abdul Majeed Ghaziani |
| Chief Executive | Director |
| Karachi | |
| October 6, 2021 | |

## ڈائریکٹرز رپورٹ:

ہم نہایت مسرت کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2021 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ پیش کر رہے ہیں۔

ہمیں یہ بتاتے ہوئے بہت مسرت ہے کہ اس سال کے دوران کمپنی نے شاندار ترقی کا سلسلہ جاری رکھا۔ سال کے اختتام پر کمپنی کی ٹاپ لائن سیلز 66 بلین روپے سے زاہد ہیں جو کہ گزشتہ سال کے مقابلے میں 122% فیصد زیادہ ہیں۔ اس ترقی میں والیوم گروتھ (75% فیصد زیادہ) اور بین الاقوامی سطح پر کموڈیٹیز کی قیمتوں میں اضافے (45% فیصد زیادہ) کی وجہ سے ہوئیں۔ مجموعی طور پر، کمپنی کی ٹاپ لائن فروخت تقریباً 68.8 بلین روپے رہیں۔
کمپنی کا نیٹ پرافٹ غیر معمولی اضافے کے ساتھ سال کے اختتام پر 3.1 بلین روپے رہا جو کہ گزشتہ سال کے 210 ملین روپے کے مقابلے میں 1384% فیصد زیادہ ہے۔

اس سال کے دوران، کمپنی نے اپنے صارفین کی بنیادی غذا کے کاروبار کو مستحکم کیا اور سن رج فوڈز (پرائیوٹ) لمیٹڈ کی بقایا 31 فیصد ایکویٹی بھی اپنی خرید میں لے لی۔ اس اکتساب کے بعد اب سن رج فوڈز یونٹی فوڈز کی 100 فیصد طور پر یونٹی فوڈز کی یک ملکیتی ذیلی کمپنی بن چکی ہے۔
سال 2020 کمپنی کے لیے بہت سی مشکلات کے ساتھ ساتھ بہت سے ترقی کے شاندار مواقع بھی اپنے ساتھ لایا۔ گزشتہ سال 4.5 بلین روپے کے رائٹس کے ساتھ، کمپنی اس قابل ہوئی کہ وہ اپنی درآمد کو بڑھاتے ہوئے زیادہ مقدار میں خوردنی تیل، تیل کے بیج (سویا بین اور کنولا بیج) اور PKE (پام کرنل ایکسپیلر) فروخت کر سکے۔ تاہم اس سال بالخصوص پہلے چھ ماہ کے دوران بین الاقوامی سطح پر اجناس کی بڑھتی ہوئی قیمتوں کے سبب کمپنی کو قیمتوں کے اتار چڑھاؤ سے پریشانی کا سامنا کرنا پڑا، اسکے نتیجے میں مارکیٹ میں اپنا حصہ بڑھانے کے باوجود منافع کی شرح پر دباؤ رہا جس کا سب سے زیادہ فرق صارفین کی فروخت پر پڑا جہاں قیمتوں میں اضافے کو صارفین تک منتقل کرنے میں وقت لگتا ہے۔

تاہم، کمپنی کی جانب سے سیلز اور انوینٹری کے بہترین انتظام وانصرام کے سبب کمپنی نے اپنے نیٹ مارجنز 5% فیصد برقرار رکھے۔ کمپنی کی جانب سے سیلز کی حکمت عملی اور انڈسٹریل/کمرشل صارفین کو فروخت پر توجہ مرکوز رکھنے کے سبب قیمتوں میں اضافے کا بوجھ منتقل کرنے اور ساتھ ساتھ مارجنز کو برقرار رکھنے میں معاونت ملی۔ اس کے علاوہ، کمپنی اپنے عمومی اور انتظامی اخراجات کو پچھلے سال کے 0.73% کی سیلز کے مقابلے میں مجموعی فروخت کے 0.59% فیصد تک کم کرنے میں کامیاب رہی۔ فروخت اور تقسیم کی لاگت کو بھی گزشتہ سال کی مجموعی فروخت کے 2.3% فیصد سے کم کر کے مجموعی فروخت کا 1.6% فیصد کر دیا گیا۔

ہم آپ کو نہایت مسرت کے ساتھ مطلع کر رہے ہیں کہ آپ کی کمپنی نے سال 2020 میں نہایت معتبر ایشیا منی ایوارڈ برائے "Most Outstanding Company in Pakistan in Consumer Staple Sector " حاصل کیا۔

## خوردنی تیل کا شعبہ

صنعتی اور تجارتی سیلز میں بنیاد کو مستحکم کرنے کے ساتھ ساتھ کمپنی نے پچھلے سال کی کامیاب حکمت عملی پر عمل کیا جہاں اس نے اپنا تیل "دستک "برانڈ مقبول سطح کے تحت بنیادی طور پر فروخت کیا، جبکہ رعایتی قیمت پر خوردنی تیل خریدنے والے طبقے کے لیے "ذوقین "اور "اہتمام "برانڈز کے ذریعے ڈسکاؤنٹ پیش کیا گیا۔ تینوں برانڈز اپنے فروخت کے حجم کو بڑھانے میں کامیاب رہے ہیں جس سے ان کے متعلقہ مارکیٹ شیئرز میں اضافہ ہوا ہے۔

## جانوروں کی خوراک کا سیکمنٹ

جانوروں کی خوراک کی پیداوار میں آپکی کمپنی قدم جمائے ہوئے ہیں۔ پاکستان دودھ کی پیداوار اور کھپت کا ایک بڑا ملک ہے اور جانوروں کی خوراک ڈیری کی مصنوعات کی پیداوار میں ایک اہم کردار ادا کرتی ہیں۔

## سن رج فوڈز (پرائیوٹ) لمیٹڈ (آٹا)

سن رج فوڈز (پرائیوٹ) لمیٹڈ بطور اسٹیپل کمپنی اپنا نام بنانے کی راہ پر تیزی سے گامزن ہے۔ اس وقت سن رج کا شمار اپنی کیٹیگری کے پریمیم برانڈز میں کیا جاتا ہے اور سن رج نے نہایت کم وقت میں ملکی برانڈز کے اندر اپنی نمایاں جگہ بنائی ہے۔ سن رج مصنوعات کا 100 فیصد توجہ پرچون کی سیلز پر ہے اور اس وقت یہ برانڈ پاکستان کے تمام ریٹیل مارکیٹ میں دستیاب ہے۔ اس سال، کمپنی نے اپنے صارفین کے لئے مندرجہ ذیل مصنوعات متعارف کروائی ہیں؛

1۔ سن رج خالص گندم چکی آٹا

2۔ سن رج فورٹیفائیڈ چکی آٹا

3۔ سن رج سپر فائن آٹا

4۔ سن رج ہائی فائبر آٹا

5۔ سن رج سفید چکی آٹا

6۔ سن رج میدہ

مذکورہ بالا تمام برانڈز کو مارکیٹ میں صارفین کی جانب سے از حد سراہا گیا ہے۔

موجودہ مالی سال کے دوران، سن رج فوڈز نے نہایت کامیابی کے ساتھ متعدد مارکیٹنگ اور اشتہاری مہمات چلاتے ہوئے نہایت کامیابی کے ساتھ عوام الناس میں برانڈ کے حوالے سے بڑے پیمانے پر آگاہی پھیلائی ہے۔ اپنی اشتہاری مہمات "فورٹیفائیڈ آٹا" اور "سن رج طاقتور پاکستان" کے ذریعے سن رج نے اِس عزم کا اظہار کیا ہے کہ وہ پاکستان میں غذائی قلت کا شکار لوگوں کے لیے غذائیت کی فراہمی میں اپنا کلیدی کردار ادا کرے گا۔ اِس طرح کی اشتہار سازی معاشرے کے حساس اور توجہ طلب مسائل کی جانب دیگر لوگوں کی توجہ بھی مبذول کرواتے ہیں، جس سے مدد کے لیے آگے بڑھنے والوں کی تعداد میں اضافہ ہوتا ہے اور مدد کے مستحق لوگوں کی اعانت میں تعاون ملتا ہے اور مجموعی طور پر معاشرے کی فلاح و بہبود میں بہتری آتی ہے۔

### اہم آپریٹنگ اور مالیاتی سرخیاں

### Unconsolidated

اہم مالیاتی سرخیاں (Stand Alone)

| 000,000 روپے علاوہ فی شیئر ڈیٹا | FY 21 | FY 20 | 4QFY 21 | 4QFY 20 |
|---|---|---|---|---|
| نیٹ سیلز | 66,401 | 29,872 | 18,214 | 9,243 |
| گروس پرافٹ | 5,192 | 2,025 | 1,252 | 511 |
| آپریٹنگ پرافٹ | 3,763 | 1,115 | 900 | 318 |
| نیٹ انکم | 3,112 | 210 | 453 | 168 |
| آمدنی فی شیئر | 3.44 | 0.35 | 0.46 | 0.28 |
| ٹوٹل اثاثہ جات | 42,538 | 18,943 | 42,538 | 18,943 |
| ٹوٹل ایکویٹی | 13,379 | 5,850 | 13,379 | 5,850 |

### Consolidated

اہم مالیاتی سرخیاں

(Consolidated)

| 000,000 روپے علاوہ فی شیئر ڈیٹا | FY 21 | FY 20 | 4QFY 21 | 4QFY 20 |
|---|---|---|---|---|
| نیٹ سیلز | 68,831 | 30,480 | 19,036 | 9,546 |
| گروس پرافٹ | 5,651 | 2,100 | 1,293 | 545 |
| آپریٹنگ پرافٹ | 4,004 | 1,122 | 874 | 308 |
| نیٹ انکم | 3,338 | 214 | 470 | 154 |
| آمدنی فی شیئر | 3.61 | 0.36 | 0.46 | 0.26 |
| ٹوٹل اثاثہ جات | 44,186 | 19,541 | 44,186 | 19,541 |
| ٹوٹل ایکویٹی | 13,188 | 5,905 | 13,188 | 5,905 |

## سہ ماہی بہ سہ ماہی(4QFY21 vs 4QFY20)اور سال بہ سال موازنہ

## کلیدی مالیاتی تناسب کا خلاصہ

### Unconsolidated

| | تناسب کا جائزہ | FY21 | FY20 | 4QFY21 | 4QFY 20 |
|---|---|---|---|---|---|
| 1 | گروس مارجنز | 7.82% | 6.78% | 6.87% | 5.52% |
| 2 | آپریٹنگ مارجنز | 5.67% | 3.73% | 4.94% | 3.44% |
| 3 | نیٹ مارجنز | 4.69% | 0.70% | 2.49% | 1.81% |
| 4 | ایسیٹ ٹرن اوور | 2.16 | 2.03 | 0.45 | 0.50 |
| 5 | موجودہ تناسب | 1.17 | 1.17 | 1.17 | 1.17 |

### Consolidated

| | تناسب کا جائزہ | FY21 | FY20 | 4QFY21 | 4QFY 20 |
|---|---|---|---|---|---|
| 1 | گروس مارجنز | 8.21% | 6.89% | 6.80% | 5.71% |
| 2 | آپریٹنگ مارجنز | 5.82% | 3.68% | 4.59% | 3.23% |
| 3 | نیٹ مارجنز | 4.85% | 0.70% | 2.47% | 1.62% |
| 4 | ایسیٹ ٹرن اوور | 2.16 | 2.03 | 0.45 | 0.50 |
| 5 | موجودہ تناسب | 1.14 | 1.16 | 1.14 | 1.16 |

## دیگر سرمایہ کاریاں

اس سال کے دوران کمپنی نے سن رج فوڈز پرائیوٹ لمیٹڈ کے 16,467,818 شیئرز پر مشتمل 31% ایکویٹی اسٹیک حاصل کیے اور اس طرح سن رج فوڈز کی مکمل 100 فیصد ہولڈنگ کمپنی کو حاصل ہوگئی ہے۔

سن رج فوڈز نے پیداوار کا آغاز 2017 میں بطور گندم کی پسائی کی کمپنی کے کیا گیا، یہ اب تک کی ملک کی واحد کمپنی ہے جہاں گندم کی پسائی کے لیے جدید ترین PESA ٹیکنالوجی نصب کی گئی ہے۔
جیسا کہ اوپر ذکر کیا گیا ہے سن رج اسٹیپل فوڈ مارکیٹ کے پریمیم سیگمنٹ میں تیزی کے ساتھ اپنی جگہ بنا رہا ہے اور اسے کسٹمرز کی جانب سے بہت پذیرائی حاصل ہوئی ہے۔ یہ پلانٹ سالانہ 43,800 ٹن پیداواری صلاحیت رکھتا ہے۔ اس کمپنی کا تیار کردہ آٹا اپنی صفائی ستھرائی، حفظان صحت کے اصولوں پر عمل درآمد اور زیادہ شیلف لائف کے سبب پریمیم تصور کیا جاتا ہے۔ علاوہ ازیں، گندم کی پسائی کا خاص عمل روایتی چکی آٹا میں موجود مٹی، کنکر اور دیگر گندگی کی موجودگی کے عوامل کو ختم کر دیتا ہے۔

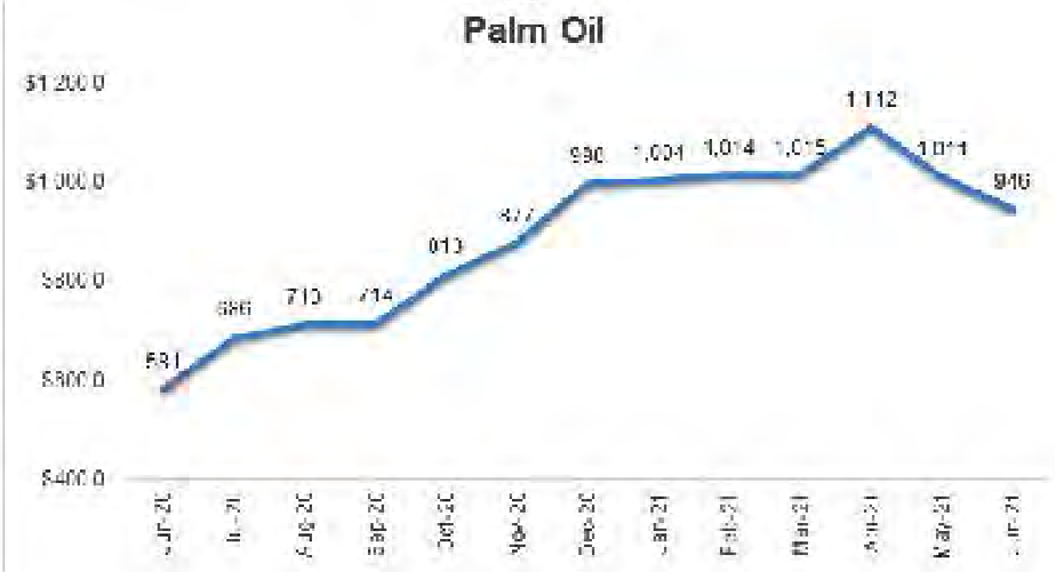
مالی سال کے دوران، سن رج فوڈز نے آٹے کی پسائی کے لیے کراچی میں ایک اور چکی (mill) بھی حاصل کرلی ہے۔ یہ ایک رولر مل ہے جو سالانہ 57,600 ٹن گندم کی پسائی کی گنجائش رکھتی ہے۔ چونکہ کمپنی کی پروڈکٹ کی مانگ میں دن بدن تیزی سے اضافہ ہو رہا ہے لہٰذا یہ دوسری مل حاصل کرنا، کمپنی کی اہم ضرورت تھی۔ اس مل کے حصول کے ساتھ ہی کمپنی کی مجموعی پیداواری صلاحیت 101,400 ٹن سالانہ تک پہنچ گئی ہے۔

زیر جائزہ مدت کے دوران، یونٹی فوڈز نے فروری 2019 میں اعلان کردہ اپنے دوسرے رائٹ ایشو کے اجراء کے تحت 1.78 بلین روپے کے فکسڈ اثاثہ جات بھی حاصل کرلیے ہیں۔ یہ حصول اُس پلان کے تحت تھا جو رائٹ ایشو کے وقت کیا گیا تھا۔

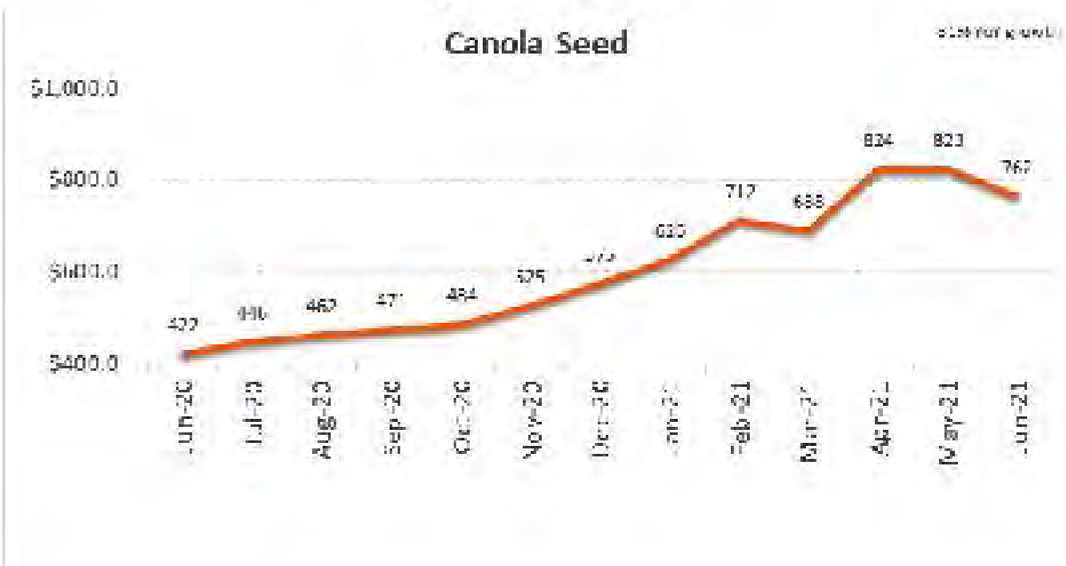
**کموڈیٹی کی قیمتوں کا جائزہ**

جیسا کہ مندرجہ ذیل گرافس میں دیکھا جاسکتا ہے کہ سن رج فوڈز (پرائیوٹ) لمیٹڈ جن کموڈیٹیز میں کاروبار کرتا ہے، اُن کی قیمتوں میں بے تحاشا اضافہ دیکھا گیا ہے:

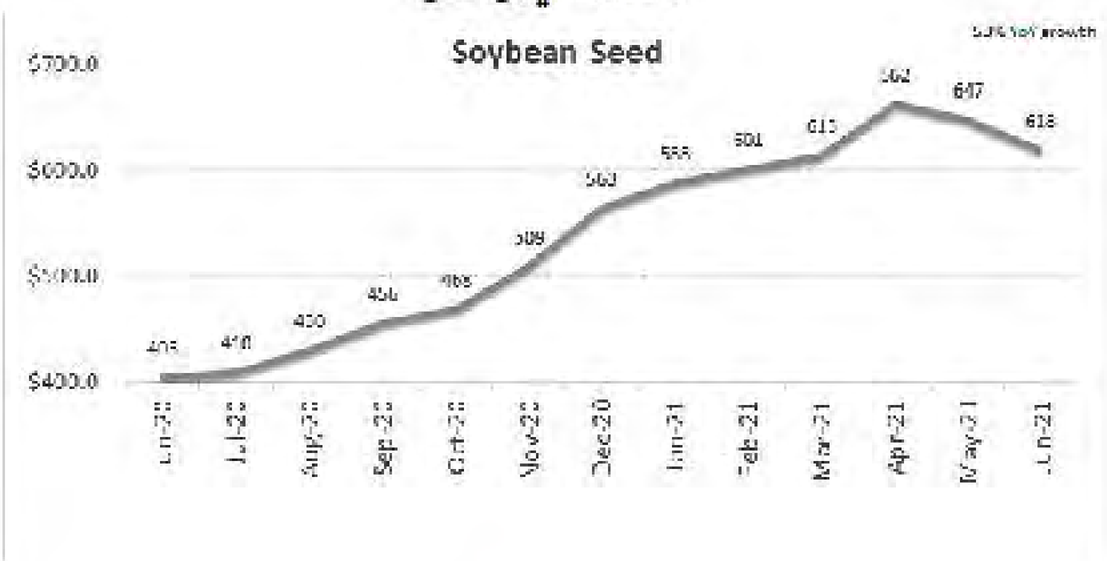
گراف 1 ۔ پام آئل




گراف 2 ۔ کنولا کے بیج



گراف 3-سویابین کے بیج




گراف 4-PKE


**پام کا تیل:**

پام آئل کی قیمتیں بڑھتی رہیں اور فی الحال (ستمبر 2021) سے پام آئل 1200 ڈالر فی ٹن امریکی ڈالر کی بلند ترین سطح پر موجود ہے۔ مذکورہ گراف 30 جون 2021 تک قیمتوں کی نقل و حرکت کو ظاہر کرتا ہے۔ یہ بنیادی طور پر ملائیشیا/انڈونیشیا میں پیداوار میں کمی کی وجہ سے ہوا کیونکہ وہاں کی زراعت سے وابستہ مزدور کوویڈ سے متاثر ہوا تھا۔ مزدور کی عدم دستیابی اور لاک ڈاؤن کی وجہ سے پام آئل کی پیداوار کم ہوگئی۔

آنے والے وقت میں پیداوار کی سطح میں بتدریج بہتری کے آثار دکھائی دے رہے ہیں، لیکن بیرونی عوامل جیسے کہ سویا آئل اور کنولا تیل کی قیمتوں میں اضافے کی وجہ سے قیمت میں اضافہ جاری ہے۔

فی الحال، قیمتوں میں اضافے کی وجہ سے، مجموعی طور پر عالمی طلب بھی متاثر ہو رہی ہے۔ ان بلند قیمتوں پر طلب میں کمی ہو سکتی ہے۔ موجودہ کثیر سال کی بلند قیمتیں صارفین کی سطح پر ڈیمانڈ کے کم ہونے کا خطرہ بھی ہے، جس سے قیمتوں کا دباؤ بڑھے گا اور اس کے نتیجے میں اگلی 2 سہ ماہیوں میں قیمتیں کم ہو سکتی ہیں۔

ایک اور عنصر جو قیمتوں میں اضافہ کرتا ہے وہ اجناس کی سرمایہ کاری کے فنڈز میں بڑے پیمانے پر لیکویڈیٹی ہے۔ ان لمبی پوزیشنوں کو ختم کرنے سے قیمتوں کو کم کرنے میں بھی مدد ملے گی۔ یہ توقع بھی ہے کہ پیداوار کی سطح آگے بڑھے گی جس سے خوردنی تیل کی قیمتوں میں کمی آئے گی۔

جیسا کہ اوپر ذکر کیا گیا ہے، مزدوروں کی کمی (پیداواری نقصان) ایک بڑی رکاوٹ رہی ہے۔ 2021 اور 2022 میں میکانائزیشن میں بڑھتی ہوئی سرمایہ کاری سے پام آئل کی پیداوار میں اضافہ متوقع ہے۔

مینجمنٹ مندرجہ بالا حقائق سے باخبر ہے اور متعلقہ اشیاء کی قیمتوں میں تیزی سے نقل و حرکت کے کسی بھی خطرے کو کم کرنے کے لیے اس کی انوینٹری کی سطح کو سمجھدار طریقے سے سنبھال رہی ہے۔

## سویا بین تیل:

سویا بین کے بیج کی کرشنگ میں سویا بین تیل کی طلب بڑھنے سے اضافہ ہو رہا ہے تاہم اس حقیقت کے پس منظر میں سویا کے بیج سے 19% تیل اور 78% میل (Meal) حاصل ہوتا ہے، سویا بین تیل کی رسد کی تنگی کو سویا میل (Meal) کی رسد بڑھائے بغیر حل نہیں کر سکتی۔اس کے علاوہ، عالمی سویا بین کی مانگ میں سست روی ہے اور جون سے اگست کے عرصے میں عالمی برآمدات میں ایک سال پہلے کے مقابلے میں 8.8 ملین ٹن کی واقع ہوئی ہے۔اس لیے توقع کی جاتی ہے کہ سویا بین کے بیج کی قیمتیں مستحکم رہیں گی یا ان سطحوں سے مزید کمی آئے گی۔

## مستقبل پر نظر:

کمپنی اب ان مارکیٹوں کو مضبوط کرنے پر توجہ مرکوز کر رہی ہے جہاں اس نے اپنی مصنوعات کی بہترین جگہ بنائی ہے۔یہ اپنے سپلائرز اور ڈسٹری بیوٹر زدونوں کے ساتھ ہموار اور موثر سپلائی چین مینجمنٹ کے لیے تعلقات استوار کرتا رہے گا، جبکہ صارفین کے پیک کے حوالے سے اپنے مارکیٹ شیئر کو بڑھاتی رہے گی۔

کمپنی صنعتی/تجارتی منڈیوں میں اپنے کلائنٹ کو بڑھاتی رہے گی۔ملک میں کووڈ ویکسینیشن پروگرام آسانی سے آگے بڑھنے کے ساتھ، اور یہ حقیقت کہ تیسری لہر (ڈیلٹا ویریئنٹ) کنٹرول میں ہے، توقع کی جاتی ہے کہ حکومت کووڈ پابندیوں کو نرم کرے گی جس سے HORECA سیکٹر مکمل طور پر کھل جائے گا۔اور کمپنی کی مصنوعات کے لیے مارکیٹ میں مزید مانگ بڑھے گی۔

کاروبار پر توجہ کے ساتھ ساتھ کمپنی بنیادی ڈھانچہ کی ضروریات سے آگاہ ہے۔کمپنی کے تیل کے شعبے میں کی جانے والی سرمایہ کاری ایک دوسرے سے اسی طرح جڑی ہوئی ہیں کہ ایک پلانٹ کی پیداوار دوسرے پلانٹ کا خام مال ہے۔یو ایف ایل کی انفراسٹرکچر ڈویلپمنٹ اور انویسٹمنٹ ٹیموں نے ان پیداواری یونٹس کی فیزیبلیٹی کا جائزہ لیا ہے کہ ان کی پیداوار کی سطح اور پروڈکٹ مکس ہم آہنگ ہو، کاروباری یونٹ منافع بخش ہوں اور تمام پیداوار کو موثر طریقے سے استعمال کیا جائے۔مقصد پائیدار ترقی حاصل کرنا اور کمپنی کی پوری ویلیو چین کو ہم آہنگ کرنا ہے۔اس سرمائے کے اخراجات کا حتمی اثر UFL کے وژن کے مطابق پاکستان میں سب سے نفیس خوردنی تیل مینوفیکچرنگ کے مالک ہونے اور اسے کنٹرول کرنا ہے۔کمپنی کے سرٹیفیکیشن کے اضافی فوائد کے ساتھ، UFL کی مصنوعات بین الاقوامی سطح پر مقابلے کی صلاحیت کی حامل ہوں گی، جو مستقبل کے کاروباری ترقی کے لیے مزید مواقع پیدا کرے گی۔

## بورڈ اور بورڈ کی کمیٹیز میں ہونے والی تبدیلیاں:

30 جون 2021 تک بورڈ میں 6 اراکین موجود تھے جبکہ ایک اسامی خالی تھی جو کہ 06 اگست 2021 کو قانون کے مطابق پُر کی گئی۔
30 جون 2021 کو بورڈ اراکین میں 2 خواتین اور 4 مرد اراکین شامل تھے۔ساتویں ڈائریکٹر کی تقرری کے بعد مرد ڈائریکٹرز کی تعداد 5 ہو گئی۔
موجودہ بورڈ مندرجہ ذیل افراد پر مشتمل ہے؛

(a) خود مختار ڈائریکٹرز 04

(b) دیگر نان ایگزیکٹو ڈائریکٹرز 02

(c) ایگزیکٹو ڈائریکٹرز 01

یکم جولائی 2020 سے 30 جون 2021 مندرجہ ذیل اشخاص کمپنی کے ڈائریکٹر رہے۔

جناب محمد فرخ، عبدالمجید غازیانی، منیر ایس گوڈیل اور مسز طیبہ رشید پورے سال ڈائریکٹر رہے۔
شیخ علی باکزہ نے 27 اپریل کو اور مسز حنا اور مسز ماریہ نے 15 جون کو بورڈ سے استعفا دیا۔جناب سلیمان مہدی نے محترمہ حنا کی جگہ 15 جون کو بورڈ میں شمولیت اختیار کی اور عبدالمجید غازیانی کے چیئرمین کے عہدے کے ہٹنے کی وجہ سے چیئرمین منتخب ہوئے۔

مسز لی ہانگ ہوا نے شیخ علی باکزہ کی جگہ 21 جون کو بورڈ میں شمولیت اختیار کی، مسز ہوا ولمار انٹرنیشنل کی نامزد کردہ ڈائریکٹر ہے۔ 06 اگست کو جناب سعد امان اللہ خان مسز ماریہ کی جگہ بورڈ پر نامزد کیے گئے۔

جناب سلیمان محترمہ طیبہ، جناب سعد اور جناب منیر خودمختار ڈائریکٹر ہے اور جبکہ مسز ہوا اور جناب مجید نان ایگزیکٹیو ڈائریکٹر ہے۔ جناب فرخ سی ای او کی حیثیت سے واحد ایگزیکٹیو ڈائریکٹر ہے۔

**بورڈ کے اجلاس میں حاضریاں:**

| نمبر شمار | ڈائریکٹر کا نام | حاضری کی اہلیت | اجلاس میں شرکت |
|---|---|---|---|
| 1 | جناب محمد فرخ (سی ای او) | 5 | 5 |
| 2 | جناب اے مجید غازیانی (نان ایگزیکٹو ڈائریکٹر) | 5 | 5 |
| 3 | محترمہ حنا صفدر (نان ایگزیکٹو ڈائریکٹر) | 5 | 5 |
| 4 | محترمہ ماریہ عبدالحفیظ (نان ایگزیکٹو ڈائریکٹر) | 5 | 5 |
| 5 | جناب شیخ علی باکزہ (نان ایگزیکٹو ڈائریکٹر) | 4 | 2 |
| 6 | جناب منیر ایس گوڈیل (خودمختار ڈائریکٹر) | 5 | 4 |
| 7 | محترمہ طیبہ رشید (خودمختار ڈائریکٹر) | 5 | 5 |
| 8 | جناب سلیمان صدرالدین مہدی (چیئرمین/خودمختار ڈائریکٹر) | 0 | 0 |
| 9 | محترمہ لائی ہانگ ہوا (نان ایگزیکٹو ڈائریکٹر) | 0 | 0 |
| 10 | جناب سعد امان اللہ خان (خودمختار ڈائریکٹر) | 0 | 0 |

**بورڈ آڈٹ کمیٹی کے اجلاس**

| نمبر شمار | ڈائریکٹر کا نام | حاضری کی اہلیت | اجلاس میں شرکت |
|---|---|---|---|
| 1 | جناب منیر ایس گوڈیل (خودمختار ڈائریکٹر) | 4 | 4 |
| 2 | جناب اے مجید غازیانی (نان ایگزیکٹو ڈائریکٹر) | 4 | 4 |
| 3 | محترمہ ماریہ عبدالحفیظ (نان ایگزیکٹو ڈائریکٹر) | 4 | 4 |

**انسانی وسائل اور مشاہرے کی کمیٹی کے اجلاس**

| نمبر شمار | ڈائریکٹر کا نام | حاضری کی اہلیت | اجلاس میں شرکت |
|---|---|---|---|
| 1 | جناب منیر ایس گوڈیل (خودمختار ڈائریکٹر) | 1 | 1 |
| 2 | جناب محمد فرخ | 1 | 1 |
| 3 | محترمہ حنا صفدر (نان ایگزیکٹو ڈائریکٹر) | 1 | 1 |

مالی سال کے اختتام کے بعد، بورڈ میں مندرجہ ذیل تبدیلیاں پیش آئیں:

بورڈ میں ہونے تبدیلیوں کی وجہ سے سال کے اختتام کے بعد کمیٹیوں میں درج ذیل تبدیلیاں کی گئیں۔

**بورڈ آڈٹ کمیٹی**

| نمبر شمار | 1 جولائی تا 15 جون | 6 اگست 2021 کو دوبارہ تشکیل |
|---|---|---|
| 1 | جناب منیر ایس گوڈیل ۔ چیئرمین | جناب سعد امان اللہ خان ۔ چیئرمین |
| 2 | جناب اے مجید غازیانی | جناب منیر ایس گوڈیل |
| 3 | محترمہ ماریہ عبدالحفیظ | جناب اے مجید غازیانی |
| 4 | | محترمہ طیبہ رشید |
| | انٹرنل آڈٹ کے سربراہ کمیٹی سیکریٹری | کمیٹی سیکریٹری |

**انسانی وسائل اور مشاہرے کی کمیٹی**

| نمبر شمار | 1 جولائی تا 15 جون | 6 اگست 2021 کو دوبارہ تشکیل |
|---|---|---|
| 1 | جناب منیر ایس گوڈیل ۔ چیئرمین | محترمہ طیبہ رشید ۔ چیئرمین |
| 2 | جناب محمد فرخ | جناب منیر ایس گوڈیل |
| 3 | محترمہ حنا صفدر | جناب اے مجید غازیانی |
| 4 | | جناب سعد امان اللہ خان |
| 5 | کمپنی سیکریٹری | کمیٹی سیکریٹری |

6 اگست 2021 کو منعقدہ اجلاس میں، بورڈ نے ایک بورڈ انویسٹمنٹ کمیٹی بھی تشکیل دی ہے، جس کے اراکین میں شامل ہیں؛

| | | |
|---|---|---|
| 1 | جناب سلیمان صدرالدین مہدی | چیئرمین |
| 2 | محترمہ طیبہ رشید | ممبر |
| 3 | جناب عبدالمجید غازیانی | ممبر |
| 4 | کمپنی سیکریٹری | کمیٹی سیکریٹری |

ان کمیٹیوں کے ToRs کی وضاحت سالانہ رپورٹ موجود ہے۔

**اندیشے اور غیر یقینی صورتحال**

کمپنی کو بنیادی طور پر دو طرح کے بیرونی خطرات کا سامنا رہتا ہے، جن میں کرنسی اور اجناس کی قیمتوں میں رد و بدل شامل ہے کیونکہ کمپنی کے کام تیل کے بیجوں، خوردنی تیل اور جانوروں کی خوراک کے اجزاء کی درآمد پر منحصر ہوتے ہیں۔ ہماری صنعتی / تجارتی خوردنی تیل کی فروخت ہمیں اس خطرے سے ایک حد تک بچاتی ہے کیونکہ اشیاء کی قیمت باقاعدگی سے تبدیل کی جاتی ہے۔ اس کے علاوہ، انتظامیہ خطرے پر قابو پانے اور اسے کنٹرول

کرنے کے لیے تمام ممکنہ اقدامات کرتی ہے اور سپلائی چینج مینجمنٹ کے ذریعے کمپنی کے منافع پر کرنسی کی نقل و حرکت کے اثرات کو کم سے کم رکھنے میں کامیاب رہی ہے۔

**کریڈٹ ریٹنگ**

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے اکتوبر 2019 میں کمپنی کی ابتدائی ریٹنگ A-/A-2 تفویض کی تھی۔اپریل 2021 میں ریٹنگ کو بڑھا کر A/A-2 کردیا گیا۔طویل المدت 'A-' ریٹنگ اِس بات کی نشاندہی کرتی ہے کہ کمپنی کے پاس اچھی کریڈٹ کوالٹی،خطرات سے نبرد آزما ہونے کے لیے بہترین ذرائع،معیشت میں آنے والی تبدیلیوں سے پیدا ہونے والے ممکنہ خطرات کے عوامل تبدیل ہوسکتے ہیں۔مختصرالمدت ریٹنگ 'A-2' اِس بات کی نشاندہی کرتی ہے کہ کمپنی بروقت ادائیگیوں کی اہلیت رکھتی ہے،نقد رقوم کی موجودگی کے عناصر اور بہترین بنیادی عوامل رکھتی ہے۔کیپٹل مارکیٹ تک رسائی اچھی ہے۔خطرات کے عوامل کم ہیں۔تفویض کردہ ریٹنگ پر آؤٹ لک 'مستحکم' ہے۔

**آڈیٹرز کی تقرری**

کمپنی کی بیرونی آڈیٹرز کمپنی نوید ظفر اشفاق جعفری، چارٹرڈ اکاؤنٹنٹس 26 اکتوبر 2021 کو منعقدہ سالانہ اجلاس عام کے انعقاد تک ریٹائر ہورہے ہیں۔ 30 جون 2022 کو ختم ہونے والے مالی سال کے لئے بورڈ نے حصص یافتگان کو آڈیٹر کو تبدیل کرکے KMPG TASEER HADI & CO. CHARTERED ACCOUNTANTS کو نامزد کرنے کی سفارش کی ہے۔

**شیئر ہولڈنگ کا پیٹرن**

شیئر ہولڈنگ کا پیٹرن کمپنی کی سالانہ رپورٹ میں موجود ہے۔

**اندرونی کنٹرول**

انتظامیہ نے کمپنی کے اندرونی آڈٹ اور کنٹرول کو مستحکم کرنے کی غرض سے مندرجہ ذیل اہم اقدامات کیے ہیں؛

انٹرنل آڈٹ کے مختلف امور کی انجام دہی کے لیے انٹرنل آڈٹ ڈپارٹمنٹ مناسب اہل اور تجربہ کار شخص کی سربراہی میں کام کررہا ہے۔

کمپنی کے انٹرنل فنانشل کنٹرولز کی نگرانی SAP سے کی جاتی ہے۔اس سسٹم کو ABACUS کنسلٹنگ سے تیار کیا اور لگوایا گیا تھا۔

کمپنی نے ایس او پیز کی اصلاح کے لیے اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ کا تقرر کیا۔یہ مشق سال کے دوران مکمل کی گئی اور ایس او پیز پر نافذ عمل ہو چکے ہیں۔

سال کے دوران کمپنی نے SAPS4/HANA Success Factor or ARIBA کے نفاذ کے لیے سسٹم لمیٹڈ کو مقرر کیا۔اس کا مقصد ERP اور صنعتی حل کو نافذ کرنا ہے، جو کمپنی کو حقیقی طور پر مستقبل کے لیے تیار، چست اور جدید FMCG بننے میں معاونت فراہم کرے گا اور اس کی توسیع اور جدت کو مضبوط بنائے گا۔

ڈیجیٹلائزیشن جو SAP کے کارفرما جدید ترین عمل پر غور کرتی ہے، کمپنی کو "بلاک چین" کو مزید اپنانے/ نافذ کرنے میں مدد دے گی تاکہ یونٹی فوڈز آپریشنز کی نئی جہتوں کو شامل کیا جاسکے اور عالمی سپلائرز اور صارفین کو ماحولیاتی نظام فراہم کیا جاسکے۔یہ انہیں بلاک چین فریم ورک کو ان کے سسٹم میں ضم کرنے کی اجازت دے گا جو کمپنی کی Speed-to-market کی حکمت عملی اور عملدرآمد میں بہت مدد کرے گی۔

اس پروگرام کو یونٹی فوڈز کی حکمت عملی کے منصوبے کا حصہ ہے جو ڈیجیٹل ٹرانسفارمیشن کے لیے اپنے تمام کاروباری حصوں میں جدید ترین ERP اور صنعتی آٹومیشن حل کا استعمال ہے۔یہ کمپنی کے کاموں میں مزید افادیت لائے گا، آنے والے برسوں میں مزید ترقی کو آگے بڑھانے میں یونٹی فوڈز کی مارکیٹ میں جانے کی حکمت عملی کو بالآخر سپورٹ کرنے کے لیے عالمی سطح پر رائج بہترین طریقوں اور انتہائی موثر عمل کو متعارف کروائے گا۔

**ضمانتیں/ وعدے اور امکانات**

بیلنس شیٹ کی تاریخ اور رپورٹ ہذا کی تاریخ کے درمیان کمپنی کے معاملات کی مالی حیثیت کو متاثر کرنے کے لحاظ سے ضمانت/ وعدوں میں کوئی اہم تبدیلی نہیں ہوئی ہے۔

**مالیاتی نتائج**

اس سال کے دوران، کمپنی کی آمدنی 3,112 ملین روپے (آمدنی فی شیئر 3.44 روپے) ریکارڈ کی گئی۔

30 جون 2021 کو ختم ہونے والے سال کے حوالے سے کمپنی کے مالیاتی امور کا خلاصہ ذیل ہے؛

| (روپے) | Consolidated | Unconsolidated |
|---|---|---|
| مجموعی فروخت (صافی) | 68,831,301,040 | 66,400,968,204 |
| فروخت کی لاگت | (63,180,175,227) | (61,209,315,624) |
| **مجموعی منافع** | 5,651,125,813 | 5,191,652,580 |
| فروختگی اور ترسیل کے اخراجات | (1,236,246,093) | (1,035,076,796) |
| انتظامی اخراجات | (410,663,355) | (393,197,611) |
| دیگر آپریٹنگ اخراجات / آمدنی | 177,925,351 | 189,354485 |
| **مجموعی ترسیل، فروختگی، انتظامی اور دیگر آپریٹنگ اخراجات** | (1,468,984,097) | (1,238,919,922) |
| دیگر آمدنی | 334,708,789 | 316,520,964 |
| **قبل از مالیاتی لاگت اور ٹیکسیشن** | 4,516,850,505 | 4,269,253,622 |
| مالیاتی لاگت | (960,978,338) | (880,121,921) |
| **قبل از محصول (ٹیکس) نفع** | 3,555,872,167 | 3,389,131,701 |
| محصول (ٹیکسیشن) | (217,679,236) | (277,392,209) |
| **نفع بعد از محصول (ٹیکسیشن)** | 3,338,192,931 | 3,111,739,492 |
| منافع کی منسوخی: | | |
| ہولڈنگ کمپنی کے مالکان | 3,263,697,353 | |
| نان کنٹرولنگ انٹرسٹ | 74,495,578 | |
| **نفع بعد از محصول (ٹیکسیشن)** | 3,338,192,931 | |
| بیسک اور ڈائیلیوٹڈ آمدنی فی شیئر * | **3.61** | **3.44** |

* ستمبر 2020,22 کو اجراء کیے گئے 450 ملین رائٹ شیئر کو مدنظر رکھتے ہوئے ویٹڈ ایوریج شیئر ز کی بنیاد پر کیلکولیٹ کی گئی۔

30 جون 2021 کو ختم ہونے والے سال کے لئے کمپنی نے کوئی ڈیویڈنڈ نہیں دیا جسکی وجہ یہ ہے کہ تمام کاروباری شعبوں میں نمو کو پورا کرنے کے لیے تیزی سے توسیع کے لیے درکار فنڈز ہیں۔ ایک بہت بڑا سرمایہ اور اثاثہ جات قائم کرنے کے لیے وسائل کے استحکام کی ضرورت ہے۔

کمپنی نے 30 جون 2018 اور 30 جون 2019 کو ختم ہونے والے مالی سالوں کے لیے ڈیویڈنڈ کا اعلان کیا تھا کمپنی منافع کی صورت میں CAPEX اور دیگر فنڈز کی ضروریات کو مدنظر رکھتے ہوئے ڈیویڈنڈ کی پالیسی پر عمل کرنے کا ارادہ رکھتی ہے۔

## ماحول

ہمیں یہ بتاتے ہوئے خوشی ہے کہ کمپنی RSPO(Roundtable of Sustainable Palm Oil) سرٹیفائیڈ ہے۔ خوردنی تیل نکالنے اور ریفائننگ میں کمپنی کے آپریشن کے ماحول پر کم سے کم منفی اثر پڑتا ہے۔ مزید یہ کہ انتظامیہ نے ایسے اقدامات کیے ہیں جو ماحولیاتی تحفظ کے اعلیٰ معیارات کے تحت کاموں میں سہولت فراہم کریں گے۔

سن رِیج فوڈز، یونٹی فوڈز کی مکمل ملکیتی ماتحت ادارہ گندم اور دیگر متعلقہ مصنوعات کی پسائی کرتا ہے، اور اس کے کاموں کا ماحول پر کم سے کم یا کوئی منفی اثر نہیں پڑتا ہے۔

## تعمیل اور تصدیق

پروڈکٹ سیفٹی، حفظان صحت کے اصولوں سے مطابقت اور کام کرنے کے بہتر ماحول کے حوالے سے کمپنی کے ارادے اور فیصلے کے تسلسل میں، ہمیں یہ بتاتے ہوئے نہایت

مسرت ہو رہی ہے کہ کمپنی اور اسکے ذیلی ادارے نے اس سال کے دوران پیشہ ورانہ ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم (جدید معیار) کے ساتھ مندرجہ ذیل اسناد کامیابی سے حاصل کی ہیں۔

| عمارات | آئل ریفائنری (کوٹری) | سالوینٹ پلانٹ (کوٹری) | آئل ریفائنری (پورٹ قاسم) | سن رج فوڈز |
|---|---|---|---|---|
| | ISO 9001 (کوالٹی مینجمنٹ سسٹم) | ISO 9001 (کوالٹی مینجمنٹ سسٹم) | ISO 9001 (کوالٹی مینجمنٹ سسٹم) | ISO 9001 (کوالٹی مینجمنٹ سسٹم) |
| | ISO 22000 (فوڈ سیفٹی مینجمنٹ سسٹم) | ISO 22000 (فوڈ سیفٹی مینجمنٹ سسٹم) | ISO 22000 (فوڈ سیفٹی مینجمنٹ سسٹم) | ISO 22000 (فوڈ سیفٹی مینجمنٹ سسٹم) |
| | | HACCP | | |
| | | RSPO | | |
| | | FSSC 22000 | | |
| | PS 3733 & GSO/UAE 2055-1 (حلال فوڈ مینجمنٹ سسٹم) | PS 3733 & GSO/UAE 2055-1 (حلال فوڈ مینجمنٹ سسٹم) | PS 3733 & GSO/UAE 2055-1 (حلال فوڈ مینجمنٹ سسٹم) | PS 3733 & GSO/UAE 2055-1 (حلال فوڈ مینجمنٹ سسٹم) |
| | ISO 14001 : 2015 (انوائرنمنٹل مینجمنٹ سسٹم) | ISO 14001 : 2015 (انوائرنمنٹل مینجمنٹ سسٹم) | ISO 14001 : 2015 (انوائرنمنٹل مینجمنٹ سسٹم) | ISO 14001 : 2015 (انوائرنمنٹل مینجمنٹ سسٹم) |
| | ISO 45001 : 2018 (آکیوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم) | ISO 45001 : 2018 (آکیوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم) | ISO 45001 : 2018 (آکیوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم) | (آکیوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم) ISO 45001 : 2018 |

## ڈائریکٹرز اور چیف ایگزیکٹو کے مشاہرے

بورڈ کے ہر رکن کو فی اجلاس شرکت کرنے پر 50,000 روپے معاوضہ ادا کیا جاتا ہے۔ بورڈ آڈٹ کمیٹی اور انسانی وسائل اور مشاہرے کی کمیٹی کے اراکین کو فی اجلاس شرکت کرنے پر 30,000 روپے معاوضہ ادا کیا جاتا ہے۔ کسی بھی ڈائریکٹر یا چیف ایگزیکٹو آفیسر کو اس کے علاوہ کسی قسم کا مشاہرہ یا فوائد کی ادائیگی نہیں کی جاتی ہے۔

## ذیلی ادارے کو مہیا کی گئی کارپوریٹ گارنٹی:

سن رج فوڈز (پرائیویٹ) لمیٹڈ کمپنی ایک ذیلی کمپنی ہے سن رج کو وسیع اور بڑے پیمانے پر آپریشن کے لئے فنڈز کی ضرورت تھی اور کمپنی کو دو ارب روپے کی کارپوریٹ گارنٹی چاہیے تھی جو کہ ہولڈنگ کمپنی کی طرف سن رج کو مالیاتی اداروں کی طرف سے مہیا کی جانے والی مالی اعانت کو تحفظ فراہم کرنے کے لئے درکار تھی۔ یہ کارپوریٹ گارنٹی یکم نومبر 2020 سے شروع ہونے والے وقت سے ایک سال کے لئے ممبر کو فراہم کی گئی تفصیلات کے مطابق درکار تھی۔

چونکہ زیادہ تر ڈائریکٹر دونوں کمپنی میں مشترک تھے اسلئے قانون کی رو سے اس معاملے کو یونیٹی فوڈز کے سالانہ عام اجلاس منعقدہ 23 اکتوبر 2020 میں اجازت کے لئے پیش کیا گیا تھا۔ حصص یافتگان نے متفقہ طور پر دو ارب روپے کی ایک سال تک کی کارپوریٹ گارنٹی کی منظوری دی تھی۔

Companies (Investment in Associated Companies or Associated Undertakings) Regulartions, 2017 کے ریگولیشن (2)4 کے تحت درج ذیل معلومات مہیا کی جا رہی ہیں۔

| ضروری انکشاف | تفصیل |
|---|---|
| منظور شدہ مجموعی سرمایہ کاری | سن رج کے قرض دہندہ کے لئے دو ارب روپے کی کارپوریٹ گارنٹی کا اجراء، تا کہ مہیا کی جانے والی مالی معاونت کو محفوظ بنایا جا سکے۔ |
| مہیا کی گئی سرمایہ کاری | کوئی نہیں |
| سرمایہ کاری کی منظور شدہ مدت سے انحراف کی وجہ، اگر سرمایہ کاری کا فیصلہ مخصوص مدت میں نافذ کرنا تھا | کارپوریٹ گارنٹی مہیا کرنے کی کوئی مخصوص ٹائم لائن نہیں تھی یہ سہولت یکم نومبر 2020 سے شروع ہونے والے وقت ایک سال کے لئے تھی |
| مذکورہ کمپنی کی سرمایہ کاری کی قرارداد منظور ہونے سے اب تک کی مالیاتی اسٹیٹمنٹ میں کوئی اہم تبدیلی | اہم مالیاتی اسٹیٹمنٹ کے اہم نکات کا خلاصہ درج ذیل ہے |

| PKR | Sep-20 | Dec-20 | Mar-21 | Jun-21 | FY 2021 |
|---|---|---|---|---|---|
| سیلز | 411,026,682 | 654,505,079 | 1,599,360,984 | 938,035,121 | 3,602,927,866 |
| نفع بعد از محصول (ٹیکسیشن) | 43,915,077 | 25,159,139 | 139,970,023 | 17,409,198 | 226,453,437 |
| ٹوٹل اثاثہ جات | 994,726,153 | 2,308,155,445 | 2,140,924,020 | 2,269,298,655 | 2,269,298,655 |
| ٹوٹل ایکویٹی | 172,946,553 | 198,321,743 | 339,067,817 | 355,522,112 | 355,522,112 |
| نمبر آف شیئرز | 53,121,995 | 53,121,995 | 53,121,995 | 53,121,995 | 53,121,995 |
| EPS | 0.83 | 0.47 | 2.63 | 0.33 | 4.26 |

**سماجی بہبود کی ذمہ داری**

کمپنی معاشرے کے حوالے سے اپنے فرائض سے مکمل باخبر ہے اور بطور ادارہ، معاشرے کی بہتری کے اقدامات کے لیے کوشاں رہتی ہے۔

کمپنی نے فیوچر ٹرسٹ کو 10 ملین روپے کی رقم عطیہ کی، یہ ایک نان پرافٹ خیراتی ادارہ اور انسان دوست تنظیم ہے جو کہ غربت کے خلاف ٹیکنالوجی اور جدت کے فروغ، ترقی اور حوصلہ افزائی اور سماجی و معاشی حالات کی عمومی بہتری اور عوام کا معیار زندگی بہتر بنانے کے لیے پاکستانی عوام کے لئے قائم کیا گیا ہے۔ یہ نوجوانوں کو ترقی پسند تعلیم، پیشہ ورانہ اور کیریئر رہنمائی اور امٹر پرینیورشپ حاصل کرنے میں معاونت کرتا ہے۔

کمپنی نے اپنی بین الاقوامی آرٹ نمائش کے لیے 5000 یورو Project Art Divvy کو عطیہ کیے۔

**اظہارِ تشکر**

الحمدوللہ، ہم اپنے تمام اسٹیک ہولڈرز بشمول شیئر ہولڈرز، بینکرز اور دیگر کا شکریہ ادا کرتے ہیں جنہوں نے چار سال قبل آغاز کردہ اس کمپنی پر اپنے پورے اعتماد کا مظاہرہ کیا اور کمپنی کا کاروبار خوردنی تیل سے بڑھ کر آٹے کے کاروبار میں بھی شامل ہوگیا۔ ان کی غیر متزلزل مدد کے بغیر، اس قلیل مدت میں ان کامیابیوں کا حصول ممکن نہیں تھا۔ ہم کمپنی کو مزید ترقی دینے اور اس کی پروڈکٹ کے پورٹ فولیو میں توسیع کے لیے آئندہ بھی ان اسٹیک ہولڈرز سے اسی طرح معاونت و راہنمائی کی توقع رکھتے ہیں۔
ہم پاکستان اسٹاک ایکسچینج، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور سینٹرل ڈپازٹری کمپنی کی جانب سے کمپنی کی مسلسل معاونت اور تعاون پر اُن کا تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم امید کرتے ہیں کہ یہ تعاون آئندہ بھی جاری رہے گا۔

ہم اس دوران اپنے پرخلوص اور صلاحیتوں سے بھرپور انسانی وسائل کے بہت شکرگزار ہیں جنہوں نے اپنی لگن و انتھک محنت کے ساتھ ادارے کی ترقی میں اہم کردار ادا کیا۔ ہم امید کرتے ہیں کہ ہماری ٹیم آگے بڑھتے ہوئے نئی منازل کے حصول کے لیے اسی طرح جانفشانی سے محنت کرتے رہیں گے۔

حسب الحکم بورڈ

| | |
|---|---|
| محمد فرخ | عبدالمجید غازیانی |
| چیف ایگزیکٹو | ڈائریکٹر |

کراچی: 6 اکتوبر 2021

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that **31st** Annual General Meeting (AGM) of Unity Foods Limited (the "Company") will be held on **Thursday, October 28, 2021** at **10:00 a.m**. at Regent Plaza Hotel and Convention Centre, Main Shahrah-e-Faisal, Karachi, to transact the following businesses:

### A. Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2021 together with Directors' and Auditors' reports thereon and Chairman's Review Report.

2. To appoint the auditor of the Company and fix their remuneration. The Board of Directors have recommended the name of KPMG Taseer Hadi & Co. Chartered Accountants, for appointment as auditors of the Company for the financial year ending June 30, 2022.

### B. Special Business

1. **Increase in Authorized Share Capital**

To consider and, if thought fit, to increase the authorized share capital of the Company from PKR 10,000,000,000/-, divided into 1,000,000,000 ordinary shares of PKR 10/- each, to PKR12,000,000,000 /-, divided into 1,200,000,000 ordinary shares of PKR 10/-, and in that connection to make the necessary amendments to the Memorandum and Articles of Association of the Company and pass the following resolutions as Special Resolutions, with or without modification:

"**RESOLVED THAT** the authorized share capital of the Company be and is hereby increased from PKR 10,000,000,000/- (Pak Rupees Ten Billion), divided into 1,000,000,000 (One Billion) ordinary shares of PKR 10/- (Pak Rupees Ten each), to PKR 12,000,000,000/- (Pak Rupees Twelve Billion), divided into 1,200,000,000 (One Billion Two Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each."

"**FURTHER RESOLVED THAT** as a consequence of the said increase in the authorized share capital of the Company, the relevant changes in the Memorandum and Articles of Association of the Company, as per the draft shared with the members are hereby approved, subject to any modifications as may be required by the Securities and Exchange Commission of Pakistan and the fulfilment of all formalities / procedures required under the applicable laws."

"**FURTHER RESOLVED THAT** the Chief Executive Officer and the Company Secretary of the Company be and are hereby, singly authorized and empowered to do all acts, deeds and things, take any or all necessary actions, including to complete all legal formalities and file all necessary documents, as may be necessary or incidental for the purpose of implementing the aforesaid resolution, as well as carry out any other act or step which may be ancillary and / or incidental to do the above and necessary to fully achieve the objects of the aforesaid resolutions."

2. To consider and if thought fit, amend the Articles of Association of the Company, to bring the same in line with current industry standards and the existing laws of Pakistan, subject to obtaining all necessary regulatory approvals, and in that connection to pass the following resolutions, with or without modification, as special resolutions:

"**RESOLVED THAT** the amendments to the Articles of Association of the Company, as proposed by the Directors, be and are hereby approved, subject to any modifications as may be required by the Securities and Exchange Commission of Pakistan and the fulfilment of all formalities / procedures required under the applicable laws."

"**FURTHER RESOLVED THAT** the Chief Executive Officer and the Company Secretary of the Company be and are hereby, singly authorized and empowered to do all acts, deeds and things, take any or all necessary actions, including to complete all legal formalities and file all necessary documents, as may be necessary or incidental for the purpose of implementing the aforesaid resolution, as well as carry out any other act or step which may be ancillary and / or incidental to do the above and necessary to fully achieve the objects of the aforesaid resolutions."

**C. OTHER BUSINESS**

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

Statement under section 134 (3) of the Companies Act, 2017 stating all the material facts concerning the special business to be transacted at the Annual General Meeting and comparative statement of changes in Memorandum and Articles of Association is annexed to this notice except newspaper publication.

By Order of the Board

Dated: October 07, 2021

Place: Karachi

Syed Muhammad Tariq Nabeel Jafri
Company Secretary

**Notes:**

i) The Share Transfer Books of the Company shall remain closed from October 22, 2021 to October 28, 2021 (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 21, 2021 will be treated as being in time for the purpose of attending 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. The proxy need not to be a member of the Company.

iv) Forms of proxy to be valid must be properly filled in/ executed and received by the company not later than forty-eight hours before the commencement of the meeting. 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

**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 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 signature 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 as per above requirements.
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 at the time of the Meeting.
e. In case of corporate entity, 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.

v) Members are requested to immediately notify any change in their addresses to the Company's registrar and share transfer agent.

(vi) **Online Participation in the Annual General Meeting.**

Due to ongoing pandemic of COVID-19 and the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

Accordingly, the company has decided to facilitate its shareholders by allowing the shareholders to attend the meeting through video link for the safety and in the best interest of the shareholders. Therefore, shareholders who are interested in attending the AGM proceedings through video link are required to register themselves by providing the following information along with a valid copy of the Computerized National Identity Card (both sides ) /passport / attested copy of the board resolution / power of attorney ( in case of corporate shareholders) through email at info@fdregistrar.com by 26 October, 2021

| Name of Shareholder | CNIC No. | Folio No. / CDC Account No. | Cell No. | Email address |
|---|---|---|---|---|
| | | | | |

A detailed procedure shall be communicated through e-mail directly to the shareholders who are registered after necessary verification. The Login facility will remain open from start of the meeting till its proceedings are concluded

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address info@unityfoods.pk. The comments shall be read out at the meeting and shall be made part of the minutes.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

(vii) **Unclaimed dividend**

Shareholders who by any reason could not collect their dividend are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend, if any.

(viii) **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 its members through email. The shareholders who desire to receive Annual Audited Financial Statements and Notice of AGM through email are requested to fill the requisite form placed on the 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.

(ix) **Placement of Financial Statements**

The Company has placed the Audited Financial Statements for the year ended June 30, 2021, along with Auditors and Directors Report thereon and Chairman's Review Report on its website: www.unityfoods.pk.

**Statement of Material Facts under Section under Section 134 (3) of the Companies Act, 2017**

1. **Amendment to the Memorandum and Articles of Association of the Company**
For the purposes of increasing the authorized capital and for bringing the Memorandum and Articles of Association in line with current industry standards and the existing laws of Pakistan, subject to obtaining all necessary regulatory approvals, the Memorandum and Articles of Association of the Company need to be amended so that the same conform with the requirements of the applicable laws.

The Company's existing Memorandum and Articles of Association, the draft of the proposed Memorandum and Articles of Association, and a comparative statement of the provisions of the existing Articles vis-à-vis the proposed Articles of Association are available for inspection at the registered office of the Company at 8-C, PECHS Block 6, Karachi during normal office hours; copies of the same may also be obtained upon request by such persons from the office of the Company at 8-C, PECHS Block 6, Karachi during normal office hours. Furthermore, the comparative statement has been enclosed with the notice of the Annual General Meeting which has been circulated to the members.

The Board has confirmed that the proposed alterations are in line with the applicable provisions of law and the regulatory framework.

The Directors of the Company have no personal interest in the resolutions pertaining to the said agenda item except in their capacity as shareholders of the Company to the extent of their respective shareholdings.

2. **Increase in Authorized Capital of the Company:**

The Company is in growth phase and this proposed increase in capital will facilitate in raising additional capital to successfully execute its growth plans as and when required.

In light of the same and for future potential issuance of shares, the Company seeks to increase its authorized share capital from PKR 10,000,000,000/-, divided into 1,000,000,000 ordinary shares of PKR 10/- each, to PKR 12,000,000,000 /-, divided into 1,200,000,000 ordinary shares of PKR 10/- each and make the necessary amendments to the Memorandum and Articles of Association of the Company.

The Directors of the Company have no personal interest in the said amendments except in their capacity as shareholders of the Company to the extent of their respective shareholdings.

**Comparative Statement of existing and proposed clauses of Memorandum and Articles of Association of Unity Foods Limited.**

**THE COMPANIES ACT, 2017**

(Company Limited by Shares)

MEMORANDUM OF ASSOCIATION OF

**UNITY FOODS LIMITED**

**PRELIMINARY**

| Existing | Proposed |
|---|---|
| V. The authorised capital of the Company is Rs. 10,000,000,000 (Rupees Ten Billion) divided into 1,000,000,000 (One Billion) ordinary shares of Rs. 10/- (Rupees Ten Only) each with powers to increase or reduce the capital, to subdivide or otherwise reorganize the share in the capital or increase into several classes and to attach thereto such preferential, special qualified or deferred rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and the provisions of the Companies Act, 2017 and to vary, modify and abrogate any such rights privileges and conditions. | V. The authorised capital of the Company is Rs. 12,000,000,000 (Rupees Twelve Billion) divided into 1,200,000,000 (One Billion Two Hundred Million) ordinary shares of Rs. 10/- (Rupees Ten Only) each with powers to increase or reduce the capital, to subdivide or otherwise reorganize the share in the capital or increase into several classes and to attach thereto such preferential, special, qualified or deferred rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and the provisions of the Companies Act, 2017 and to vary, modify and abrogate any such rights, privileges and conditions. |

UNITY FOODS LIMITED

**THE COMPANIES ACT, 2017**

(Company Limited by Shares)

ARTICLES OF ASSOCIATION OF

**UNITY FOODS LIMITED**

**PRELIMINARY**

| **Existing** | **Proposed** |
|---|---|
| 1. (1) In these regulations-<br>a. "section" means section of the Act;<br>b. "the Act" means the Companies Act, 2017; and<br>c. "the seal" means the common seal or official seal of the Company as the case may be. | 1. (1) In these regulations-<br>a. "section" means section of the Act;<br>b. "the Act" means the Companies Act, 2017; and<br>c. "the seal" means the common seal or official seal of the Company as the case may be. |
| (2) Unless the context otherwise requires, words or expressions contained in these regulations shall have the same meaning as in this Act; and words importing the singular shall include the plural, and *vice versa*, and words importing the masculine gender shall include feminine, and words importing persons shall include bodies corporate. | (2) Unless the context otherwise requires, words or expressions contained in these regulations shall have the same meaning as in this Act; and words importing the singular shall include the plural, and *vice versa*, and words importing the masculine gender shall include feminine, and words importing persons shall include bodies corporate |
| **CAPITAL** | **CAPITAL** |
| 2. The authorised share capital of the Company is Rs. 10,000,000,000 (Rupees Ten Billion) divided into 1,000,000,000 (One Billion) ordinary shares of Rs.10/- each. | 2. The authorised share capital of the Company is Rs. 12,000,000,000 (Rupees Twelve Billion) divided into 1,200,000,000 (One Billion Two Hundred Million) ordinary shares of Rs.10/- each. |
| **SHARES** | **SHARES** |
| 3. In case of shares in the physical form, every person whose name is entered as a member in the register of members shall, without payment, be entitled to receive, within thirty days after allotment or within fifteen days of the application for registration of transfer, a certificate under the seal specifying the share or shares held by him and the amount paid up thereon: | 3. In case of shares in the physical form, every person whose name is entered as a member in the register of members shall, without payment, be entitled to receive, within thirty days after allotment or within fifteen days of the application for registration of transfer, a certificate under the seal specifying the share or shares held by him and the amount paid up thereon: |

| | |
|---|---|
| Provided that if the shares are in book entry form or in case of conversion of physical shares and other transferable securities into book-entry form, the Company shall, within ten days after an application is made for the registration of the transfer of any shares or other securities to a central depository, register such transfer in the name of the central depository. | Provided that if the shares are in book entry form or in case of conversion of physical shares and other transferable securities into book-entry form, the Company shall, within ten days after an application is made for the registration of the transfer of any shares or other securities to a central depository, register such transfer in the name of the central depository. |
| 4. The Company shall not be bound to issue more than one certificate in respect of a share or shares in the physical form, held jointly by several persons and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. | 4. The Company shall not be bound to issue more than one certificate in respect of a share or shares in the physical form, held jointly by several persons and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. |
| 5. If a share certificate in physical form is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one hundred rupees, and on such terms, if any, as to evidence and indemnity and payment of expenses incurred by the Company in investigating title as the directors think fit. | 5. If a share certificate in physical form is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one hundred rupees, and on such terms, if any, as to evidence and indemnity and payment of expenses incurred by the Company in investigating title as the directors think fit. |
| 6.Except to the extent and in the manner allowed by section 86, no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of, the Company's shares. | 6. Except to the extent and in the manner allowed by section 86, no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of, the Company's shares. |
| **TRANSFER AND TRANSMISSION OF SHARES** | **TRANSFER AND TRANSMISSION OF SHARES** |
| 7. The instrument of transfer of any share in physical form in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof. | 7. The instrument of transfer of any share in physical form in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof. |

| | |
|---|---|
| 8. Shares in physical form in the Company shall be transferred in the following form, or in any usual or common form which the directors shall approve: -<br><br>**Form for Transfer of Shares**<br>*(First Schedule to the Companies Act, 2017)*<br><br>I................. s/o .........................r/o..................... (hereinafter called "the transferor") in consideration of the sum of rupees ............................ paid to me by............................. s/o .........................r/o...................... (hereinafter called "the transferee"), do hereby transfer to the said transferee....................the share (or shares) with distinctive numbers from .................to...................inclusive, in the UNITY FOODS LIMITED, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hands this..................day of.............................., 20.....<br><br>Signature.....................<br>Signature.....................<br>**Transferor**<br>**Transferee**<br>Full Name, Father's / Husband's Name<br>Full Name, Father's / Husband's Name<br>CNIC Number (in case of foreigner,<br>CNIC Number (in case of foreigner,<br>Passport Number)<br>Passport Number)<br>Nationality<br>Nationality<br>Occupation and usual Residential Address<br>Occupation and usual Residential Address<br>Cell number<br>Landline number, if any<br>Email address<br><br>**Witness 1:**<br>**Witness 2:**<br>Signature....................date............<br>Signature....................date............<br>Name, CNIC Number and Full Address<br>Name, CNIC Number and Full Address | 8. Shares in physical form in the Company shall be transferred in the following form, or in any usual or common form which the directors shall approve: -<br><br>**Form for Transfer of Shares**<br>*(First Schedule to the Companies Act, 2017)*<br><br>I................. s/o .........................r/o..................... (hereinafter called "the transferor") in consideration of the sum of rupees ............................ paid to me by............................. s/o .........................r/o...................... (hereinafter called "the transferee"), do hereby transfer to the said transferee....................the share (or shares) with distinctive numbers from .................to...................inclusive, in the UNITY FOODS LIMITED, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hands this..................day of.............................., 20.....<br><br>Signature.....................<br>Signature.....................<br>**Transferor**<br>**Transferee**<br>Full Name, Father's / Husband's Name<br>Full Name, Father's / Husband's Name<br>CNIC Number (in case of foreigner, CNIC<br>Number (in case of foreigner,<br>Passport Number)<br>Passport Number)<br>Nationality<br>Nationality<br>Occupation and usual Residential Address<br>Occupation and usual Residential Address<br>Cell number<br>Landline number, if any<br>Email address<br><br>**Witness 1:**<br>**Witness 2:**<br>Signature....................date............<br>Signature....................date............<br>Name, CNIC Number and Full Address<br>Name, CNIC Number and Full Address<br><br>**Bank Account Details of Transferee for Payment of Cash Dividend** |

UNITY FOODS LIMITED

**Bank Account Details of Transferee for Payment of Cash Dividend**
(Mandatory in case of a listed Company or optional for any other Company)

It is requested that all my cash dividend amounts declared by the Company, may be credited into the following bank account:

| | |
|---|---|
| Tile of Bank Account | |
| Bank Account Number | |
| Bank's Name | |
| Branch Name and Address | |

It is stated that the above mentioned information is correct and that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

.........................................

Signature of the Transferee(s)

9. (1) Subject to the restrictions contained in regulation 10 and 11, the directors shall not refuse to transfer any share unless the transfer deed is defective or invalid. The directors may also suspend the registration of transfers during the ten days immediately preceding a general meeting or prior to the determination of entitlement or rights of the shareholders by giving seven days' previous notice in the manner provided in the Act. The directors may, in case of shares in physical form, decline to recognise any instrument of transfer unless—

a) a fee not exceeding fifty rupees as may be determined by the directors is paid to the Company in respect thereof; and

b) the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may

(Mandatory in case of a listed Company or optional for any other Company)

It is requested that all my cash dividend amounts declared by the Company, may be credited into the following bank account:

| | |
|---|---|
| Tile of Bank Account | |
| Bank Account Number | |
| Bank's Name | |
| Branch Name and Address | |

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

.........................................

Signature of the Transferee(s)

9. (1) Subject to the restrictions contained in regulation 10 and 11, the directors shall not refuse to transfer any share unless the transfer deed is defective or invalid. The directors may also suspend the registration of transfers during the ten days immediately preceding a general meeting or prior to the determination of entitlement or rights of the shareholders by giving seven days' previous notice in the manner provided in the Act. The directors may, in case of shares in physical form, decline to recognise any instrument of transfer unless—

a) a fee not exceeding fifty rupees as may be determined by the directors is paid to the Company in respect thereof; and

b) the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

| | |
|---|---|
| reasonably require to show the right of the transferor to make the transfer.<br>(2) If the directors refuse to register a transfer of shares, they shall within fifteen days after the date on which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.<br>Provided that the Company shall, where the transferee is a central depository the refusal shall be conveyed within five days from the date on which the instrument of transfer was lodged with it notify the defect or invalidity to the transferee who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the Company. | (2) If the directors refuse to register a transfer of shares, they shall within fifteen days after the date on which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.<br>Provided that the Company shall, where the transferee is a central depository, the refusal shall be conveyed within five days from the date on which the instrument of transfer was lodged with it notify the defect or invalidity to the transferee who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the Company. |
| **TRANSMISSION OF SHARES** | **TRANSMISSION OF SHARES** |
| 10. The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognised by the Company to deal with the share in accordance with the law. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the Company to deal with the share in accordance with the law. | 10. The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognised by the Company to deal with the share in accordance with the law. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the Company to deal with the share in accordance with the law. |
| 11. The shares or other securities of a deceased member shall be transferred on application duly supported by succession certificate or by lawful award, as the case may be, in favour of the successors to the extent of their interests and their names shall be entered to the register of members. | 11. The shares or other securities of a deceased member shall be transferred on application duly supported by succession certificate or by lawful award, as the case may be, in favour of the successors to the extent of their interests and their names shall be entered to the register of members. |
| 12. A person may on acquiring interest in a Company as member, represented by shares, at any time after acquisition of such interest deposit with the Company a nomination conferring on a person, being the relatives of the member, namely, a spouse, father, mother, brother, sister | 12. A person may on acquiring interest in a Company as member, represented by shares, at any time after acquisition of such interest deposit with the Company a nomination conferring on a person, being the relatives of the member, namely, a spouse, father, mother, brother, sister and son or daughter, the right |

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| and son or daughter, the right to protect the interest of the legal heirs in the shares of the deceased in the event of his death, as a trustee and to facilitate the transfer of shares to the legal heirs of the deceased subject to succession to be determined under the Islamic law of inheritance and in case of non-Muslim members, as per their respective law. | to protect the interest of the legal heirs in the shares of the deceased in the event of his death, as a trustee and to facilitate the transfer of shares to the legal heirs of the deceased subject to succession to be determined under the Islamic law of inheritance and in case of non-Muslim members, as per their respective law. |
| 13. The person nominated under regulation 12 shall, after the death of the member, be deemed as a member of Company till the shares are transferred to the legal heirs and if the deceased was a director of the Company, not being a listed Company, the nominee shall also act as director of the Company to protect the interest of the legal heirs. | 13. The person nominated under regulation 12 shall, after the death of the member, be deemed as a member of Company till the shares are transferred to the legal heirs and if the deceased was a director of the Company, not being a listed Company, the nominee shall also act as director of the Company to protect the interest of the legal heirs. |
| 14. A person to be deemed as a member under regulation 11, 12 and 13 to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share and exercise any right conferred by membership in relation to meetings of the Company. | 14. A person to be deemed as a member under regulation 11, 12 and 13 to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share and exercise any right conferred by membership in relation to meetings of the Company. |
| **ALTERATION OF CAPITAL** | **ALTERATION OF CAPITAL** |
| 15. The Company may, by special resolution-<br>(a) increase its authorised capital by such amount as it thinks expedient;<br>(b) consolidate and divide the whole or any part of its share capital into shares of larger amount than its existing shares;<br>(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;<br>(d) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled. | 15. The Company may, by special resolution-<br>(a) increase its authorised capital by such amount as it thinks expedient;<br>(b) consolidate and divide the whole or any part of its share capital into shares of larger amount than its existing shares;<br>(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;<br>(d) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled.<br>**(e ) Conditions for the issuance of new shares.**<br>Subject to any special rights or privileges for the time being attached to any issued shares, the shares in the capital of the Company for the time being remaining unissued, including any new shares resulting from an increase in the authorised share capital, shall be at the disposal of the Directors who may allot or otherwis[illegible] of |

the same to such persons, subject to the provisions of Article 15(f), on such terms and conditions, with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no such direction be given, as the Directors shall determine either at par or at premium or subject to section 82 of the Act at a discount, with power to the Directors to give any person the right to call for and be allotted shares of any class of the Company at par or at a premium or, subject as aforesaid, at a discount, such option being exercisable at such times and in such manner and for such consideration, as the Directors think fit.

**(f) Shares to be offered to existing Members.**

The Directors may from time to time increase the issued share capital by such sum as they think fit. All shares intended to be issued by the Directors shall, before issue be offered to the Members strictly in proportion to the amount of the issued shares held by each Member (irrespective of class); provided that fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to such of the entitled Members as may have accepted such offer. Such offer shall be made by notice specifying the number of shares offered, and limiting a time not being less that fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may, as provided in Section 83(1)(a)(iv) of the Act, dispose of the same in such manner as they think most beneficial to the Company within the time period provided under the Act. In respect of each such offer of shares the Directors shall comply with the provisions of Section 83 of the Act and in particular with the provisions of sub-sections (2), (3), and (7) thereof. Any difficulty in the apportionment of shares amongst the Members, shall, in the absence of

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| | any directions given by the Company in General Meeting, be determined by the Directors.<br><br>(g) The Company may consolidate and dispose of fractional bonus shares on the stock exchange and donate the net proceeds to charity as may be decided by the Board of Directors of the Company. |
| 16. Subject to the provisions of the Act, all new shares shall at the first instance be offered to such persons as at the date of the offer are entitled to such issue in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by letter of offer specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will deem to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this regulation. | 16. Subject to the provisions of the Act, all new shares shall at the first instance be offered to such persons as at the date of the offer are entitled to such issue in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by letter of offer specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will deem to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this regulation. |
| 17. The new shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the shares in the original share capital. | 17. The new shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the shares in the original share capital. |
| 18. The Company may, by special resolution-<br><br>a. consolidate and divide its share capital into shares of larger amount than its existing shares;<br><br>b. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of section 85;<br><br>c. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. | 18. The Company may, by special resolution-<br><br>a. consolidate and divide its share capital into shares of larger amount than its existing shares;<br><br>b. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of section 85;<br><br>c. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. |

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| 19. The Company may, by special resolution, reduce its share capital in any manner and with, and subject to confirmation by the Court and any incident authorised and consent required, by law. | 19. The Company may, by special resolution, reduce its share capital in any manner and with, and subject to confirmation by the Court and any incident authorised and consent required, by law. |
| **GENERAL MEETINGS** | **GENERAL MEETINGS** |
| 20. The statutory general meeting of the Company shall be held within the period required by section 131. | 20. The statutory general meeting of the Company shall be held within the period required by section 131. |
| 22. All general meetings of a Company other than the statutory meeting or an annual general meeting mentioned in sections 131 and 132 respectively shall be called extraordinary general meetings. | 22. All general meetings of a Company other than the statutory meeting or an annual general meeting mentioned in sections 131 and 132 respectively shall be called extraordinary general meetings. |
| 23. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 133. If at any time there are not within Pakistan sufficient directors capable of acting to form a quorum, any director of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors. | 23. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 133. If at any time there are not within Pakistan sufficient directors capable of acting to form a quorum, any director of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors. |
| 24.The members holding ten percent of the total paid up capital or such other percentage of the paid up capital as may be specified, are resident in any other city, the Company shall provide the facility of video-link to such members for attending annual general meeting of the Company, if so required by such members in writing to the Company at least seven days before the date of the meeting. | 24. For the members holding ten percent of the total paid up capital or such other percentage of the paid-up capital as may be specified, and are resident in any other city, the Company shall provide the facility of video-link to such members for attending annual general meeting of the Company, if so required by such members in writing to the Company at least seven days before the date of the meeting. |
| 25. Twenty-one days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner provided by the Act for the general meeting, to such persons as are, under the Act or the regulations of the Company, entitled to receive such notice from the Company; but the accidental omission to | 25. Twenty-one days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner provided by the Act for the general meeting, to such persons as are, under the Act or the regulations of the Company, entitled to receive such notice from the Company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting. |

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| give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting. | |
| 26. All the business transacted at a general meeting shall be deemed special other than the business stated in sub-section (2) of section 134 namely; the consideration of financial statements and the reports of the board and auditors, the declaration of any dividend, the election and appointment of directors in place of those retiring, and the appointment of the auditors and fixing of their remuneration.<br>(a) No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business. The quorum of the general meeting shall be not less than ten members present personally, or through video-link who represent not less than twenty-five percent of the total voting power, either of their own account or as proxies; | 26. All the business transacted at a general meeting shall be deemed special other than the business stated in sub-section (2) of section 134 namely, the consideration of financial statements and the reports of the board and auditors, the declaration of any dividend, the election and appointment of directors in place of those retiring, and the appointment of the auditors and fixing of their remuneration.<br>(a) No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business. The quorum of the general meeting shall be not less than ten members present personally, or through video-link who represent not less than twenty-five percent of the total voting power, either of their own account or as proxies; |
| 27. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than two, shall be a quorum. | 27.If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than two, shall be a quorum. |
| 28. The chairman of the board of directors, if any, shall preside as chairman at every general meeting of the Company, but if there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any one of the directors present may be elected to be chairman, and if none of the directors is present, or willing to act as chairman, the members present shall choose one of their number to be chairman. | 28. The chairman of the board of directors, if any, shall preside as chairman at every general meeting of the Company, but if there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any one of the directors present may be elected to be chairman, and if none of the directors is present, or willing to act as chairman, the members present shall choose one of their number to be chairman. |
| 29.The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen days or more, notice of the adjourned meeting | 29 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to |

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| shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| 30. (1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.<br>(2) At any general meeting, the Company shall transact such businesses as may be notified by the Commission, only through postal ballot. | 30. (1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.<br>(2) At any general meeting, the Company shall transact such businesses as may be notified by the Commission, only through postal ballot. |
| 30 A. This Article shall only be applicable for the purposes of electronic voting.<br>(II) The Company shall comply with the mandatory requirements of law regarding the use of electronic voting by its members in General Meetings. Members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article. | 31. This Article shall only be applicable for the purposes of electronic voting.<br>(II) The Company shall comply with the mandatory requirements of law regarding the use of electronic voting by its members in General Meetings. Members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article. |
| 31. A poll may be demanded only in accordance with the provisions of section 143. | 32. A poll may be demanded only in accordance with the provisions of section 143. |
| 32. If a poll is duly demanded, it shall be taken in accordance with the manner laid down in sections 144 and 145 and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. | 33. If a poll is duly demanded, it shall be taken in accordance with the manner laid down in sections 144 and 145 and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. |
| 33. A poll demanded on the election of chairman or on a question of adjournment shall be taken at once. | 34 A poll demanded on the election of chairman or on a question of adjournment shall be taken at once. |
| 34. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall have and exercise a second or casting vote. | 35. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall have and exercise a second or casting vote. |
| **VOTES OF MEMBERS** | **VOTES OF MEMBERS** |
| 35. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall | 36. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on |

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| have one vote except for election of directors in which case the provisions of section 159 shall apply. On a poll every member shall have voting rights as laid down in section 134. | a show of hands every member present in person shall have one vote except for election of directors in which case the provisions of section 159 shall apply. On a poll every member shall have voting rights as laid down in section 134. |
| 36. In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy or through video-link shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members. | 37. In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy or through video-link shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members. |
| 37. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll or through video link, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. | 38. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll or through video link, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. |
| 38. On a poll votes may be given either personally or through video-link, by proxy or through postal ballot:<br><br>Provided that nobody corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 138 is in force. | 39. On a poll, votes may be given either personally or through video-link, by proxy or through postal ballot:<br><br>Provided that nobody corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 138 is in force. |
| 39. (1) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing.<br><br>(2) The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. | 40. (1) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing.<br><br>(2) The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. |
| 40. An instrument appointing a proxy may be in the following form, or a form as near thereto as may be: | 41. An instrument appointing a proxy may be in the following form, or a form as near thereto as may be: |
| **INSTRUMENT OF PROXY** | **INSTRUMENT OF PROXY** |
| Unity Foods Limited<br>"I ............................................ s/o ............................................ r/o ...................................................................being a member of the Unity Foods Limited, hereby appoint ........................................... r/o ...................................................................as my proxy to<br>attend and vote on my behalf at the (statutory, annual, extraordinary, as the case may be) general | Unity Foods Limited<br>"I ............................................ s/o ............................................ r/o ...................................................................being a member of the Unity Foods Limited, hereby appoint ........................................... r/o ...................................................................as my proxy to attend and vote on my behalf at the (statutory, annual, extraordinary, as the case may be) general meeting of the Company to be held on the.................day of...................................., 20...... and at |

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| meeting of the Company to be held on the................day of..................................., 20......, and at any adjournment thereof." | any adjournment thereof." |
| 41. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used. | 42. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used. |
| **DIRECTORS** | **DIRECTORS** |
| **42. The following subscribers of the memorandum of association shall be the first directors of the Company, so, however, that the number of directors shall not in any case be less than that specified in section 154 and they hold office until the election of directors in the first annual general meeting.** | **43. The following subscribers of the memorandum of association shall be the first directors of the Company, so, however, that the number of directors shall not in any case be less than that specified in section 154 and they hold office until the election of directors in the first annual general meeting.** |
| i. MR. NASIR MUSHTAQ VOHRA | **MR. NASIR MUSHTAQ VOHRA** |
| ii. MRS. GULSHAD BEGUM | **MRS. GULSHAD BEGUM** |
| 43. The remuneration of the directors shall from time to time be determined by the Company in general meeting subject to the provisions of the Act. | 44. The remuneration and other benefits of the directors including the Chief Executive Officer shall from time to time be determined by the Company in Board meeting subject to the provisions of the Act. |
| 44. Save as provided in section 153, no person shall be appointed as a director unless he is a member of the Company holding 500 qualification shares. | 45. Save as provided in section 153, no person shall be appointed as a director unless he is a member of the Company holding 1 qualification share. |
| **POWERS AND DUTIES OF DIRECTORS** | **POWERS AND DUTIES OF DIRECTORS** |
| 45. The business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the directors | 46. The business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general |

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| which would have been valid if that regulation had not been made. | meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made. |
| 46. The directors shall appoint a chief executive in accordance with the provisions of sections 186 and 187. | 47. The directors shall appoint a chief executive in accordance with the provisions of sections 186 and 187. |
| 47. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the Company (otherwise than by the issue of share capital) shall not at any time, without the sanction of the Company in general meeting, exceed the issued share capital of the Company. | 45. ~~The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the Company (otherwise than by the issue of share capital) shall not at any time, without the sanction of the Company in meeting, exceed the issued share capital of the Company.~~ |
| 48.The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the Company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein. | 48.The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the Company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein. |
| **MINUTE BOOKS** | **MINUTE BOOKS** |
| 49. The directors shall cause records to be kept and minutes to be made in book or books with regard to-<br>(a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and Committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or Committee of directors shall put his signature in a book to be kept for that purpose;<br>(b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and<br>(c) all orders made by the directors and Committee(s) of directors:<br><br>Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately | 49. The directors shall cause records to be kept and minutes to be made in book or books with regard to-<br>(a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and Committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or Committee of directors shall put his signature in a book to be kept for that purpose;<br>(b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and<br>(c ) all orders made by the directors and Committee(s) of directors:<br><br>Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately rendered into writing as part of the minute books according to the said regulations. |

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| rendered into writing as part of the minute books according to the said regulations. | |
| **THE SEAL** | **THE SEAL** |
| 50.The directors shall provide for the safe custody of the seal and the seal shall not be affixed to any instrument except by the authority of a resolution of the board of directors or by a committee of directors authorized in that behalf by the directors and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. | 50.The directors shall provide for the safe custody of the seal and the seal shall not be affixed to any instrument except by the authority of a resolution of the board of directors or by a committee of directors authorized in that behalf by the directors and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. |
| **DISQUALIFICATION OF DIRECTORS** | **DISQUALIFICATION OF DIRECTORS** |
| 51.No person shall become the director of a Company if he suffers from any of the disabilities or disqualifications mentioned in section 153 or disqualified or debarred from holding such office under any of the provisions of the Act as the case may be and, if already a director, shall cease to hold such office from the date he so becomes disqualified or disabled:<br><br>Provided, however, that no director shall vacate his office by reason only of his being a member of any Company which has entered into contracts with, or done any work for, the Company of which he is director, but such director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted. | 51.No person shall become the director of a Company if he suffers from any of the disabilities or disqualifications mentioned in section 153 or disqualified or debarred from holding such office under any of the provisions of the Act as the case may be and, if already a director, shall cease to hold such office from the date he so becomes disqualified or disabled:<br><br>Provided, however, that no director shall vacate his office by reason only of his being a member of any Company which has entered into contracts with, or done any work for, the Company of which he is director, but such director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted. |
| **PROCEEDINGS OF DIRECTORS** | **PROCEEDINGS OF DIRECTORS** |
| 52. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors. Notice sent to a director through email whether such director is in Pakistan or outside Pakistan shall be a valid notice. | 52. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors. Notice sent to a director through email whether such director is in Pakistan or outside Pakistan shall be a valid notice. |
| 53. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the directors present may choose one of their number to be chairman of the meeting. | 53.The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the directors present may choose one of their number to be chairman of the meeting. |
| 54.At least one-third (1/3rd) of the total number of directors or four (4) directors whichever is higher, for the time being of the Company, present personally or | 54.At least one-third (1/3rd) of the total number of directors or four (4) directors whichever is higher, for the time being |

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| through video-link or by other audio visual means, shall constitute a quorum. | of the Company, present personally or through video-link or by other audio-visual means, shall constitute a quorum. |
| 55. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video-link, each director having one vote. In case of an equality of votes or tie, the chairman shall have a casting vote in addition to his original vote as a director. | 55. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video-link, each director having one vote. In case of an equality of votes or tie, the chairman shall have a casting vote in addition to his original vote as a director. |
| 56.The directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on them by the directors. | 56.The directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on them by the directors. |
| 57.(1) A committee may elect a chairman of its meetings; but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their member to be chairman of the meeting.<br>(2) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote. | 57.(1) A committee may elect a chairman of its meetings; but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their member to be chairman of the meeting.<br>(2) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote. |
| 58. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director. | 58. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director. |
| 59. A copy of the draft minutes of meeting of the board of directors shall be furnished to every director within seven working days of the date of meeting. | 59. A copy of the draft minutes of meeting of the board of directors shall be furnished to every director within ~~seven~~ fourteen ~~working~~ days of the date of meeting. |
| 60. A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held. | 60. A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held. |
| **FILLING OF VACANCIES** | **FILLING OF VACANCIES** |

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| 61. At the first annual general meeting of the Company, all the directors shall stand retired from office, and directors shall be elected in their place in accordance with section 159 for a term of three years. | 61. At the first annual general meeting of the Company, all the directors shall stand retired from office, and directors shall be elected in their place in accordance with section 159 for a term of three years. |
| 62. A retiring director shall be eligible for re-election. | 62. A retiring director shall be eligible for re-election. |
| 63.The directors shall comply with the provisions of sections 154 to 159 and sections 161, 162 and 167 relating to the election of directors and matters ancillary thereto. | 63.The directors shall comply with the provisions of sections 154 to 159 and sections 161, 162 and 167 relating to the election of directors and matters ancillary thereto. |
| 64. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is chosen was last elected as director. | 64.Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is chosen was last elected as director. |
| 65.The Company may remove a director but only in accordance with the provisions of the Act. | 65.The Company may remove a director but only in accordance with the provisions of the Act. |
| **DIVIDENDS AND RESERVE** | **DIVIDENDS AND RESERVE** |
| 66.The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the directors. | 66.The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the directors. |
| 67. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company. | 67. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company. |
| 68. Any dividend may be paid by a Company either in cash or in kind only out of its profits. The payment of dividend in kind shall only be in the shape of shares of listed Company held by the distributing Company. | 68. Any dividend may be paid by a Company either in cash or in kind only out of its profits. The payment of dividend in kind shall only be in the shape of shares of listed Company held by the distributing Company. |
| 69. Dividend shall not be paid out of unrealized gain on investment property credited to profit and loss account. | 69. Dividend shall not be paid out of unrealized gain on investment property credited to profit and loss account. |
| 70. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares. | 70. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares. |
| 71. (1) The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of Company or be invested in such investments (other than shares of the Company) as the directors may, | 71. (1) The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of Company or be invested in such investments (other than shares of the Company) as the directors may, subject to the provisions of the Act, from time to time think fit. |

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| subject to the provisions of the Act, from time to time think fit.<br>(2) The directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve. | (2) The directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve. |
| 72. If several persons are registered as joint-holders of any share, any one of them may give effectual receipt for any dividend payable on the share. | 72. If several persons are registered as joint holders of any share, any one of them may give effectual receipt for any dividend payable on the share. |
| 73. (1) Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein but, in the case of a public Company, the Company may give such notice by advertisement in a newspaper circulating in the Province in which the registered office of the Company is situate.<br>(2) Any dividend declared by the Company shall be paid to its registered shareholders or to their order. The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholders entitled to the payment of the dividend, as per their direction. | 73. (1) Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein but, in the case of a public Company, the Company may give such notice by advertisement in a newspaper circulating in the province in which the registered office of the Company is situate.<br>(2) Any dividend declared by the Company shall be paid to its registered shareholders or to their order. The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholders entitled to the payment of the dividend, as per their direction. |
| 74. The dividend shall be paid within the period laid down under the Act. | 74. The dividend shall be paid within the period laid down under the Act. |
| **ACCOUNTS** | **ACCOUNTS** |
| 75. The directors shall cause to be kept proper books of account as required under section 220. | 75. The directors shall cause to be kept proper books of account as required under section 220. |
| 76. The books of account shall be kept at the registered office of the Company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours. | 76. The books of account shall be kept at the registered office of the Company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours. |
| 77. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account and book or papers of the Company except as conferred by law or authorised by the directors or by the Company in general meeting. | 77. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account and book or papers of the Company except as conferred by law or authorised by the directors or by the Company in general meeting. |
| 78. The directors shall as required by sections 223 and 226 cause to be prepared and to be laid before the Company in general meeting the financial statements duly audited and reports as are referred to in those sections. | 78. The directors shall, as required by sections 223 and 226 cause to be prepared and to be laid before the Company in general meeting the financial statements duly audited and reports as are referred to in those sections. |
| 79. The financial statements and other reports referred to in regulation 80 shall be made out in every | 79. The financial statements and other reports referred to in regulation 80 shall be made out in every [illegible] laid |

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| year and laid before the Company in the annual general meeting in accordance with sections 132 and 223. | before the Company in the annual general meeting in accordance with sections 132 and 223. |
| 80. A copy of the financial statements and reports of directors and auditors shall, at least twenty-one days preceding the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder. | 80. A copy of the financial statements and reports of directors and auditors shall, at least twenty-one days preceding the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder. |
| 81. The directors shall in all respect comply with the provisions of sections 220 to 227. | 81. The directors shall in all respect comply with the provisions of sections 220 to 227. |
| 82. Auditors shall be appointed and their duties regulated in accordance with sections 246 to 249. | 82. Auditors shall be appointed and their duties regulated in accordance with sections 246 to 249. |
| **NOTICES** | **NOTICES** |
| 83. (1) A notice may be given by the Company to any member to his registered address or if he has no registered address in Pakistan to the address, if any, supplied by him to the Company for the giving of notices to him against an acknowledgement or by post or courier service or through electronic means or in any other manner as may be specified by the Commission.<br>(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter will be delivered in the ordinary course of post. | 83. (1) A notice may be given by the Company to any member to his registered address or if he has no registered address in Pakistan to the address, if any, supplied by him to the Company for the giving of notices to him against an acknowledgement or by post or courier service or through electronic means or in any other manner as may be specified by the Commission.<br>(2) Where a notice is sent by post, service of the notice shall be deemed to be affected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been affected at the time at which the letter will be delivered in the ordinary course of post. |
| 84. A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share. | 84. A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share. |
| 85. A notice may be given by the Company to the person entitled to a share in consequence of the death or insolvency of a member in the manner provided under regulation 85 addressed to them by name, or by the title or representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, supplied for the purpose by the person claiming to be so entitled. | 85. A notice may be given by the Company to the person entitled to a share in consequence of the death or insolvency of a member in the manner provided under regulation 85 addressed to them by name, or by the title or representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, supplied for the purpose by the person claiming to be so entitled. |
| 86. Notice of every general meeting shall be given in the manner hereinbefore authorised to (a) every member of the Company and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting, and (c) to the auditors of the Company for | 86. Notice of every general meeting shall be given in the manner hereinbefore authorised to (a) every member of the Company and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting, and (c) to the auditors of the Company for |

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| the time being and every person who is entitled to receive notice of general meetings. | the time being and every person who is entitled to receive notice of general meetings. |
| **WINDING UP** | **WINDING UP** |
| 87. (1) In the case of members' voluntary winding up, with the sanction of a special resolution of the Company, and, in the case of creditors' voluntary winding up, of a meeting of the creditors, the liquidator shall exercise any of the powers given by sub-section (1) of section 337 of the Act to a liquidator in a winding up by the Court including *inter-alia* divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they consist of property of the same kind or not.<br>(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.<br>(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. | 87. (1) In the case of members' voluntary winding up, with the sanction of a special resolution of the Company, and, in the case of creditors' voluntary winding up, of a meeting of the creditors, the liquidator shall exercise any of the powers given by sub-section (1) of section 337 of the Act to a liquidator in a winding up by the Court including *Inter-alia* divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they consist of property of the same kind or not.<br>(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.<br>(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. |
| **DISPUTE RESOLUTION** | **DISPUTE RESOLUTION** |
| 88. In the event that a dispute, claim or controversy arises between the Company, its management or its shareholders, or between the shareholders inter-se, or the directors inter-se, all steps shall be taken to settle the dispute and resolve the issue through mediation by an accredited mediator before taking recourse to formal dispute resolution such as arbitration or litigation. | 88. In the event that a dispute, claim or controversy arises between the Company, its management or its shareholders, or between the shareholders inter-se, or the directors inter-se, all steps shall be taken to settle the dispute and resolve the issue through mediation by an accredited mediator before taking recourse to formal dispute resolution such as arbitration or litigation. |
| **INDEMNITY** | **INDEMNITY** |
| 89. Every officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court. | 89. Every officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court. |

We, the several persons whose named are subscribed are desirous of being formed into

| Names, Father's Name & Addresses | Nationality with Former Nationality if any | Occupation | No. of Shares taken by each Subscriber | Signature of Subscriber |
|---|---|---|---|---|
| 1. Mr. Nasir Mushtaq Vohra<br>S/o Mushtaq Ahmed Vohra<br>F-26, 5th Gizri Street,<br>Phase IV, D.H.A, Karachi. | Pakistani | Business | 100 | |
| 2. Mrs. Gulshad Begum<br>W/o Mushtaq Ahmed Vohra<br>F-26, 5th Gizri Street,<br>Phase IV, D.H.A, Karachi. | Pakistani | Business | 100 | |
| Total | | | 200 | |

a Company in accordance with these Articles of Association, and we respectively agree to take the number of shares in the Capital of the Company set to opposite our respective names: -

Karachi, dated

Names, Father's Name, Nationality, Addresses and Occupation of Witness

Mr. Abdul Rashid Khan (Pakistani)
S/o Abdul Wahid Khan
A.R. Khan & Co.
Chartered Accountants
407, Commerce Centre
Hasrat Mohani Road
Karachi.

**Naveed Zafar Ashfaq Jaffery & Co.**
Chartered Accountants

A Member firm of
PrimeGlobal

1st Floor, Modern Motors House,
Beaumont Road, Karachi-Pakistan
Ph: +92-21-35671909, 35673754
Fax: +92-21-35210626
E-mail: khi@nzaj.com.pk
Web: www.nzaj.com.pk


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

## INDEPENDENT AUDITORS'S REVIEW REPORT

To the members of Unity Foods Limited

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** (the Company) for the year ended June, 30 2021 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 2021.

**Chartered Accountants**
Engagement Partner: **Ahsan Elahi Vohra– FCA**

Karachi :
Dated : October 06, 2021

UNITY FOODS LIMITED
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## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **UNITY FOODS LIMITED**

Year Ending : **JUNE 30, 2021**

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 : Five
   b. Female : Two

2. The Composition of the Board is as follows:

| CATEGORY | NAMES |
|---|---|
| a) Independent Directors | Mr. Sulaiman Sadruddin Mehdi<br>Mr. Saad Amanullah Khan<br>Mr. Muneer S. Godil<br>Ms. Tayyaba Rasheed |
| b) Other Non-Executive Directors | Mr. Abdul Majeed Ghaziani<br>Ms. Lie Hong Hwa |
| c) Executive Director | Mr. Muhammad Farrukh |

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Unity Foods Limited.

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. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

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

9. Company stands complied with the requirement of Six directors out of Seven has already completed Directors Training Program (DTP) as prescribed under the sub – clause 1(ii) of regulation no. 19 of the Code of Corporate Governance Regulations, 2019.

*Only one remaining Director namely Ms. Lie Hong Hwa appointed on June 21, 2021 will have to complete the Directors Training Programme (DTP) within the Time limit under the said Regulation.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

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

12. The Board has formed committees comprising of members given below.

| Name of Committee | Name of Members and Chairman |
|---|---|
| Audit Committee | a) Mr. Saad Amanullah Khan (Independent Director) – Chairman<br>b) Mr. Abdul Majeed Ghaziani – Member<br>c) Mr. Muneer S. Godil -Member<br>d) Ms. Tayyaba Rasheed -Member |
| Human Resource and Remuneration Committee | a) Ms. Tayyaba Rasheed (Independent Director) – Chairman<br>b) Mr. Saad Amanullah Khan – Member<br>c) Mr. Abdul Majeed Ghaziani-Member<br>d) Mr. |
| Investment Committee | a) Mr. Sulaiman Sadruddin Mehdi (Independent Director) – Chairman<br>b) Ms. Tayyaba Rasheed -Member<br>c) Mr. Abdul Majeed Ghaziani (Independent Director) – Member |

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

UNITY FOODS LIMITED

food for life

14. The frequency of meetings (quarterly/ half yearly/ yearly) of the committee were as following:

| | |
|---|---|
| a. Audit committee | Four Meetings during the year |
| b. HR and Remuneration Committee | One Meeting 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 3,6,7,8,28,33,34 of the Regulations have been complied with.

**Abdul Majeed Ghaziani**
Director

**Muhammad Farrukh**
**Chief Executive**

Karachi :

**Dated** : October 06, 2021

**Naveed Zafar Ashfaq Jaffery & Co.**
Chartered Accountants
A Member firm of
PrimeGlobal

1st Floor, Modern Motors House,
Beaumont Road, Karachi-Pakistan
Ph: +92-21-35671909 35673754
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Web: www.nzaj.com.pk

# 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, 2021, 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, 2021 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.

Following are the key audit matter(s):

| S. No | Key audit matter(s) | How the matter was addressed in our audit |
|---|---|---|
| 01 | **Property, Plant and Equipment**<br><br>As disclosed in note 6.1 and 6.5 to the | Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the |

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| | unconsolidated financial statements, the Company has incurred substantial amount of capital expenditure of Rs. 3.137 billion and Rs. 4.471 billion in CWIP during the year for enhancement of production and operating capacity.<br><br>We focused on capital expenditure incurred during the year as this represents a significant transaction 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. | following:<br><br>• 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 impaling policies consistently<br><br>• testing, on sample basis, the costs incurred on various items with supporting documentation and contracts;<br><br>• 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; and<br><br>• 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.<br><br>• 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. |
| **02** | **Long term investment**<br><br>Refer to note 9 of the unconsolidated financial statements, the Company has acquired 31% ownership in Sunridge Foods (Private) Limited making Sunridge Foods (Private) Limited a wholly-owned subsidiary of Unity Foods Limited.<br><br>We focused on the investment made during the year as this represents a significant event occurred during the year. | Our audit procedures included the following:<br>• 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;<br>• verifying the consideration paid and inspecting supporting documents and contracts and approval at appropriate level;<br>and<br>• assessing the adequacy of the disclosures made in respect of the |

| | | |
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| | | details of investments held by the Company at the year end. |
| **03** | **Stock in trade**<br><br>As disclosed in note 10 to the accompanying unconsolidated financial statements, the stock in trade balance has been substantially increased and constitutes 25.3% 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.<br><br>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. | We performed a range of audit procedures with respect to inventory items including:<br><br>• physical observation of inventory counts;<br>• testing valuation methods and their appropriateness in accordance with the applicable accounting standards;<br>• 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; and<br><br>• assessment of 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. |
| **04** | **Trade Debts**<br><br>Refer to note 11 to the unconsolidated financial statements.<br><br>As at 30 June 2021, the Company's gross trade debtors were Rs. 12,307.034 million<br><br>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. | Our audit procedures to assess the valuation of trade debts, amongst others, included the following:<br><br>• 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.;<br><br>• 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;<br><br>• circularizing direct confirmation to debtors<br><br>on sample basis<br><br>• assessing the historical accuracy of Credit loss if any under IFRS 9 by |

| | | |
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| | | examining the utilization or release of previously recorded provisions for doubtful debts. |
| **05** | **Short term Investment**<br><br>As disclosed in note 13 to the accompanying unconsolidated financial statements, the Company has made investments in Mutual fund units and Term Deposit Receipts amounting to Rs. 6,858.99 million which constitutes 16% of total assets of the Company.<br><br>We focused on the investment made during the year as this represents a significant event occurred during the year. | Our audit procedures included the following:<br>• 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;<br>• verifying the consideration paid and inspecting supporting documents and contracts and approval at appropriate level;<br>and<br>• assessing the adequacy of the disclosures made in respect of the details of investments held by the Company at the year end. |

| | | |
|---|---|---|
| **06** | **Sales**<br><br>Refer to note 24 to the unconsolidated financial statements which shows that revenue of the company has substantially increased.<br><br>The Company recognized revenue of Rs. 66,400.97 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2021 as compared to Rs. 29,872.02 million previous year.<br><br>We identified recognition of sales as a key audit matter because sales is 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 | Our audit procedures to assess recognition of sales, amongst others, included the following:<br><br>• 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;<br><br>• assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;<br><br>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;<br><br>• 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; |

| | | |
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| | | • comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and<br><br>• 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 |
| 07 | **Borrowings and finance costs**<br><br>Refer notes 22 and 30 to the unconsolidated financial statements.<br><br>The Company has obtained a range of financing facilities from different financial institutions with varying terms and tenure and incurred substantial cost.<br><br>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. | Our audit procedures included the following:<br><br>• 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;<br><br>• obtaining confirmations of borrowings as at 30 June 2021 directly from the financial institutions;<br><br>• 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<br><br>• assessing the adequacy of the Company's compliance with the loan covenants and the disclosure in the unconsolidated financial statements. |
| 08 | **The Company's exposure to litigation risk**<br><br>On 24 May 2018 the Company and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on Loan write off pertaining to the period 2007. The former management on their own behalf and on behalf of the Company have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that the due amounts were paid by the then | Our procedures in relation to this matter included:<br><br>• Obtaining and reviewing details of the significant pending legal case and discussed the same with Company's management;<br><br>• Circulation of confirmations to the company's external legal counsel for their views on open legal/tax matters ;<br><br>• Reviewing correspondence of the |

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| | management to National bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Company. Accordingly, no provisioning has been provided in these unconsolidated financial statements.<br><br>Due to the uncertainty involved in the outcome of this case we have identified this as key audit matter. | company with the relevant authorities ;<br><br>• Evaluation of rationale provided by the company and opinion of the external legal counsel<br><br>• Reviewing the disclosures made in the unconsolidated financial statements in respect of such contingencies |

**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:

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

- the statement of financial position, the statement of profit or loss, 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;

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ahsan Elahi Vohra.

**Chartered Accountants**

Karachi
Date : October 06, 2021

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## UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
**As at June 30, 2021**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 6 | 7,759,129,877 | 3,330,924,966 |
| Right-of-use assets | 7 | 192,881,614 | 88,807,491 |
| Intangible assets | 8 | 9,321,846 | 10,912,981 |
| Long term deposits | | 20,938,286 | 4,436,599 |
| Long term investment | 9 | 827,640,674 | 366,541,770 |
| Deferred taxation - net | 19 | - | 19,150,507 |
| | | 8,809,912,297 | 3,820,774,314 |
| **Current assets** | | | |
| Stock-in-trade | 10 | 10,752,535,480 | 5,048,540,001 |
| Stores and spares | | 38,402,176 | 64,470,283 |
| Trade debts | 11 | 12,290,844,147 | 7,765,666,856 |
| Advances, deposits and prepayments | 12 | 117,644,803 | 86,869,768 |
| Other receivables | | 85,642,353 | 9,753,965 |
| Sales tax receivable | | 400,635,324 | - |
| Taxation - net of provision | | 2,865,729,672 | 1,983,954,200 |
| Short term investments | 13 | 6,858,985,954 | - |
| Cash and bank balances | 14 | 318,042,746 | 163,360,179 |
| | | 33,728,462,655 | 15,122,615,252 |
| **Total assets** | | 42,538,374,952 | 18,943,389,566 |
| **EQUITY AND LIABILITIES** | | | |
| **Share capital and reserves** | | | |
| Share capital | 15 | 9,940,500,000 | 5,440,500,000 |
| Unappropriated profit | | 3,438,779,398 | 409,190,974 |
| | | 13,379,279,398 | 5,849,690,974 |
| **Non-current liabilities** | | | |
| Long term loans | 16 | 163,358,284 | 127,888,256 |
| Lease liabilities | 17 | 107,744,457 | 82,789,524 |
| Deferred government grants | 18 | 10,853,424 | 5,974,419 |
| Deferred taxation - net | 19 | 64,772,714 | - |
| | | 346,728,879 | 216,652,199 |
| **Current liabilities** | | | |
| Current portion of long term loans | 16 | 183,805,051 | 51,023,399 |
| Current portion of lease liabilities | 17 | 98,031,835 | 16,765,785 |
| Current portion of deferred government grants | 18 | 16,074,244 | 11,136,710 |
| Trade and other payables | 20 | 13,631,498,677 | 8,838,121,773 |
| Accrued mark-up | 21 | 188,730,879 | 65,799,695 |
| Short term borrowings | 22 | 14,693,556,982 | 3,892,256,023 |
| Unclaimed dividend | | 669,007 | 747,612 |
| Sales tax payable | | - | 1,195,396 |
| | | 28,812,366,675 | 12,877,046,393 |
| Contingencies and commitments | 23 | | |
| **Total equity and liabilities** | | 42,538,374,952 | 18,943,389,566 |

**The annexed notes from 1 to 44 form an integral part of these annual audited unconsolidated financial statements.**

| | | |
|---|---|---|
| Director | **Chief Executive** | **Chief Financial Officer** |

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## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
**For the Year Ended June 30, 2021**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Net sales | 24 | 66,400,968,204 | 29,872,020,642 |
| Cost of sales | 25 | (61,209,315,624) | (27,847,049,156) |
| **Gross profit** | | 5,191,652,580 | 2,024,971,486 |
| Selling and distribution expenses | 26 | (1,035,076,796) | (690,610,361) |
| Administrative expenses | 27 | (393,197,611) | (219,731,575) |
| Other operating income / (expenses) | 28 | 189,354,485 | (387,940,582) |
| | | (1,238,919,922) | (1,298,282,518) |
| Other income | 29 | 316,520,964 | 8,533,876 |
| **Profit before interest and taxation** | | 4,269,253,622 | 735,222,844 |
| Finance cost | 30 | (880,121,921) | (540,672,554) |
| **Profit before taxation** | | 3,389,131,701 | 194,550,290 |
| **Taxation** | 31 | | |
| Current | | (193,468,988) | - |
| Deferred | | (83,923,221) | 15,078,506 |
| | | (277,392,209) | 15,078,506 |
| **Profit after taxation** | | 3,111,739,492 | 209,628,796 |
| | | | Restated |
| **Basic and diluted earnings per share** | 32 | 3.44 | 0.35 |

The annexed notes from 1 to 44 form an integral part of these annual audited unconsolidated financial statements.

Director | Chief Executive | Chief Financial Officer

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## UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For the Year Ended June 30, 2021**

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| **Profit after taxation** | 3,111,739,492 | 209,628,796 |
| Other comprehensive income | - | - |
| **Total comprehensive income** | 3,111,739,492 | 209,628,796 |

The annexed notes from 1 to 44 form an integral part of these annual audited unconsolidated financial statements.

Director | Chief Executive | Chief Financial Officer

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## UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
**For the Year Ended June 30, 2021**

| | Share capital | Unappropriated profit | Total |
|---|---|---|---|
| | ----------------------------------(Rupees)---------------------------------- | | |
| Balance as at June 30, 2019 | 5,440,500,000 | 253,967,178 | 5,694,467,178 |
| Transactions with owners recorded directly in equity | | | |
| Final dividend @ 1% for the year ended June 30, 2019 | - | (54,405,000) | (54,405,000) |
| Total comprehensive income for the year ended June 30, 2020 | - | 209,628,796 | 209,628,796 |
| Balance as at June 30, 2020 | 5,440,500,000 | 409,190,974 | 5,849,690,974 |
| Transactions with owners recorded directly in equity | | | |
| Issuance of right shares | 4,500,000,000 | - | 4,500,000,000 |
| Transaction cost incurred on issuance of right shares | - | (82,151,068) | (82,151,068) |
| Total comprehensive income for the year ended June 30, 2021 | - | 3,111,739,492 | 3,111,739,492 |
| Balance as at June 30, 2021 | 9,940,500,000 | 3,438,779,398 | 13,379,279,398 |

The annexed notes from 1 to 44 form an integral part of these annual audited unconsolidated financial statements.

Director | Chief Executive | Chief Financial Officer

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## UNCONSOLIDATED STATEMENT OF CASH FLOWS
**For the Year Ended June 30, 2021**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Cash (used in)/ generated from operating activities** | 33 | (1,612,020,684) | 1,383,531,232 |
| Taxes paid | | (1,075,244,460) | (1,272,792,474) |
| Long term deposits paid | | (16,501,687) | (1,048,000) |
| Donations paid | | (18,140,148) | - |
| **Net cash (used in)/ generated from operating activities** | | (2,721,906,979) | 109,690,758 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchases of property, plant and equipment | | (4,602,038,130) | (370,765,853) |
| Proceeds from disposal of property, plant and equipment | | 16,424,089 | - |
| Purchase of intangible assets | | (946,827) | (4,505,008) |
| Investment in shares of the Subsidiary | | (461,098,904) | (366,541,770) |
| Short term investments | | (6,850,000,000) | - |
| Profit received on short term investments | | 171,342,990 | - |
| **Net cash used in investing activities** | | (11,726,316,782) | (741,812,631) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from short term borrowings - net | | 9,809,953,999 | 1,250,974,520 |
| Long term loan received | | 274,860,310 | 196,022,784 |
| Long term loan repaid | | (98,239,460) | - |
| Rentals paid against right-of-use assets | | (73,944,474) | (27,237,381) |
| Lease liabilities - net | | (13,824,648) | - |
| Loan received from related party - net | | - | (179,866,504) |
| Dividend paid | | (78,605) | (54,845,699) |
| Finance cost paid | | (705,016,686) | (503,519,728) |
| Proceeds from issuance of right shares | | 4,500,000,000 | - |
| Transaction cost paid on issuance of right shares | | (82,151,068) | - |
| **Net cash generated from financing activities** | | 13,611,559,368 | 681,527,992 |
| **Net (decrease)/ increase in cash and cash equivalents** | | (836,664,393) | 49,406,119 |
| Cash and cash equivalents at the beginning of the year | 33.1 | (102,132,974) | (151,539,093) |
| **Cash and cash equivalents at the end of the year** | | (938,797,367) | (102,132,974) |

The annexed notes from 1 to 44 form an integral part of these annual audited unconsolidated financial statements.

Director | Chief Executive | Chief Financial Officer

UNITY FOODS LIMITED
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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
**For the Year Ended June 30, 2021**

### 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 |
|---|---|
| **Karachi, Sindh** | |
| - Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S. | Registered Office of the Company |
| - Plot No. A-48, Industrial Zone, Port Qasim. | Oil Refinery |
| **Kotri, District Hyderabad, Sindh** | |
| - Plot No. N-25 & N-27/B, SITE Area. | Edible Oil Extraction Plant, Refinery and Pellitising Mills |
| **Hub, Balochistan** | |
| - Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella. | Soap plant |

1.3 The Company has the following subsidiaries:

| Name | Percentage of shareholding |
|---|---|
| Sunridge Foods (Private) Limited | 100% |

### 2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURRED DURING THE YEAR

**Further acquisition of shares of the Subsidiary**

During the year, the Company has acquired remaining 31% equity (16,467,818 shares of Rs. 10/- each) of Sunridge Foods (Private) Limited, "the Subsidiary" at a price of Rs. 28 per share. Whereas the Company has acquired 69% ownership in Sunridge Foods (Private) Limited during the last financial year. Subsequent to further acquisition of 31% equity, Sunridge Foods (Private) Limited becomes a wholly owned subsidiary of the Company.

The Subsidiary was incorporated in Pakistan as a private limited company on March 16, 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office located at 4th Floor, 73-C, Jami Commercial, Street No. 8 DHA Phase VII, Karachi. The principle activity of the Subsidary is processing of food items.

**Right Issue of share capital**

During the year, the Company issued further 450,000,000/- (Four Hundred Fifty Million) ordinary shares of the Company of Rs. 10/- per share, in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 10/- per share (i.e. at par), in the ratio of approximately 82.71 right shares for every 100 previous existing ordinary share of PKR 10/- each, against payment to the Company of the price of the share subscribed, which shares ranked pari passu in all respects with the previous existing ordinary shares of the Company (the "Right Issue").

The purpose of the Right Issue was to meet the increased working capital requirements of the Company in order to, inter alia, enhance profitability of the Company and, consequentially, the returns to the shareholders. Accordingly, the proceeds from the Right Issue were primarily utilized for meeting the increased working capital requirements of the Company. This has made a positive impact on profitability, thereby enhancing expected returns to the shareholders.

## 3 BASIS OF PREPARATION

### 3.1 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.

### 3.2 Basis of measurement

These annual audited unconsolidated 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.

### 3.3 Functional and presentation currency

These annual audited unconsolidated financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

### 3.4 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 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 most significant effect on the amounts recognized in these annual auditedunconsolidated 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 and amortization (refer note 5.4)
- Stock-in-trade (refer note 5.6)
- Lease liabilities (refer note 5.14)
- Government grant (refer note 5.16)
- Provisions (refer note 5.17)
- Taxation (refer note 5.20)
- Contingent liabilities (refer note 5.21)
- Impairment (refer note 5.24)

3.5 **Impact of COVID-19 on financial statements**

A novel strain of corona virus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various business and resultant liquidity constraints. FMCG sector, the sector in which Company operates, was fortunate enough and was allowed to operate during the pandemic. The Company has also availed Government's scheme for financing wages and salaries and has made required disclosures. Based on the assessment carried out by the management, there is no material financial impact of COVID-19 in these annual audited unconsolidated financial statements.

## 4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

The Company has adopted all the new standards and amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year:

### 4.1 Effective in current year and not relevant to the Company

| | | Effective date (annual periods beginning on or after) |
|---|---|---|
| IFRS 3 | Business Combinations - The amendments narrowed and clarified the definition of a business, the amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. | January 1, 2020 |
| IFRS 16 | Leases - The objective of the amendment is to give timely relief to lessees to Covid-19 - related rent concessions while still enabling them to provide useful information about their leases to investors. | January 1, 2020 |
| IFRS 7 | Financial instruments "disclosures". | January 1, 2020 |
| IFRS 9 | Financial instruments "disclosures". | January 1, 2020 |
| IAS 1 | Presentation of Financial Statements - amendments to its definition of material to make it easier for companies to make materiality judgements. | January 1, 2020 |
| IAS 39 | Financial Instruments: Recognition and Measurement | January 1, 2020 |
| IAS 41 | Agriculture | January 1, 2020 |

The above standards and amendments are not expected to have any material impact on the Company's annual audited unconsolidated financial statements in the period of initial application.

In addition to the above, standards, amendments and improvements to various IFRS have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019 respectively. The Company expects that such improvements to the standards will not have any material impact on the Company's annual audited unconsolidated financial statements in the period of initial application.

### 4.2 International Financial Reporting Standards (IFRS Standards) and amendments that are not yet effective

| | | |
|---|---|---|
| IFRS 16 | COVID-19 - Related Rent Concessions<br><br>The International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. | January 01, 2022 |

| | | |
|---|---|---|
| | Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met: | January 01, 2022 |
| | a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; | |
| | b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and | |
| | c) there is no substantive change to the other terms and conditions of the lease. | |
| | The standard is not likely to have any effect on Company's financial statements. | January 01, 2022 |
| IFRS 3 | Business Combinations - amendments updating a reference to the Conceptual Framework | January 01, 2023 |
| IFRS 4 | Insurance Contracts - Amendments regarding the expiry date of the deferral approach | January 01, 2023 |
| IFRS 9 | Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. | January 01, 2022 |
| IAS 1 | Presentation of Financial Statements - Amendments regarding the classification of current and non-current liabilities. | January 01, 2023 |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates, the standard defines the concept of a "change in accounting estimates". | January 01, 2023 |
| IAS 12 | Income taxes - Amendment regarding to clarify how companies account for deferred tax on leases and decommissioning obligations | January 01, 2023 |
| IAS 16 | Property, plant and equipment - The amendments clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. | January 01, 2022 |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets - The amendments specify the costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous | January 01, 2022 |

The IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after January 01, 2021. The standard is not likely to have any effect on Company's annual audited unconsolidated financial statements.

The following new standards and interpretations have been issued by the IASB, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

| | |
|---|---|
| IFRS 1 | First time adoption of IFRS |
| IFRS 17 | Insurance contracts |

## 5 SIGNIFICANT ACCOUNTING POLICIES

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

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.

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) is charged in the unconsolidated statement of profit or loss as an expense when it is 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 unconsolidated financial statements and is generally charged in the unconsolidated statement of 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 and loss on disposal of assets are charged in the unconsolidated statement of profit or loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to retained earnings.

### 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 unconsolidated financial statements.

If ownership of the leased asset is transfered 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.

5.4 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 in the unconsolidated statement of profit or loss as incurred.

Amortization is charged in the unconsolidated statement of 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.

5.5 Trade debts, advances and other receivables

Trade debts, advances and other receivables are recognized initially at fair value and subsequently measured at amortized cost, as the case may be, less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written-off.

5.6 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.

5.7 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.

5.8 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.

5.9 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.

## 5.10 Staff retirement benefits

### 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 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 Company is recognized as an expense in the unconsolidated statement of profit or loss.

## 5.11 Borrowing cost

Borrowing cost and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are 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.

## 5.12 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 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 Company or the counter parties.

## 5.13 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 unconsolidated statement of profit or loss.

## 5.14 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 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 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.

## 5.15 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 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.

## 5.16 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 that the related costs, for which it is intended to compensate, are expensed out.

## 5.17 Provisions

A provision is recognised in unconsolidated the 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.

## 5.18 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of significant risks and rewards of ownership, which coincides with delivery.
- Export sales are recognised as revenue when invoiced with the transfer of significant risks and rewards of ownership, which coincides either with date of shipping bill or upon delivery to customer or its representative, based on terms of arrangement.
- Toll manufacturing / partial manufacturing income is recognised when related services are rendered.

## 5.19 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.

## 5.20 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is charged in the unconsolidated 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 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.

## 5.21 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.

## 5.22 Investments

**Investments in subsidiaries**

Investments in subsidiaries are initially recognised and carried at cost. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in unconsolidated statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss.

## 5.23 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 amoritzed 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 irrecovably 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 unconsildated 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 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) 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.

5.24 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 occuring 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 occuring on the financial instrument as at the reporting date with the risk of a default occuring 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 and 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 loss are charged in the unconsolidated statement of profit or loss.

### 5.25 Proposed dividend and transfer between reserves

Dividend distributions to the Company'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.

### 5.26 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.

## 6 PROPERTY, PLANT AND EQUIPMENT

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Operating fixed assets | 6.1 | 5,704,554,574 | 2,733,661,828 |
| Capital work-in-progress (CWIP) | 6.5 | 2,054,575,303 | 597,263,138 |
| | | 7,759,129,877 | 3,330,924,966 |

### 6.1 Operating fixed assets

| | COST | | | | Depreciation Rate | ACCUMULATED DEPRECIATION | | | | WRITTEN DOWN VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2020 | Additions/ transfers | Disposals | As at June 30, 2021 | | As at July 01, 2020 | Depreciation for the year | Disposals | As at June 30, 2021 | As at June 30, 2021 |
| | (Rupees) | | | | (%) | (Rupees) | | | | |
| **Owned** | | | | | | | | | | |
| Free hold land | 20,815,016 | - | - | 20,815,016 | - | - | - | - | - | 20,815,016 |
| Building on lease/ free hold land | 446,962,926 | 1,324,946,795 | - | 1,771,909,721 | 4% | (30,728,281) | (28,793,226) | - | (59,521,507) | 1,712,388,214 |
| Plant and machinery | 1,704,341,580 | 1,068,790,021 | (6,197,250) | 2,766,934,351 | 5% | (135,628,832) | (94,629,041) | 971,831 | (229,286,042) | 2,537,648,309 |
| Furniture, fixtures and office equipment | 33,202,177 | 16,812,819 | (596,700) | 49,418,296 | 10% - 20% | (8,870,357) | (10,375,005) | 218,790 | (19,026,572) | 30,391,724 |
| Computer and auxilliary equipment | 9,989,923 | 12,426,645 | - | 22,416,568 | 25% | (4,562,345) | (3,218,497) | - | (7,780,842) | 14,635,726 |
| Vehicles | 20,598,215 | 89,948,077 | (5,875,900) | 104,670,392 | 20% | (3,125,397) | (5,368,807) | 2,514,568 | (5,979,636) | 98,690,756 |
| **Leased** | | | | - | | | | | | - |
| Lease hold land | 703,091,053 | 624,293,130 | - | 1,327,384,183 | 1.12% - 1.14% | (22,423,850) | (14,975,504) | - | (37,399,354) | 1,289,984,829 |
| | 2,939,000,890 | 3,137,217,487 | (12,669,850) | 6,063,548,527 | | (205,339,062) | (157,360,080) | 3,705,189 | (358,993,953) | 5,704,554,574 |

| | COST | | | | Depreciation Rate | ACCUMULATED DEPRECIATION | | | | WRITTEN DOWN VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2019 | Additions/ transfers | Disposals | As at June 30, 2020 | | As at July 01, 2019 | Depreciation for the year | Disposals | As at June 30, 2020 | As at June 30, 2020 |
| | (Rupees) | | | | (%) | (Rupees) | | | | |
| **Owned** | | | | | | | | | | |
| Free hold land | 20,815,016 | - | - | 20,815,016 | - | - | - | - | - | 20,815,016 |
| Building on lease/ free hold land | 356,734,911 | 90,228,015 | - | 446,962,926 | 4% | (13,498,807) | (17,229,474) | - | (30,728,281) | 416,234,645 |
| Plant and machinery | 1,265,920,037 | 438,421,543 | - | 1,704,341,580 | 5% | (54,842,273) | (80,786,559) | - | (135,628,832) | 1,568,712,748 |
| Furniture, fixtures and office equipment | 22,148,800 | 11,053,377 | - | 33,202,177 | 10% - 20% | (3,401,051) | (5,469,306) | - | (8,870,357) | 24,331,820 |
| Computer and auxilliary equipment | 9,176,245 | 813,678 | - | 9,989,923 | 25% | (2,126,362) | (2,435,983) | - | (4,562,345) | 5,427,578 |
| Vehicles | 9,586,109 | 11,012,106 | - | 20,598,215 | 20% | (1,024,645) | (2,100,752) | - | (3,125,397) | 17,472,818 |
| **Leased** | | | | | | | | | | |
| Lease hold land | 702,591,053 | 500,000 | - | 703,091,053 | 1.12% - 1.14% | (9,083,885) | (13,339,965) | - | (22,423,850) | 680,667,203 |
| | 2,386,972,171 | 552,028,719 | - | 2,939,000,890 | | (83,977,023) | (121,362,039) | - | (205,339,062) | 2,733,661,828 |

**6.2 The depreciation charged for the year has been allocated as follows:**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Cost of sales | 25 | 145,282,435 | 113,186,239 |
| Selling and distribution expenses | 26 | 2,721,272 | 1,453,659 |
| Administrative expenses | 27 | 9,356,373 | 6,722,141 |
| | | 157,360,080 | 121,362,039 |

**6.3 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 |

* The lease transfer of Plot # W2/1/67 & 68 is in process, however the approval of lease transfer and society registration has been obtained from Port Qasim Authority.

**6.4 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 / (loss) on disposal | Mode of disposal | Particulars of buyer | Relation with buyer |
|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees) | | | | | | | |
| Plant and machinery | Pre-Press Super Deluxe Expellers | 1,900,000 | (308,750) | 1,591,250 | 570,833 | (1,020,417) | Auction | Abdul Rauf | N/A |
| | Pre-Press Super Deluxe Expellers | 1,900,000 | (308,750) | 1,591,250 | 570,833 | (1,020,417) | Auction | Abdul Rauf | N/A |
| | Pre-Press Super Deluxe Expellers | 1,900,000 | (308,750) | 1,591,250 | 570,833 | (1,020,417) | Auction | Abdul Rauf | N/A |
| Vehicles | Toyota Corolla Altis 1.6 | 2,379,000 | (436,150) | 1,942,850 | 2,500,000 | 557,150 | Sale and lease back | Al Baraka Bank (Pakistan) Limited | N/A |
| | Toyota Corolla Altis 1.6 | 2,329,000 | (1,319,767) | 1,009,233 | 3,100,000 | 2,090,767 | Sale and lease back | Al Baraka Bank (Pakistan) Limited | N/A |

**6.5 Capital work-in-progress - at cost**

| | As at July 1, 2020 | Additions/ Adjustments | Transfers/ Adjustments | As at June 30, 2021 |
|---|---|---|---|---|
| | (Rupees) | | | |
| Building on lease/ free hold land | 426,829,775 | 1,992,579,010 | (1,949,239,925) | 470,168,860 |
| Plant and machinery | 165,603,528 | 2,429,557,581 | (1,060,419,435) | 1,534,741,674 |
| Furniture, fixtures and office equipment | 4,069,246 | 20,124,389 | (4,000,774) | 20,192,861 |
| Vehicles | 760,589 | 29,127,519 | (416,200) | 29,471,908 |
| | 597,263,138 | 4,471,388,499 | (3,014,076,334) | 2,054,575,303 |

| | As at July 1, 2019 | Additions/ Adjustments | Transfers/ Adjustments | As at June 30, 2020 |
|---|---|---|---|---|
| | (Rupees) | | | |
| Lease hold land | 500,000 | - | (500,000) | - |
| Building on lease/ free hold land | 229,516,386 | 273,285,404 | (75,972,015) | 426,829,775 |
| Plant and machinery | 534,485,312 | 29,654,373 | (398,536,157) | 165,603,528 |
| Furniture, fixtures and office equipment | 4,305,917 | 638,040 | (874,711) | 4,069,246 |
| Vehicles | 9,718,389 | - | (8,957,800) | 760,589 |
| | 778,526,004 | 303,577,817 | (484,840,683) | 597,263,138 |

| 7 | RIGHT-OF-USE ASSETS | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Written down value (WDV) - opening | | 88,807,491 | - |
| | Impact of initial application of IFRS-16 | | - | 112,057,434 |
| | Net additions/ disposals during the year | | 169,191,576 | - |
| | Depreciation charged during the year | | (65,117,453) | (23,249,943) |
| | Written down value (WDV) - closing | | 192,881,614 | 88,807,491 |

7.1 Depreciation for the year has been charged to:

| | Note | 2021 | 2020 |
|---|---|---|---|
| Cost of sales | 25 | 55,838,333 | 17,529,046 |
| Selling and distribution expenses | 26 | 9,279,120 | 5,720,897 |
| | | 65,117,453 | 23,249,943 |

## 8 INTANGIBLE ASSETS

| | Note | 2021 | 2020 |
|---|---|---|---|
| **Cost** | 8.1 | | |
| As at July, 01 | | 14,781,440 | 10,276,432 |
| Additions during the year | | 946,827 | 4,505,008 |
| As at June, 30 | | 15,728,267 | 14,781,440 |
| **Accumulated amortization** | | | |
| As at July, 01 | | (3,868,459) | (1,621,992) |
| Amortization charged during the year | | (2,537,962) | (2,246,467) |
| As at June, 30 | | (6,406,421) | (3,868,459) |
| Written down value as at June, 30 | | 9,321,846 | 10,912,981 |
| Amortization rate (%) | | 20% | 20% |

8.1 Intangible assets comprise of computer softwares.

8.2 Amortization for the year has been charged to:

| | Note | 2021 | 2020 |
|---|---|---|---|
| Cost of sales | 25 | 761,389 | 673,940 |
| Selling and distribution expenses | 26 | 507,592 | 449,293 |
| Administrative expenses | 27 | 1,268,981 | 1,123,234 |
| | | 2,537,962 | 2,246,467 |

## 9 LONG TERM INVESTMENT

**Unquoted - at cost**
**Wholly Owned Subsidiary**

| | Note | 2021 | 2020 |
|---|---|---|---|
| Investment in Sunridge Foods (Private) Limited - Unquoted | 9.1 | 827,640,674 | 366,541,770 |

9.1 The Company acquired 31% additional equity i.e. 16,467,818 shares of Rs. 10/- each of the Subsidiary during the year at a price of Rs. 28 per share as a result of which Sunridge Foods (Private) Limited became a wholly owned subsidiary of the Company, holding 100% (June 30, 2020 : 69%) shareholding in Sunridge Foods (Private) Limited.

9.2 The above investments have been made in accordance with the requirements of Companies Act, 2017.

## 10 STOCK-IN-TRADE

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| **Raw and packing materials** | | |
| In hand | 3,792,725,508 | 531,096,144 |
| In transit | 5,304,029,641 | 3,443,996,938 |
| | 9,096,755,149 | 3,975,093,082 |
| **Traded/ semi-finished goods** | 221,231,142 | 68,794,256 |
| **Work-in-process** | 94,938,036 | 54,250,306 |
| **Finished goods** | 1,339,611,154 | 950,402,357 |
| | 10,752,535,480 | 5,048,540,001 |

### 10.1 Pledged as security

As at June 30, 2021, Rs. 655.18 million (June 30, 2020: Rs.1,075.37 million) of the Company's raw material was pledged as security for a Rs.655.18 million (June 30, 2020: Rs.1,425.37 million) loan from various banks.

## 11 TRADE DEBTS

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **Unsecured** | | | |
| Considered good | 11.1 | 12,290,844,147 | 7,765,666,856 |
| Considered doubtful | | 16,190,457 | 16,190,457 |
| | | 12,307,034,604 | 7,781,857,313 |
| Allowance for expected credit loss | 11.2 | (16,190,457) | (16,190,457) |
| | | 12,290,844,147 | 7,765,666,856 |

**11.1 Related parties from whom trade debts are due are as under:**

| | 2021 | 2020 |
|---|---|---|
| Sunridge Foods (Private) Limited | - | 982,360 |
| Unity Feeds (Private) Limited | 70,918,694 | 41,200,406 |
| | 70,918,694 | 42,182,766 |

11.2 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. 6,868,506 which is below the prior year accrued balance of Rs. 16,190,457. Being prudent, the management has kept the allowance for expected credit loss at the prior year accrued level.

**11.3 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 718.62 million (June 30, 2020: Rs. 188.54 million).**

**11.4 The aging of the trade debts from related parties as at the reporting date is as under:**

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| Not yet due | 19,018,328 | 17,469,134 |
| Past due 1- 60 days | 51,900,366 | 24,713,632 |
| Total | 70,918,694 | 42,182,766 |

## 12 ADVANCES, DEPOSITS AND PREPAYMENTS

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **Advances - considered good** | | | |
| To suppliers | 12.1 | 74,270,599 | 62,312,380 |
| To employees | | 18,045,129 | 2,426,979 |
| Security deposits | 12.1&12.2 | 10,429,307 | 5,167,153 |
| Prepayments | | 14,899,768 | 16,963,256 |
| | | 117,644,803 | 86,869,768 |

12.1 These advances and deposits are non-interest bearing.

12.2 These security deposits pertain to imports and right-of-use assets.

## 13 SHORT TERM INVESTMENTS

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **At fair value through profit or loss** | | | |
| Mutual funds | 13.1 | 1,618,985,954 | - |
| **At amortized cost** | | | |
| Term deposit receipts | 13.2 | 5,240,000,000 | - |
| | | 6,858,985,954 | - |

### 13.1 Mutual funds

| 2021 | 2020 | | |
|---|---|---|---|
| Number of units | | | |
| 15,997,648 | - | 1,618,985,954 | - |

| | 2021 | 2020 |
|---|---|---|
| Balance as at July 1 | - | - |
| Addition during the year | 1,960,000,000 | - |
| Redemption during the year | (350,000,000) | - |
| Balance as at June 30 | 1,610,000,000 | - |
| Market value as at June 30 | 1,618,985,954 | - |
| Unrealized gain | 8,985,954 | - |

This represents HBL Cash Fund Units redeemable along with dividend units at closing price of previous day NAV . As at June 30, 2021, Rs. 1,618.82 million (June 30, 2020: Nil) out of the total investment value was pledged as security for a Rs. 1,603.70 million (June 30, 2020: Nil) loan from HBL.

13.2 This carries markup at 6.5% (June 30, 2020: Nil) having maturity upto one year.

## 14 CASH AND BANK BALANCES

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| **Bank balances - conventional banking** | | |
| - In saving accounts | 3,207,498 | 8,796,304 |
| - In current accounts | 282,756,044 | 104,274,079 |
| | 285,963,542 | 113,070,383 |
| **Bank balances - Islamic banking** | | |
| - In saving accounts | 1,788,880 | - |
| - In current accounts | 29,408,246 | 48,717,508 |
| | 31,197,126 | 48,717,508 |
| Cash in hand | 882,078 | 1,572,288 |
| | 318,042,746 | 163,360,179 |

### 14.1 Rate of return on saving accounts

Profit on saving accounts ranges from 2.50% - 6.80% (June 30, 2020: from 6.50% to 11.50%) per annum.

| 15 | SHARE CAPITAL | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | **Authorized share capital** | | | |
| | 1,000,000,000 (June 30, 2020: 1,000,000,000) ordinary shares of Rs. 10/- each | | 10,000,000,000 | 10,000,000,000 |
| | **Issued, subscribed and paid-up capital** | | | |
| | 994,050,000 (June 30, 2020: 544,050,000) ordinary shares of Rs. 10/- each fully paid in cash. | 15.1&15.2 | 9,940,500,000 | 5,440,500,000 |

15.1 During the year, the Company has issued further 450,000,000 (Four Hundred Fifty Million) ordinary shares of the Company at Rs. 10/- per share (i.e. at par). The purpose of the Right Issue was to meet the increased working capital requirements of the Company in order to, inter alia, enhance profitability of the Company and, consequentially, the returns to the shareholders. Thus the proceeds from the Right Issue have been utilized accordingly thereby enhancing returns to the shareholders.

15.2 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.

| 16 | LONG TERM LOANS | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Financing under SBP Scheme - non-shariah arrangements | 16.1,16.2 | 281,530,016 | 178,911,655 |
| | Financing under ITERF Scheme - shariah arrangement | 16.3 | 65,633,319 | - |
| | | | 347,163,335 | 178,911,655 |
| | Current portion shown under current liabilities | | (183,805,051) | (51,023,399) |
| | | | 163,358,284 | 127,888,256 |

16.1 The Company obtained long term financing from JS Bank during financial year ended June 30, 2020 under a refinance scheme by the State Bank of Pakistan for payment of salaries and wages. The financing carries flat mark-up at the rate of 3% per annum . However, the effective interest rate is calculated as 10.40% per annum and the loan has been recognised at the present value. This loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at the effective rate of interest. The differential mark-up has been recognised as government grant (as mentioned in note 18.1) which is being amortised to other income over the period of the facility. The financing is secured against plant and machinery of the Company (inclusive of 25% margin).

16.2 During the year, the Company has obtained long term financing from Bank of Punjab under the same refinance scheme as mentioned in note 16.1. The financing carries flat mark-up at the rate of 1% per annum and is secured against joint parri passu hypothication charge over current assets of the Company while the margin component is secured against plant and machinery of the Company. All other terms and conditions are similar to the financing mentioned in note 16.1 and accordingly the treatment of loan and government grant has been consistently applied.

16.3 The Company has also obtained long term financing from Al baraka Bank (Pakistan) Limited 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 debt payment account (DPA) under ITERF. The facility carries a mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% per annum to recognize same at the present value. The differential mark-up has been recognised as government grant (as mentioned in note 18.2) which is being amortised to other income over the period of the facility.

| 17 | LEASE LIABILITIES | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| | Present value of future minimum lease payments | 205,776,292 | 99,555,309 |
| | Less: current portion shown under current liabilities | (98,031,835) | (16,765,785) |
| | Non current portion | 107,744,457 | 82,789,524 |

17.1 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:

| | 2021 | | |
|---|---|---|---|
| | Minimum lease payments | Finance charge | Present value of minimum lease payments |
| | Rupees | | |
| Not later than one year | 114,463,828 | (16,431,993) | 98,031,835 |
| Later than one year but not later than five years | 115,064,272 | (7,319,815) | 107,744,457 |
| Total future minimum lease payments | 229,528,100 | (23,751,808) | 205,776,292 |

| | 2020 | | |
|---|---|---|---|
| | Minimum lease payments | Finance charge | Present value of minimum lease payments |
| | Rupees | | |
| Not later than one year | 29,461,119 | (12,695,334) | 16,765,785 |
| Later than one year but not later than five years | 101,228,735 | (18,439,211) | 82,789,524 |
| Total future minimum lease payments | 130,689,854 | (31,134,545) | 99,555,309 |

| | | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 17.2 | Amount charged in the unconsolidated statement of profit or loss. | 30 | 24,798,529 | 14,735,253 |
| 18 | DEFERRED GOVERNMENT GRANT | | | |
| | As at July 01 | | 17,111,129 | - |
| | Recognized during the year | 18.1, 18.2 | 35,744,692 | 17,111,129 |
| | Amortized during the year | | (25,928,153) | - |
| | As at June 30 | | 26,927,668 | 17,111,129 |
| | Current portion | | (16,074,244) | (11,136,710) |
| | Non-current portion | | 10,853,424 | 5,974,419 |

18.1 As mentioned in note 16.1 and 16.2, the purpose of the government grants so recognized is to facilitate the Company in making timely payments of salaries and wages to its employees in light of the COVID-19 pandemic. The grants are 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. The grants are being amortized at the rate of 10.40% per annum.

18.2 As mentioned in note 16.3 , 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 in the said account 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. The grant is being amortized at the rate of 9.75% per annum.

| 19 | DEFERRED TAXATION - NET | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Deferred tax asset in respect of: | | | |
| | Brought forward losses | | 91,802,674 | 93,068,335 |
| | Exchange loss - unrealized | | - | 49,584,128 |
| | Expected credit loss | | 4,695,233 | 4,695,233 |
| | Lease liabilities | | 3,739,457 | 3,116,867 |
| | Deferred tax liability in respect of: | | | |
| | Accelerated tax depreciation | | (161,932,000) | (130,663,692) |
| | Accelerated tax amortization | | (472,151) | (650,364) |
| | Unrealized gain on short term investment | | (2,605,927) | - |
| | Deferred tax (liability) / asset | | (64,772,714) | 19,150,507 |

| 20 | TRADE AND OTHER PAYABLES | Note | 2021 | 2020 |
|---|---|---|---|---|
| | Trade creditors | 20.1 | 12,653,599,701 | 8,753,132,930 |
| | Advances from customers - unsecured | | 5,239,176 | 6,896,314 |
| | Accrued liabilities | 20.2 | 694,195,510 | 51,113,746 |
| | Withholding sales tax payable | | 3,653,466 | 1,050,702 |
| | Withholding income tax payable | | 17,368,280 | 9,636,643 |
| | Provident fund | 20.3 | 2,239,746 | 1,711,218 |
| | Worker's welfare fund | | 69,165,953 | 3,891,006 |
| | Worker's profit participation fund | 20.4 | 182,515,124 | 10,615,247 |
| | Others | | 3,521,721 | 73,967 |
| | | | 13,631,498,677 | 8,838,121,773 |

20.1 This includes amount due to the Subsidiary Rs. 11.74 million (June 30, 2020: Nil).

20.2 This includes a provision which comprises 50% of the value of amount that may be payable to Excise and Taxation Department of Government of Sindh as Sindh Development and Infrastructure Cess which was levied on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. Earlier, the levy was challenged by various companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. Accordingly, the Company, during the year, filed a petition CP No. 4090 of 2020 in the Honourable High Court of Sindh at Karachi whereby challenging the imposition of Infrastructure Cess and started paying 50% of the value whereas recorded a liability of Rs. 276.80 million remaining amount which is supported by bank guarantee. During the year, the Sindh High Court has passed an order on June 4, 2021 for settlement of remainder of Infrastructure Cess against which the Company has filed an appeal in Supreme Court.

| 20.3 | Provident fund | (Unaudited) 2021 | (Audited) 2020 |
|---|---|---|---|
| | | (Rupees) | |
| | Size of the trust | 52,055,024 | 33,792,930 |
| | Cost of investments | 49,815,278 | 32,081,712 |
| | Fair value of investments | 49,815,278 | 32,081,712 |

20.3.1 This amount of Rs. 2.24 million is held with Unity Foods Limited as on June 30, 2021 (June 30, 2020: Rs. 1.71 million) and investment from provident fund has been made as per section 218 of the Companies Act, 2017.

| 20.4 Worker's profit participation fund | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| As at July 01 | 20.3.1 | 10,615,247 | 14,667,337 |
| Interest on fund utilized in Company's business | | 474,485 | 693,182 |
| Allocation for the year | 28 | 182,040,639 | 9,922,065 |
| Paid during the year | | (10,615,247) | (14,667,337) |
| As at June 30 | | 182,515,124 | 10,615,247 |

20.3.1 Interest on the workers profit participation fund has been accrued at the rate 9.53% (June 30, 2020 : 15%) per annum.

| 21 ACCRUED MARK-UP | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Markup accrued on running finance and short term loans | 21.1 | 188,730,879 | 65,799,695 |

21.1 This includes mark-up accrued amounting to Rs. 82.75 million (June 30, 2020: Rs. 21.74 million) on shariah arrangements.

| 22 SHORT TERM BORROWINGS - SECURED | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **Under conventional arrangements** | | | |
| Finance against imported merchandise | 22.1 | 6,897,862,544 | 1,524,331,650 |
| Short term running finance | 22.2 | 1,256,840,113 | 265,493,153 |
| **Under Islamic arrangements** | | | |
| Short term finance | 22.3 | 6,538,854,325 | 2,102,431,220 |
| | | 14,693,556,982 | 3,892,256,023 |

22.1 Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from conventional window of commercial banks under mark-up arrangements amounted to Rs. 6,833.07 million (June 30, 2020: Rs. 1,524.33 million). During the year, mark-up on such arrangements ranged between matching KIBOR plus 1% - 2% (2020: 1% - 2%) per annum for financing in local currency only and 3 months LIBOR plus 2% - 4% (June 30, 2020: 3% - 4%) per annum for financing in foreign currency.

22.2 Short term running finance available from conventional window of various commercial banks under mark-up arrangements amounted to 1,256.84 million (June 30, 2020: Rs. 265.49 million). During the year mark-up on such arrangements ranged between matching KIBOR plus 1% - 2% (2020: 1% - 2%) per annum.

22.3 Funded facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 6,538.85 million (June 30, 2020: Rs. 2,102.43 million). During the year, mark-up on such arrangements ranged between matching KIBOR plus 1.5% - 2% (2020: 1.25% - 1.70%) per annum for financing in local currency only and matching LIBOR plus 2% - 4% (2020: 3% - 4%) flat per annum for financing in foreign currency.

22.4 Post import funded facilities, running finance and funded facilities under Islamic mode are secured by way of pledge over import goods (refere note 10.1) and hypothecation charge over current and fixed assets of the Company.

## 23 CONTINGENCIES AND COMMITMENTS

### 23.1 Contingencies

23.1.1 During the period, in respect of the GIDC matter (as mentioned in note 20.2), the 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, the Company has filed petition CP No. 4090 of 2020 in the Honourable High Court of Sindh at Karachi whereby challenging the imposition of Infrastructure Cess. The Sindh High Court has passed an order on June 4, 2021 for settlement of remainder of Infrastructure Cess against which the Company has filed an appeal in SCP and SCP's order is awaited.

23.1.2 On May 24, 2018 the Company and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on loan write off pertaining to the period 2007. The former management for their own behalf of the Company have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that due amounts were paid by the then management to the National Bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Company. Accordingly, no provisioning has been provided in these unconsolidated financial statements.

### 23.2 Commitments

23.2.1 Commitments under letter of credit for raw materials as at June 30, 2021 amounted to Rs. 6,093.50 million (June 30, 2020: Rs. 1,443.40 million).

| | | Note | 2021 | 2020 |
|---|---|---|---|---|
| 24 | **NET SALES** | | (Rupees) | |
| | Local | | 74,671,145,682 | 32,659,472,573 |
| | Export | | 310,075,496 | 1,435,000,796 |
| | | | 74,981,221,178 | 34,094,473,369 |
| | Sales tax | | (8,565,867,586) | (4,103,975,937) |
| | Trade discount | | (15,335,421) | (151,801,737) |
| | | | (8,581,203,007) | (4,255,777,674) |
| | Toll manufacturing | | 950,033 | 33,324,947 |
| | | | 66,400,968,204 | 29,872,020,642 |
| 25 | **COST OF SALES** | | | |
| | Raw material consumed | | 60,274,682,512 | 26,047,586,914 |
| | Salaries, wages and benefits | 25.1 | 531,793,079 | 364,615,898 |
| | Rent, rates and taxes | | 22,100,577 | 21,474,969 |
| | Fuel, power and electricity | | 289,730,735 | 288,259,056 |
| | Insurance | | 71,196,030 | 50,989,923 |
| | Security and janitorial | | 21,018,586 | 12,531,752 |
| | Postage, telephone and internet | | 2,501,819 | 2,029,902 |
| | Printing, stationary and office supplies | | 206,199 | 254,011 |
| | Vehicle, travelling and conveyance | | 10,832,042 | 5,612,334 |
| | Transport - freight | | 311,735,548 | 152,235,114 |
| | Toll manufacturing expenses | | 856,490 | 27,150,954 |
| | Depreciation on operating fixed assets | 6.2 | 145,282,435 | 113,186,239 |
| | Depreciation on right-of-use assets | 7.1 | 55,838,333 | 17,529,046 |
| | Amortization on intangible assets | 8.2 | 761,389 | 673,940 |
| | Repair and maintenance | | 48,398,993 | 34,554,542 |
| | Others | | 4,714,269 | 11,400,869 |
| | | | 61,791,649,036 | 27,150,085,463 |
| | Add: opening stock of work-in-process | | 54,250,306 | 132,382,894 |
| | Less: closing stock of work-in-process | | (94,938,036) | (54,250,306) |
| | **Cost of goods manufactured** | | 61,750,961,307 | 27,228,218,051 |
| | Add: opening stock of finished goods and semi finished goods | | 1,019,196,613 | 1,638,027,718 |
| | Less: closing stock of finished goods and semi finished goods | | (1,560,842,296) | (1,019,196,613) |
| | **Cost of sales** | | 61,209,315,624 | 27,847,049,156 |

25.1 Salaries, wages and benefits include Rs. 3.98 million for the year ended June 30, 2021 (June 30, 2020: Rs. 3.90 million) in respect of staff retirement benefits.

| 26 | SELLING AND DISTRIBUTION EXPENSES | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Salaries, wages and benefits | 26.1 | 74,148,228 | 78,374,057 |
| | Security and janitorial | | 4,311,181 | 7,068,159 |
| | Freight and forwarding | | 424,103,194 | 371,347,718 |
| | Travelling, conveyance and entertainment | | 9,128,057 | 14,849,592 |
| | Depreciation on operating fixed assets | 6.2 | 2,721,272 | 1,453,659 |
| | Depreciation on right-of-use assets | 7.1 | 9,279,120 | 5,720,897 |
| | Amortization on intangible assets | 8.2 | 507,592 | 449,293 |
| | Expected credit loss | | - | 16,190,457 |
| | Electricity, gas and water | | 966,977 | 1,250,182 |
| | Printing, stationary and office supplies | | 129,021 | 1,685,190 |
| | Repair and maintenance | | 664,504 | 1,535,786 |
| | Distributor expenses | | 224,810,099 | 119,567,481 |
| | Rent, rates and taxes | | 239,291 | 14,850,585 |
| | Insurance | | 1,460,665 | 416,002 |
| | Fees and subscription | | - | 2,774,968 |
| | Postage, telephone and internet | | 1,470,236 | 1,145,101 |
| | Advertising and sales promotion | | 279,985,665 | 48,894,916 |
| | Others | | 1,151,694 | 3,036,318 |
| | | | 1,035,076,796 | 690,610,361 |

26.1 Salaries, wages and benefits include Rs. 2.69 million for the year ended June 30, 2021 (June 30, 2020 : Rs. 3.31 million) in respect of staff retirement benefits.

| 27 | ADMINISTRATIVE EXPENSES | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Salaries, wages and benefits | 27.1 | 172,141,195 | 109,980,685 |
| | Rent, rates and taxes | | 2,097,011 | 398,832 |
| | Travelling, conveyance and entertainment | | 26,429,588 | 31,650,922 |
| | Electricity, gas and water | | 2,915,256 | 2,623,000 |
| | Postage, telephone and internet | | 7,936,997 | 4,830,537 |
| | Insurance | | 2,325,091 | 855,425 |
| | Repair and maintenance | | 6,704,558 | 2,988,262 |
| | Advertising expense | | 854,537 | 1,948,532 |
| | Auditor's remuneration | 27.2 | 7,730,000 | 3,610,000 |
| | Legal and professional | | 19,947,728 | 10,299,223 |
| | Consultancy services | | 42,365,399 | 12,460,955 |
| | Fees and subscription | | 50,731,269 | 15,136,050 |
| | Security and janitorial | | 5,793,002 | 4,224,115 |
| | Donations | 27.3 | 18,140,148 | - |
| | Depreciation on operating fixed assets | 6.2 | 9,356,373 | 6,722,141 |
| | Amortization on intangible assets | 8.2 | 1,268,981 | 1,123,234 |
| | Printing, stationary and office supplies | | 2,896,841 | 2,558,911 |
| | Others | | 13,563,637 | 8,320,751 |
| | | | 393,197,611 | 219,731,575 |

27.1 Salaries, wages and benefits include Rs. 5.81 million for the year ended June 30, 2021 (June 30, 2020: Rs. 4.75 million) in respect of staff retirement benefits

### 27.2 Auditor's remuneration

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| Audit fee | 4,500,000 | 2,200,000 |
| Half yearly review | 1,350,000 | 810,000 |
| Consolidation of Financial Statements with the Subsidiary | 500,000 | 300,000 |
| Review of Code of Corporate Governance | 100,000 | 100,000 |
| Out of pocket expenses | 100,000 | 100,000 |
| | 6,550,000 | 3,510,000 |
| Certifications for regulatory purposes | 1,180,000 | 100,000 |
| | 7,730,000 | 3,610,000 |

### 27.3 The Company has paid donations to the following:

| | | |
|---|---|---|
| **Name of Donee** | | |
| Future Trust | 10,000,000 | - |
| Saylani Welfare Trust | 7,022,361 | - |
| Others | 1,117,787 | - |
| | 18,140,148 | - |

## 28 OTHER OPERATING (INCOME)/ EXPENSES

| | | |
|---|---|---|
| Exchange (gain)/ loss | (440,561,077) | 374,127,511 |
| Worker's welfare fund | 69,165,953 | 3,891,006 |
| Worker's profit participation fund | 182,040,639 | 9,922,065 |
| | (189,354,485) | 387,940,582 |

## 29 OTHER INCOME

| | | |
|---|---|---|
| **Income/ return on financial assets** | | |
| Income on bank deposits | 2,090,090 | 621,098 |
| Income on TDRs | 256,822,205 | - |
| Unrealized gain on investment in mutual fund units | 8,985,954 | - |
| Profit realized on redemption of mutual fund units | 133,669 | - |
| **Income/ (loss) from non-financial assets** | | |
| Amortization of deferred government grant | 25,928,153 | - |
| Scrap sales | 6,489,469 | 590,200 |
| Others | 16,071,424 | 7,322,578 |
| | 316,520,964 | 8,533,876 |

## 30 FINANCE COST

| | | |
|---|---|---|
| Interest on non-shariah arrangements | 426,126,494 | 249,761,581 |
| Profit on shariah arrangements | 388,614,203 | 237,734,939 |
| Interest on worker's profit participation fund | 474,485 | 693,182 |
| Finance charge of lease liabilities | 24,798,529 | 14,735,253 |
| Bank charges | 17,734,210 | 37,747,599 |
| Transaction cost on debt financing | 22,374,000 | - |
| | 880,121,921 | 540,672,554 |

| 31 | TAXATION | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Current year | 31.1 | 193,468,988 | - |
| | Deferred | | 83,923,221 | 15,078,506 |
| | Net tax charged | | 277,392,209 | 15,078,506 |

31.1 **Numerical reconciliation between tax expense and accounting profit:**

| | 2021 | 2020 |
|---|---|---|
| Profit before taxation | 3,389,131,701 | 194,550,290 |
| Applicable tax rate as per Income Tax Ordinance, 2001 | 29% | 29% |
| Tax on accounting profit | 982,848,193 | 56,419,584 |
| Effect of final tax regime | 5,020,524 | - |
| Effect of minimum tax | 8,511,456 | - |
| Effect of tax credit and unused tax losses | (800,354,578) | (41,341,078) |
| Deferred tax adjustment | 49,584,128 | - |
| Others | 31,782,486 | - |
| | 277,392,209 | 15,078,506 |

31.2 The Company has opted for tax credit under section 65 (E) of the Income Tax Ordinance, 2001. Provision for current tax has been made in these unconsolidated financial statements on non-exempted activities of the Company.

| 32 | EARNINGS PER SHARE | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| | Profit after taxation | 3,111,739,492 | 209,628,796 |
| | | (Number of shares) | |
| | | | Restated |
| | Weighted average number of ordinary shares outstanding | 904,050,000 | 599,351,401 |
| | | (Rupees) | |
| | | | Restated |
| | Basic and diluted earnings per share | 3.44 | 0.35 |

## 33 CASH FLOWS FROM OPERATING ACTIVITIES

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| **Profit before taxation** | 3,389,131,701 | 194,550,290 |
| **Adjustments for non-cash items:** | | |
| Depreciation on operating fixed assets | 157,360,080 | 121,362,039 |
| Depreciation on right-of-use assets | 65,117,453 | 23,249,943 |
| Amortization on intangible assets | 2,537,962 | 2,246,467 |
| Amortization on deferred government grant | (25,928,153) | - |
| Exchange (gain)/ loss - unrealized | 112,082,601 | 170,979,754 |
| Gain on revaluation of mutual fund units - unrealized | (8,985,954) | - |
| Expected credit loss | - | 16,190,457 |
| Loss on disposal of property, plant and equipment | 49,050 | - |
| Profit on short term investment | (265,808,159) | - |
| Finance cost | 880,121,921 | 540,672,554 |
| | 4,305,678,502 | 1,069,251,504 |
| **Changes in working capital** | | |
| **(Increase)/ decrease in current assets:** | | |
| Stock-in-trade | (5,703,995,479) | (1,842,993,914) |
| Stores and spares | 26,068,107 | (33,556,747) |
| Trade debts | (4,507,037,143) | (4,718,283,127) |
| Advances, deposits and prepayments | (30,775,035) | (59,338,367) |
| Other receivables | 18,576,781 | (8,703,965) |
| Sales tax receivable | (400,635,324) | - |
| | (10,597,798,093) | (6,662,876,120) |
| **Increase/ (decrease) in current liabilities:** | | |
| Trade and other payables | 4,681,294,303 | 6,683,475,066 |
| Sales tax payable | (1,195,396) | 293,680,782 |
| | 4,680,098,907 | 6,977,155,848 |
| **Cash used in operating activities** | (1,612,020,684) | 1,383,531,232 |

### 33.1 Cash and cash equivalents comprise of:

| | 2021 | 2020 |
|---|---|---|
| Cash and bank balances | 318,042,746 | 163,360,179 |
| Short term borrowings - running finance (secured) | (1,256,840,113) | (265,493,153) |
| | (938,797,367) | (102,132,974) |

### 33.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

| Description | Issued, subscribed and paid-up capital | Unappropriated profit | Long term loans | Lease Liabilities | Short term borrowings | Accrued markup | Unclaimed dividend | Total |
|---|---|---|---|---|---|---|---|---|
| Balance as at July 1, 2020 | 5,440,500,000 | 409,190,974 | 178,911,655 | 99,555,309 | 3,892,256,023 | 65,799,695 | 747,612 | 10,086,961,268 |
| **Changes from financing cash flows** | | | | | | | | |
| Proceeds from issuance of right shares | 4,500,000,000 | - | - | - | - | - | - | 4,500,000,000 |
| Transaction cost paid on issuance of right shares | - | (82,151,068) | - | - | - | - | - | (82,151,068) |
| Long term loan received | - | - | 274,860,310 | - | - | - | - | 274,860,310 |
| Long term loan repaid | - | - | (98,244,289) | - | - | - | - | (98,244,289) |
| Proceeds from short term finance facilities | - | - | - | - | 9,809,953,999 | - | - | 9,809,953,999 |
| Proceeds from running finance facilities shown as cash equivalents | - | - | - | - | 991,346,960 | - | - | 991,346,960 |
| Rentals paid against right-of-use assets | - | - | - | (73,944,474) | - | - | - | (73,944,474) |
| Finance cost paid | - | - | (7,011,372) | - | - | (698,005,314) | - | (705,016,686) |
| Dividend paid | - | - | - | - | - | - | (78,605) | (78,605) |
| | 4,500,000,000 | (82,151,068) | 169,604,655 | (73,944,474) | 10,801,300,959 | (698,005,314) | (78,605) | 14,616,726,152 |
| **Other changes** | | | | | | | | |
| Interest expense | - | - | 34,386,994 | 24,798,529 | - | 820,936,398 | - | 880,121,921 |
| Additions/ reassesment/ termination of lease | - | - | - | 155,366,928 | - | - | - | 155,366,928 |
| Deferred government grant recognized | - | - | (35,739,969) | - | - | - | - | (35,739,969) |
| Total comprehensive income for the year | - | 3111,739,492 | - | - | - | - | - | 3111,739,492 |
| | - | 3111,739,492 | (1,352,975) | 180,165,457 | - | 820,936,398 | - | 4,111,488,472 |
| **Balance as at June 30, 2021** | 9,940,500,000 | 3,438,779,398 | 347,163,335 | 205,776,292 | 14,693,556,982 | 188,730,879 | 669,007 | 28,815,175,893 |

## 34 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

## 34.1 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 | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Long term deposits | | 20,938,286 | 4,436,599 |
| Trade debts | 11 | 12,290,844,147 | 7,765,666,856 |
| Advances and deposits | 12 | 102,745,035 | 69,906,512 |
| Other receivables | | 85,642,353 | 9,753,965 |
| Short term investments | 13 | 6,858,985,954 | - |
| Bank balances | 14 | 317,160,668 | 161,787,891 |
| | | 19,676,316,443 | 8,011,551,823 |

### Long term deposits

These represent security deposits provided to utility companies as per the contractual terms. The Company does not expect material loss against those deposits and retention money.

### 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 ECL that represents its estimate of incurred losses.

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

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| Domestic | 12,307,034,604 | 7,781,857,313 |
| Export | - | - |
| | 12,307,034,604 | 7,781,857,313 |

| The ageing of trade debts as at the date of the statement of financial position is: | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| Not past due | 4,866,129,064 | 1,884,850,709 |
| Past due 1 - 30 days | 2,478,929,831 | 4,524,740,010 |
| Past due 31 - 90 days | 4,201,031,955 | 1,316,289,188 |
| Past due above 90 days | 760,943,754 | 55,977,406 |
| | 12,307,034,604 | 7,781,857,313 |

**Advances and deposits**

These represents loan and advances to employees as per company policy and deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

**Others receivables**

These represent profit receivable against investment in TDRs and mutual fund units . The management does not expect to incur credit loss there against.

**Short term investments**

These represent investment in mutual fund units and TDRs. 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.

## 34.2 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 liabilites 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:

| As at June 30, 2021 | Carrying amount | Contractual maturities | Maturity up to one year | Maturity up to two to five years |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | (Rupees) | | | |
| Long term loan | 347,163,335 | 347,163,335 | 163,358,284 | 183,805,051 |
| Lease liabilities | 205,776,292 | 205,776,292 | 107,744,457 | 98,031,835 |
| Trade and other payables | 13,631,498,677 | 13,631,498,677 | 13,631,498,677 | - |
| Accrued mark-up | 188,730,879 | 188,730,879 | 188,730,879 | - |
| Short term borrowings | 14,693,556,982 | 14,693,556,982 | 14,693,556,982 | - |
| Unclaimed dividend | 669,007 | 669,007 | 669,007 | - |
| | 29,067,395,172 | 29,067,395,172 | 28,785,558,286 | 281,836,886 |
| **Derivative financial liabilities** | - | - | - | - |
| | 29,067,395,172 | 29,067,395,172 | 28,785,558,286 | 281,836,886 |

| As at June 30, 2020 | Carrying amount | Contractual maturities | Maturity up to one year | Maturity up to two to five years |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | (Rupees) | | | |
| Long term loan | 178,911,655 | 178,911,655 | 51,023,399 | 127,888,256 |
| Lease liabilities | 99,555,309 | 99,555,309 | 16,765,785 | 82,789,524 |
| Trade and other payables | 8,838,121,773 | 8,838,121,773 | 8,838,121,773 | - |
| Accrued mark-up | 65,799,695 | 65,799,695 | 65,799,695 | - |
| Short term borrowings | 3,892,256,023 | 3,892,256,023 | 3,892,256,023 | - |
| Sales tax payable | 1,195,396 | 1,195,396 | 1,195,396 | - |
| Unclaimed dividend | 747,612 | 747,612 | 747,612 | - |
| | 13,076,587,463 | 13,076,587,463 | 12,865,909,683 | 210,677,780 |
| **Derivative financial liabilities** | - | - | - | - |
| | 13,076,587,463 | 13,076,587,463 | 12,865,909,683 | 210,677,780 |

34.3 **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 optimising the return. The Company is exposed to currency risk and interest rate risk only.**

34.3.1 **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:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Rupees | US Dollars | Rupees | US Dollars |
| **Financial liabilities** | | | | |
| Trade creditors - foreign | 9,158,092,700 | 57,852,765 | 7,555,587,160 | 44,773,159 |

**The following significant exchange rates were applicable during the year:**

| | Reporting date rate | |
|---|---|---|
| | Buying / Selling | Buying / Selling |
| US Dollars (USD) to Pakistan Rupee | 157.80 / 158.30 | 168.25 / 168.75 |

**Sensitivity analysis**

A 10 percent strengthening / weakening of the Pak Rupee against the US Dollar at June 30, 2021 would have decreased / increased the equity / profit after tax by Rs. 915.81 million (June 30, 2020: 755.56 million).

34.3.2 **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. 5,244.99 million (June 30, 2020: Rs 8.80 million) and Rs. 14,975.93 million (June 30, 2020: 3,892.26 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, 2021, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs. 97.31 million (June 30, 2020 : Rs. 38.83 million) lower/ higher, mainly as a result of lower/ higher interest expense/income from these financial liabilities and assets.

### 34.3.3 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.

### 34.3.4 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.

### 34.3.5 Financial instruments by categories

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| **Financial assets** | | |
| **Held at amortized cost** | | |
| Long term deposits | 20,938,286 | 4,436,599 |
| Trade debts | 12,290,844,147 | 7,765,666,856 |
| Advances and deposits | 102,745,035 | 69,906,512 |
| Other receivables | 85,642,353 | 9,753,965 |
| Short term investments | 5,240,000,000 | - |
| Bank balances | 317,160,668 | 161,787,891 |
| | 18,057,330,489 | 8,011,551,823 |
| **Held at fair value** | | |
| Short term investments | 1,618,985,954 | - |
| **Financial liabilities** | | |
| **Held at amortized cost** | | |
| Long term loan | 347,163,335 | 178,911,655 |
| Lease liabilities | 205,776,292 | 99,555,309 |
| Trade and other payables | 13,631,498,677 | 8,838,121,773 |
| Accrued mark-up | 188,730,879 | 65,799,695 |
| Short term borrowings | 14,693,556,982 | 3,892,256,023 |
| Sales tax payable | - | 1,195,396 |
| Unclaimed dividend | 669,007 | 747,612 |
| | 29,067,395,172 | 13,076,587,463 |

## 35 REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | Chief Executive | Directors | Executives | Total |
|---|---|---|---|---|
| | | 2021 | | |
| | | (Rupees) | | |
| Managerial remuneration | - | - | 133,277,000 | 133,277,000 |
| House rent | - | - | 37,045,695 | 37,045,695 |
| Medical | - | - | 8,232,341 | 8,232,341 |
| Retirement benefits | - | - | 5,865,553 | 5,865,553 |
| Director's meeting fee | 250,000 | 1,300,000 | - | 1,550,000 |
| | 250,000 | 1,300,000 | 184,420,589 | 185,970,589 |
| Number of persons | 1 | 7 | 52 | 60 |

| | Chief Executive | Directors | Executives | Total |
|---|---|---|---|---|
| | | 2020 | | |
| | | (Rupees) | | |
| Managerial remuneration | - | - | 45,367,046 | 45,367,046 |
| House rent | - | - | 20,415,212 | 20,415,212 |
| Medical | - | - | 4,536,705 | 4,536,705 |
| Retirement benefits | - | - | 3,693,535 | 3,693,535 |
| Director's meeting fee | 200,000 | 1,170,000 | - | 1,370,000 |
| | 200,000 | 1,170,000 | 74,012,498 | 75,382,498 |
| Number of persons | 1 | 7 | 19 | 27 |

The chief executive officer and directors waived their remuneration.

## 36 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of the Subsidiary, associated companies, directors of the Company, companies in which the Company's Directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transaction with related parties are under agreed terms/ contractual arrangements.

Transactions with related parties other than those disclosed elsewhere are as follows:

**Transactions with related parties**

| Name of related party | Nature of relationship | Nature of transaction | For the Year ended 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| Sunridge Foods (Private) Limited | Subsidiary | Sales | 907,928,125 | 982,360 |
| | | Purchases | 264,666,904 | - |
| Unity Feeds (Private) Limited | Associated company | Sales | 159,027,222 | 410,337,472 |
| Fehmida Amin - Mother of director | Lender | Loan received | - | 663,724,884 |
| | | Loan repaid | - | 843,591,388 |
| Provident fund | Staff retirement benefit fund | Contribution paid | 24,281,641 | 20,595,680 |
| Directors and executives | Key management personnel | Remuneration paid | 59,980,000 | 49,012,655 |

**Balances with related parties**

| Name of related party | Nature of relationship | Nature of balance | As At June 30, 2021 | June 30, 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| Sunridge Foods (Private) Limited | Subsidiary | Trade debtor | - | 982,360 |
| | | Trade creditor | 11,738,779 | - |
| Unity Feeds (Private) Limited | Associated company | Trade debtor | 70,918,693 | 41,200,406 |
| Provident fund | Staff retirement benefit fund | Net contribution payable | 2,239,746 | 1,711,218 |

| 36.1 Name of the related party | Relationship and percentage of shareholding |
|---|---|
| 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. (formerly Reliance Exim (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 |

## 37 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.

| The gearing ratio is as follows; | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Long term loan | 16 | 347,163,335 | 178,911,655 |
| Short term borrowings | 22 | 14,693,556,982 | 3,892,256,023 |
| **Total debt** | | 15,040,720,317 | 4,071,167,678 |
| Cash and bank balances | 14 | (318,042,746) | (163,360,179) |
| **Net debt** | | 14,722,677,571 | 3,907,807,499 |
| Share capital | 15 | 9,940,500,000 | 5,440,500,000 |
| Unappropriated profit | | 3,438,779,398 | 409,190,974 |
| **Share capital and reserves** | | 13,379,279,398 | 5,849,690,974 |
| **Gearing ratio (Net debt/(Net debt + Share capital and reserves))** | | 52.39% | 40.05% |

## 38 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, 2021, all financial assets and financial liabilities are carried at amortised 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 recognised 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.

## 39 ANNUAL PRODUCTION CAPACITY

| | 2021 | 2020 |
|---|---|---|
| | (Metric Tonnes) | |
| **Production capacity as at year end was as follows:** | | |
| Edible oil refinery | 234,000 | 234,000 |
| Solvent extraction plant | 162,000 | 162,000 |
| Soap plant | 15,600 | - |
| Feed Mill | 302,400 | 302,400 |
| **The actual production for the year was:** | | |
| Edible oil refinery | 206,117 | 176,553 |
| Solvent extraction plant | 36,691 | 9,795 |
| Soap plant | 256 | - |
| Feed Mill | 273,824 | 170,728 |

## 40 OPERATING SEGMENT

These unconsolidated financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis.

As at June 30, 2021, all non current assets of the Company are located in Pakistan.

## 41 CORRESPONDING FIGURES

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017.

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.

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## 42 GENERAL

42.1 Figures have been rounded-off to the nearest rupee unless otherwise stated.

## 43 NUMBER OF EMPLOYEES

| | 2021 | 2020 |
|---|---|---|
| Total number of employees at the June 30 | 486 | 372 |
| Average number of employees during the year | 466 | 378 |

## 44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors meeting held on October 06, 2021.

| Director | Chief Executive | Chief Financial Officer |
|---|---|---|

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

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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 subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2021, 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 matter(s):

| S. No | Key audit matter(s) | How the matter was addressed in our audit |
|---|---|---|
| 01 | **Property, Plant and Equipment**<br><br>As disclosed in note 7.1 and 7.4 to the consolidated financial statements, the Group has incurred substantial amount of capital expenditure of Rs. 3.504 billion and Rs. 5.075 billion in CWIP during the year for enhancement of production and operating capacity.<br><br>We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgemental areas, such as | Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following:<br><br>• 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 impaling policies consistently<br><br>• testing, on sample basis, the costs incurred on various items with |

| | | |
|---|---|---|
| | 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. | supporting documentation and contracts;<br><br>• 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; and<br><br>• 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. |
| 02 | **Existence and valuation of stock in trade:**<br><br>As disclosed in note 10 to the accompanying consolidated financial statements, the stock in trade balance has been substantially increased and constitutes 26.6% of total assets of the Group. The cost of Raw material, work in process, and finished goods is determined at average manufacturing cost including a proportion of production overheads.<br><br>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. | We performed a range of audit procedures with respect to inventory items including:<br>• physical observation of inventory counts;<br>• testing valuation methods and their appropriateness in accordance with the applicable accounting standards;<br><br>• testing the calculations of per unit cost of finished goods, and work in process; and<br><br>• assessment of the appropriateness of management's basis for the allocation of cost and production overheads.<br><br>We also assessed 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. |

| | | |
|---|---|---|
| 03 | **Trade Debts**<br><br>Refer to note 11 to the consolidated financial statements.<br><br>As at 30 June 2021, the Group's gross trade debtors were Rs. 12,528.380 million<br><br>We identified recoverability of trade debts as a key audit matter as it | <br><br>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:<br><br>• obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control process (including credit |

| | | |
|---|---|---|
| | involves significant management judgement in determining the recoverable amount of trade debts. | account application approvals and credit limit review), debt collections process and making allowance for ECLs.;<br><br>• 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;<br><br>• circularizing direct confirmation to debtors on sample basis;<br><br>• 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. |
| 04 | **Short term Investment**<br><br>As disclosed in note 13 to the accompanying unconsolidated financial statements, the Company has made investments in Mutual fund units and Term Deposit Receipts amounting to Rs. 6,858.99 million which constitutes 15.5% of total assets of the Company.<br><br>We focused on the investment made during the year as this represents a significant event occurred during the year. | Our audit procedures included the following:<br>• 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;<br>• verifying the consideration paid and inspecting supporting documents and contracts and approval at appropriate level;<br>and<br>• assessing the adequacy of the disclosures made in respect of the details of investments held by the Company at the year end. |
| 05 | **Sales**<br><br>Refer to note 26 to the consolidated financial statements which shows that revenue of the group substantially increased.<br><br>The Group recognized revenue of Rs. 77,462 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2021 as compared to Rs. 30,479 million in the previous year. | Our audit procedures to assess recognition of sales, amongst others, included the following:<br><br>• 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;<br><br>• assessing the appropriateness of the Group's accounting policies for recording of sales and compliance of |

| | | |
|---|---|---|
| | 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 | those policies with applicable accounting standards;<br><br>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;<br><br>• 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;<br><br>• comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and<br><br>• 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 |
| 06 | **Borrowings and finance costs**<br><br>Refer notes 23 and 32 to the consolidated financial statements.<br><br>The Group has obtained a range of financing facilities from different financial institutions with varying terms and tenure and incurred substantial cost.<br><br>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. | Our audit procedures included the following:<br><br>• 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;<br><br>• obtaining confirmations of borrowings as at 30 June 2021 directly from the financial institutions;<br><br>• 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<br><br>• assessing the adequacy of the Group's |

| | | |
|---|---|---|
| | | compliance with the loan covenants and the disclosures in the consolidated financial statements. |
| 07 | **The Group's exposure to litigation risk**<br><br>On 24 May 2018 the Group and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on Loan write off pertaining to the period 2007. The former management on their own behalf and on behalf of the Group have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that the due amounts were paid by the then management to National bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Group. Accordingly, no provisioning has been provided in these consolidated financial statements.<br>Due to the uncertainty involved in the outcome of this case we have identified this as key audit matter. | Our procedures in relation to this matter included:<br><br>• Obtaining and reviewing details of the significant pending legal case and discussed the same with Group's management;<br><br>• Circulation confirmations to the group's external legal counsel for their views on open legal/tax matters;<br><br>• Reviewing correspondence of the group with the relevant authorities;<br><br>• Evaluating rationale provided by the group and opinion of the external legal counsel<br><br>Reviewing the disclosures made in the consolidated financial statements in respect of such contingencies |

## Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ahsan Elahi Vohra.

**Chartered Accountants**

**Karachi**
**Date** : October 06, 2021

**Unity Foods Limited**
**Consolidated Statement of Financial Position**
**As at June 30, 2021**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | 8,663,518,820 | 3,616,148,758 |
| Right-of-use assets | 8 | 198,043,252 | 95,183,633 |
| Intangible assets | 9 | 290,842,478 | 292,228,212 |
| Long term investment | | - | - |
| Long-term deposits | | 25,780,831 | 3,086,098 |
| Deferred taxation - net | 20 | - | 19,150,507 |
| | | 9,178,185,381 | 4,025,797,208 |
| **Current assets** | | | |
| Stock-in-trade | 10 | 11,767,752,193 | 5,362,401,409 |
| Stores and spares | | 38,402,176 | 64,470,283 |
| Trade debts | 11 | 12,508,420,427 | 7,812,790,409 |
| Advances, deposits and prepayments | 12 | 139,027,298 | 95,612,739 |
| Other receivables | | 86,420,577 | 10,761,361 |
| Sales tax receivable | | 400,635,324 | - |
| Taxation-net of provision | | 2,877,586,894 | 1,995,744,026 |
| Short term investment | 13 | 6,858,985,954 | - |
| Cash and bank balances | 14 | 330,464,916 | 173,183,262 |
| | | 35,007,695,759 | 15,514,963,489 |
| **Total assets** | | 44,185,881,140 | 19,540,760,697 |
| **EQUITY AND LIABILITIES** | | | |
| **Share capital and reserves** | | | |
| Share capital | 15 | 9,940,500,000 | 5,440,500,000 |
| Unappropriated profit | | 3,247,910,090 | 412,785,010 |
| | | 13,188,410,090 | 5,853,285,010 |
| Advance against future issue of shares | | - | 12,163,324 |
| Non-controlling interest | | - | 39,934,537 |
| | | 13,188,410,090 | 5,905,382,871 |
| **Non-current liabilities** | | | |
| Long term loans | 16 | 171,547,909 | 143,267,826 |
| Lease liabilities | 17 | 113,215,439 | 89,156,414 |
| Staff retirement benefits | 18 | 5,513,100 | 7,832,183 |
| Deferred government grants | 19 | 11,172,954 | 7,298,709 |
| Deferred taxation - net | 20 | 1,110,446 | - |
| | | 302,559,848 | 247,555,132 |
| **Current liabilities** | | | |
| Current portion of long term loans | 16 | 199,367,074 | 57,247,103 |
| Current portion of lease liabilities | 17 | 98,927,742 | 17,414,776 |
| Current portion of deferred government grants | 19 | 17,341,943 | 12,194,400 |
| Trade and other payables | 21 | 13,982,556,582 | 9,170,391,607 |
| Accrued mark-up | 22 | 214,320,052 | 66,699,516 |
| Short term borrowings | 23 | 16,136,556,982 | 3,981,506,023 |
| Unclaimed dividend | | 669,007 | 747,612 |
| Sales tax payable | | - | 1,195,395 |
| Contract liabilities | | 45,171,620 | 4,935,451 |
| Loan from related party | 24 | - | 75,490,811 |
| | | 30,694,911,202 | 13,387,822,694 |
| Contingencies and commitments | 25 | | |
| **Total equity and liabilities** | | 44,185,881,140 | 19,540,760,697 |

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Director | Chief Executive | Chief Financial Officer

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS
**For the Year Ended June 30, 2021**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Net sales | 26 | 68,831,301,040 | 30,479,501,918 |
| Cost of sales | 27 | (63,180,175,227) | (28,379,061,793) |
| Gross profit | | 5,651,125,813 | 2,100,440,125 |
| Selling and distribution expenses | 28 | (1,236,246,093) | (751,014,096) |
| Administrative expenses | 29 | (410,663,355) | (227,668,412) |
| Other operating income / (expenses) | 30 | 177,925,351 | (387,940,582) |
| | | (1,468,984,097) | (1,366,623,090) |
| Other income | 31 | 334,708,789 | 13,477,049 |
| Profit before interest and taxation | | 4,516,850,505 | 747,294,084 |
| Finance cost | 32 | (960,978,338) | (548,145,934) |
| Profit before taxation | | 3,555,872,167 | 199,148,150 |
| Taxation | | | |
| Current | 33 | (197,418,283) | - |
| Deferred | | (20,260,953) | 15,132,017 |
| | | (217,679,236) | 15,132,017 |
| Profit after taxation | | 3,338,192,931 | 214,280,167 |
| **Profit attributable to:** | | | |
| -Owners of the Holding Company | | 3,263,697,353 | 212,838,242 |
| -Non-controlling interest | | 74,495,578 | 1,441,925 |
| | | 3,338,192,931 | 214,280,167 |
| | | | **Restated** |
| Basic and diluted earnings per share | 34 | 3.61 | 0.36 |

The annexed notes from 1 to 45 form an integral part of these annual audited consolidated financial statements.

Director

Chief Executive

Chief Financial Officer

UNITY FOODS LIMITED
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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
**For the Year Ended June 30, 2021**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **Profit after taxation** | | 3,338,192,931 | 214,280,167 |
| Other comprehensive income | | | |
| **Items that will not be subsequently reclassified to consolidated statement of profit or loss** | | | |
| Remeasurement gain on staff retirement benefits - net of tax | 18.4 | 247,587 | 557,377 |
| **Total comprehensive income for the year** | | 3,338,440,518 | 214,837,544 |
| **Total Comprehensive Income for the year attributable to:** | | | |
| -Owners of the Holding Company | | 3,263,868,188 | 213,222,832 |
| -Non-controlling interest | | 74,572,330 | 1,614,712 |
| | | 3,338,440,518 | 214,837,544 |

The annexed notes from 1 to 45 form an integral part of these annual audited consolidated financial statements.

Director | Chief Executive | Chief Financial Officer

UNITY FOODS LIMITED

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the Year Ended June 30, 2021**

| | Attributable to equity holders of the Holding Company | | | | |
|---|---|---|---|---|---|
| | Share capital | Unappropriated profit | Total reserves | Non-controlling interest | Total equity |
| | (Rupees) | | | | |
| **Balance as at June 30, 2019** | 5,440,500,000 | 253,967,178 | 5,694,467,178 | - | 5,694,467,178 |
| Final dividend at 1% for the year ended June 30, 2019 | - | (54,405,000) | (54,405,000) | - | -54,405,000 |
| NCI recognised on acquisition | - | - | - | 38,319,825 | 38,319,825 |
| Profit attributable to non-controlling interest for the year | - | - | - | 1,441,925 | 1,441,925 |
| **Transaction with owners** | | | | | |
| Issuance of right shares | - | - | - | - | - |
| Profit after taxation | - | 212,838,242 | 212,838,242 | - | 212,838,242 |
| Other comprehensive income for the year | - | 384,590 | 384,590 | 172,787 | 557,377 |
| **Total comprehensive income for the year** | - | 213,222,832 | 213,222,832 | 172,787 | 213,395,619 |
| **Balance as at June 30, 2020** | 5,440,500,000 | 412,785,010 | 5,853,285,010 | 39,934,537 | 5,893,219,547 |
| **Transaction with owners** | | | | | |
| Allocation of profit to NCI at acquisition date | - | - | - | 74,572,330 | 74,572,330 |
| Negative movement in equity | | (346,592,040) | (346,592,040) | (114,506,867) | (461,098,907) |
| Issuance of right shares | 4,500,000,000 | - | 4,500,000,000 | - | 4,500,000,000 |
| Transaction cost incurred on issuance of right shares | - | (82,151,068) | (82,151,068) | - | (82,151,068) |
| | 4,500,000,000 | - 82,151,068 | 4,417,848,932 | - | 4,417,848,932 |
| Profit after taxation | - | 3,263,697,353 | 3,263,697,353 | - | 3,263,697,353 |
| Other comprehensive income for the year | - | 170,835 | 170,835 | - | 170,835 |
| **Total comprehensive income for the year** | - | 3,263,868,188 | 3,263,868,188 | - | 3,263,868,188 |
| **Balance as at June 30, 2021** | 9,940,500,000 | 3,247,910,090 | 13,188,410,090 | - | 13,188,410,090 |

The annexed notes from 1 to 45 form an integral part of these annual audited consolidated financial statements.

| | | |
|---|---|---|
| Director | Chief Executive | Chief Financial Officer |

UNITY FOODS LIMITED
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CONSOLIDATED STATEMENT OF CASHFLOWS
**For the Year Ended June 30, 2021**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Cash (used in)/ generated from operating activities** | 35 | (2,171,395,229) | 1,205,828,927 |
| Taxes paid | | (1,079,261,151) | (1,274,684,321) |
| Donation paid | | (22,715,024) | |
| Staff gratuity paid | | - | (3,929,840) |
| Long term deposits paid | | (16,501,687) | - |
| **Net cash generated from/ (used in) operating activities** | | (3,289,873,091) | (72,785,234) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | (5,247,120,422) | (385,029,061) |
| Proceeds from disposal of property, plant and equipment | | 20,271,579 | 1,039,088 |
| Purchase of intangible assets | | (946,827) | (4,505,008) |
| Investment in shares of the Subsidiary | | (461,098,904) | (366,541,770) |
| Short term investment | | (6,850,000,000) | - |
| Profit received on short term investment | | 171,342,990 | - |
| **Net cash used in investing activities** | | (12,367,551,584) | (755,036,751) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Advance against future issue of shares | | (12,163,324) | 10,221,790 |
| Proceeds from short term borrowings - net | | 9,809,953,999 | 1,251,362,725 |
| Long term loan received | | 285,353,209 | 217,287,223 |
| Long term loan repaid | | (108,482,260) | - |
| Lease liabilities - net | | (15,406,421) | (574,764) |
| Rentals paid against right-of-use assets | | (73,944,474) | (27,237,381) |
| Loan returned to related party - net | | (75,490,811) | (104,375,693) |
| Dividend paid | | (78,605) | (54,845,699) |
| Finance cost paid | | (757,980,875) | (505,993,541) |
| Proceeds from issuance of right shares | | 4,500,000,000 | - |
| Transaction cost paid on issuance of right shares | | (82,151,068) | - |
| **Net cash generated from financing activities** | | 13,469,609,370 | 785,844,660 |
| **Net decrease in cash and cash equivalents** | | (2,187,815,305) | (41,977,325) |
| Cash and cash equivalents at the beginning of the year | | (181,559,891) | (139,582,566) |
| **Cash and cash equivalents at the end of the year** | 35.1 | (2,369,375,196) | (181,559,891) |

The annexed notes from 1 to 45 form an integral part of these annual audited consolidated financial statements.

| Director | Chief Executive | Chief Financial Officer |
|---|---|---|

## 1 THE GROUP AND ITS OPERATIONS

The Group consists of Unity Foods Limited ("the Holding Company") and its subsidiary company namely Sunridge Foods (Private) Limited ("the Subsidiary Company"). Brief profiles of the Holding Company and the Subsidiary is as follows:

### 1.1 Unity Foods Limited

Unity Foods Limited 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 Holding Company are listed in Pakistan Stock Exchange since February 01, 1994. The principal business activity of the Holding Company has been changed from yarn manufacturing to edible oil extraction, refining and related businesses.

### 1.2 Sunridge Foods (Private) Limited

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 on May 30, 2017). The principal activity of the Subsidiary Company is the processing of food items.

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

| Address | Purpose | In Use |
|---|---|---|
| Karachi, Sindh | | |
| -Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S. | Registered Office of the Holding Company | Unity Foods Limited |
| -Plot No. A-48, Eastern Industrial Zone, Port Qasim. | Oil Refinery | Unity Foods Limited |
| -4th floor, 73-C, Jami Commercial Street No. 8, DHA Phase VII | Registered Office of the Subsidiary | Sunridge Foods (Private) Limited |
| -C6, North West Zone, Port Qasim | Pesa Flour Plant | Sunridge Foods (Private) |
| -Industrial Plot no. H/14, Site Super Highway, | Flour Mill | Sunridge Foods (Private) |
| Kotri, Hyderabad | | |
| Plot No. N-25 & N-27/B, SITE Area. | Edible Oil Extraction Plant, Oil Refinery and Pellitising Mills | Unity Foods Limited |
| Hub, Baluchistan | | |
| Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella. | Soap Plant | Unity Foods Limited |

### 1.3 Impact of COVID-19 on financial statements

A novel strain of corona virus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various business and resultant liquidity constraints. FMCG sector, the sector in which Company operates, was fortunate enough and was allowed to operate during the pandemic. The Company has also availed Government's scheme for financing wages and salaries and has made required disclosures. Based on the assessment carried out by the management, there is no material financial impact of COVID-19 in these annual audited consolidated financial statements.

## 2 STATEMENT OF COMPLIANCE

These 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 Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Companies Act.

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

## 3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of 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 most significant effect on the amounts recognized in these 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 6.4)
- Right-of-use assets (refer note 6.6)
- Intangible assets and amortization (refer note 6.7)
- Stock-in-trade (refer note 6.10)
- Lease liability (refer note 6.16)
- Government grant (refer note 6.18)
- Provisions (refer note 6.19)
- Taxation (refer note 6.22)
- Contingent liabilities (refer note 6.25)
- Impairment (refer note 6.27)

## 4 BUSINESS COMBINATION

During the year Unity Foods Limited acquired remaining 31% equity (16,467,818 shares of Rs. 10/- each) of the Subsidiary company at a price of Rs. 28 per share, the holding company now owns 100% paid up capital of the subsidiary.

The following table summarizes the estimated fair values of consideration paid, non-controlling interest (NCI), as well as the assets acquired and the liabilities assumed at the date of acquisition:

| | 2021 |
|---|---|
| | ---(Rupees)--- |
| Net assets value of the Non Controlling Shares (NCI) acquired | 114,506,864 |
| Net assets attributable to non-controlling interest (0%) | - |
| Net assets acquired through business combination | 114,506,864 |
| Goodwill / Negative movement in equity | 346,992,040 |
| Total Consideration Paid | 461,098,904 |

The group has calculated Non Controlling Interest (NCI) till the date of further acquisition of share i.e. 3rd June 2021. Post acquisition of 31% shares of the subsidiary company becomes the wholly owned subsidiary of the holding company.

## 5 BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and the Subsidiary.

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 Subsidiary is prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidiary 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, (NCI) exists, the total comprehensive income of the period, even if that results in a deficit balance, is allocated to NCI according to it's 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 Subsidiary Company is consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary company's shareholders' equity in these consolidated financial statements.

## 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 6.1 Accounting convention

These annual audited consolidated financial statements have been prepared under the historical cost conventionexcept otherwise stated.

### 6.2 Basis of preparation

These consolidated financial statements have been prepared following accrual basis of accounting except for the consolidated statement of cash flows and other cash flow information.

6.3 **NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

The Group has adopted all the new standards and amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year:

6.3.1 **Effective in current year and not relevant to the Group**

| | | Effective date (annual periods beginning on or after) |
|---|---|---|
| IFRS 3 | Business Combinations - The amendments narrowed and clarified the definition of a business, the amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. | January 1, 2020 |
| IFRS 16 | Leases - The objective of the amendment is to give timely relief to lessees to Covid-19 - related rent concessions while still enabling them to provide useful information about their leases to investors. | January 1, 2020 |
| IFRS 7 | Financial instruments "disclosures". | January 1, 2020 |
| IFRS 9 | Financial instruments "disclosures". | January 1, 2020 |
| IAS 1 | Presentation of Financial Statements - amendments to its definition of material to make it easier for companies to make materiality judgements. | January 1, 2020 |
| IAS 39 | Financial instruments: Recognition and Measurement | January 1, 2020 |
| IAS 41 | Agriculture | January 1, 2020 |

The above standards and amendments are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

In addition to the above, standards, amendments and improvements to various IFRS have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019 respectively. The Group expects that such improvements to the standards will not have any material impact on the Group's annual audited consolidated financial statements in the period of initial application.

6.3.1.1 **The following International Financial Reporting Standards (IFRS Standards) and amendments not yet effective**

| | | |
|---|---|---|
| IFRS 16 | COVID-19 - Related Rent Concessions<br>The International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. | January 01, 2021 |

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and

c) there is no substantive change to the other terms and conditions of the lease.

The standard is not likely to have any effect on Group's annual audited consolidated financial statements.

| | | |
|---|---|---|
| IFRS 3 | Business Combinations - amendments updating a reference to the Conceptual Framework. | January 01, 2023 |
| IFRS 4 | Insurance Contracts - Amendments regarding the expiry date of the deferral approach. | January 01, 2023 |
| IFRS 9 | Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. | January 01, 2022 |
| IAS 1 | Presentation of Financial Statements - Amendments regarding the classification of current and non-current liabilities. | January 01, 2023 |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates, the standard defines the concept of a "change in accounting estimates". | January 01, 2023 |
| IAS 12 | Income taxes - Amendment regarding to clarify how companies account for deferred tax on leases and decommissioning obligations. | January 01, 2023 |
| IAS 16 | Property, plant and equipment - The amendments clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. | January 01, 2022 |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets - The amendments specify the costs a group should include as the cost of fulfilling a contract when assessing whether a contract is onerous. | January 01, 2022 |

The IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after January 01, 2021. The standard is not likely to have any effect on Group's annual audited consolidated financial statements.

The following new standards and interpretations have been issued by the IASB, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First time adoption of IFRS
IFRS 17 Insurance contracts

### 6.4 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 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; and

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.

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 expenditure (including repairs and normal maintenance) is charged in the consolidated statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for land is charged on straight line method at the rates specified in respective note to these consolidated financial statements and is generally charged in the consolidated statement of 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.

Gains or loss on disposal

Gains and loss on disposal of assets are charged in the consolidated statement of profit or loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to retained earnings.

6.5 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.

6.6 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 8

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.

6.7 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 in the consolidated statement of profit or loss as incurred.

Amortization is charged in the consolidated statement of 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.

6.8 Goodwill

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred; and (b) the net amount of the identifiable assets acquired and the liabilities assumed as at the date of acquisition.

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.

Goodwill acquired as a result of business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any.

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.

6.9 Trade debts, advances and other receivables

Trade debts, advances and other receivables are recognized initially at fair value and subsequently measured at amortized cost, as the case may be, less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written-off.

6.10 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 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-product are valued at their estimated net realizable values.

6.11 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.

6.12 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, 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.

6.13 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.

6.14 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in these 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.

6.15 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 statement of financial position. Exchange gains or losses are charged in the consolidated statement of profit or loss.

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6.16 Lease liability

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.

6.17 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 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.

6.18 Government grant

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 that the related costs, for which it is intended to compensate, are expensed out.

6.19 Provisions

A provision is recognised in the consolidated 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.

6.20 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of significant risks and rewards of ownership, which

- Export sales are recognised as revenue when invoiced with the transfer of significant risks and rewards of ownership, which coincides either with date of shipping bill or upon delivery to customer or its representative, based on terms of arrangement.

- Toll manufacturing / partial manufacturing income is recognised when related services are rendered.

6.21 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 recognized using the effective interest method.

6.22 **Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is charged in the consolidated statements of profit or 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.

**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.

**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 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.

6.23 **Staff retirement benefits**

The Group's retirement benefit plans comprise of provident funds and gratuity schemes for eligible employees.

**Defined contribution plans - Provident fund**

The Parent Company operates a provident fund scheme for its permanent employees. Equal monthly contributions are made by the Parent Company and its employees. Obligation for contributions to the fund are recognized as an expense in the consolidated profit or loss account when they are due.

**Defined benefit plans**

The Subsidiary Company recognises staff retirement benefits expense and liability in accordance with IAS 19 "Employee Benefits". An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. All remeasurement gains and losses are recognised in the other comprehensive income.

**Defined benefit plans**

The Subsidiary Company operates an unapproved and unfunded gratuity scheme covering of all its permanent employees who have completed the qualifying period under the scheme. The scheme is administered by the trustees and contribution therein are made in the accordance with actuarial recommendations. The valuation in this regard is 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 are recognized in the statement of unconsolidated comprehensive income based on actuarial gain and losses. The Subsidiary Company determine the net interest expense / (income) on the net defined benefit liability / (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the net defined benefit liability / (asset) taking into account and change in the net defined benefit liability / (asset) during the year as result of contribution and benefit payments. Net interest expense, current service cost and past service cost related to defined benefit plans are recognized in the consolidated statement of profit or loss.

6.24 **Borrowing cost**

Borrowing cost and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are 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.

6.25 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.

6.26 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 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 though 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 refit 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 other comprehensive income.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain and 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 and loss and impairment are recognized in the consolidated statement of profit or loss.

**(c) 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 and 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.

## 6.27 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 and 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 recognised in the consolidated statements of profit or loss account.

## 6.28 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.

## 6.29 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupee, which is the Group's functional and presentation currency.

## 6.30 Earnings per share

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

## 6.31 Related party transactions

Transaction with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

## 7 PROPERTY, PLANT AND EQUIPMENT

| | Note | Consolidated 2021 | Consolidated 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Operating fixed assets | 7.1 | 6,318,337,713 | 3,005,956,547 |
| Capital work-in-progress (CWIP) | 7.4 | 2,345,181,108 | 610,192,211 |
| | | 8,663,518,821 | 3,616,148,758 |

### 7.1 Operating fixed assets

| | COST | | | | | | ACCUMULATED DEPRECIATION | | | | WRITTEN DOWN VALUE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2020 | Additions / transfers | Acquired under business combination | Disposals | As at June 30, 2021 | Depreciation Rate | As at July 01, 2020 | Depreciation for the year | Disposals | As at June 30, 2021 | As at June 30, 2021 |
| | (Rupees) | | | | | (%) | (Rupees) | | | | |
| **Owned:** | | | | | | | | | | | |
| Free hold land | 20,815,016 | - | - | - | 20,815,016 | - | - | - | - | - | 20,815,016 |
| Building on lease/ free hold land | 518,634,663 | 1,402,878,506 | - | - | 1,921,513,169 | 4% | (31,894,561) | (33,726,651) | - | (65,621,212) | 1,855,891,957 |
| Plant, machinery and equipment | 1,885,582,744 | 1,227,782,586 | - | (6,197,250) | 3,107,168,080 | 4%-10% | (138,874,870) | (107,107,477) | 971,831 | (245,010,516) | 2,862,157,564 |
| Furniture, fixtures and office equipment | 42,414,668 | 17,200,292 | - | (596,700) | 59,018,260 | 5%-33% | (10,155,591) | (10,711,683) | 218,790 | (20,648,484) | 38,369,776 |
| Computer and auxiliary equipment | 9,989,923 | 14,890,851 | - | - | 24,880,774 | 25% | (4,562,345) | (6,132,536) | - | (10,694,881) | 14,185,893 |
| Vehicles | 21,427,027 | 95,990,682 | - | (10,544,072) | 106,873,637 | 20% | (1,329,155) | (6,685,986) | 4,983,720 | (3,031,423) | 103,842,214 |
| **Leased:** | | | | | | | | | | | |
| Lease hold land | 716,580,606 | 745,670,130 | - | - | 1,462,250,736 | 1.12 %- 3.7% | (22,671,578) | (16,503,865) | - | (39,175,443) | 1,423,075,293 |
| | 3,215,444,647 | 3,504,413,047 | - | (17,338,022) | 6,702,519,672 | | (209,488,100) | (180,868,200) | 6,174,341 | (384,181,959) | 6,318,337,713 |

| | COST | | | | | | ACCUMULATED DEPRECIATION | | | | WRITTEN DOWN VALUE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2019 | Additions / transfers | Acquired under business combination | Disposals | As at June 30, 2020 | Depreciation Rate | As at July 01, 2019 | Depreciation for the year | Disposals | As at June 30, 2020 | As at June 30, 2020 |
| | (Rupees) | | | | | (%) | (Rupees) | | | | |
| **Owned:** | | | | | | | | | | | |
| Free hold land | 20,815,016 | - | - | - | 20,815,016 | - | - | - | - | - | 20,815,016 |
| Building on lease/ free hold land | 356,734,911 | 90,228,015 | 71,671,737 | - | 518,634,663 | 4% | (13,498,807) | (18,395,754) | - | (31,894,561) | 486,740,102 |
| Plant and machinery | 1,265,920,037 | 439,810,807 | 179,851,900 | - | 1,885,582,744 | 4%-10% | (54,842,273) | (84,032,595) | - | (138,874,870) | 1,746,707,874 |
| Furniture, fixtures and office equipment | 22,148,800 | 11,459,858 | 8,806,010 | - | 42,414,668 | 5%-33% | (3,401,051) | (6,754,540) | - | (10,155,591) | 32,259,077 |
| Computer and auxiliary equipment | 9,176,245 | 813,678 | - | - | 9,989,923 | 25% | (2,126,362) | (2,435,983) | - | (4,562,345) | 5,427,578 |
| Vehicles | 9,586,109 | 11,012,106 | 3,338,912 | (2,510,100) | 21,427,027 | 20% | (1,024,645) | (2,730,940) | 2,426,430 | (1,329,155) | 20,097,872 |
| **Leased:** | | | | | | | | | | | |
| Lease hold land | 702,591,053 | 500,000 | 13,489,553 | - | 716,580,606 | 1.12 %- 3.7% | (9,083,885) | (13,587,693) | - | (22,671,578) | 693,909,028 |
| | 2,386,972,171 | 553,824,464 | 277,158,112 | (2,510,100) | 3,215,444,647 | | (83,977,023) | (127,937,505) | 2,426,430 | (209,488,100) | 3,005,956,547 |

**7.2 The depreciation charged for the year has been allocated as follows:**

| | Note | Consolidated 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Cost of sales | 27 | 167,819,003 | 119,161,565 |
| Selling and distribution expenses | 28 | 3,215,088 | 1,775,781 |
| Administrative expenses | 29 | 9,834,109 | 7,000,159 |
| | | 180,868,200 | 127,937,505 |

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

| Particulars | Location | Total Area |
|---|---|---|
| **Unity Foods Limited** | | |
| 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 (Manufacturing plant) | Plot # A-48, Eastern Industrial Zone, Port Qasim, Malir Bin Qasim Town, 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. | 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 |
| Lease hold land (Under Construction) | Plot # D-51 & D-52, Industrial Zone, Port Qasim. | 13,333.33 Sq. Yd |
| Lease hold land (Under Construction) | Plot # W2/1/67 & 68, Industrial Zone, Port Qasim. * | 6,222.22 Sq. Yd |
| **Sunridge Foods (Private) Limited** | | |
| Pesa flour plant | C6, North west zone, Port Qasim | 14,520 Sq. Yd |
| Flour mill | Industrial Plot no. H/14, Site Super Highway, Phase II, | 4,307 Sq. Yd |

* The lease transfer of Plot # W2/1/67 & 68 is in process, however the approval of lease transfer and society registration has been obtained from Port Qasim Authority.

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 / (loss) on disposal | Mode of disposal | Particulars of buyer | Relation with buyer |
|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees) | | | | | | | |
| Plant and machinery | Pre-Press Super Deluxe Expellers | 1,900,000 | (308,750) | 1,591,250 | 570,833 | (1,020,417) | Auction | Abdul Rauf | N/A |
| | Pre-Press Super Deluxe Expellers | 1,900,000 | (308,750) | 1,591,250 | 570,833 | (1,020,417) | Auction | Abdul Rauf | N/A |
| | Pre-Press Super Deluxe Expellers | 1,900,000 | (308,750) | 1,591,250 | 570,833 | (1,020,417) | Auction | Abdul Rauf | N/A |
| Vehicles | Toyota Corolla Altis 1.6 | 2,379,000 | (436,150) | 1,942,850 | 2,500,000 | 557,150 | Sale and lease back | Al Baraka Bank (Pakistan) Limited | N/A |
| | Toyota Corolla Altis 1.6 | 2,329,000 | (1,319,767) | 1,009,233 | 3,100,000 | 2,090,767 | Sale and lease back | Al Baraka Bank (Pakistan) Limited | N/A |
| | Toyota Corolla Altis 1.6 | 2,210,842 | (1,363,353) | 847,489 | 847,489 | - | Final settlement | Sarfaraz Khan | Employee |
| | Toyota Corolla Altis 1.6 | 2,457,330 | (1,105,799) | 1,351,531 | 3,000,000 | 1,648,469 | Sale and lease back | Al Baraka Bank (Pakistan) Limited | N/A |

**7.4 Capital work-in-progress - at cost**

| | As at July 1, 2020 | Additions/ Adjustments | Acquired under business combination | Transfers/ Adjustments | As as June 30, 2021 |
|---|---|---|---|---|---|
| | (Rupees) | | | | |
| Lease hold land | - | 121,377,000 | - | (121,377,000) | - |
| Building on lease / free hold land | 434,649,775 | 2,313,991,555 | | (2,027,171,636) | 721,469,694 |
| Plant and machinery | 170,571,080 | 2,584,970,071 | - | (1,181,494,505) | 1,574,046,646 |
| Furniture, fixtures and office equipment | 4,210,768 | 20,310,489 | - | (4,328,397) | 20,192,860 |
| Vehicles | 760,589 | 34,028,624 | - | (5,317,305) | 29,471,908 |
| | 610,192,212 | 5,074,677,739 | - | (3,339,688,843) | 2,345,181,108 |

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| | As at July 1, 2019 | Additions/ Adjustments | Acquired under business | Transfers/ Adjustments | As as June 30, 2020 |
|---|---|---|---|---|---|
| | | | (Rupees) | | |
| Lease hold land | 500,000 | - | - | (500,000) | - |
| Building on lease / free hold land | 229,516,386 | 281,105,404 | 671,985 | (76,644,000) | 434,649,775 |
| Plant and machinery | 534,485,312 | 34,422,082 | 439,096 | (398,775,411) | 170,571,079 |
| Furniture, fixtures and office equipment | 4,305,917 | 828,040 | 141,522 | (1,064,711) | 4,210,768 |
| Vehicles | 9,718,389 | - | 27,385 | (8,985,185) | 760,589 |
| | 778,526,004 | 316,355,526 | 1,279,988 | (485,969,307) | 610,192,211 |

## 8 RIGHT-OF-USE ASSETS

| | Note | Consolidated 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Written down value (WDV) - opening | | 95,183,633 | - |
| Impact of initial application of IFRS-16 | | - | 119,648,079 |
| Net additions/ disposals during the year | | 169,191,576 | - |
| Depreciation charged for the year | 8.1 | (66,331,957) | (24,464,446) |
| Written down value (WDV) - closing | | 198,043,252 | 95,183,633 |

8.1 Depreciation for the year has been charged to;

| | Note | 2021 | 2020 |
|---|---|---|---|
| Cost of sales | 26 | 55,838,333 | 17,529,046 |
| Selling and distribution | 27 | 9,279,120 | 5,720,897 |
| Administrative expenses | 28 | 1,214,504 | 1,214,503 |
| | | 66,331,957 | 24,464,446 |

## 9 INTANGIBLE ASSETS

| | Note | 2021 | 2020 |
|---|---|---|---|
| Goodwill | 9.1 & 9.3 | 281,249,256 | 281,249,256 |
| Software | 9.1 | 9,593,222 | 10,978,956 |
| | | 290,842,478 | 292,228,212 |

9.1 Intangible assets

| | As at 30 June, 2021 Goodwill | Software |
|---|---|---|
| | (Rupees) | |
| Cost | | |
| As at July, 01 | 281,249,256 | 14,847,415 |
| Additions during the year/ Acquired under business combination | - | 1,156,827 |
| As at June, 30 | 281,249,256 | 16,004,242 |
| Accumulated amortization | | |
| As at July, 01 | - | (3,868,459) |
| Amortization charged during the year | - | (2,542,561) |
| As at June, 30 | - | (6,411,020) |
| Written down value as at June, 30 | 281,249,256 | 9,593,222 |
| Amortization rate (%) | Indefinite | 20% |

| | As at 30 June, 2020 Goodwill | Software |
|---|---|---|
| Cost | (Rupees) | |
| As at July, 01 | 281,249,256 | 10,276,432 |
| Additions during the year/ Acquired under business combination | - | 4,570,983 |
| As at June, 30 | 281,249,256 | 14,847,415 |
| Accumulated amortization | | |
| As at July, 01 | - | (1,621,992) |
| Amortization charged during the year | - | (2,246,467) |
| As at June, 30 | - | (3,868,459) |
| Written down value as at June, 30 | 281,249,256 | 10,978,956 |
| Amortization rate (%) | Indefinite | 20% |

9.2 **Amortization for the year has been charged to:**

| | Note | Consolidated 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Cost of sales | | 765,988 | 673,940 |
| Selling and distribution expenses | | 507,592 | 449,293 |
| Administrative expenses | | 1,268,981 | 1,123,234 |
| | | 2,542,561 | 2,246,467 |

9.3 **Goodwill**

Goodwill amounting to Rs. 281.25 million has been recognised by the Group on initial acquisition of 69% equity of Sunridge Foods (Private) Limited.

9.3.1 **Impairment testing of goodwill**

For the purpose of impairment testing, goodwill recognised on acquisition of Sunridge Foods (Private) Limited has been allocated to cash generating unit (CGU) which is Wheat Production Unit based on their operating results at the acquisition date.

The recoverable amounts of all CGUs have been determined based on value-in-use calculations. The Group has used the Income Approach - Discounted Cash Flow Method (DCF) to determine the value-in-use of the operating segments. The financial projections used have been prepared by the management of the subsidiary company and approved by its Board of Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

10 **STOCK-IN-TRADE**

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| **Raw and packing material** | | |
| In hand | 4,300,832,182 | 827,941,826 |
| In transit | 5,304,029,641 | 3,443,996,938 |
| | 9,604,861,823 | 4,271,938,764 |
| **Traded/ semi-finished goods** | | |
| In hand | 680,804,615 | 68,794,256 |
| **Work in process** | 94,938,036 | 54,250,306 |
| **Finished goods** | 1,387,147,719 | 967,418,083 |
| | 11,767,752,193 | 5,362,401,409 |

10.1 **Pledged as security**

As at June 30, 2021, Rs. 655.18 million (June 30, 2020: Rs.1075.37 million) of the Group's raw material was pledged as security for a Rs. 655.18 million (June 30, 2020: Rs. 1425.37 million) loan from various banks.

11 **TRADE DEBTS**

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **Unsecured** | | | |
| Considered goods | | 12,508,420,427 | 7,812,790,409 |
| Considered doubtful | | 19,959,229 | 17,202,904 |
| | | 12,528,379,656 | 7,829,993,313 |
| Allowance for expected credit loss | | (19,959,229) | (17,202,904) |
| | | 12,508,420,427 | 7,812,790,409 |

11.1 Related parties from whom trade debts are due are as under:

| | Note | 2021 | 2020 |
|---|---|---|---|
| Unity Feeds (Private) Limited | 11.1.1 & 11.1.2 | 70,918,694 | 41,200,406 |

11.1.1 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 718.62 million (2020: Rs. 188.54 million).

11.1.2 The aging of the trade debts from related parties as at the reporting date is as under:

| | 2021 | 2020 |
|---|---|---|
| Not yet due | 19,018,382 | 16,486,774 |
| Past due 1-60 days | 51,900,366 | 24,713,632 |
| Total | 70,918,694 | 41,200,406 |

| 12 | ADVANCES, DEPOSITS AND PREPAYMENTS | Note | Consolidated 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Advances - considered good | | | |
| | To suppliers | 12.1 | 91,238,285 | 62,780,194 |
| | To employees | | 21,161,972 | 4,286,612 |
| | Security deposits | 12.1 & 12.2 | 11,602,458 | 11,262,675 |
| | Prepayments | | 15,024,583 | 17,283,258 |
| | | | 139,027,298 | 95,612,739 |

12.1 These advances and deposits are non interest bearing.

12.2 These security deposits pertain to imports and right-of-use assets.

| 13 | SHORT TERM INVESTMENTS | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | At fair value through profit or loss | | | |
| | Mutual funds | 13.1 | 1,618,985,954 | - |
| | At amortized cost | | | |
| | Term deposit receipts | 13.2 | 5,240,000,000 | - |
| | | | 6,858,985,954 | - |

13.1 Mutual funds

| 2021 | 2020 | | 2021 | 2020 |
|---|---|---|---|---|
| Number of units | | | | |
| 15,997,648 | - | | 1,618,985,954 | - |
| | | Balance as at July 1 | - | - |
| | | Addition during the year | 1,960,000,000 | - |
| | | Redemption during the year | (350,000,000) | - |
| | | Balance as at June 30 | 1,610,000,000 | - |
| | | Market value as at June 30 | 1,618,985,954 | - |
| | | Unrealized gain | 8,985,954 | - |

This represents HBL Cash Fund Units redeemable along with dividend unitsat closing price of previous day NAV . As at June 30, 2021, Rs. 1,618.82 million (June 30, 2020: Nil) out of the total investment value was pledged as security for a Rs. 1,603.70 million (June 30, 2020: Nil) loan from HBL.

13.2 This carries markup at 6.5% (June 30, 2020: Nil) having maturity up to one year.

| 14 | CASH AND BANK BALANCES | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| | Bank balances - conventional banking | | |
| | - In saving accounts | 3,207,498 | 8,796,304 |
| | - In current accounts | 285,717,719 | 104,275,932 |
| | | 288,925,217 | 113,072,236 |
| | Bank balances - islamic banking | | |
| | - In saving accounts | 2,113,119 | 8,203 |
| | - In current accounts | 37,495,690 | 57,933,651 |
| | | 39,608,809 | 57,941,854 |
| | Cash in hand | 1,930,890 | 2,169,172 |
| | | 330,464,916 | 173,183,262 |

14.1 Rate of return on savings account

Profit on saving accounts ranges from 2.50% to 8.16% (2020: from 4.97% to 11.50%) per annum.

## 15 SHARE CAPITAL

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **Authorized share capital** | | | |
| 1,000,000,000 (2020: 1,000,000,000) ordinary shares of Rs. 10/- each | | 10,000,000,000 | 10,000,000,000 |
| **Issued, subscribed and paid-up capital** | | | |
| 994,050,000 (2020: 544,050,000) ordinary shares of Rs. 10/- each fully paid in cash. | 15.1 | 9,940,500,000 | 5,440,500,000 |

15.1 During the year, the Holding Company has issued further 450,000,000 (Four Hundred Fifty Million) ordinary shares of the Company at Rs. 10/- per share (i.e. at par). The purpose of the Right Issue was to meet the increased working capital requirements of the Holding Company in order to, inter alia, enhance profitability of the Holding Company and, consequentially, the returns to the shareholders. Thus the proceeds from the Right Issue have been utilized accordingly thereby enhancing returns to the shareholders.

15.2 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 Holding Company. All shares carry one vote per share without restriction.

## 16 LONG TERM LOANS

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Financing under SBP Scheme - non-shariah arrangements | 16.1 & 16.2 | 305,281,664 | 198,431,917 |
| Financing under ITERF Scheme - shariah arrangement | 16.3 | 65,633,319 | - |
| | | 370,914,983 | 198,431,917 |
| Diminishing Musharaka | | - | 2,083,012 |
| | | 370,914,983 | 200,514,929 |
| Current portion shown under current liabilities | | (199,367,074) | (57,247,103) |
| | | 171,547,909 | 143,267,826 |

16.1 The Group obtained long term financing from JS Bank during financial year ended June 30, 2020 under a refinance scheme by the State Bank of Pakistan for payment of salaries and wages. The financing carries flat mark-up at the rate of 3% per annum . However, the effective interest rate range from 9.33% to 10.40% per annum and the loan has been recognised at the present value. This loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at the effective rate of interest. The differential mark-up has been recognised as government grant (as mentioned in note 18) which is being amortised to other income over the period of the facility. The financing is secured against plant and machinery of the Group (inclusive of 25% margin).

16.2 During the year, the Holding Company has obtained long term financing from Bank of Punjab under the same refinance scheme as mentioned in note 16.1. The financing carries flat mark-up at the rate of 1% per annum and is secured against joint parri passu hypothecation charge over current assets of the Holding Company while the margin component is secured against plant and machinery of the Holding Company. All other terms and conditions are similar to the financing mentioned in note 16.1 and accordingly the treatment of loan and government grant has been consistently applied.

16.3 The Holding Company has also obtained long term financing from Al Baraka Bank (Pakistan) Limited 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 debt payment account (DPA) under ITERF. The facility carries a mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% per annum to recognize same at the present value.

## 17 LEASE LIABILITIES

| | Consolidated 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| Present value of future minimum lease payments | 212,143,181 | 106,571,190 |
| Less: current portion shown under current liabilities | (98,927,742) | (17,414,776) |
| Non current portion | 113,215,439 | 89,156,414 |

17.1 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:

| | 2021 Minimum lease payments | Finance charge | Present value of Minimum lease payments |
|---|---|---|---|
| | | Rupees | |
| Not later than one year | 116,184,720 | (17,256,978) | 98,927,742 |
| Later than one year but not later than five years | 121,915,984 | (8,700,545) | 113,215,439 |
| Total future minimum lease payments | 238,100,704 | (25,957,523) | 212,143,181 |

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| 17.2 Amount recognised in the statement of profit or loss | 25,731,310 | 15,885,839 |

## 18 STAFF RETIREMENT BENEFITS

The Subsidiary company operates unfunded gratuity scheme for employees who have completed the employment period of one year. During the year, the Subsidiary Company has carried out valuation under projected unit credit method and has made required disclosures:

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| **18.1 Staff retirement benefits - gratuity** | | 5,513,100 | 7,832,183 |
| **18.2 Movement in present value of defined benefit obligations** | | | |
| Opening present value of defined benefit obligation | | 7,832,183 | 7,506,126 |
| Current service cost | | 2,134,055 | 6,039,109 |
| Interest cost on defined benefit obligation | | 470,453 | 786,115 |
| Benefits paid | | (4,574,877) | (5,941,790) |
| Remeasurements: | | | |
| Actuarial (gains)/losses from changes in financial assumptions | | 24,112 | (97,112) |
| Experience adjustments | | (372,826) | (460,265) |
| Closing present value of defined benefit obligation | | 5,513,100 | 7,832,183 |
| **18.3 Expenses recognised in the statement of profit or loss** | | | |
| Current service cost | | 2,134,055 | 6,039,109 |
| Interest cost on defined benefit obligation | | 470,453 | 786,115 |
| | | 2,604,508 | 6,825,224 |
| **18.4 Remeasurements recognised in other comprehensive income** | | | |
| Actuarial (gains)/losses from changes in financial assumptions | | 24,112 | (97,112) |
| Experience adjustments | | (372,826) | (460,265) |
| | | (348,714) | (557,377) |
| **18.5 Movement in the net liability recognised:** | | | |
| Balance as at July, 01 | | 7,832,183 | 7,506,126 |
| Expense recognized in the statement of profit or loss | | 2,604,508 | 6,825,224 |
| Remeasurements chargeable in other comprehensive income | | (348,714) | (557,377) |
| Benefits paid | | (4,574,877) | (5,941,790) |
| Balance as at June, 30 | | 5,513,100 | 7,832,183 |

| | Note | 2021 | 2020 |
|---|---|---|---|
| **18.6 Significant Actuarial Assumptions** | | | |
| - Discount rate used for interest cost | | 8.50% | 14.25% |
| - Discount rate used for year end obligation | | 10.00% | 8.50% |
| - Salary increase rate | | 10.00% | 8.50% |
| - Next salary is increased at | | 01.Jul.21 | 01.Jul.20 |
| - Mortality Rates | | SLIC 2001-2005 Setback 1 year | SLIC 2001-2005 Setback 1 year |
| - Retirement Assumption | | Age 60 | Age 60 |

**18.7 Year end sensitivity analysis on staff retirement benefits:**

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| - Discount rate +100 bps | 5,072,725 | 7,310,528 |
| - Discount rate -100 bps | 5,995,392 | 8,449,943 |
| - Salary Increase +100 bps | 6,007,235 | 8,461,769 |
| - Salary Increase -100 bps | 5,053,876 | 7,289,735 |

Expected gratuity expense for the financial year 2022 will be Rs 2.887 million.

## 19 DEFERRED GOVERNMENT GRANTS

| | Note | 2021 | 2020 |
|---|---|---|---|
| As at 01 July | | 19,493,109 | - |
| Received during the year | 19.1 & 19.2 | 36,217,640 | 19,611,918 |
| Amortized during the period | | 27,195,852 | (118,809) |
| As at 30 June | | 28,514,897 | 19,493,109 |
| Current portion | | 17,341,943 | 12,194,400 |
| Non-current portion | | 11,172,954 | 7,298,709 |

19.1 As mentioned in note 16.1 and 16.2 of the annual audited consolidated financial statements for the year ended June 30, 2021, the purpose of the government grant is to facilitate the Group in making timely payments of salaries and wages to its employees in light of the COVID-19 pandemic. The grant is 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. The grant is being amortized at the rate ranges between 9.33% to 10.40% per annum.

19.2 As mentioned in note 16.3, the purpose of the government grant given under ITERF is to facilitate the Group 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 the fact that the Group would be required to contribute its equity share in an escrow account maintained with the Participating Islamic Banking Institution (PIBI). The proceeds in the said account shall be used by the Group only for the purpose of setting up of the project/payment to the supplier etc, representing Group's equity share in the project. The grant is being amortized at the rate of 9.75% per annum.

## 20 DEFERRED TAXATION - NET

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| **Deferred tax asset in respect of:** | | |
| Brought forward losses | 193,283,862 | 93,068,335 |
| Exchange loss - unrealized | - | 49,584,128 |
| Expected credit loss | 5,788,177 | 4,695,233 |
| Staff retirement benefits | 1,598,799 | |
| Lease liabilities | 4,088,980 | 3,116,867 |
| **Deferred tax liability in respect of:** | | |
| Accelerated tax depreciation | (202,792,186) | (131,314,056) |
| Accelerated tax amortization | (472,151) | - |
| Unrealized gain on short term investment | (2,605,927) | - |
| **Deferred tax (liability)/ asset** | (1,110,446) | 19,150,507 |

| 21 | TRADE AND OTHER PAYABLES | Note | Consolidated 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Trade creditors | 21.1 | 12,949,505,801 | 9,053,032,310 |
| | Advances from customers | | 5,239,176 | 6,896,314 |
| | Accrued liabilities | 21.2 | 734,626,501 | 81,843,372 |
| | Withholding sales tax payable | | 3,653,466 | 1,050,702 |
| | Withholding income tax payable | | 19,727,247 | 10,732,779 |
| | Provident fund | 21.3 | 2,239,746 | 1,711,218 |
| | Worker's welfare fund | | 72,569,820 | 3,891,006 |
| | Worker's profit participation fund | 21.5 | 191,470,036 | 10,615,247 |
| | Others | | 3,525,789 | 618,659 |
| | | | 13,982,556,582 | 9,170,391,607 |

21.1 This represents Rs. nil (June 30, 2020: Rs. 1.310 million) payable to Unity Packages (Private) Limited [formerly Reliance Exim (Private) Limited].

21.2 This includes a provision which comprises 50% of the value of amount that may be payable to Excise and Taxation Department of Government of Sindh as Sindh Development and Infrastructure Cess which was levied on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. Earlier, the levy was challenged by various companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. Accordingly, the Holding Company, during the year, filed a petition CP No. 4090 of 2020 in the Honourable High Court of Sindh at Karachi whereby challenging the imposition of Infrastructure Cess and started paying 50% of the value whereas recorded a liability of Rs. 276.80 million remaining amount which is supported by bank guarantee. During the year, the Sindh High Court has passed an order on June 4, 2021 for settlement of remainder of Infrastructure Cess against which the Company has filed an appeal in Supreme Court.

| 21.3 | Provident Fund | Note | (Unaudited) | (Audited) |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Size of the trust | | 52,055,024 | 33,792,930 |
| | Cost of investments | | 49,815,278 | 32,081,712 |
| | Fair value of investments | | 49,815,278 | 32,081,712 |

21.4 This amount of Rs. 2.24 million is held with Unity Foods Limited as on June 30, 2021 (2020: Rs. 1.71 million) and investment from provident fund has been made as per section 218 of the Companies Act, 2017.

| 21.5 | Worker's profit participation fund | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | As at July 01 | 21.5.1 | 10,615,247 | 14,667,337 |
| | Interest on fund utilized in Group's business | | 474,485 | 693,182 |
| | Allocation for the year | 30 | 190,995,551 | 9,922,065 |
| | Paid during the year | | (10,615,247) | (14,667,337) |
| | As at June 30 | | 191,470,036 | 10,615,247 |

21.5.1 Interest on the workers profit participation fund has been provided at the rate 9.53% (2020: 15%) per annum.

| 22 | ACCRUED MARK-UP | Note | 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Mark-up accrued on: | | | |
| | - Loan from related party | | - | 73,693 |
| | - Running finance on short term loans | 22.1 | 214,320,052 | 66,625,823 |
| | | | 214,320,052 | 66,699,516 |

22.1 This includes mark-up accrued amounting to Rs. 108.34 million (June 30, 2020: Rs. 21.74 million) on shariah arrangements.

| | | Note | 2021 | 2020 |
|---|---|---|---|---|
| 23 | **SHORT TERM BORROWINGS - SECURED** | | (Rupees) | |
| | **Under conventional arrangement** | | | |
| | **Finance against imported merchandise** | 23.1 | 6,897,862,544 | 1,524,331,650 |
| | **Short term running finance** | 23.2 | 1,256,840,113 | 265,493,153 |
| | **Under Islamic arrangement** | | | |
| | **Short term running finance** | 23.3 | 7,981,854,325 | 2,191,681,220 |
| | | | 16,136,556,982 | 3,981,506,023 |

23.1 Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from conventional window of commercial banks under mark-up arrangements amounted to Rs. 6,833.07 million (June 30, 2020: Rs. 1,524.33 million). During the year mark-up on such arrangements ranged between matching KIBOR plus 1% - 2% (June 30, 2020: 1% - 2%) per annum for financing in local currency only and 3 months LIBOR plus 2% - 4% (2020: 3% - 4%) per annum for financing in foreign currency.

23.2 Short term running finance available from conventional window of various commercial banks under mark-up arrangements amounted to 1,256.84 million (2020: Rs. 265.49 million). During the year mark-up on such arrangements ranged between matching KIBOR plus 1% - 2% (2020: 1% - 2%) per annum.

23.3 Funded facilities (isitsna, wakala and murabaha) available from Islamic banks amounted to Rs. 7,981.85 million (June 30, 2020: Rs. 2,191.68 million). During the year mark-up on such arrangements ranged between matching KIBOR plus 0.9% - 2% (June 30, 2020: 1.25% - 1.70%) per annum for financing in local currency only and matching LIBOR plus 2% - 4% (2020: 3% - 4%) flat per annum for financing in foreign currency.

**23.4 Post import funded facilities, running finance and funded facilities under Islamic mode are secured by way of pledge over import goods and hypothecation charge over current and fixed assets of the Group.**

## 24 LOAN FROM RELATED PARTY

**This represents interest free loan which was payable on demand obtained from a related party, to meet working capital requirements. The name and relationship with the related party has been disclosed in note 38 of these consolidated financial statements.**

## 25 CONTINGENCIES AND COMMITMENTS

### 25.1 Contingencies

**25.1.1 During the period, in respect of the GIDC matter (as mentioned in note 21.2), the 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, the Holding Company has filed petition CP No. 4090 of 2020 in the Honourable High Court of Sindh at Karachi whereby challenging the imposition of Infrastructure Cess. The Sindh High Court has passed an order on June 4, 2021 for settlement of remainder of Infrastructure Cess against which the Company has filed an appeal in SCP and SCP's order is awaited.**

**25.1.2 On May 24, 2018 the Holding Company and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on loan write off pertaining to the period 2007. The former management for their own behalf of the Holding Company have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that due amounts were paid by the then management to the National Bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Holding Company. Accordingly, no provisioning has been provided in these consolidated financial statements.**

### 25.2 Commitments

**25.2.1 Commitments under letter of credit for raw materials as at June 30, 2021 amounted to Rs. 6,093.50 million (June 30, 2020: Rs. 1,443.40 million).**

| | | Note | Consolidated 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **26** | **NET SALES** | | | |
| | Local | | 77,130,524,177 | 33,292,365,357 |
| | Export | | 331,728,162 | 1,435,000,796 |
| | | | 77,462,252,339 | 34,727,366,153 |
| | Sales tax | | (8,565,867,586) | (4,103,975,937) |
| | Trade discount | | (66,033,746) | (177,213,245) |
| | | | (8,631,901,332) | (4,281,189,182) |
| | Toll manufacturing | | 950,033 | 33,324,947 |
| | | | 68,831,301,040 | 30,479,501,918 |
| **27** | **COST OF SALES** | | | |
| | Raw material consumed | | 62,482,672,408 | 26,505,310,123 |
| | Salaries, wages and benefits | 27.1 | 604,131,079 | 402,404,727 |
| | Rent, rates and taxes | | 22,100,577 | 21,474,969 |
| | Fuel, power and electricity | | 345,298,237 | 306,102,705 |
| | Insurance | | 74,911,909 | 51,679,151 |
| | Security and janitorial | | 26,057,171 | 14,459,549 |
| | Postage, telephone and internet | | 3,265,709 | 2,115,150 |
| | Printing, stationery and office supplies | | 4,072,621 | 2,046,330 |
| | Vehicles, travelling and conveyance | | 10,870,358 | 5,624,449 |
| | Transport - freight | | 351,584,933 | 154,787,858 |
| | Toll manufacturing expenses | | 856,490 | 27,150,954 |
| | Depreciation on operating fixed assets | 7.2 | 167,819,003 | 119,161,565 |
| | Depreciation to right-of-use assets | 8.1 | 55,838,333 | 17,529,046 |
| | Amortization on intangible assets | 9.1 | 765,989 | 673,940 |
| | Repair and maintenance | | 62,701,952 | 36,554,275 |
| | Factory canteen expenses | | 3,209,517 | 828,631 |
| | Cleaning expense | | 2,173,370 | 299,470 |
| | Others | | 8,835,589 | 8,532,055 |
| | | | 64,227,165,245 | 27,676,734,947 |
| | Add: Opening stock of work-in-process | | 54,250,306 | 134,482,603 |
| | Less: Closing stock of work-in-process | | (94,938,036) | (54,250,306) |
| | **Cost of goods manufactured** | | 64,186,477,515 | 27,756,967,244 |
| | Add: Opening stock of finished goods | | 1,036,212,339 | 1,658,306,888 |
| | Less: Closing stock of finished goods | | (2,042,514,627) | (1,036,212,339) |
| | **Cost of sales** | | 63,180,175,227 | 28,379,061,793 |

27.1 Salaries, wages and benefits include Rs. 5.07 million for the year ended June 30, 2021 (2020: Rs. 5.90 million) in respect of staff retirement benefits.

## 28 SELLING AND DISTRIBUTION EXPENSES

| | Note | Consolidated 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Salaries, wages and benefits | 28.1 | 104,858,587 | 94,293,362 |
| Security and janitorial | | 4,311,181 | 7,068,159 |
| Freight and forwarding | | 535,675,284 | 403,938,840 |
| Travelling, conveyance and entertainment | | 9,567,255 | 15,512,173 |
| Depreciation of operating fixed assets | 7.2 | 3,115,088 | 1,775,781 |
| Depreciation to right-of-use assets | 8.1 | 9,279,120 | 5,720,897 |
| Amortization on intangible assets | 9.1 | 507,592 | 449,293 |
| Expected credit loss | | 2,756,325 | 17,202,904 |
| Electricity, gas and water | | 966,977 | 1,250,182 |
| Printing, stationery and office supplies | | 199,821 | 1,685,190 |
| Repairs and maintenance | | 762,549 | 1,542,932 |
| Distributor expenses | | 275,560,688 | 124,515,131 |
| Rent ,rates and taxes | | 239,291 | 14,850,585 |
| Insurance | | 1,687,915 | 416,002 |
| Fees and subscription | | - | 2,774,968 |
| Postage, telephone and internet | | 1,542,136 | 1,279,737 |
| Marketing and research cost | | 3,169,861 | 5,851,982 |
| Advertising and sales promotion | | 280,777,534 | 49,414,760 |
| Others | | 1,168,880 | 1,471,218 |
| | | 1,236,246,093 | 751,014,096 |

28.1 Salaries, wages and benefits include Rs. 4.10 million for the year ended June 30, 2021 (2020: Rs. Rs. 5.75 million) in respect of staff retirement benefits.

## 29 ADMINISTRATIVE EXPENSES

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | (Rupees) | |
| Salaries, wages and benefits | 29.1 | 182,072,182 | 115,499,648 |
| Rents, rates and taxes | | 2,115,763 | 398,832 |
| Travelling, conveyance and entertainment | | 26,466,377 | 31,688,869 |
| Electricity, gas and water | | 3,170,652 | 2,680,823 |
| Postage, telephone and internet | | 8,938,103 | 4,978,751 |
| Insurance | | 2,645,091 | 992,424 |
| Repairs and maintenance | | 7,139,120 | 3,195,579 |
| Advertising and sales promotion | | 854,537 | 1,948,532 |
| Auditor's remuneration | 29.2 | 8,428,050 | 4,070,000 |
| Legal and professional | | 21,568,545 | 10,802,916 |
| Consultancy services | | 42,365,399 | 12,460,955 |
| Fees and subscription | | 51,326,155 | 15,151,050 |
| Security and janitorial charges | | 5,503,244 | 4,270,015 |
| Donations | 29.3 | 18,140,148 | 42,667 |
| Depreciation on operating fixed assets | 7.2 | 9,834,109 | 7,000,159 |
| Depreciation of right-of-use assets | 8.1 | 1,214,504 | 1,214,503 |
| Amortization on intangible assets | 9.1 | 1,268,981 | 1,123,234 |
| Printing, stationery and office supplies | | 3,565,416 | 2,717,721 |
| Others | | 13,646,981 | 7,431,734 |
| | | 410,663,355 | 227,668,412 |

29.1 Salaries, wages and benefits include Rs. 5.91 million for the year ended June 30, 2021 (2020: Rs. 6.34 million) in respect of staff retirement benefits.

### 29.2 Auditor's remuneration

| | 2021 | 2020 |
|---|---|---|
| **Audit services** | (Rupees) | |
| Audit fee | 5,100,000 | 2,660,000 |
| Half yearly review | 1,350,000 | 810,000 |
| Consolidation of Group's Financial Statements | 500,000 | 300,000 |
| Review of Code of Corporate Governance | 100,000 | 100,000 |
| Out of pocket expenses | 198,050 | 100,000 |
| | 7,248,050 | 3,970,000 |
| Certifications for regulatory purposes | 1,180,000 | 100,000 |
| | 8,428,050 | 4,070,000 |

| 29.3 | The Holding Company has paid donations to the following: | Note | Consolidated 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | **Name of Donee** | | | |
| | Future Trust | | 10,000,000 | - |
| | Saylani Welfare Trust | | 7,022,361 | - |
| | Others | | 1,117,787 | - |
| | | | 18,140,148 | - |

## 30 OTHER OPERATING (INCOME) / EXPENSES

| | | |
|---|---|---|
| Exchange (gain)/ loss | (441,489,722) | 374,127,511 |
| Worker's welfare fund | 72,568,820 | 3,891,006 |
| Worker's profit participation fund | 190,995,551 | 9,922,065 |
| | (177,925,351) | 387,940,582 |

## 31 OTHER INCOME

| | | |
|---|---|---|
| **Income / return on financial assets** | | |
| Income on bank deposits -under conventional banking | 2,090,090 | 621,098 |
| Income on TDRs | 256,822,205 | - |
| Unrealized gain on investment in mutual fund units | 8,985,954 | - |
| Profit realized on redemption of mutual fund units | 133,669 | - |
| Income on bank deposits - under Islamic banking | 56,823 | 2,813 |
| **Income / (loss) from non-financial assets** | | |
| Scrap sales | 21,285,745 | 4,794,608 |
| Gain on disposal of operating fixed assets | 1,648,469 | 592,143 |
| Amotisation of deferred government grants | 27,195,852 | 118,809 |
| Others | 16,489,982 | 7,347,578 |
| | 334,708,789 | 13,477,049 |

## 32 FINANCE COST

| | | |
|---|---|---|
| Interest on non-shariah arrangements | 428,867,865 | 249,987,943 |
| Profit on shariah arrangement | 465,186,021 | 238,561,067 |
| Interest on worker's profit participation fund | 474,485 | 693,182 |
| Finance charges of lease liabilities | 25,731,310 | 15,885,839 |
| Interest cost on staff retirement benefits | 470,453 | 786,115 |
| Bank charges | 17,874,204 | 42,231,788 |
| Transaction cost on debt financing | 22,374,000 | - |
| | 960,978,338 | 548,145,934 |

## 33 TAXATION

| | Note | | |
|---|---|---|---|
| Current year | 33.1 | 197,418,283 | - |
| Prior years | | - | 53,511 |
| | | 197,418,283 | 53,511 |
| Deferred | 20 | 20,260,953 | 15,078,506 |
| **Net Tax Charged** | | 217,679,236 | 15,132,017 |

| | Consolidated | |
|---|---|---|
| | 2021 | 2020 |
| | (Rupees) | |

**33.1 Relationship between tax expense and accounting profit:**

| | 2021 | 2020 |
|---|---|---|
| Profit before taxation | 3,555,872,167 | 199,148,150 |
| Applicable tax rate as per Income Tax Ordinance, 2001 | 29% | 29% |
| Tax on accounting profit | 1,031,202,928 | 57,752,964 |
| Effect of final tax regime | 5,297,563 | - |
| Effect of minimum tax | 35,059,278 | - |
| Effect of tax credit and unused tax losses | (934,531,950) | (33,495,434) |
| Deferred tax adjustment | 49,216,495 | - |
| Others | 31,434,922 | (9,125,513) |
| | 217,679,236 | 15,132,017 |

33.2 The Group has opted for tax credit under section 65D and 65E of the Income Tax Ordinance, 2001. Provision for current taxation has been made in these consolidated financial statements on non-exempted activities of the Group.

## 34 EARNINGS PER SHARE

| | Consolidated | |
|---|---|---|
| | 2021 | 2020 |
| | (Rupees) | |
| Profit after taxation | 3,263,697,353 | 212,838,242 |
| | (Number of Shares) | |
| | | Restated |
| Weighted average number of ordinary shares outstanding during the year | 904,050,000 | 599,351,401 |
| | | Restated |
| | (Rupees) | |
| Basic and diluted earning per share | 3.61 | 0.36 |

| | | Consolidated | |
|---|---|---|---|
| **35 CASH FLOWS FROM OPERATING ACTIVITIES** | **Note** | **2021** | **2020** |
| | | (Rupees) | |
| **Profit before taxation** | | 3,555,872,167 | 199,148,150 |
| **Adjustments for non-cash items:** | | | |
| Depreciation of operating fixed assets | 7.1 | 180,868,201 | 127,937,507 |
| Depreciation to right-of-use assets | 8.1 | 66,331,957 | 24,464,446 |
| Amortization on intangible assets | 9.1 | 2,542,561 | 2,246,467 |
| Amortization on deferred government grant | | (27,195,852) | (118,809) |
| Expected credit loss | 11 | 2,756,325 | 17,202,904 |
| Gain on revaluation of mutual fund units - unrealized | | (8,985,954) | - |
| Provision for staff gratuity | | 2,604,508 | 6,825,224 |
| Gain on disposal | | (1,599,419) | (592,143) |
| Liability written off | | (418,558) | (25,000) |
| Unrealised exchange loss | | 112,082,600 | 170,979,754 |
| Donation | | - | (22,667) |
| Profit on short term investment / deposit account | | (265,808,159) | 3,066 |
| Finance cost | | 960,978,338 | 548,362,355 |
| | | 4,580,028,715 | 1,096,411,254 |
| **Changes in working capital** | | | |
| **(Increase)/ decrease in current assets:** | | | |
| Stock-in-trade | | (6,405,350,784) | (2,077,785,462) |
| Stores and spares | | 26,068,107 | (33,556,747) |
| Trade debts | | (4,691,002,614) | (4,712,410,402) |
| Advances, deposits and short term prepayments | | (49,607,606) | (171,912,504) |
| Sales tax receivable | | (400,635,324) | - |
| Other receivables | | 18,805,953 | (9,608,886) |
| | | (11,501,722,268) | (7,005,274,001) |
| **Increase/ (decrease) in current liabilities:** | | | |
| Trade and other payables | | 4,711,257,351 | 6,817,478,344 |
| Sales tax payable | | (1,195,396) | 293,680,782 |
| Contract liabilities | | 40,236,369 | 3,532,548 |
| Unclaimed dividend | | - | - |
| | | 4,750,298,324 | 7,114,691,674 |
| **Cash generated from/ (used in) operating activities** | | (2,171,395,229) | 1,205,828,927 |

**35.1 Cash and cash equivalents comprise of:**

| | Note | 2021 | 2020 |
|---|---|---|---|
| Cash and bank balances | 14 | 330,464,916 | 173,183,262 |
| Short term borrowings under conventional banks | 23 | (1,256,840,113) | (265,493,153) |
| Short term borrowings under Islamic banks | 23 | (1,443,000,000) | (89,250,000) |
| | | (2,369,375,197) | (181,559,891) |

## 35.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

| Description | Issued, subscribed and paid-up capital | Unappropriated profit | Long term loans | Lease Liabilities | Short term borrowings | Accrued markup | Unclaimed dividend | Loan from related party | Total |
|---|---|---|---|---|---|---|---|---|---|
| Balance as at July 1, 2020 | 5,440,500,000 | 412,785,010 | 200,514,929 | 106,571,190 | 3,981,506,023 | 66,699,516 | 747,612 | 75,490,811 | 10,209,324,280 |
| **Changes from financing cash flows** | | | | | | | | | |
| Proceeds from issuance of right shares | 4,500,000,000 | - | - | - | - | - | - | - | 4,500,000,000 |
| Transaction cost paid on issuance of right shares | - | (82,151,068) | - | - | - | - | - | - | (82,151,068) |
| Long term loan received | - | - | 285,353,209 | - | - | - | - | - | 285,353,209 |
| Long term loan repaid | - | - | (108,487,083) | - | - | - | - | - | (108,487,083) |
| Proceeds from short term finance facilities | - | - | - | - | 9,809,953,999 | - | - | - | 9,809,953,999 |
| Proceeds from running finance facilities shown as cash equivalents | - | - | - | - | 2,786,519,056 | - | - | - | 2,786,519,056 |
| Rentals paid against right-of-use assets | - | - | - | (75,526,251) | - | - | - | - | (75,526,251) |
| Repayment of borrowing | - | - | - | - | (452,849,346) | - | - | (75,490,811) | (452,849,346) |
| Finance cost paid | - | - | (7,011,372) | - | - | (752,769,145) | - | - | (759,780,517) |
| Dividend paid | - | - | - | - | - | - | (78,605) | - | (78,605) |
| | 4,500,000,000 | (82,151,068) | 169,854,754 | (75,526,251) | 12,143,623,709 | (752,769,145) | (78,605) | (75,490,811) | 15,902,953,394 |
| **Other changes** | | | | | | | | | |
| Interest expense | - | - | 36,758,117 | 25,731,310 | - | 900,389,681 | - | - | 962,879,108 |
| Additions/ reassesment/ termination of lease | - | - | - | 155,366,932 | - | - | - | - | 155,366,932 |
| Deferred government grant recognized | - | - | (36,212,817) | - | - | - | - | - | (36,212,817) |
| Goodwill / Negative movement in equity | - | (346,592,040) | - | - | - | - | - | - | (346,592,040) |
| Total comprehensive income for the year | - | 3,263,868,188 | - | - | - | - | - | - | 3,263,868,188 |
| | - | 2,917,276,148 | 545,300 | 181,098,242 | - | 900,389,681 | - | - | 3,999,309,371 |
| **Balance as at June 30, 2021** | 9,940,500,000 | 3,247,910,090 | 370,914,983 | 212,143,181 | 16,125,129,732 | 214,320,052 | 669,007 | - | 30,111,587,045 |

## 36 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

## 36.1 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:

| | | Consolidated | |
|---|---|---|---|
| | Note | 2021 | 2020 |
| | | (Rupees) | |
| Long term deposits | | 25,780,830 | 3,086,098 |
| Trade debts | 11 | 12,508,420,427 | 7,812,790,409 |
| Advances and deposits | 12 | 124,002,713 | 11,262,675 |
| Other receivables | | 86,420,577 | 10,761,361 |
| Short term investments | 13 | 6,858,985,954 | - |
| Cash and bank | 14 | 328,534,026 | 171,610,974 |
| | | 19,932,144,529 | 8,009,511,517 |

### Long term deposits

These represent security deposits provided to utility companies as per the contractual terms. The Group does not expect material loss against those deposits and retention money.

### 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 ECL that represents its estimate of incurred losses.

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

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| Domestic | 12,528,379,656 | 7,829,993,313 |
| Export | - | - |
| | 12,528,379,656 | 7,829,993,313 |

The ageing of trade debts at the date of statement of financial position is:

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | |
| Not past due | 4,978,984,352 | 1,916,512,458 |
| Past due 1 - 30 days | 2,546,157,715 | 4,539,438,682 |
| Past due 30 - 90 days | 4,238,522,396 | 1,316,677,962 |
| Past due above 90 days | 764,715,193 | 57,364,211 |
| | 12,528,379,656 | 7,829,993,313 |

**Advances and deposits**

These represents loan and advances to employees as per group policy and deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

**Others receivables**

These represent profit receivable against investment in TDRs and mutual fund units . The management does not expect to incur credit loss there against.

**Short term investments**

These represent investment in mutual fund units and TDRs. 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.

**36.2 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.

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

| | Consolidated | | | |
|---|---|---|---|---|
| As at June 30, 2021 | Carrying amount | Contractual maturities | Maturity up to one year | Maturity up to two to five years |
| **Non-derivative financial liabilities** | -----------(Rupees)----------- | | | |
| Long term loan | 370,914,983 | 370,914,983 | 199,367,074 | 171,547,909 |
| Lease liabilities | 212,143,181 | 212,143,181 | 98,927,742 | 113,215,439 |
| Trade and other payables | 13,982,556,582 | 13,982,556,582 | 13,982,556,582 | - |
| Accrued mark-up | 214,320,052 | 214,320,052 | 214,320,052 | - |
| Short term borrowings | 16,136,556,982 | 16,136,556,982 | 16,136,556,982 | - |
| Unclaimed dividend | 669,007 | 669,007 | 669,007 | - |
| Contract liabilities | 45,171,820 | 45,171,820 | 45,171,820 | - |
| | 30,962,332,607 | 30,962,332,607 | 30,677,569,259 | 284,763,348 |
| **Derivative financial liabilities** | - | - | - | - |
| | 30,962,332,607 | 30,962,332,607 | 30,677,569,259 | 284,763,348 |

| As at June 30, 2020 | Carrying amount | Contractual maturities | Maturity up to one year | Maturity up to two to five years |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | -----------(Rupees)----------- | | | |
| Long term loan | 200,514,929 | 200,514,929 | 57,247,103 | 143,267,826 |
| Lease liabilities | 106,571,190 | 106,571,190 | 17,414,776 | 89,156,414 |
| Trade and other payables | 9,170,391,607 | 9,170,391,607 | 9,170,391,607 | - |
| Accrued mark-up | 66,699,516 | 66,699,516 | 66,699,516 | - |
| Short term borrowings | 3,981,506,023 | 3,981,506,023 | 3,981,506,023 | - |
| Sales tax payable | 1,195,395 | 1,195,395 | 1,195,395 | - |
| Unclaimed dividend | 747,612 | 747,612 | 747,612 | - |
| Loan from related party | 75,490,811 | 75,490,811 | 75,490,811 | - |
| Contract liabilities | 4,935,451 | 4,935,451 | 4,935,451 | - |
| | 13,608,052,534 | 13,608,052,534 | 13,375,628,294 | 232,424,240 |
| **Derivative financial liabilities** | - | - | - | - |
| | 13,608,052,534 | 13,608,052,534 | 13,375,628,294 | 232,424,240 |

## 36.3 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 optimising the return. The Group is exposed to currency risk and interest rate risk only.

### 36.3.1 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:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Rupees | US Dollars | Rupees | US Dollars |
| **Financial liabilities** | | | | |
| Trade creditors - foreign | 9,158,092,700 | 57,852,765 | 7,555,587,160 | 44,773,159 |

The following significant exchange rates were applicable during the year:

| | Reporting date rate | |
|---|---|---|
| | Buying / Selling | Buying / Selling |
| US Dollars (USD) to Pakistan Rupee | 157.80 / 158.30 | 168.25 / 168.75 |

**Sensitivity analysis**

A 10 percent strengthening / weakening of the Pak Rupee against the US Dollar at June 30, 2021 would have decreased / increased the equity / profit after tax by Rs. 915.81 million (June 30, 2020: 755.56 million).

### 36.3.2 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 Group 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. 5,245 million (June 30, 2020: Rs 8.796 million) and Rs. 16,431 million (June 30, 2020: 4,282 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, 2021, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs. 111.86 million (June 30, 2020: Rs. 52.19 million) lower/ higher, mainly as a result of lower/ higher interest expense/ income from these financial liabilities and assets.

### 36.3.3 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.

### 36.3.4 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.

### 36.3.5 Financial instruments by categories

| | Consolidated | |
|---|---|---|
| | 2021 | 2020 |
| | (Rupees) | |
| **Financial assets** | | |
| **Held at amortized cost** | | |
| Long term deposits | 25,780,830 | 4,436,599 |
| Trade debts | 12,508,420,427 | 7,765,666,856 |
| Advances and deposits | 124,002,715 | 69,906,512 |
| Other receivables | 86,420,577 | 9,753,965 |
| Short term investments | 5,240,000,000 | - |
| Bank balances | 328,534,026 | 161,787,891 |
| | 18,313,158,575 | 8,011,551,823 |
| **Held at fair value** | | |
| Short term investments | 1,618,985,954 | - |
| **Financial liabilities** | | |
| **Held at amortized cost** | | |
| Long term loan | 370,914,983 | 178,911,655 |
| Lease liabilities | 212,143,181 | 99,555,309 |
| Trade and other payables | 13,982,556,582 | 8,838,121,773 |
| Accrued mark-up | 214,320,052 | 65,799,695 |
| Short term borrowings | 16,136,556,982 | 3,892,256,023 |
| Sales tax payable | - | 1,195,396 |
| Unclaimed dividend | 669,007 | 747,612 |
| | 30,917,160,787 | 13,076,587,463 |

## 37 REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | Consolidated | | | |
|---|---|---|---|---|
| | 2021 | | | |
| | Chief Executive Officer | Directors | Executives | Total |
| | (Rupees) | | | |
| Managerial remuneration | - | - | 141,990,289 | 141,990,289 |
| House rent | - | - | 40,966,703 | 40,966,703 |
| Medical | - | - | 8,418,197 | 8,418,197 |
| Retirement benefits | - | - | 5,865,553 | 5,865,553 |
| Director's meeting fee | 250,000 | 1,300,000 | 12,820,151 | 14,370,151 |
| | 250,000 | 1,300,000 | 210,060,893 | 211,610,893 |
| Number of persons | 1 | 12 | 56 | 69 |

| | 2020 | | | |
|---|---|---|---|---|
| | Chief Executive Officer | Directors | Executives | Total |
| | (Rupees) | | | |
| Managerial remuneration | 2,666,664 | - | 54,881,982 | 57,548,646 |
| House rent | 1,733,336 | - | 27,369,232 | 29,102,568 |
| Medical | - | - | 5,089,540 | 5,089,540 |
| Retirement benefits | 650,000 | - | 5,447,535 | 6,097,535 |
| Director's meeting fee | 200,000 | 1,170,000 | 18,775,791 | 25,195,791 |
| | 5,250,000 | 1,170,000 | 111,564,080 | 123,034,080 |
| Number of persons | 2 | 7 | 20 | 29 |

The chief executive officer and directors of the Holding Company waived their remuneration.

## 38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, the subsidiary companies, directors of the Group, companies in which the Group's directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transaction with related parties are under agreed terms/ contractual arrangements.

Transactions with related parties

Transactions with related parties other than those disclosed elsewhere are as follows:

| Related parties | Nature of relationship | Nature of transaction | For the Year ended 2021 | 2020 |
|---|---|---|---|---|
| | | | (Rupees) | |
| Unity Feeds (Private) Limited | Associated company | Sales | 159,027,222 | 410,337,472 |
| Unity Enterprises (Private) Limited | Associated company | Loan received | - | 86,425,000 |
| | | Loan paid | 75,490,811 | 10,934,189 |
| Unity Packages (Private) Limited | Associated company | Commission | - | 1,310,596 |
| Ms. Fehmida Amin | Lendor (Mother of director) | Loan received | - | 663,724,884 |
| | | Loan repaid | - | 843,591,388 |
| Provident fund | Staff retirement benefit fund | Contribution paid | 24,281,641 | 20,595,680 |
| Directors and executives | Key management personnel | Remuneration paid | 59,980,000 | 49,012,655 |

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**Balances with related parties**

| | | | As At June 30, 2021 | As At June 30, 2020 |
|---|---|---|---|---|
| | | | (Rupees) | (Rupees) |
| Unity Feeds (Private) Limited | Key management personnel | Against sale of goods | 70,918,694 | 41,200,406 |
| Unity Enterprises (Private) Limited | Associated company | Against loan payable | - | 75,490,811 |
| Unity Packages (Private) Limited | Associated company | Against commission payable | - | 1,310,596 |
| Provident fund - Contribution payable | Staff retirement benefit fund | Against contribution payable | 2,239,746 | 1,711,218 |

38.1 **Name of the related party** — **Relationship**

| Name of the related party | Relationship |
|---|---|
| Unity Packages (Pvt) Ltd. (formerly Reliance Exim (Pvt) Ltd.) | Associated company by nature of common directorship |
| Agro Allianz Limited | Associated company by nature of common directorship |
| Unity Enterprises (Pvt) Ltd. | Associated company by nature of common directorship |
| Unity Feeds (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 |

## 39 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.

The gearing ratio as at June 30, 2021 and June 30, 2020 is as follows:

| | 2021 | 2020 |
|---|---|---|
| | (Rupees) | (Rupees) |
| Long-term loan | 370,914,983 | 200,514,929 |
| Short-term financing | 16,136,556,982 | 3,981,506,023 |
| Total debt | 16,507,471,965 | 4,182,020,952 |
| Cash and bank balances | (330,464,916) | (173,183,262) |
| Net debt | 16,177,007,049 | 4,008,837,690 |
| | | |
| Share Capital | 9,940,500,000 | 5,440,500,000 |
| Advance against future issue of shares | | 12,163,324 |
| Unappropriated profit | 3,247,910,090 | 412,785,010 |
| Share Capital and reserves | 13,188,410,090 | 5,865,448,334 |
| | | |
| Gearing ratio (Net debt / (Net debt + Equity) | 55.09% | 40.60% |

## 40 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, 2021, all financial assets and financial liabilities are carried at amortised 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 recognised in the consolidated 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.

## 41 ANNUAL PRODUCTION CAPACITY

| | Consolidated | |
|---|---|---|
| | 2021 | 2020 |
| Production capacity as at year end was as follows: | Metric Tons | |
| Edible oil refinery | 234,000 | 234,000 |
| Solvent extraction plant | 162,000 | 162,000 |
| Feed Mill | 302,400 | 302,400 |
| Soap plant | 15,600 | - |
| Wheat plant | 191,400 | 43,800 |
| The actual production for the year was: | | |
| Edible oil refinery | 206,117 | 176,553 |
| Solvent extraction plant | 36,691 | 9,765 |
| Feed Mill | 273,824 | 170,728 |
| Soap plant | 256 | - |
| Wheat plant | 60,064 | 25,125 |

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## 42 OPERATING SEGMENT

These consolidated financial statements have been prepared on the basis of a single reportable segment as the Group's asset allocation decisions are based on a single, integrated business strategy, and the Group's performance is evaluated on an overall basis.

## 43 CORRESPONDING FIGURES

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017.

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.

## 44 GENERAL

44.1 Figures have been rounded off to the nearest rupee unless otherwise stated.

44.2 **Number of employees**

| | 2021 | 2020 |
|---|---|---|
| Total number of employees as at June 30 | 632 | 372 |
| Average number of employees during the year | 282 | 378 |

## 45 DATE OF AUTHORIZATION FOR ISSUE

These annual audited consolidated financial statements were authorized for issue in the Board of Directors meeting held on **October 06, 2021.**

Director | Chief Executive | Chief Financial Officer

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## UNITY FOODS LIMITED
## Pattern Of Share Holding - Form "34"
## Shareholders Statistics As At June 30, 2021

| | Number of Share Holders | Share Holding From | | To | Total Shares Held |
|---|---|---|---|---|---|
| | 655 | 1 | - | 100 | 30,372 |
| | 1369 | 101 | - | 500 | 549,732 |
| | 1269 | 501 | - | 1000 | 1,180,485 |
| | 2399 | 1001 | - | 5000 | 6,754,923 |
| | 696 | 5001 | - | 10000 | 5,614,749 |
| | 254 | 10001 | - | 15000 | 3,306,227 |
| | 169 | 15001 | - | 20000 | 3,143,938 |
| | 125 | 20001 | - | 25000 | 2,951,688 |
| | 72 | 25001 | - | 30000 | 2,039,643 |
| | 39 | 30001 | - | 35000 | 1,299,968 |
| | 54 | 35001 | - | 40000 | 2,083,022 |
| | 24 | 40001 | - | 45000 | 1,033,511 |
| | 50 | 45001 | - | 50000 | 2,465,092 |
| | 14 | 50001 | - | 55000 | 743,925 |
| | 19 | 55001 | - | 60000 | 1,107,292 |
| | 13 | 60001 | - | 65000 | 814,661 |
| | 8 | 65001 | - | 70000 | 549,503 |
| | 15 | 70001 | - | 75000 | 1,112,744 |
| | 12 | 75001 | - | 80000 | 948,850 |
| | 8 | 80001 | - | 85000 | 659,956 |
| | 12 | 85001 | - | 90000 | 1,063,991 |
| | 6 | 90001 | - | 95000 | 563,500 |
| | 30 | 95001 | - | 100000 | 2,995,790 |
| | 9 | 100001 | - | 105000 | 920,778 |
| | 8 | 105001 | - | 110000 | 868,894 |
| | 5 | 110001 | - | 115000 | 563,912 |
| | 8 | 115001 | - | 120000 | 948,807 |
| | 10 | 120001 | - | 125000 | 1,234,084 |
| | 7 | 125001 | - | 130000 | 899,684 |
| | 3 | 130001 | - | 135000 | 399,500 |
| | 6 | 135001 | - | 140000 | 829,100 |
| | 8 | 140001 | - | 145000 | 1,139,873 |
| | 8 | 145001 | - | 150000 | 1,198,464 |
| | 8 | 150001 | - | 155000 | 1,224,150 |
| | 3 | 155001 | - | 160000 | 473,212 |
| | 4 | 160001 | - | 165000 | 652,000 |
| | 4 | 165001 | - | 170000 | 670,000 |
| | 2 | 170001 | - | 175000 | 346,000 |
| | 4 | 180001 | - | 185000 | 730,611 |
| | 3 | 185001 | - | 190000 | 565,119 |

| | Number of Share Holders | Share Holding From | | To | Total Shares Held |
|---|---|---|---|---|---|
| | 2 | 190001 | - | 195000 | 386,848 |
| | 10 | 195001 | - | 200000 | 1,997,901 |
| | 1 | 200001 | - | 205000 | 200,222 |
| | 2 | 205001 | - | 210000 | 417,000 |
| | 1 | 215001 | - | 220000 | 220,000 |
| | 2 | 220001 | - | 225000 | 450,000 |
| | 1 | 225001 | - | 230000 | 230,000 |
| | 2 | 230001 | - | 235000 | 464,042 |
| | 3 | 235001 | - | 240000 | 716,500 |
| | 5 | 245001 | - | 250000 | 1,248,000 |
| | 1 | 250001 | - | 255000 | 252,500 |
| | 5 | 255001 | - | 260000 | 1,291,979 |
| | 1 | 265001 | - | 270000 | 266,113 |
| | 2 | 275001 | - | 280000 | 556,966 |
| | 2 | 280001 | - | 285000 | 567,965 |
| | 2 | 290001 | - | 295000 | 586,464 |
| | 3 | 295001 | - | 300000 | 900,000 |
| | 2 | 300001 | - | 305000 | 602,915 |
| | 1 | 305001 | - | 310000 | 306,500 |
| | 1 | 310001 | - | 315000 | 311,605 |
| | 1 | 315001 | - | 320000 | 320,000 |
| | 1 | 325001 | - | 330000 | 327,000 |
| | 2 | 330001 | - | 335000 | 663,440 |
| | 1 | 335001 | - | 340000 | 336,500 |
| | 1 | 340001 | - | 345000 | 345,000 |
| | 2 | 345001 | - | 350000 | 698,000 |
| | 2 | 350001 | - | 355000 | 705,500 |
| | 3 | 360001 | - | 365000 | 1,083,591 |
| | 2 | 370001 | - | 375000 | 746,000 |
| | 2 | 380001 | - | 385000 | 763,500 |
| | 1 | 390001 | - | 395000 | 395,000 |
| | 2 | 395001 | - | 400000 | 800,000 |
| | 2 | 400001 | - | 405000 | 803,300 |
| | 1 | 405001 | - | 410000 | 409,500 |
| | 1 | 415001 | - | 420000 | 419,002 |
| | 2 | 450001 | - | 455000 | 910,000 |
| | 1 | 460001 | - | 465000 | 462,000 |
| | 1 | 465001 | - | 470000 | 467,762 |
| | 1 | 475001 | - | 480000 | 477,000 |
| | 1 | 480001 | - | 485000 | 481,723 |
| | 1 | 485001 | - | 490000 | 488,000 |
| | 10 | 495001 | - | 500000 | 5,000,000 |

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| | Number of | Share Holding | | | Total Shares |
|---|---|---|---|---|---|
| | Share Holders | From | | To | Held |
| | 2 | 500001 | - | 505000 | 1,001,000 |
| | 1 | 510001 | - | 515000 | 511,000 |
| | 1 | 520001 | - | 525000 | 524,723 |
| | 1 | 525001 | - | 530000 | 527,104 |
| | 1 | 555001 | - | 560000 | 556,000 |
| | 1 | 560001 | - | 565000 | 562,707 |
| | 1 | 575001 | - | 580000 | 578,286 |
| | 2 | 595001 | - | 600000 | 1,196,557 |
| | 1 | 610001 | - | 615000 | 615,000 |
| | 1 | 615001 | - | 620000 | 617,816 |
| | 1 | 620001 | - | 625000 | 625,000 |
| | 1 | 650001 | - | 655000 | 653,400 |
| | 1 | 655001 | - | 660000 | 658,000 |
| | 1 | 660001 | - | 665000 | 663,000 |
| | 1 | 685001 | - | 690000 | 690,000 |
| | 2 | 695001 | - | 700000 | 1,400,000 |
| | 1 | 700001 | - | 705000 | 701,004 |
| | 1 | 715001 | - | 720000 | 716,000 |
| | 1 | 720001 | - | 725000 | 723,500 |
| | 1 | 735001 | - | 740000 | 739,170 |
| | 1 | 740001 | - | 745000 | 743,074 |
| | 1 | 755001 | - | 760000 | 756,144 |
| | 2 | 785001 | - | 790000 | 1,579,000 |
| | 1 | 815001 | - | 820000 | 820,000 |
| | 1 | 830001 | - | 835000 | 831,800 |
| | 1 | 835001 | - | 840000 | 839,007 |
| | 1 | 850001 | - | 855000 | 853,000 |
| | 1 | 855001 | - | 860000 | 860,000 |
| | 1 | 895001 | - | 900000 | 900,000 |
| | 1 | 930001 | - | 935000 | 932,000 |
| | 2 | 945001 | - | 950000 | 1,899,300 |
| | 1 | 985001 | - | 990000 | 986,000 |
| | 1 | 990001 | - | 995000 | 991,712 |
| | 4 | 995001 | - | 1000000 | 3,998,590 |
| | 1 | 1000001 | - | 1005000 | 1,000,400 |
| | 2 | 1005001 | - | 1010000 | 2,016,379 |
| | 1 | 1010001 | - | 1015000 | 1,010,670 |
| | 1 | 1015001 | - | 1020000 | 1,017,600 |
| | 2 | 1020001 | - | 1025000 | 2,049,090 |
| | 1 | 1035001 | - | 1040000 | 1,035,086 |
| | 1 | 1070001 | - | 1075000 | 1,075,000 |
| | 1 | 1090001 | - | 1095000 | 1,090,312 |
| | 1 | 1100001 | - | 1105000 | 1,103,500 |

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| | Number of | Share Holding | | | Total Shares |
|---|---|---|---|---|---|
| | Share Holders | From | | To | Held |
| | 1 | 1150001 | - | 1155000 | 1,153,500 |
| | 1 | 1180001 | - | 1185000 | 1,183,500 |
| | 1 | 1195001 | - | 1200000 | 1,200,000 |
| | 1 | 1245001 | - | 1250000 | 1,250,000 |
| | 1 | 1295001 | - | 1300000 | 1,297,500 |
| | 1 | 1300001 | - | 1305000 | 1,302,500 |
| | 1 | 1375001 | - | 1380000 | 1,380,000 |
| | 1 | 1395001 | - | 1400000 | 1,400,000 |
| | 1 | 1455001 | - | 1460000 | 1,457,191 |
| | 1 | 1490001 | - | 1495000 | 1,492,567 |
| | 1 | 1495001 | - | 1500000 | 1,500,000 |
| | 1 | 1535001 | - | 1540000 | 1,538,036 |
| | 1 | 1605001 | - | 1610000 | 1,608,000 |
| | 1 | 1620001 | - | 1625000 | 1,623,833 |
| | 1 | 1670001 | - | 1675000 | 1,673,055 |
| | 1 | 1730001 | - | 1735000 | 1,733,500 |
| | 1 | 1920001 | - | 1925000 | 1,925,000 |
| | 1 | 2015001 | - | 2020000 | 2,017,035 |
| | 1 | 2275001 | - | 2280000 | 2,277,785 |
| | 1 | 2435001 | - | 2440000 | 2,440,000 |
| | 1 | 2495001 | - | 2500000 | 2,500,000 |
| | 1 | 2720001 | - | 2725000 | 2,721,500 |
| | 1 | 2980001 | - | 2985000 | 2,982,000 |
| | 1 | 3240001 | - | 3245000 | 3,240,251 |
| | 1 | 3615001 | - | 3620000 | 3,615,319 |
| | 1 | 3620001 | - | 3625000 | 3,620,642 |
| | 1 | 3685001 | - | 3690000 | 3,689,086 |
| | 1 | 3995001 | - | 4000000 | 4,000,000 |
| | 1 | 4045001 | - | 4050000 | 4,046,500 |
| | 1 | 4495001 | - | 4500000 | 4,500,000 |
| | 1 | 4635001 | - | 4640000 | 4,635,639 |
| | 1 | 4685001 | - | 4690000 | 4,688,000 |
| | 1 | 4740001 | - | 4745000 | 4,741,991 |
| | 2 | 4995001 | - | 5000000 | 10,000,000 |
| | 1 | 5445001 | - | 5450000 | 5,445,500 |
| | 1 | 5995001 | - | 6000000 | 6,000,000 |
| | 1 | 6330001 | - | 6335000 | 6,330,390 |
| | 1 | 6995001 | - | 7000000 | 7,000,000 |
| | 1 | 7000001 | - | 7005000 | 7,002,500 |
| | 1 | 7195001 | - | 7200000 | 7,200,000 |
| | 1 | 7495001 | - | 7500000 | 7,500,000 |
| | 1 | 7885001 | - | 7890000 | 7,888,000 |
| | 1 | 7995001 | - | 8000000 | 8,000,000 |

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| | Number of | Share Holding | | | Total Shares |
|---|---|---|---|---|---|
| | Share Holders | From | | To | Held |
| | 2 | 8995001 | - | 9000000 | 18,000,000 |
| | 1 | 9620001 | - | 9625000 | 9,623,441 |
| | 1 | 11105001 | - | 11110000 | 11,107,364 |
| | 1 | 11935001 | - | 11940000 | 11,935,034 |
| | 1 | 12300001 | - | 12305000 | 12,301,831 |
| | 1 | 14120001 | - | 14125000 | 14,124,376 |
| | 1 | 14495001 | - | 14500000 | 14,500,000 |
| | 1 | 16440001 | - | 16445000 | 16,441,355 |
| | 1 | 17495001 | - | 17500000 | 17,500,000 |
| | 2 | 19995001 | - | 20000000 | 39,999,920 |
| | 1 | 30260001 | - | 30265000 | 30,262,429 |
| | 1 | 39265001 | - | 39270000 | 39,268,389 |
| | 1 | 39495001 | - | 39500000 | 39,500,000 |
| | 1 | 41565001 | - | 41570000 | 41,565,253 |
| | 1 | 45950001 | - | 45955000 | 45,952,292 |
| | 1 | 46530001 | - | 46535000 | 46,530,388 |
| | 1 | 70150001 | - | 70155000 | 70,155,000 |
| | 1 | 70915001 | - | 70920000 | 70,916,712 |
| | 1 | 163165001 | - | 163170000 | 163,165,877 |
| | | | | | |
| | 7,620 | | | | 994,050,000 |

UNITY FOODS LIMITED

UNITY FOODS LIMITED

PATTERN OF SHAREHOLDING AS OF JUNE 30, 2021

| SHAREHOLDER'S CATEGORY | HOLDING | PERCENTAGE |
|---|---|---|
| | | |
| **Associated Companies, Undertakings and Related Parties** | | |
| UNITY WILMAR AGRO (PRIVATE) LIMITED | 163,165,877 | |
| WILMAR PAKISTAN HOLDINGS (PVT) LIMITED | 70,155,000 | |
| | 233,320,877 | 23.47% |
| | | |
| **DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN** | | |
| MR. MUHAMMAD FARRUKH -CHIEF EXECUTIVE OFFICER AND DIRECTOR | 62,104,525 | |
| MR. MUNEER S GODIL -DIRECTOR | 2,939 | |
| MS. TAYYABA RASHEED - DIRECTOR | 913 | |
| MS.LIE HONG HWA- DIRECTOR | - | |
| MR. ABDUL MAJEED GHAZIANI -DIRECTOR | 61,030,390 | |
| MR. SULAIMAN SADRUDDIN MEHDI - DIRECTOR | 6,000,000 | |
| MS. SALMA MAJEED -SPOUSE OF MR. ABDUL MAJEED GHAZIANI -DIRECTOR | 3,689,086 | |
| | 132,827,853 | 13.36% |
| **EXECUTIVE** | | |
| MR. JALEES EDHI - CHIEF FINANCIAL OFFICER | 5,879 | |
| | 5,879 | 0.0006% |
| **NIT AND ICP** | - | - |
| | | |
| **PUBLIC SECTOR COMPANIES & CORPORATIONS** | - | - |
| | | |
| **Banks, DFIs, NBFCs, Insurance Companies and Takaful** | | |
| CYAN LIMITED | 17,500,000 | |
| EFU LIFE ASSURANCE LIMITED | 16,441,355 | |
| THE BANK OF PUNJAB, TREASURY DIVISION. | 3,615,319 | |
| BANK ALFALAH LIMITED | 1,925,000 | |
| MEEZAN BANK LIMITED | 1,673,055 | |
| FAYSAL BANK LIMITED | 1,025,000 | |
| HABIB BANK LIMITED-TREASURY DIVISION | 998,590 | |
| DAWOOD FAMILY TAKAFUL LIMITED | 492,112 | |
| ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF | 467,762 | |
| LSE FINANCIAL SERVICES LIMITED - MT | 302,500 | |
| THE BANK OF KHYBER | 300,000 | |
| ALFALAH INSURANCE COMPANY LIMITED | 285,000 | |
| DAWOOD FAMILY TAKAFUL LIMITED | 135,000 | |
| PREMIER INSURANCE LIMITED | 20,000 | |
| EXCEL CONSULTING (PVT.) LIMITED | 11,000 | |
| CENTURY INSURANCE COMPANY LTD. | 3,900 | |
| | 45,195,593 | 4.55% |
| | | |
| **MODARBAS AND MUTUAL FUNDS** | | |
| CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND | 11,107,364 | |
| CDC - TRUSTEE MEEZAN ISLAMIC FUND | 7,888,000 | |
| CDC - TRUSTEE FAYSAL MTS FUND - MT | 5,445,500 | |
| CDC - TRUSTEE FAYSAL STOCK FUND | 4,741,991 | |
| CDC - TRUSTEE ABL INCOME FUND - MT | 4,046,500 | |
| CDC - TRUSTEE ALFALAH GHP INCOME FUND | 2,982,000 | |
| MC FSL TRUSTEE JS - INCOME FUND | 2,440,000 | |
| CDC - TRUSTEE ABL STOCK FUND | 1,623,833 | |
| CDC - TRUSTEE NBP STOCK FUND | 1,608,000 | |
| CDC - TRUSTEE KSE MEEZAN INDEX FUND | 1,538,036 | |
| CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND | 1,492,567 | |
| CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND | 1,380,000 | |
| CDC - TRUSTEE NIT INCOME FUND - MT | 1,302,500 | |
| CDC - TRUSTEE ALFALAH GHP STOCK FUND | 1,090,312 | |
| CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND | 1,010,000 | |
| CDC - TRUSTEE NIT ISLAMIC EQUITY FUND | 1,006,379 | |

UNITY FOODS LIMITED
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| SHAREHOLDER'S CATEGORY | HOLDING | PERCENTAGE |
|---|---|---|
| CDC - TRUSTEE HBL EQUITY FUND | 949,300 | |
| CDC - TRUSTEE AL MEEZAN MUTUAL FUND | 860,000 | |
| CDC - TRUSTEE PICIC GROWTH FUND | 839,007 | |
| CDC - TRUSTEE ATLAS STOCK MARKET FUND | 831,800 | |
| MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND | 756,144 | |
| CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND | 743,074 | |
| CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND | 663,000 | |
| CDC - TRUSTEE MEEZAN BALANCED FUND | 658,000 | |
| CDC - TRUSTEE HBL - STOCK FUND | 653,400 | |
| CDC - TRUSTEE PICIC INVESTMENT FUND | 617,816 | |
| CDC - TRUSTEE ALFALAH GHP ALPHA FUND | 524,723 | |
| CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND | 511,000 | |
| CDC - TRUSTEE NBP ISLAMIC STOCK FUND | 477,000 | |
| CDC - TRUSTEE PAKISTAN INCOME FUND - MT | 409,500 | |
| CDC - TRUSTEE ASKARI HIGH YIELD SCHEME | 360,500 | |
| CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND | 353,500 | |
| CDC-TRUSTEE HBL ISLAMIC STOCK FUND | 352,000 | |
| CDC - TRUSTEE JS ISLAMIC FUND | 348,000 | |
| CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND | 345,000 | |
| CDC - TRUSTEE HBL ISLAMIC EQUITY FUND | 311,605 | |
| MCBFSL - TRUSTEE JS VALUE FUND | 306,500 | |
| CDC - TRUSTEE ALFALAH GHP VALUE FUND | 292,253 | |
| FIRST EQUITY MODARABA | 266,113 | |
| CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND | 259,247 | |
| CDC - TRUSTEE MCB DYNAMIC CASH FUND - MT | 252,500 | |
| MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND | 163,000 | |
| CDC - TRUSTEE NBP SARMAYA IZAFA FUND | 140,500 | |
| CDC - TRUSTEE LAKSON INCOME FUND - MT | 138,000 | |
| CDC - TRUSTEE AKD INDEX TRACKER FUND | 130,000 | |
| MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND | 128,684 | |
| CDC - TRUSTEE AWT INCOME FUND | 127,000 | |
| CDC-TRUSTEE AWT ISLAMIC INCOME FUND | 125,000 | |
| CDC-TRUSTEE NITIPF EQUITY SUB-FUND | 110,000 | |
| CDC - TRUSTEE LAKSON EQUITY FUND | 108,534 | |
| CDC - TRUSTEE HBL PF EQUITY SUB FUND | 99,500 | |
| CDC - TRUSTEE APIF - EQUITY SUB FUND | 95,000 | |
| CDC - TRUSTEE APF-EQUITY SUB FUND | 90,000 | |
| MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND | 90,000 | |
| CDC - TRUSTEE HBL IPF EQUITY SUB FUND | 80,500 | |
| CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND | 75,000 | |
| CDC - TRUSTEE HBL MULTI - ASSET FUND | 67,000 | |
| CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND | 61,448 | |
| CDC - TRUSTEE MEEZAN PAKISTAN EXCHANGE TRADED FUND | 60,900 | |
| CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND | 56,500 | |
| CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND | 45,000 | |
| CDC-TRUSTEE NITPF EQUITY SUB-FUND | 45,000 | |
| CDC - TRUSTEE JS ISLAMIC DEDICATED EQUITY FUND (JSIDEF) | 41,917 | |
| CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND | 37,500 | |
| CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND | 35,000 | |
| TRUST MODARABA | 30,000 | |
| CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND | 30,000 | |
| CDC - TRUSTEE NIT ASSET ALLOCATION FUND | 25,000 | |
| CDC - TRUSTEE NBP BALANCED FUND | 24,500 | |
| CDC - TRUSTEE HBL INCOME FUND - MT | 22,000 | |
| CDC - TRUSTEE LAKSON TACTICAL FUND | 13,357 | |
| CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND | 11,000 | |
| MODARABA AL-MALI | 10,000 | |
| B.R.R. GUARDIAN MODARABA | 7,890 | |

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| SHAREHOLDER'S CATEGORY | HOLDING | PERCENTAGE |
|---|---|---|
| CDC - TRUSTEE ALFALAH GHP INCOME FUND - MT | 1,500 | |
| FIRST ELITE CAPITAL MODARABA | 700 | |
| CDC - TRUSTEE UBL DEDICATED EQUITY FUND | 542 | |
| MC FSL - TRUSTEE JS GROWTH FUND | 500 | |
| CDC - TRUSTEE UBL ASSET ALLOCATION FUND | 69 | |
| | 65,972,005 | 6.6357% |
| | | |
| **JOINT STOCK COMPANIES** | | |
| NCC - PRE SETTLEMENT DELIVERY ACCOUNT | 41,565,253 | |
| DJM SECURITIES LIMITED | 30,262,429 | |
| BULK MANAGEMENT PAKISTAN (PVT.) LTD. | 9,623,441 | |
| PEBBLES (PVT) LIMITED | 9,000,000 | |
| HAMDARD LABORATORIES (WAQF) PAKISTAN | 4,635,639 | |
| MAAN SECURITIES (PRIVATE) LIMITED | 2,721,500 | |
| ABA ALI HABIB SECURITIES (PVT) LIMITED | 2,277,785 | |
| ADAM SECURITIES LIMITED | 1,297,500 | |
| SIGN SOURCE LIMITED | 1,103,500 | |
| MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF | 1,035,086 | |
| MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED | 1,017,600 | |
| SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED | 1,010,670 | |
| NOVATEX LIMITED | 950,000 | |
| MRA SECURITIES LIMITED - MF | 932,000 | |
| BHAYANI SECURITIES (PVT) LTD. | 853,000 | |
| INSIGHT SECURITIES (PVT.) LTD | 789,000 | |
| GROWTH SECURITIES (PVT) LTD. | 723,500 | |
| AMER SECURITIES (PRIVATE) LIMITED | 690,000 | |
| ABA ALI HABIB SECURITIES (PVT) LIMITED - MT | 625,000 | |
| MRA SECURITIES LIMITED | 500,500 | |
| WESTBURY (PRIVATE) LTD | 481,723 | |
| SIDDIQ LEATHER WORKS (PVT) LIMITED | 462,000 | |
| JS GLOBAL CAPITAL LIMITED - MF | 419,002 | |
| SIDDIQ LEATHER WORKS (PVT) LTD | 400,000 | |
| MULTILINE SECURITIES LIMITED - MF | 383,000 | |
| BIPL SECURITIES LIMITED | 336,500 | |
| CUMBERLAND (PVT) LIMITED | 279,966 | |
| SAYA SECURITIES (PRIVATE) LIMITED. | 239,000 | |
| STANDARD CAPITAL SECURITIES (PVT) LIMITED - MF | 232,000 | |
| GROWTH SECURITIES (PRIVATE) LIMITED - MF | 220,000 | |
| EVALUATION GRID (PRIVATE) LIMITED | 200,222 | |
| SIDDIQ LEATHER WORKS (PVT) LIMITED | 200,000 | |
| PEARL SECURITIES LIMITED | 188,500 | |
| ASDA SECURITIES (PVT.) LTD. | 182,500 | |
| INTERACTIVE SECURITIES (PVT) LIMITED | 166,000 | |
| Abdoolally Ebrahim & Co. (HK) Ltd | 150,300 | |
| ARIF HABIB LIMITED | 138,378 | |
| ARIF LATIF SECURITIES (PVT.) LIMITED - MT | 136,000 | |
| INTERMARKET SECURITIES LIMITED - MF | 132,500 | |
| DILSONS (PRIVATE) LIMITED. | 130,000 | |
| RAH SECURITIES (PVT) LIMITED | 128,000 | |
| ALTAF ADAM SECURITIES (PVT) LTD. | 107,000 | |
| AHSAM SECURITIES (PVT) LIMITED | 102,100 | |
| FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF | 100,000 | |
| ARIF HABIB COMMODITIES (PVT) LTD | 85,000 | |
| BIPL SECURITIES LIMITED - MF | 80,000 | |
| SEVEN STAR SECURITIES (PVT.) LTD. | 79,500 | |
| GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED | 65,000 | |
| ZAFAR SECURITIES (PVT) LTD. | 61,000 | |
| MAYARI SECURITIES (PVT) LIMITED | 61,000 | |

UNITY FOODS LIMITED

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| SHAREHOLDER'S CATEGORY | HOLDING | PERCENTAGE |
|---|---|---|
| JS GLOBAL CAPITAL LIMITED | 60,500 | |
| AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED | 50,000 | |
| Z.A. GHAFFAR SECURITIES (PRIVATE) LTD. | 40,000 | |
| SHADAB INNOVATIONS (PRIVATE) LIMITED | 40,000 | |
| IHSAN SONS (PRIVATE) LIMITED | 40,000 | |
| Y.H. SECURITIES (PVT.) LTD. | 39,000 | |
| H. M. IDREES H. ADAM (PRIVATE) LIMITED | 28,000 | |
| HH MISBAH SECURITIES (PRIVATE) LIMITED | 25,000 | |
| B & B SECURITIES (PRIVATE) LIMITED | 25,000 | |
| EFG HERMES PAKISTAN LIMITED - MF | 24,600 | |
| BAWA SECURITIES (PVT) LTD. - MF | 22,000 | |
| STANLEY HOUSE INDUSTRIES (PRIVATE) LIMITED. | 20,000 | |
| TEXPAK (PVT.) LIMITED | 20,000 | |
| MRA SECURITIES LIMITED-MM-MZNP-ETF | 18,792 | |
| DOSSLANI'S SECURITIES (PVT) LIMITED | 18,500 | |
| ZILLION CAPITAL SECURITIES (PVT) LTD. | 17,000 | |
| ARIF HABIB LIMITED - MF | 17,000 | |
| SHAFFI SECURITIES (PVT) LIMITED | 15,545 | |
| PEARL SECURITIES LIMITED - MF | 15,000 | |
| AL-HABIB CAPITAL MARKETS (PRIVATE) LIMITED - MF | 15,000 | |
| FAWAD YUSUF SECURITIES (PRIVATE) LIMITED. | 11,500 | |
| Amer Cotton Mills (Pvt) Ltd | 10,000 | |
| PRUDENTIAL DISCOUNT & GUARANTEE HOUSE LIMITED | 8,000 | |
| M. F. STOCKS (PRIVATE) LIMITED | 8,000 | |
| RAFI SECURITIES (PRIVATE) LIMITED | 7,500 | |
| SITARA CHEMICAL INDUSTRIES LIMITED | 7,000 | |
| AXIS GLOBAL LIMITED - MF | 7,000 | |
| SAJJAD TEXTILE MILLS LTD | 6,800 | |
| ADAM SECURITIES LIMITED-MM-MZNP-ETF | 6,564 | |
| SHAKOO (PVT) LTD. | 6,000 | |
| AKHAI SECURITIES (PRIVATE) LIMITED | 5,000 | |
| DARSON SECURITIES LIMITED | 5,000 | |
| VENUS SECURITIES (PVT.) LIMITED | 5,000 | |
| MEMON SECURITIES (PVT.) LIMITED | 3,500 | |
| UNITED TOWEL EXPORTERS (PVT.) LIMITED | 3,500 | |
| JS GLOBAL CAPITAL LIMITED-MM-MZN-ETF | 3,274 | |
| National Export Corporation (Pvt) Ltd | 2,939 | |
| Sultanabad Model Ginning | 2,500 | |
| NAVEED H. M. IDREES (PRIVATE) LIMITED | 2,000 | |
| CREATIVE CAPITAL SECURITIES (PRIVATE) LIMITED - MF | 2,000 | |
| ZAHID LATIF KHAN SECURITIES (PVT) LTD. | 1,000 | |
| BRR FINANCIAL SERVICES (PVT.) LIMITED | 1,000 | |
| N. U. A. SECURITIES (PRIVATE) LIMITED - MF | 700 | |
| AZEE SECURITIES (PRIVATE) LIMITED | 571 | |
| FIRST NATIONAL EQUITIES LIMITED | 495 | |
| TPS PAKISTAN (PRIVATE) LIMITED | 27 | |
| ISPI CORPORATION (PRIVATE) LIMITED | 2 | |
| MAPLE LEAF CAPITAL LIMITED | 1 | |
| KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED | 1 | |
| | 118,227,405 | 11.89% |
| | | |
| OTHER FOREIGN INVESTORS | | |
| EVLI EMERGING FRONTIER FUND | 19,999,920 | |
| SILK INVEST NEW HORIZONS FRONTIER FUND | 1,000,400 | |
| ARISTEA SICAV NEW FRONTIERS EQUITY FUND | 986,000 | |
| AZIMUT PAKISTAN EQUITY FUND (OEIC) PLC | 403,000 | |
| ALASKA PERMANENT FUND CORPORATION | 120,500 | |
| SYED ALI RAZA NAQVI | 1,153,500 | |

| SHAREHOLDER'S CATEGORY | HOLDING | PERCENTAGE |
|---|---|---|
| MOHAMMAD ZAIN KUKASWADIA | 10,000 | |
| BILAL AMANULLAH MOTI | 10,000 | |
| SAQIB KHAN | 2,000 | |
| SABEEN SAKINA | 1,000 | |
| CHEN YUANXI | 1,000 | |
| | 23,687,320 | 2.38% |
| | | |
| **Others** | | |
| TRUSTEES OF HAMDARD LABORATORIES (WAQF) PAKISTAN | 20,000,000 | |
| HAMDARD LABORATORIES (WAQF) PAKISTAN | 3,240,251 | |
| HAMDARD LABORATORIES (WAQF) PAKISTAN | 1,000,000 | |
| HAMDARD LABORATORIES (WAQF) PAKISTAN | 500,000 | |
| TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND | 200,000 | |
| TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND | 145,000 | |
| TRUSTEES ICI PAKISTAN MGNT.STAFF P.F. | 120,000 | |
| TRUSTEES-ICI M.S.D.C SUPERANNUATION FUND | 120,000 | |
| CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT | 118,000 | |
| PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (DC SHARIAH) | 100,000 | |
| TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF PENSION FUND | 57,500 | |
| CDC - TRUSTEE AGIPF EQUITY SUB-FUND | 56,000 | |
| TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND | 55,000 | |
| CDC - TRUSTEE AGPF EQUITY SUB-FUND | 32,700 | |
| TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED E.C.P.F TRUST | 30,900 | |
| TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND | 26,000 | |
| TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF GRATUITY FUND | 22,000 | |
| TRUSTEE-SULAIMANIYAH TRUST | 20,000 | |
| TRUSTEES OF ICI PAKISTAN MNG STAFF GF | 17,500 | |
| TRUSTEES PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND | 17,000 | |
| TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED EMPL G.F TRUST | 16,200 | |
| TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL | 12,500 | |
| HOMMIE AND JAMSHED NUSSERWANJEE CHARITABLE TRUST | 10,270 | |
| KIRAN FOUNDATION | 10,000 | |
| TRUSTEE-THE PAKISTAN MEMON EDUCATIONAL & WELAFRE SOCIETY | 9,000 | |
| ALOO & MINOCHER DINSHAW CHARITABLE TRUST | 5,500 | |
| TRUSTEES ARVABAI&FAKHRUDDIN MEMORIAL FDN | 5,000 | |
| TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND | 4,325 | |
| CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT | 3,500 | |
| TRUSTEE-AZAN WELFARE TRUST | 2,000 | |
| | 25,956,146 | 2.61% |
| | | |
| **INDIVIDUALS (GENERAL PUBLIC)** | 348,856,922 | |
| | 348,856,922 | 35.09% |
| | | |
| TOTAL | 994,050,000 | 100% |
| | | |

UNITY FOODS LIMITED

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## UNITY FOODS LIMITED
## Categories of Shareholders as at June 30, 2021

| S.No. | Categories of Shareholders | No of Shareholders | Shares Held | Percentage |
|---|---|---|---|---|
| 1 | Directors, Chief Executive Officer their Spouse(s) and Minor Children. | 7 | 132,827,853 | 13.36 |
| 2 | Associated Companies, Undertakings and Related Parties. | 2 | 233,320,877 | 23.47 |
| 3 | Executive | 1 | 5,879 | 0.0006 |
| 4 | Banks, DFIs, NBFCs, Insurance Companies and Takaful | 16 | 45,195,593 | 4.55 |
| 6 | Foreign Companies | 6 | 22,509,820 | 2.26 |
| 7 | Modarabas and Mutual Funds | 79 | 65,972,005 | 6.64 |
| 8 | General Public | | | |
| | a) Local | 7,377 | 348,856,922 | 35.09 |
| | b) Foreign | 3 | 1,177,500 | 0.12 |
| | Others | | | |
| | b) Joint Stock Companies | 99 | 118,227,405 | 11.89 |
| | c) Provident Funds, Pension Funds, Gratuity Funds and other entities | 30 | 25,956,146 | 2.61 |
| | | 7,620 | 994,050,000 | 100.00 |
| | **Shareholders holding 10% Shares or more Voting Rights** | | | |
| | **Total Paid Up Capital** | | **994,050,000** | **Shares** |
| | **10% of the Paid Up Capital** | | **99,405,000** | **Shares** |
| | | | **Holding** | **%** |
| | UNITY WILMAR AGRO (PRIVATE) LIMITED | | 163,165,877 | 16.41 |

UNITY FOODS LIMITED
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## E- DIVIDEND MANDATE FORM

MANDATORY CREDIT OF DIVIDEND INTO BANK ACCOUNT

To : ________________
________________
________________
________________

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 into the bank account as per following details:

| SHAREHOLDER'S DETAILS |
| --- |
| Name of the Shareholder: ________________ |
| Folio / CDC Participant ID & Sub Acc.No / CDC IAS Account : ________________ |
| CNIC / NICOP No. (Please attach copy) ________________ |
| Passport No. (in case of Foreign Shareholder) (Please attach copy) ________________ |
| Land Line Phone No. ________________ |
| Cell phone No. ________________ |
| Email Address: ________________ |

| 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)

It is stated that the above mentioned information is correct that I will intimate the 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)

Note:

- Please provide complete IBAN after consultation with your bank branch. Im 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.
- In case of Physical shares, a duly lied –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 Circulat No. 16 of 2017 issued on August 31, 2017.

UNITY FOODS LIMITED
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## STANDARD REQUEST FORM FOR TRANSMISSION OF ANNUAL AUDITED ACCOUNTS AND NOTICE OF ANNUAL GENERAL MEETINGS

The Company Secretary
Unity Foods Limited
Unity Tower, Plot # 8C
Block 6, PECHS, Karachi

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787/(I)/2014 dated September 08, 2014 and SRO 470(I)/2016 dated May 31, 2016 whereby the companies are allowed to circulate their Annual Audited Accounts (i.e Annual Balance Sheet, Profit and Loss Account, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) along with Notice of the Annual General Meetings to its members either through email at their registered e-mail address "OR" hard copy at their registered mailing addresses.

Shareholders who wish to receive the Annual Audited Accounts along with Notice of the Annual General Meetings through e-mail or hard copy shall have to fill the below details and send the duly filled form to the Company Secretary at the Company's Registered Office.

I/We, being member(s) of Unity Foods Limited, desires and hereby consent either for Option-1"or" Option-2 to receive the Annual Audited Accounts along with Notice of the Annual General Meeting(s) of Unity Foods Limited either through e-mail or hard copy, in pursuance of the aforesaid two SROs.

| Option 1 – VIA EMAIL |
|---|
| Name of the Member: ______________________________ |
| CNIC No. / Passport No: ______________________________ |
| Folio / CDC Participant ID / Sub Investor Account Number : ______________ |
| Valid Email Address: |

| |
|---|
| ______________________________ |
| (to receive Annual Audited Accounts and Notice of General Meeting(s) through email instead of hard copy /CD/DVD/USB |

| Option 2 – HARD COPY |
|---|
| Name of the Member: ______________________________ |
| CNIC No. / Passport No: ______________________________ |
| Folio / CDC Participant ID / Sub Investor Account Number : ______________ |
| Mailing Address: ______________________________ |
| (to receive Annual Audited Accounts and Notice of General Meeting(s) through hard copy instead of hard copy /CD/DVD/USB |

I / We hereby confirm that the above mentioned information is correct and in case of any change therein, I/We, undertake to immediately intimate to the Company through revised Request Form.

______________________

Member's Signature

Date :

UNITY FOODS LIMITED
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دلچسپی رکھتے ہیں، انہیں چاہئے کہ وہ 26 اکتوبر 2021 تک ای میل info@fdregistrar.com کے ذریعے درج ذیل معلومات اور کمپیوٹرائزڈ قومی شناختی کارڈ (دونوں اطراف) / پاسپورٹ کی کاپیاں / (اگر کارپوریٹ ادارے کے طور پر شرکت کرنی ہے) تو بورڈ کی قرارداد / پاور آف اٹارنی کی تصدیق شدہ کاپی جمع کرائیں۔

| شیئر ہولڈر کا نام | شناختی کارڈ نمبر | فولیو نمبر / CDC اکاؤنٹ نمبر | فون نمبر | ای میل ایڈریس |
|---|---|---|---|---|
| | | | | |

ضروری تصدیقی عمل کے بعد، رجسٹرڈ ہو جانے والے شیئر ہولڈرز کو تفصیلی طریقہ کار ای میل کے ذریعے بتلا دیا جائے گا۔ لاگ ان کرنے کی سہولت میٹنگ شروع ہونے سے اختتام پذیر ہونے تک میسر رہے گی۔

شیئر ہولڈرز ای میل ایڈریس info@unityfoods.pk پر ایجنڈا امور کے حوالے سے اپنی رائے اور سوالات بھی فراہم کر سکتے ہیں۔ اس طرح کی رائے کو میٹنگ میں زیرِ غور لایا جائے گا اور اسے منٹس کا حصہ بنایا جائے گا۔

لہٰذا ممبران کو ترغیب دلائی جاتی ہے کہ وہ سالانہ جنرل میٹنگ میں ویڈیو لنک کے ذریعے یا اپنے نامزدگان کے ذریعے شرکت کو یقینی بنائیں۔

## (vii) لاوارث مقسوم (Unclaimed dividend):

ایسے شیئر ہولڈرز جو کہ کسی بھی وجہ سے اپنے مقسوم (dividend) وصول نہیں کر پائے ہیں انہیں ہدایت دی جاتی ہے کہ وہ اس حوالے سے ہمارے شیئر رجسٹرار سے رابطہ کریں۔

## (viii) آڈٹ شدہ سالانہ مالی گوشوارے اور سالانہ جنرل میٹنگ کا نوٹس بذریعہ ای میل تقسیم کرنا (سرکولیٹ کرنا):

SECP نے نوٹیفکیشن نمبر 787(1)/2014 بتاریخ 8 ستمبر 2014 کے ذریعے کمپنیوں کو آڈٹ شدہ سالانہ مالی گوشوارے اور سالانہ جنرل میٹنگ کا نوٹس، بذریعہ ای میل اپنے ممبران کو بھیجنے کی اجازت دی ہے۔ ایسے شیئر ہولڈرز جو کہ آڈٹ شدہ سالانہ مالی گوشوارے اور سالانہ جنرل میٹنگ کا نوٹس ای میل کے ذریعے موصول کرنا چاہتے ہوں، انہیں چاہئے کہ وہ ویب سائٹ پر موجود درخواست فارم کو پُر کریں اور اسے کمپنی کے رجسٹرڈ آفس پر کمپنی سیکریٹری کو ارسال کریں۔ اگر کسی ممبران کی جانب سے اس کے بعد سالانہ مالیاتی گوشوارے کی ہارڈ کاپی کی درخواست کی جاتی ہے تو وہ بھی اس طرح کی درخواست موصول ہونے کے بعد سے 7 دنوں کے اندر اندر مفت فراہم کی جائے گی۔

## (ix) مالیاتی گوشواروں کی دستیابی

کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے سال اختتام پذیر 30 جون 2021 اور اس کے ساتھ ساتھ اس پر آڈیٹرز اور ڈائریکٹرز کی رپورٹ اور چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ www.unityfoods.pk پر موجود ہے۔

ہوئے ہوں، قابلِ عمل تصور کیا جائے گا۔ وہ ممبران جنہوں نے سینٹرل ڈپازٹری کمپنی آف پاکستان (CDC) میں اپنے شیئرز جمع کرائیں انہیں مزید درج ذیل ہدایات پر عملدرآمد کرنا ہوگا جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے متعین کیا گیا ہے۔

**A۔ میٹنگ میں شرکت کیلئے**

a) انفرادی طور شرکت کرنے کیلئے، وہ اکاؤنٹ ہولڈر / ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC ریگولیشنز کے مطابق اپلوڈ کی جاتی ہیں، انہیں میٹنگ میں شرکت کے وقت اپنے اصل شناختی کارڈ یا پاسپورٹ کے ذریعے اپنی شناخت کی تصدیق کرانی ہوگی۔

b) ایک کارپوریٹ ادارے کے طور پر شرکت کرنے کیلئے، میٹنگ کے وقت، ادارے کے نامزد شخص کے نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی پیش کرنی ہوگی (الا یہ کہ اسے پہلے ہی فراہم کر دیا گیا ہو)۔

**B۔ نامزدگان کا تقرر کرنے کیلئے**

a) انفرادی طور شرکت کرنے کیلئے، وہ اکاؤنٹ ہولڈر / ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC ریگولیشنز کے مطابق اپلوڈ کی جاتی ہیں، اپنے نامزدگی فارم مذکورہ بالا تقاضوں کے مطابق جمع کرائیں گے۔

b) اس طرح کا نامزدگی فارم دو گواہان کی جانب سے تصدیق شدہ ہوگا جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر ظاہر کیے جائیں گے۔

c) اصل مالکان اور ان کے نامزدگان کے شناختی کارڈز یا پاسپورٹس کی تصدیق شدہ کاپیاں، نامزدگی فارم کے ساتھ منسلک کی جائیں گی۔

d) اس طرح کے نامزدگان میٹنگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کریں گے۔

e) ایک کارپوریٹ ادارے کے طور پر شرکت کرنے کیلئے، نامزدگی فارم کے ساتھ، ادارے کے نامزد شخص کے نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی پیش کرنی ہوگی (الا یہ کہ اسے پہلے ہی فراہم کر دیا گیا ہو)۔

v) ایسے ممبران جنہوں نے کمپنی کے رجسٹرار اور شیئر ٹرانسفر ایجنٹ کو دیے گئے پتے میں کسی قسم کی تبدیلی کی ہے تو فوری طور اس حوالے سے آگاہ کرنے کی درخواست کی جاتی ہے۔

vi) **سالانہ جنرل میٹنگ میں آن لائن شرکت:**

کووڈ-19 کی وبائی صورتحال اور SECP کی ہدایات کے پیش نظر، کمپنی یہ چاہتی ہے کہ وہ اپنی سالانہ جنرل میٹنگ کا انعقاد کم از کم نفری کے ساتھ کرے تاہم اس کے ساتھ ساتھ کورم مکمل کرنے کے تقاضوں کو بھی پورا کیا جائے اور ممبران سے درخواست کرتی ہے کہ وہ اپنے نامزدگان کے ذریعے AGM میں اپنی شرکت اور ووٹنگ کو یقینی بنائیں۔

لہٰذا، کمپنی نے شیئرز ہولڈر کی سلامتی اور ان کے بہترین مفاد کو مدِ نظر رکھتے ہوئے انہیں ویڈیو لنک کے ذریعے میٹنگ میں شرکت کرنے کی سہولت دینا کا فیصلہ کیا ہے۔ لہٰذا وہ شیئر ہولڈر جو کہ سالانہ جنرل میٹنگ میں ویڈیو لنک کے ذریعے شرکت کرنے میں

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2۔ کمپنی کے آرٹیکل آف ایسوسی ایشن کو، موجودہ صنعتی معیارات اور پاکستان کے موجودہ قوانین کی مطابقت میں لانے کیلئے، تبدیلیاں کرنے کو زیرِ غور لانا، جو کہ تمام ضروری ریگولیٹری منظوریوں سے مشروط ہوگا، اور اس سلسلے میں خصوصی قراردادوں کے طور پر، ترمیم کرنے کے ساتھ یا بلا ترمیم درج ذیل قراردادیں منظور کرنا:

یہ طے پایا ہے کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں جو تبدیلیاں ڈائریکٹرز کی جانب سے تجویز کی گئی ہیں، کی جائیں یا کیے جانا بذریعہ ہذا منظور کیا جاتا ہے، جو کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے تقاضہ کردہ تبدیلیاں اور لاگو قوانین کے تحت تمام تقاضوں / طریقہ کاروں پر پورا اترنے سے مشروط ہوگا۔

طے کیا گیا ہے کہ چیف ایگزیکٹو آفیسر اور کمپنی کے سیکریٹری، مذکورہ بالا قرارداد پر عملدرآمد کرانے کے سلسلے میں تمام کام، چیزیں، اور تمام ضروری کارروائیوں، جس میں تمام قانونی تقاضے اور دستاویزات پورے کرنا شامل ہے، کرنے کیلئے اکیلے مجاز ہوں گے اور اختیار رکھتے ہوں گے، اور اس کے ساتھ ساتھ مذکورہ بالا قراردادوں کے اہداف کو بھرپور طریقے سے حاصل کرنے کیلئے تمام دیگر معاونتی یا حادثاتی امور سرانجام دینے کے مجاز ہوں گے۔

C۔ دیگر امور

چیئرمین کی اجازت کے ساتھ دیگر امور زیرِ بحث لانا۔

کمپنیز ایکٹ 2017 کی دفعہ (3)134 کے تابع گوشوارے، سالانہ جنرل میٹنگ میں سرانجام دیے جانے والے خصوصی امور کے حوالے تمام بنیادی حقائق بیان کرتے ہیں، جنہیں اس نوٹس کے ساتھ منسلک کیا جاتا ہے اور سوائے اخبار میں اشاعت کے سوا، میمورنڈم اور آرٹیکل آف ایسوسی ایشن میں تبدیلیوں کے موازنہ گوشوارے بھی منسلک ہیں۔

بحکم بورڈ

تاریخ: 7 اکتوبر 2021ء

بمقام کراچی

سید محمد طارق نبیل جعفری

کمپنی سیکریٹری

**اطلاع:**

(i) کمپنی کی شیئر ٹرانسفر بکس 22 اکتوبر 2021 سے 28 اکتوبر 2021 (بشمول دونوں ایام)، شیئر ہولڈرز کے استحقاق کے تعین کیلئے سالانہ جنرل میٹنگ کے سلسلے میں بند رہیں گی۔

(ii) مورخہ 21 اکتوبر 2021 کو کمپنی کی جانب سے مادی طور پر موصول کردہ ٹرانسفر کو، میٹنگ میں شرکت کے حوالے سے بروقت تصور کیا جائے گا۔

(iii) سالانہ جنرل میٹنگ میں شرکت کرنے اور ووٹ دینے کا اختیار رکھنے والے ممبران اگر چاہیں تو اپنی جانب سے کسی شخص کو میٹنگ میں شرکت کرنے، بات کرنے اور ووٹ دینے کیلئے نامزد کر سکتے ہیں۔ اس طرح کے نامزدگان کیلئے کمپنی کا ممبر ہونا ضروری نہیں ہے۔

(iv) نامزدگی کے فارم جو کہ لازماً باضابطہ طور پر پر شدہ ہوں اور کمپنی کی جانب سے میٹنگ شروع ہونے سے کم از کم 48 گھنٹوں پہلے موصول

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# سالانہ جنرل میٹنگ کیلئے نوٹس

بذریعہ ہذا یونٹی فوڈز لمیٹڈ (یعنی "کمپنی") کی 31 ویں سالانہ جنرل میٹنگ (AGM) بروز جمعرات مورخہ 28 اکتوبر 2021 کو بوقت 10:00 بجے صبح بمقام ریجنٹ پلازہ ہوٹل اور کنونشن سینٹر، مین شاہراہِ فیصل، کراچی پر درج ذیل امور سرانجام دینے کیلئے منعقد کی جائے گی۔

A۔ عمومی امور:

1۔ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے سال اختتام پذیر 30 جون 2021 اور اس کے ساتھ اس پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کو وصول کرنا، زیرِ بحث لانا اور اختیار کرنا۔

2۔ کمپنی کے آڈیٹر کا تقرر کرنا اور ان کا معاوضہ طے کرنا۔ بورڈ آف ڈائریکٹر نے KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹ کو مالی سال اختتام پذیر 30 جون 2022 کیلئے کمپنی کے آڈیٹر کے طور پر تقرر کرنے کی تجویز دی ہے۔

B۔ خصوصی امور:

1۔ مستند شیئر کیپٹل میں اضافہ:

کمپنی کے مستند شیئر کیپٹل میں مبلغ -/10,000,000,000 روپے جسے مبلغ 10 روپے فی شیئر کے حساب سے 1,000,000,000 عمومی شیئرز میں تقسیم کیا جائے، سے مبلغ/12,000,000,000 روپے جسے مبلغ 10 روپے فی شیئرز کے حساب سے 1,200,000,000 عمومی شیئرز میں تقسیم کیا جائے، تک اضافہ کرنے کو زیرِ غور لانا اور اگر مناسب تصور کیا جاتا ہے تو اضافہ کرنا اور اس سلسلے میں کمپنی کے میمورنڈم اور آرٹیکل آف ایسوسی ایشن میں ضروری تبدیلیاں کرنا اور ترمیم کے ذریعے یا بلا ترمیم خصوصی قراردادوں کے طور درج ذیل قراردادیں جاری کرنا:

"یہ طے کیا گیا ہے کہ، کمپنی کا شیئر کیپٹل میں مبلغ -/10,000,000,000 روپے جسے مبلغ 10 روپے فی شیئر کے حساب سے 1,000,000,000 عمومی شیئرز میں تقسیم کیا جائے، سے مبلغ -/12,000,000,000 روپے جسے مبلغ 10 روپے فی شیئرز کے حساب سے 1,200,000,000 عمومی شیئرز میں تقسیم کیا جائے، ہو اور بذریعہ ہذا بڑھایا جاتا ہے۔

مزید یہ طے کیا گیا ہے کہ کمپنی کے مستند شیئر کیپٹل میں مذکورہ بالا اضافے کے نتیجے میں، ممبران کو دیئے گئے مسودے کے مطابق کمپنی کے میمورنڈم اور آرٹیکل آف ایسوسی ایشن میں ضروری تبدیلیاں کرنے کو بذریعہ ہذا منظور کیا جاتا ہے، جو کہ سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کی جانب سے تقاضہ کی جانے والی کسی بھی قسم کی تبدیلیوں اور لاگو قوانین کے تحت ضروری تقاضوں / طریقہ کاروں پر پورا اترنے سے مشروط ہوگا۔

بذریعہ ہذا مزید یہ طے کیا گیا ہے کہ چیف ایگزیکٹو آفیسر اور کمپنی کے سیکریٹری، مذکورہ بالا قرارداد پر عملدرآمد کرانے کے سلسلے میں تمام کام، چیزیں، اور تمام ضروری کارروائیوں، جس میں تمام قانونی تقاضے اور دستاویزات پورے کرنا شامل ہے، کرنے کیلئے اکیلے مجاز ہوں گے اور اختیار رکھتے ہوں گے، اور اس کے ساتھ ساتھ مذکورہ بالا قراردادوں کے اہداف کو بھرپور طریقے سے حاصل کرنے کیلئے تمام دیگر معاونتی یا حادثاتی امور سرانجام دینے کے مجاز ہوں گے۔

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# UNITY FOODS LIMITED
# PROXY FORM
# 31st ANNUAL GENERAL MEETING

I/We ______________________________ of ________________ in the district of _________ being member(s) of UNITY FOODS LIMITED 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 _______________________ of _______________________ or failing him /her _____________of_______________________________________________ ___ who is / are also member (s) of UNITY FOODS LIMITED vide Registered Folio No. ___________________________ 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 Thursday **, October** 28, **2021** at **10:00 a.m** and /or any adjournment thereof.

Affix Five Rupees
Revenue Stamp

Signature ____________________________________
(Signature should agree with the specimen signature registered with the Registrar).

Signed on __________

- Witness Signature _________________ 2. Witness Signature ____________

Name ______________________ Name _______________
CNIC _______________________ CNIC _______________

**NOTE:**

A person need not be a member of the company to act as proxy.

- A person need not be a member of the company to act as proxy.
- In the case of bank or company, the proxy form must be executed under its common seal and signed by its authorized person.
- If this proxy form is signed under power of attorney then a certified copy of that power of attorney / authority must be deposited along with this proxy form.
- 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.

- If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
- In case of CDC account holders:
    - The Proxy Form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form
    - Attested Copies of CNIC or Passport of the Beneficial Owners and the Proxy shall be furnished with the proxy form.
    - The Proxy shall produce his/her original CNIC or Original passport at the time of meeting.

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# یونٹی فوڈز لمیٹڈ

## پراکسی فارم

## 31واں سالانہ اجلاس عام

میں/ہم ------------------------------ ساکن ------------------------------ ڈسٹرکٹ ------------------------------

بطور یونٹی فوڈز لمیٹڈ ممبر(ز)، بطور ملکیت ---------------- عام شیئرز رکھتا ہوں/رکھتے ہیں، شیئرز رجسٹرار فولیو نمبر ---------------- اور/یا CDC پارٹیسپنٹ ID نمبر ----------------

اور اکاؤنٹ نمبر ---------------- (ایسے ممبرز جو CDS میں شیئرز رکھتے ہیں) اپنی جانب سے نامزد کرتے ہیں ----------------

ساکن ---------------- یا ایسا نہ ہونے کی صورت میں ---------------- ساکن ----------------

کو، جو کہ یونٹی فوڈز لمیٹڈ کے ممبر(ز) ہیں اور رجسٹرڈ فولیو نمبر ---------------- رکھتے ہیں اُن کو بطور پراکسی اپنی

/ہماری غیر موجودگی میں بروز جمعرات مورخہ 28 اکتوبر 2021 بوقت صبح 10:00 بجے یا اس کے ملتوی ہونے پر آئندہ ہونے والے اجلاس میں شرکت کرنے اور ووٹ دینے کا حق دیتا ہوں/دیتے ہیں۔

پانچ روپے مالیت کا ڈاک ٹکٹ چسپاں کریں۔

دستخط

(یہ دستخط رجسٹرار کے پاس بطور موجود بطور نمونہ دستخط کے مطابق ہونے چاہئے)

ان کی موجودگی میں دستخط کیے:

| | |
|---|---|
| 1۔ گواہ کے دستخط | 2۔ گواہ کے دستخط |
| نام | نام |
| CNIC | CNIC |

نوٹ:

بطور پراکسی خدمات کی انجام دہی کے لیے متعلقہ شخص کا کمپنی کا رکن ہونا لازمی نہیں ہے۔

1۔ بطور پراکسی خدمات کی انجام دہی کے لیے متعلقہ شخص کا کمپنی کا رکن ہونا لازمی نہیں ہے۔

2۔ بینک یا کمپنی ہونے کی صورت میں، پراکسی فارم پر اس ادارے کی مہر اور مجاز کردہ فرد کے دستخط ہونا لازمی ہیں۔

3۔ اگر اس پراکسی فارم پر پاور آف اٹارنی کے تحت دستخط کیے جائیں تو ایسی صورت میں پراکسی فارم کے ساتھ پاور آف اٹارنی کی تصدیق شدہ کاپی بھی ہمراہ مہیا کرنی ہوگی۔

4۔ مکمل پُر شدہ اور دستخط کردہ پراکسی فارم کمپنی کے رجسٹرڈ آفس کے پتے واقع یونٹی ٹاور، پلاٹ C-8، PECHS، کراچی کو اجلاس کے انعقاد کی تاریخ سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہئے۔

5۔ اگر کوئی ممبر ایک سے زائد پراکسی مقرر کرتا ہے تو اس ممبر کو پراکسی کے ایک سے زائد فارم کمپنی کو جمع کروائے جاتے ہیں تو ایسے تمام فارم کو غلط قرار دیا جائے گا۔

6۔ CDC اکاؤنٹ ہولڈرز ہونے کی صورت میں؛

i) پراکسی فارم کی گواہی دو لوگ دیں گے، جن کے نام، پتہ اور CNIC نمبرز فارم میں واضح ہوں گے۔

ii) پراکسی فارم کے ساتھ پراکسی اور بینیفشل اونرز کے CNIC اور پاسپورٹ کی کاپی مہیا کرنا ہوگا۔

iii) پراکسی کے لیے لازمی ہے کہ وہ اپنا اصلی CNIC یا پاسپورٹ میٹنگ کے وقت مہیا کرے۔

درست ڈاک ٹکٹ چسپاں کریں

کمپنی سیکریٹری

یونٹی فوڈز لمیٹڈ

یونٹی ٹاور، پلاٹ C-8، PECHS، کراچی، پاکستان

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