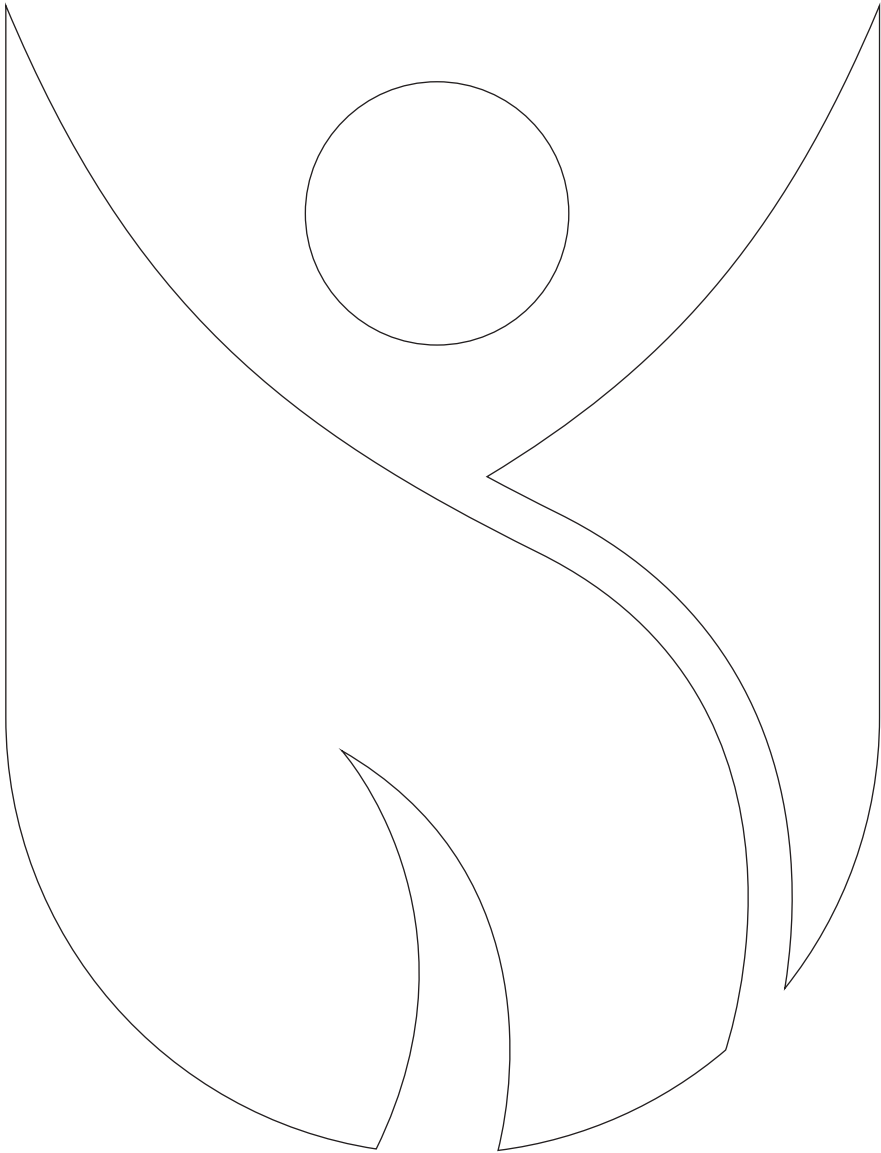


# NOURISHING THE FUTURE







# NOURISHING THE FUTURE



# VISION FOR THE FUTURE

Driven by a pioneering spirit, Unity Foods Limited is reimagining every stage of the food journey, from cultivation to consumption, setting new standards for quality and sustainability. Our diverse portfolio includes edible oils, staples, confectionery, industrial fats, and feed ingredients for poultry and livestock, all produced in state-of-the-art facilities that reflect our unwavering commitment to excellence and nutrition. Our vision is to be a trusted and sustainable supplier, fortifying the nation's food security with an efficient farm-to-fork supply chain.

At Unity Foods Limited, we operate under a triple-bottom-line approach, prioritizing the well-being of people, the health of our planet, and sustainable profitability. Our success is measured not only by financial performance, but also by our positive impact on society and the environment. Through numerous CSR initiatives, we are improving the lives of thousands across Pakistan by enhancing food security, promoting education, health, and nutrition in partnership with government bodies, NGOs, healthcare institutions, and individual donors. Unity Foods is more than a company; it's a promise to unite and uplift.

We are dedicated to achieving a reliable and sustainable supply chain in our farm-to-fork journey. While we are proud of our achievements, we recognize that our journey continues. We remain steadfast in our mission to drive change and contribute to a brighter future for our nation.





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# OUR MISSION

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

# OUR VISION

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

# OUR CORE VALUES

Our values define who we are, the way we work, and comprise of Integrity, Excellence, Innovation, Teamwork, Passion, Ownership and Safety

- **Integrity is our cornerstone:** We commit to the highest ethical standards in all our actions, ensuring trust and transparency.
- **Innovation drives us forward:** We champion new ideas and leverage cutting-edge technologies to propel progress and create a better future.
- **Teamwork powers our success:** By collaborating seamlessly, we turn collective efforts into shared achievements.
- **Passion ignites our journey:** With unwavering enthusiasm and determination, we tackle every challenge and strive for excellence.
- **Safety is our unwavering commitment:** We prioritize the well-being of our employees, customers, and communities, taking every measure to ensure their safety



Cultivation



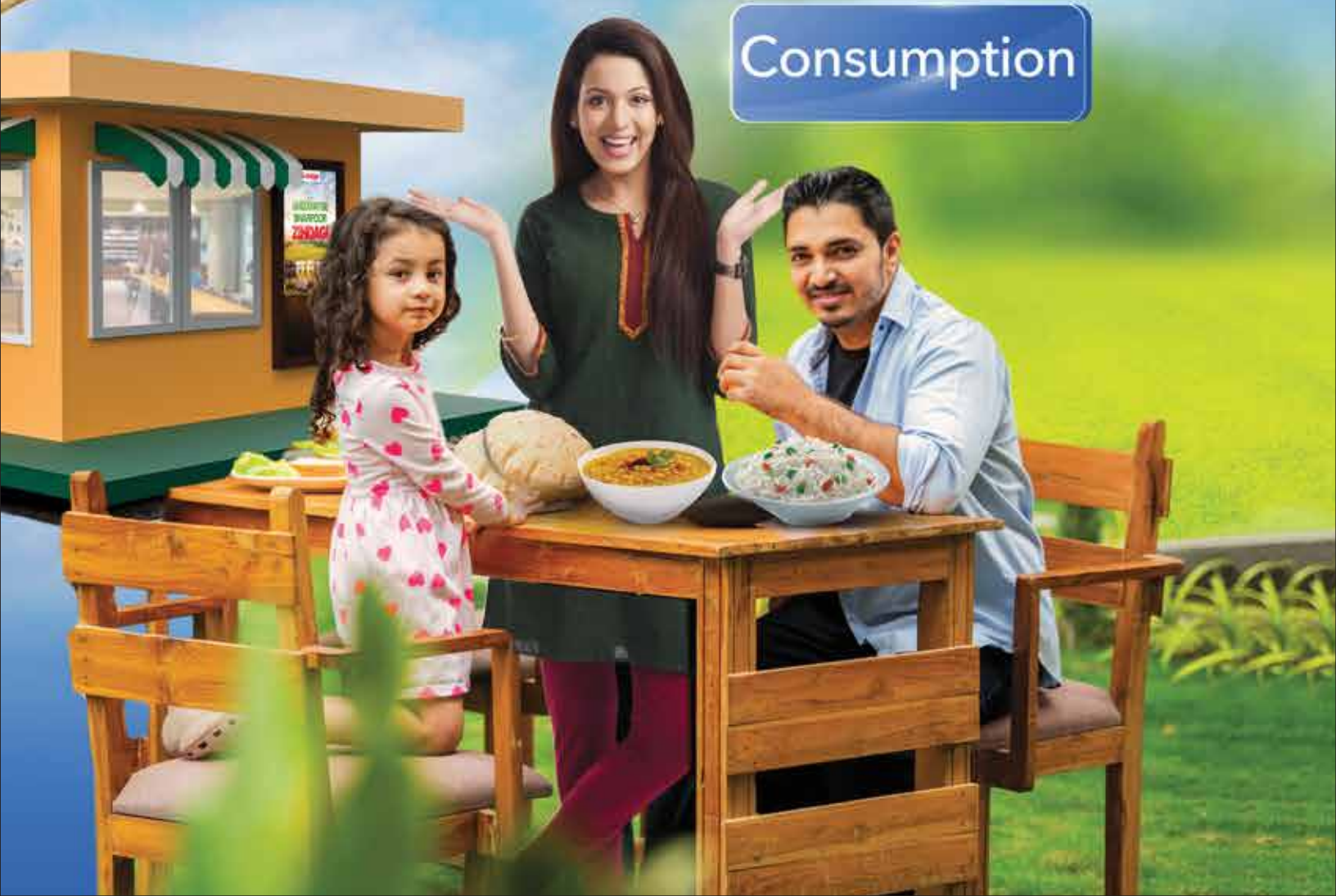
Distribution

# OUR FARM-TO-FORK JOURNEY

Processing

From the fertile fields of Unity Plantations to your family's table, Unity Foods takes pride in the complete traceability of our process. Experience the journey of quality and care, from our hands to yours.

Consumption



# OUR PRODUCTS

At Unity Foods, we take immense pride in our unwavering commitment to quality and innovation. Our flagship brand, Sunridge Foods, features an extensive assortment of wheat flour products, including fortified Chakki Atta and FiberFit Digestive Atta, all-purpose flour (maida), chickpea flour (besan), semolina (suji), salt, and rice—each carefully crafted to cater to modern cooking needs and evolving consumer preferences.

Our Dastak brand leads the way with a diverse selection of oils and banaspati, enriched with essential Vitamins A & D, Omega 3, and Omega 6, perfect for those looking to enhance their culinary creations with both health and flavor. Our oil assortment also includes Ehtimam and Zauqeen, which elevate the taste and nutritional value of your cooking.

Sunridge Confectionery offers a delightful range of Good Goodies ready-to-eat snacks, enriched with Energix to provide the instant energy you need for your daily activities. Additionally, our Sunridge Bakery & Grocery retail chain delivers freshly prepared bakery products made from our high-quality staples, combined with the convenience of grocery shopping—all under one roof.

We are equally proud to offer a comprehensive array of animal feed products under the 'Pure' brand, carefully formulated to support the robust growth of poultry and livestock, ensuring a thriving and productive yield.

At Unity Foods, our passion lies in providing our customers with the highest quality nutritious food products, underpinned by our unwavering commitment to excellence.





# COMPANY INFORMATION

## Board of Directors

Lt. Gen. Omar Mahmood Hayat (Retd)

Chairman Non-Executive Director

Mr. Muhammad Farrukh  
Mr. Amir Shehzad  
Mr. Abdul Majeed Ghaziani  
Ms. Lie Hong Hwa  
Mr. Muneer S. Godil  
Dr. Safdar Ali Butt

Chief Executive Officer  
Executive Director  
Non- Executive Director  
Non-Executive Director  
Independent Director  
Independent Director

## Audit Committee

Mr. Muneer S. Godil  
Dr. Safdar Ali Butt  
Mr. Abdul Majeed Ghaziani

Chairman

## Human Resources & Remuneration Committee

Dr. Safdar Ali Butt  
Mr. Muhammad Farrukh  
Mr. Abdul Majeed Ghaziani  
Mr. Muneer S. Godil

Chairman

## Chief Financial Officer

Mr. Jalees Edhi

## Company Secretary

Mr. Umar Shahzad

## Head of Internal Audit

Mr. Rashad Mehmood Anjum

## External Auditor

Naved Zafar Ashfaq Jaffery & Co.  
Chartered Accountants  
2-B, ATS Centre, 30-West, Block "A",  
Fazal-ul-Haq Road, Blue Area, Islamabad.  
Phone No: 0092-051-2878530-32, 2822785  
Other Offices - Karachi, Lahore, Peshawar

## Bankers

Al Baraka Bank (Pakistan) Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
Soneri Bank Limited  
MIB Bank Limited  
Bank Al Habib Limited  
MCB Bank Limited  
Meezan Bank Limited  
Bank Al Falah Limited  
Dubai Islamic Bank Limited  
Askari Bank Limited  
United Bank Limited  
Bank Islami Pakistan Limited  
The Bank of Punjab  
Standard Chartered Bank (Pakistan) Limited  
Faysal Bank Limited  
JS Bank Limited  
Bank Makramah Limited  
Samba Bank Limited  
National Bank of Pakistan  
Bank of Khyber

<b>Legal Advisor</b>	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9, Kehkashan, Clifton, Karachi -75500. Phone No: +92-21-111-682-529
<b>Share Registrar</b>	Digital Custodian Company Limited (DCCL)
<b>Office Address</b>	<b>Karachi Office</b> 4th Floor, Pardesi House, Old Queens Road, Karachi.
<b>Phone</b>	+92 21 32419770 & 32430485
<b>Fax</b>	+92 21 32416371
<b>Email</b>	share.registrar@digitalcustodian.co
<b>Website</b>	<a href="https://digitalcustodian.co">https://digitalcustodian.co</a>
<b>Office Address</b>	<b>Lahore Office</b> 508-LSE Plaza, Kashmir Egerton Road, Lahore.
<b>Phone</b>	+92 42 36304406
<b>Email</b>	share.registrar@digitalcustodian.co
<b>Website</b>	<a href="https://digitalcustodian.co">https://digitalcustodian.co</a>
<b>Registered Office</b>	Ground Floor, TAMC Building, 27-C-3, M.M. Alam Road, Gulberg-III, Lahore.
<b>Phone No.</b>	+92 42-35772837-40
<b>Head Office</b>	Unity Tower, 8-C, P.E.C.H.S., Block-6, Karachi -75400
<b>Phone No.</b>	+92 21 34373605-607, 34388666, 34387666
<b>Email</b>	info@unityfoods.pk
<b>Website</b>	<a href="http://www.unityfoods.pk">www.unityfoods.pk</a>
<b>Business</b>	Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and Processing of By-Products.
<b>Status of Company</b>	Public Listed Company (PLC)
<b>Company Registration Number</b>	0023133
<b>National Tax Number</b>	0698412-6
<b>Contact Person</b>	Mr. Umar Shahzad (Company Secretary)
<b>Factories</b>	<b>Solvent Extraction Plant, Chemical Refinery and Pelletizing Mills</b> N-25 & N-27/B, S.I.T.E. Area, Kotri District, Hyderabad.
	<b>Oil Refinery</b> A-48, (Chemical Area), Eastern Industrial Zone, Port Qasim Authority, Karachi.
	<b>Soap Plant</b> C-375, C-376, C-377, C-382, C-383, C-384 Hub Industrial Trading Estate, District Lasbella, Hub, Balochistan.
	<b>Feed Mill</b> Plot No. A-55 & 56, Industrial Zone, Port Qasim, Karachi.

# BOARD OF DIRECTORS





## Mr. Farrukh Amin

### Chief Executive Officer

Mr. Farrukh Amin, the visionary founder of Unity Foods Limited, currently holds the esteemed position of CEO within the organization.

His unwavering patriotism is a driving force behind his career, which is characterized by a relentless pursuit of tangible results and a steadfast commitment to the betterment and advancement of Pakistan.

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

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

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



## Lt. Gen. Omar Mahmood Hayat (Retd)

### Chairman

Lt. Gen. (Retd.) Omar Mahmood Hayat, serving as the Chairman of Unity Foods, hails from one of Pakistan's most esteemed military lineages.

His illustrious career spans over four decades, characterized by pivotal roles both within the military and as Chairman on the Board of Directors of various companies within the Wah Nobel Group, Pakistan Ordnance Factories, National Disaster Management Authority, ERRA and Pakistan Humanitarian Forum.

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

During his tenure as the Head of Pakistan's largest public sector enterprise, Pakistan Ordnance Factories, Lt. Gen. Hayat achieved remarkable milestones by substantially augmenting organizational performance. His strategic leadership resulted in a doubling of commercial sales and exports, highlighting his exceptional acumen.

Presently, he also assumes the role of Chairman of the Board of Trustees for the Pakistan Humanitarian Forum, a consortium comprising 40 international NGOs. Lt. Gen. Hayat's remarkable career and unwavering commitment to humanitarian causes continue to be a source of inspiration and leadership for Unity Foods and the broader community.



## Mr. Muneer S. Godil

### Independent Director

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

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

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



## Mr. Amir Shehzad

### Executive Director

With an extensive career spanning over 30 years, Mr. Amir Shehzad is a result-oriented leader renowned for his exceptional performance in dynamic and rapidly evolving organizations. His professional journey primarily revolves around the realms of Investment Banking and Capital Markets, where he has consistently excelled.

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

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

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



## Mr. Abdul Majeed Ghaziani

### Executive Director

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

With a remarkable career spanning over 25 years, Mr. Majeed has excelled as an entrepreneur, spearheading various ventures in the agri-business sector, which he established and adeptly managed. His extensive expertise encompasses a wide range of agri-business activities. In addition to his academic and entrepreneurial achievements, Mr. Majeed further solidified his credentials by completing a Director's Training Program under the auspices of ICMAP in April 2019, enhancing his leadership and governance skills.

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

## Dr. Safdar Ali Butt

### Non-Executive Independent Director

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

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

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

## Ms. Lie Hong Hwa

### Non-Executive Director

Ms. Lie is 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, logistics and business development. She has extensive experience in lauric oil and meal supply chain management. She graduated from the Polytechnic of University of North Sumatra, 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).



# MANAGEMENT PROFILES





## Mr. Safdar Sajjad

### Executive Director

Mr. Safdar Sajjad, our visionary Executive Director at Unity Foods Limited. With over eighteen years of expertise, he spearheads trade management, logistics, procurement, and product disbursement, driving the Group's growth.

A beacon of inspiration, Mr. Sajjad's commitment to excellence and creative thinking has made a mark within UFL and the broader industry. His entrepreneurial journey showcases resilience and determination to make a positive impact. With extensive knowledge and experience, he identifies trends and seizes opportunities, guiding Unity Group towards global expansion.

As a leader, Mr. Sajjad inspires teams to push boundaries and explore innovative solutions. His strong leadership fosters a culture of collaboration and empowerment, enabling employees to contribute to our success.



## Mr. Jalees Edhi

### Chief Financial Officer

Mr. Jalees Edhi is a seasoned financial leader with a distinguished career spanning over 15 years, during which he has successfully overseen the Accounts and Finance divisions of prominent local and multinational organizations.

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

With a keen focus on financial matters, Mr. Edhi has established himself as a prominent figure in taxation strategy and business analytics. His skill in navigating complex tax regulations and proficiency in extracting valuable insights from data-driven analysis have been indispensable, and his commitment to achieving financial success, combined with his strategic insights, positions him as an invaluable asset for our organization.



## Mr. Umar Shahzad

### Company Secretary & Head of Legal Affairs

Mr. Umar Shahzad is a distinguished professional holding an M.Com. and LL.B. degree, and a Fellow Member of the Institute of Corporate Secretaries of Pakistan. Certified as a Director by the Pakistan Institute of Corporate Governance (PICG), Mr. Shahzad boasts an impressive career spanning over 27 years, contributing his expertise to domains like Accounting, Financial Controls, Investments Management, Corporate Compliance and Legal Affairs Management at renowned organizations, including Rupafil Limited, Nestle Pakistan Limited and Askari Bank Limited.

A standout accomplishment for Mr. Shahzad is his proficiency in crafting and implementing robust policies and procedures for listed companies ensuring strict adherence to all applicable laws and regulations. His unwavering commitment to compliance and governance has played a crucial role in upholding the highest standards of ethical conduct within organizations.

In conclusion, Mr. Umar Shahzad is a beacon of expertise in the realms of corporate governance, legal affairs and financial stewardship. His extensive experience and dedication to regulatory compliance make him an invaluable asset, aligning seamlessly with Unity Foods' commitment to excellence.



## Syed Faiq Ahmed Jilane

### Chief Information Officer

In January 2023, Syed Faiq Ahmed Jilane assumed the role of Chief Information Officer (CIO) at Unity Foods. With over 16 years of experience in both local and international IT industries, Faiq has a proven track record in digitalization, governance, strategic planning, successful transitions, and organizational change management facilitated by ERP systems. He possesses an in-depth understanding of emerging technologies, the latest software and networking solutions. Additionally, Faiq excels in analyzing business processes, re-engineering workflows, and recommending and implementing IT solutions to maximize automation.

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

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



## **Ms. Uzma Zaidi**

### **Chief Human Resource Officer**

Ms. Uzma Zaidi brings an impressive track record of over 18 years in people excellence, learning and organization development, total rewards, talent management, and all facets of HR practices.

Before joining Unity Foods Limited, Ms. Zaidi held the position of Director, Human Capital at Deloitte YA, contributing significantly to the field of Human Resources. Her experience spans various industries, including ISP, Insurance, Retail, IT, BPO, and professional services.

With a Master's degree in Human Resource Management, Ms. Uzma Zaidi is a valuable asset to the organization, driving the company's commitment to human capital development and excellence. Embrace her leadership in shaping a thriving and dynamic work culture.



## **Mr. Abadan M. Mohajir**

### **Chief Strategy Officer**

With over 12 years of extensive experience in investment banking and capital markets, Mr. Abadan M. Mohajir is a dynamic leader known for his strategic vision and exceptional financial acumen. His proven expertise in mergers and acquisitions, capital raising, financial restructuring, and strategic advisory has consistently driven transformative growth and innovation. At Unity Foods Limited, Mr. Mohajir's leadership is pivotal in navigating complex financial landscapes and delivering outstanding value.

Prior to joining Unity Foods Limited, Mr. Mohajir was the Head of the Investment Banking Group at AKD Securities Limited, Pakistan's largest brokerage house. There, he spearheaded high-impact capital market and private equity transactions across diverse industries, including financial institutions, oil marketing companies, and the food and sugar sectors. Mr. Mohajir's commitment to excellence and his forward-thinking approach continue to inspire and elevate our organization. He is a proud member of ACCA and holds a BSc in Applied Accounting.



## Ms. Nageen Rizvi

### Head of Corporate Communications & Sustainability

Ms. Nageen Rizvi, a seasoned professional excelling in Communications and Sustainability, is celebrated for her knack for crafting innovative solutions that elevate business value. With over sixteen years of diverse experience across Banking, Media, FMCGs, and NGOs, Nageen has navigated challenging portfolios with remarkable success.

In 2019, Nageen was honored with the prestigious "Pride of Pakistan" award by Shehla Raza, the Provincial Minister for Women Development in Sindh. This recognition highlighted Nageen's pivotal role in securing an international award from the Commonwealth for her then-employer, Engro Foods, which received an award for "Commonwealth Company of the Year" in 2018. In 2017, Nageen was appointed as the "Regional Leader for Asia" by the Commonwealth Business Women platform, as a testament to her exceptional leadership in the region.

Throughout her illustrious career, Nageen has been consistently recognized with numerous national and international awards, celebrating her impactful contributions to the organizations she's been a part of. Known for her commitment to collaborative teams that prioritize purpose over mere economic transactions, Nageen's influence extends into shaping strategic decisions, making her a trailblazer in her field.



## Mr. Tahir Khan

### GM Group Treasury & Structured Trade Finance

Mr. Tahir Khan is a seasoned treasurer with a rich background in Treasury & Funds Management, Corporate & Investment Banking, and market research. Armed with a Masters in Business Administration from Hamdard University and an Associateship from the Institute of Bankers Pakistan, he has crafted a remarkable career spanning over a decade.

Mr. Khan's journey commenced at Markematics Pvt. Ltd., where he honed his skills as a market researcher. His trajectory led him to esteemed financial institutions such as Askari Bank Limited and Bank Alfalah Limited, solidifying an impeccable track record. Today, he stands at the helm of Unity Group's dynamic Treasury Department, bringing his wealth of experience to chart new heights.



## Ms. Zuneeta Rawat

### Head of Marketing

Ms. Zuneeta Rawat is a visionary marketing and advertising professional with a profound talent for creating meaningful, high-quality content. Her leadership in both conventional and digital campaigns has earned numerous awards and widespread acclaim. Zuneeta's belief in the transformative power of marketing and advertising fuels her mission to infuse freshness and innovation into every campaign, ensuring they are relevant, relatable, and memorable for our consumers.

Her impressive career spans over 12 years, during which she has significantly influenced the marketing landscape across various sectors and industries, both nationally and internationally. Before joining Unity Foods, she excelled as the Head of Marketing at Image Textile, Pakistan's premier premium fashion retail brand, where she orchestrated comprehensive 360-degree marketing campaigns. Her journey also includes pivotal roles such as Creative Director at Adcom Leo Burnett & Zenith - Publicis Groupe, and Associate Creative Director at Prestige Grey Group - WPP.

Zuneeta's expertise is further underscored by her prestigious appointments as a jury member for the AdStars Jury in 2021 and 2023 and the Effie Awards in 2021, 2022 and 2023. These experiences have deeply influenced her approach, enhancing the effectiveness and impact of her campaigns.

Zuneeta Rawat continues to inspire and lead with a commitment to excellence and creativity in every endeavor she undertakes.



## Mr. Farhan Farooq

### General Manager Sales

Mr. Farhan Farooq, our General Manager Sales, brings an impressive 31-year career in the oil trading business, holding a BCS degree from Petroman Institute. His unparalleled expertise is evident through his ownership of Farooq Farhan Oil Dealers (FFOD) for the past 40 years, establishing him as a recognized figure in the edible oil sector.

Joining Unity Foods Limited, Mr. Farooq initially served as a broker for the bulk oil sector, showcasing his astute knowledge and industry connections. In 2018, he assumed the role of Head of Bulk Oil Sales, concurrently overseeing the Karachi Consumer Packs division. His journey exemplifies commitment and expertise, contributing significantly to our success.

Mr. Farooq's wealth of experience and industry insights remain crucial to Unity Foods Limited's achievements in the bulk oil sector. His leadership and unwavering dedication underscore his pivotal role within the organization.



## Mr. Ahsen Ali

### Head of Supply Chain

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

# CULTIVATION

## Sowing the Seeds of Nutrition

At Unity Foods Limited (UFL), our farm-to-fork journey starts with meticulous care by our **corporate farming** initiative, **Unity Plantations**. We champion sustainability through innovative farming techniques, ensuring top-tier crops. Our commitment to the food security shines as we use precision farming and modern agricultural techniques, to maximize resources, enhance crop yields, and minimize environmental impact. We proudly launched the **Ba-Ikhtiyar Kissan Program**, empowering 500+ farmers with sustainable livelihoods. By providing technical training in modern agricultural practices and offering financial support with high-quality seeds and fertilizers, we eliminate middlemen by purchasing crops directly from the farmers. This crucial stage lays a strong foundation for our diverse portfolio, ensuring a steady supply of premium raw materials and significantly enhancing the nation's food security.





# Unity Foods Limited Gender Pay Gap Statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended June 30, 2024:

(i) Mean Gender Pay Gap:	(76.1%)
(ii) Median Gender Pay Gap:	(63.5%)

For and on behalf of Board of Directors



**CEO / Director**

October 03, 2024

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

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

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

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

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

# Key Operating & Financial Results

## Six Years at a Glance

OPERATING DATA	2024	2023	2022	2021	2020	2019
	------(Rupees in '000')-----					
Sales	<b>60,488,680</b>	90,158,188	82,184,552	66,400,968	29,872,021	14,097,237
Cost of goods sold	<b>(55,191,742)</b>	(78,018,707)	(74,338,958)	(61,209,316)	(27,847,049)	(12,820,034)
Gross profit	<b>5,296,938</b>	12,139,481	7,845,594	5,191,653	2,024,971	1,277,203
Operating profit / (loss)	<b>5,002,770</b>	3,570,037	4,152,234	4,269,254	735,223	562,929
Profit / (loss) before taxation	<b>(1,967,233)</b>	163,357	2,488,638	3,389,132	194,550	274,722
Profit / (loss) after taxation	<b>(2,532,649)</b>	567,458	2,436,418	3,111,739	209,629	255,075
<b>FINANCIAL DATA</b>						
Paid up capital	<b>11,940,500</b>	11,940,500	11,940,500	9,940,500	5,440,500	5,440,500
Equity balance	<b>19,191,357</b>	21,724,006	21,156,548	13,379,279	5,849,691	5,694,467
Non-current assets	<b>19,543,752</b>	19,995,404	9,588,165	8,827,860	3,820,774	3,094,248
Non-current liabilities	<b>692,851</b>	726,085	342,912	346,729	216,652	-
Current assets	<b>60,612,958</b>	51,536,155	49,032,816	33,710,515	15,122,615	7,371,379
Current liabilities	<b>60,272,502</b>	49,081,468	37,121,521	28,812,367	12,877,046	4,771,159
<b>KEY RATIOS</b>						
Gross margin (%)	<b>8.757</b>	13.465	9.546	7.819	6.779	9.060
Operating margin (%)	<b>8.271</b>	3.960	5.052	6.430	2.461	3.993
Net (Loss) / profit margin (%)	<b>(4.187)</b>	0.629	2.965	4.686	0.702	1.809
(Loss) / return on Capital (%)	<b>(13.197)</b>	2.612	11.516	23.258	3.584	4.479
Current ratio (%)	<b>1.006</b>	1.050	1.321	1.170	1.174	1.545
(Loss) / earning per share (Rs.)	<b>(2.12)</b>	0.48	2.04	3.56	0.39	1.03
Cash Dividend (%)	-	-	-	-	-	1.00

# Chairman's Review

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

## BOARD'S OVERVIEW AND PERFORMANCE

The Board's primary objective is to provide strategic direction to the Company and oversight of the management. The Board and its Committees have met as and when needed; and a total of thirteen (13) meetings of the Board and its committees were held during the year. Increased focus is being made on good corporate governance. As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has a mechanism in place for evaluation of Board's own performance and of its committees.

In the financial year 2024, Pakistan encountered several crucial events on its path to economic recovery after a tumultuous financial year 2023 including successful completion of the Stand-By IMF agreement and completion of General Elections leading to much needed relative political stability. Going forward, as Pakistan has secured a new IMF facility of USD 7 bn, tough measures are expected to continue to address fiscal and external imbalances such as privatization of SOEs and expanding the tax net to sustain economic recovery. Such stringent measures will continue to pose significant challenges for the businesses in their operations and full-scale expansions.

While the past year has been challenging vis-à-vis financial performance amid contractionary economic environment, it has also been rewarding for our Company on various fronts. The Company and its subsidiary expanded its product lines, continued to increase its market penetration and enhanced its production capacity as part of its strategic vision. I wanted to take a moment to reflect on our collective accomplishments and express my appreciation for our shareholders unwavering commitment and support.

### Financial Performance:

I am delighted to present the financial results for the financial year 2024. In a year marked by difficult macroeconomic conditions, very high cost of doing business amid excessive inflation and various other challenges including depressed consumption patterns, Unity Foods has continued to wade towards sustainable expansion but with reasonable pressure on the financials. Despite challenging commodity market situation amid supply anomalies, the Company managed to retain significant part of its consolidated topline to successfully retain its market position across the product portfolio. This achievement is a testament to the strategic vision and prudent decision-making by the Board and the management of the Company. However, the heightened inflation, commodity price volatilities and high finance costs adversely impacted the bottom-line of the Company. Going forward, easing interest-rate environment due to sharp decline in inflation would bode well for the Company to achieve its strategic vision.

### Operational Resilience:

Unity Foods has always exhibited operational resilience, and this year was no different. In the face of supply chain disruptions and logistical challenges, we demonstrated exceptional resilience and adaptability, maintaining an uninterrupted supply of essential food products to our customers while navigating the cost pressures of a high-inflation environment. Our production facilities continued to operate efficiently, upholding our steadfast commitment to quality and excellence.

### Sustainability Initiatives:

This fiscal year, our dedication to sustainability and corporate responsibility was clearly demonstrated through various initiatives. We implemented sustainable practices, including responsible sourcing, creating cleaner value chains, and reducing our carbon footprint. Significant progress was made toward transitioning to renewable energy sources for our plant operations, and these efforts will remain a key focus in our decision-making process in the coming years. These actions not only reflect our core values but also establish us as responsible corporate citizens in a rapidly changing global environment.

### Innovation and Product Development:

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

### Global Market:

Though, the FY 2024 began with high commodity prices, the global commodity prices have now been easing amid lower demand particularly in fossil fuels due to contained growth in various economies and shift to renewables. The demanding macroeconomic conditions particularly strict monetary policy stance continued to impact consumer discretionary spending. However, global economies have gradually started to move towards monetary easing which is expected to have a positive impact on consumer spending and overall demand and spending. Leveraging the opportunity, we will persistently work on bolstering growth by actively collaborating with suppliers and distributors to maintain a smooth supply chain while concurrently emphasizing efforts to enhance profitability.

### Team Unity:

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

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

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



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

## جدت اور مصنوعات کی ترقی:

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

## عالمی مارکیٹ:

اگرچہ مالی سال 2024 کا آغاز اجناس کی قیمتوں میں اضافہ کے ساتھ ہوا، لیکن عالمی اجناس کی قیمتوں میں اب کمی آرہی ہے خاص طور پر فوسل فیولز کی کم طلب کی وجہ سے، کیونکہ مختلف معیشتوں میں محدود ترقی اور قابل تجدید ذرائع کی جانب منتقلی دیکھی جا رہی ہے۔ مشکل معاشی حالات، خاص طور پر سخت مالیاتی پالیسی، صارفین کی اختیاری اخراجات پر اثرات متوقع ہیں۔ اس موقع سے فائدہ اٹھاتے ہوئے ہم مسلسل ترقی کو مضبوط کرنے کی لیے سپلائرز اور ڈسٹری بیوٹرز کے ساتھ فعال تعاون کریں گے تاکہ سپلائی چین کو ہموار رکھا جاسکے اور ساتھ ہی منافع میں اضافے کی کوششوں پر زور دیا جاسکے۔

## ٹیم یوٹیٹی:

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

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

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



مخلص،

لفٹیوٹ جزل عمر محمود حیات (ریٹائرڈ)

چیئر مین بورڈ آف ڈائریکٹرز

# چیرمین کا جائزہ

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

## بورڈ کا جائزہ اور کارکردگی:

بورڈ کا بنیادی مقصد کمپنی کو اسٹریٹیجک سمت فراہم کرنا اور انتظامیہ کی بگرائی کرنا ہے۔ بورڈ اور اس کی کمیٹیوں نے ضرورت کے مطابق اجلاس منعقد کیے ہیں اور سال کے دوران بورڈ اور اس کی کمیٹیوں کے کل تیرہ (13) اجلاس ہوئے ہیں۔ اچھی کارپوریٹ گورننس پر زیادہ توجہ دی جا رہی ہے۔ جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت بورڈ کے پاس بورڈ کی اپنی اور اس کی کمیٹیوں کی کارکردگی کی جانچ کے لیے ایک باضابطہ طریقہ کار موجود ہے۔

مالی سال 2024 میں، پاکستان کو ہنگامہ خیز مالی سال 2023 کے بعد معاشی بحالی کے راستے پر کئی اہم واقعات کا سامنا کرنا پڑا جس میں اسٹینڈ بائی آئی ایم ایف معاہدے کی کامیاب تکمیل اور عام انتخابات کا انعقاد شامل ہیں، جس سے مطلوبہ سیاسی استحکام حاصل ہوا۔ آگے بڑھتے ہوئے، پاکستان نے 7 ارب ڈالر کا نیا آئی ایم ایف پروگرام حاصل کیا، اور توقع ہے کہ مالی اور بیرونی عدم توازن کو دور کرنے کے لیے سخت اقدامات جاری رہیں گے، جیسا کہ سرکاری اداروں کی نجکاری اور ٹیکس نیٹ کو وسعت دینا تاکہ معاشی بحالی کو برقرار رکھا جاسکے۔ ایسے سخت اقدامات کاروباری اداروں کی سرگرمیوں اور مکمل پیمانے پر وسعت کے لیے اہم چیلنجز پیدا کرتے رہیں گے۔

اگرچہ گزشتہ سال مالی کارکردگی کے لحاظ سے ایک سخت معاشی ماحول میں چیلنجز رہا، لیکن مختلف محاذوں پر یہ ہماری کمپنی کے لیے فائدہ مند بھی ثابت ہوا۔ کمپنی اور اس کی ذیلی کمپنی نے اپنی مصنوعات کی اقسام میں توسیع کی، مارکیٹ میں اپنی رسائی میں مسلسل اضافہ کیا اور اپنی پیداواری صلاحیت کو اسٹریٹیجک وژن کے تحت بڑھایا۔ میں اس موقع پر ہمارے مشترکہ کارناموں پر غور کرنا چاہتا ہوں اور ہمارے شیئر ہولڈرز کی غیر متزلزل وابستگی اور حمایت پر اپنی قدر دانی کا اظہار کرتا ہوں۔

## مالیاتی کارکردگی:

مجھے مالی سال 2024 کے مالی نتائج پیش کرتے ہوئے خوشی ہو رہی ہے۔ یہ سال مشکل معاشی حالات، غیر معمولی مہنگائی کے سبب کاروباری لاگت میں بہت زیادہ اضافہ، اور دیگر چیلنجز جیسے کہ صارفین کی کمزور خریداری کی صورتحال سے عبارت رہا، لیکن یوٹیلیٹی فوڈز نے پائیدار توسیع کی جانب سفر جاری رکھا، اگرچہ مالیاتی دباؤ بھی موجود رہا، سپلائی کے مسائل کے باوجود، کمپنی نے اپنی مجموعی آمدن کا ایک بڑا حصہ برقرار رکھا اور اپنی پروڈکٹ پورٹ فولیو میں مارکیٹ کی پوزیشن کو کامیابی سے قائم رکھا۔ یہ کامیابی کمپنی کے بورڈ اور انتظامیہ کی اسٹریٹیجک بصیرت اور دانشمندانہ فیصلوں کا ثبوت ہے۔ تاہم، شدید مہنگائی، اجناس کی قیمتوں میں عدم استحکام، اور بلند مالیاتی اخراجات نے کمپنی کے خالص منافع پر منفی اثر ڈالا۔ مستقبل میں شرح سود میں کمی کے باعث مہنگائی میں نمایاں کمی، کمپنی کے لیے اسٹریٹیجک وژن حاصل کرنے میں مددگار ثابت ہوگی۔

## آپریٹیشنل پلک:

یوٹیلیٹی فوڈز نے ہمیشہ عملی پلک کا مظاہرہ کیا ہے، اور اس سال بھی کوئی فرق نہیں تھا۔ سپلائی چین میں خلل اور لاجسٹک چیلنجز کے باوجود ہم نے غیر معمولی پلک اور موافقت کا مظاہرہ کیا، مہنگائی کے دباؤ کے باوجود اپنے صارفین کو ضروری خوراک کی مسلسل فراہمی جاری رکھی۔ ہماری پیداواری سہولیات نے موثر طریقے سے کام جاری رکھا، اور ہم نے معیار اور عمرگی کے اپنے عزم کو برقرار رکھا۔

## پائیداری کے اقدامات:

اس مالی سال میں پائیداری اور کارپوریٹ ذمہ داری کے لیے ہماری وابستگی مختلف اقدامات کے ذریعے واضح طور پر سامنے آئی۔ ہم نے پائیدار طریقے اپنائے، جن میں ذمہ دارانہ وسائل کا استعمال، صاف ستھری ویلیو چینز کی تخلیق، اور اپنے کاربن کے اخراج میں کمی شامل ہے۔ ہمارے پلانٹ آپریشنز کو قابل تجدید توانائی کے ذرائع کی طرف منتقل کرنے میں نمایاں پیش رفت ہوئی اور آنے والے سالوں میں یہ کوششیں ہمارے فیصلوں کا ایک اہم حصہ رہیں گی۔ یہ اقدامات نہ صرف ہمارے بنیادی اقدار کی عکاسی کرتے ہیں بلکہ ہمیں تیزی سے بدلتے ہوئے عالمی ماحول میں ذمہ دار کارپوریٹ شہری کے طور پر بھی قائم کرتے ہیں۔

# PROCESSING

## Crafting Excellence from Farm-Fresh Goodness

At Unity Foods Limited, the processing phase of our farm-to-fork journey is where innovation and excellence converge. Our **state-of-the-art facilities**, equipped with cutting-edge technologies, set new industry standards. As pioneers of the **Swiss PESA Mill technology**, we revolutionize premium flour production, ensuring unmatched hygiene and quality. Our dedicated R&D team continuously develops **innovative products** like **FiberFit Atta**, which offers numerous health benefits. By harnessing advanced processing technologies, we uphold the highest standards of quality and nutrition in every product. This unwavering commitment to excellence ensures that our edible oils, staples, confectionery, industrial fats, and feed ingredients meet the diverse needs of our consumers, delivering superior nutritional value and contributing to a healthier lifestyle for all. At UFL, we are proud to transform raw materials into exceptional products that nourish and uplift our communities.





# Directors' Report

We are pleased to offer the following report on behalf of the Board of Directors of Unity Foods Limited for the year ended June 30, 2024.

## FINANCIAL PERFORMANCE

The trickle-down impact of challenging macroeconomic economic environment particularly with regards to the large-scale manufacturing was reflected in FY 24 vis-à-vis financial performance of the Company. The Company experienced contraction of 17.7 % from the last year, in terms of consolidated turnover which is reported at PKR 83 billion for the year under review. This decrease was primarily driven by lower sales of palm oil and its derivatives due to negative parity and depressed prices dragging the gross profit down to PKR 7.2 billion.

The slide back in gross margin to around 9 % from the last year's figure of over 13 % is primarily attributed to normalization of local inventory levels. Last year's 13% plus gross margin was an anomaly created by supply volatility in the country. Conversely, the net exchange gain for the year stood at PKR 667 million, owing to PKR appreciation versus USD during the period under review. However, a significant increase in finance costs to PKR 7.4 billion amid high interest rates adversely impacted the bottom line as the Company reported net loss of PKR 3.4 billion on consolidated basis during FY 24. As of late, the interest rates have been declining sharply with further reductions on the card thus indicating promising outlook with respect to lowering of financing costs. Besides, the easing inflation bodes well for the Company as it translates into lower stress on the costs and expenses while favorably changing the consumption patterns of the target customers.

## KEY OPERATING AND FINANCIAL HIGHLIGHTS

PKR MN, EXCEPT EPS	STANDALONE		CONSOLIDATED	
	FY24	FY23	FY24	FY23
Net Sales	60,489	90,158	83,003	100,870
Gross Profits	5,297	12,139	7,248	13,811
Profit Before Interest & Tax	5,003	3,570	4,805	3,879
(Loss) / Profit After Tax	(2,533)	567	(3,409)	675
(Loss) / Earning per share (PKR)	(2.12)	0.48	(2.85)	0.57
Total Assets	80,157	71,532	87,247	77,549
Total Equity	19,191	21,724	17,813	21,308

RATIO ANALYSIS	STANDALONE		CONSOLIDATED	
	FY24	FY23	FY24	FY23
Gross Margins	8.76 %	13.46 %	8.73 %	13.69 %
EBIT Margins	8.27 %	3.96 %	5.79 %	3.85 %
Net Margins	(4.19 %)	0.63 %	(4.11) %	0.67 %
Asset Turnover	0.80	1.39	1.01	1.43
Current Ratio	1.01	1.05	0.97	1.06

## MACROECONOMIC CHALLENGES

### GDP

The FY24 remained a crucial year for Pakistan in terms of several key political and economic events. Successful execution of General Elections in 2HFY24, provided the much-needed steadiness and relative confidence to the markets, followed by timely completion of the Stand-By IMF Arrangement that facilitated macro-economic stability. The economy showed considerable recovery, reflected by real GDP growth of 2.3% in contrast with the previous year's contraction of 0.2%.

### AGRICULTURE

The agriculture sector reported strong growth of 6.3% in FY24 as compared to 2.4% in the same period last year driven by robust growth in key crops. Wheat witnessed a record growth of 11.6%, reaching 31.4 million tonnes from last year's count of 28.2 million tonnes. Similarly, rice production saw a significant surge, reaching 9.9 million tonnes compared to 7.3 million tonnes last year, translating into substantial growth of 34.8%.

The strong growth in agriculture can be attributed to low-base impact (due to last year's floods) and a boost in crop yields in the aftermath of floods in FY23. In addition, better access to irrigation facilities, efficient fertilizer uses, and the adoption of certified seeds by farmers further catalyzed the strong rebound. Additionally, agriculture credit disbursements were reported at PKR 1.77 trillion depicting a 25.2% increase from the previous year which further provided the impetus to the sector turnaround.

### LARGE SCALE MANUFACTURING (LSM)

In FY24, Pakistan reported a meagre growth of 0.9% in the production levels of LSM, contrary to a decline of 10.3% in FY23. Bank credit to the private sector showed significant improvement indicated by growth of 77% YoY despite the continuation of contractionary monetary policy.

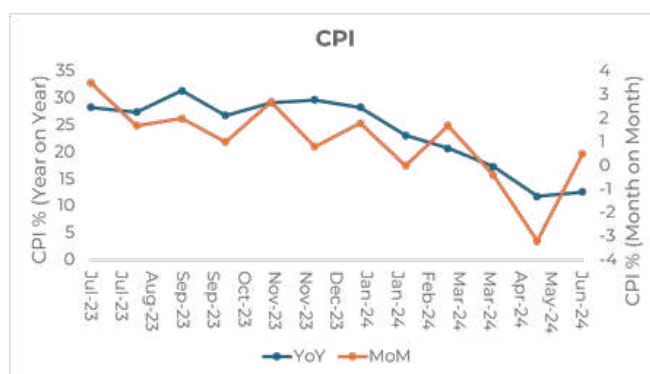
During the year, Pakistan's industrial sector began recovering due to overall macroeconomic stabilization. Improved global commodity market conditions and a stable Pakistani Rupee (PKR) also provided cushion for the recovery. PKR stability was aided by the IMF's Stand-By Arrangement and regulatory moves of the government to curb illegal dollar outflows.

However, downside risks and high policy rate of 22% hindered any major turnaround. Although manufacturing activity showed respite, factors such as high costs, political uncertainty as well as subdued global growth impeded any significant improvement.

## INFLATION

Although still high with the annual CPI at 23.4%, the inflation figures witnessed decline during FY24 amid contractionary monetary policy and stabilization measures. The key drivers of high inflation were stressed domestic energy prices and money supply growth owing to fiscal pressures.

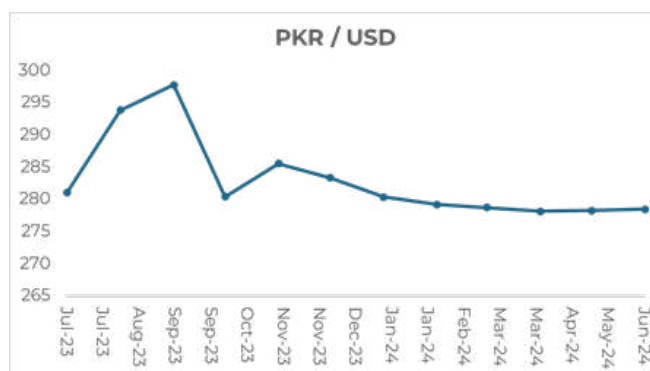
As of Jun-24, monthly inflation in Pakistan continued its downward trajectory and was reported at 12.6%, marking a significant decline from the high of 31.4% in Sep-23. This decrease is primarily attributed to stable global commodity prices, higher domestic crop production, high base effect and exchange rate stability.



Source: Pakistan Bureau of Statistics

## CURRENT ACCOUNT

In FY24, Pakistan reported a current account deficit of USD 665 million or 0.2% of GDP, a significant decrease from last year's number of USD 3.3 billion or 1% of GDP, marking the lowest deficit in thirteen years. This reduction was a function of declining trade deficit and a rebound in remittances on the back of stable outlook on USD-PKR parity and stabilizing macroeconomic indicators. In addition, subdued domestic economic growth and high inflation also contributed to curtailed current account deficit amid contained imports with an uptick in exports also contributing to the same.



Source: State Bank of Pakistan

Total exports for FY24 reached USD 38.9 billion, showing an encouraging 10% YoY growth, while total imports rose by 3% to USD 63.3 billion. SBP forex reserves also increased to USD 9 billion as of June-24 while FDI during the period was USD 1.9 billion indicating marginal growth of 17% since the last year.

## FISCAL DEFICIT

Although still vulnerable, the fiscal situation marginally improved during FY24 as the government ended FY24 with a budget deficit of 6.8% of GDP, amounting to PKR 7.2 trillion from a deficit of 7.7% reported in FY23.

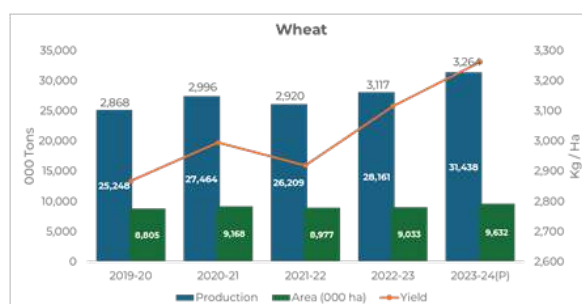
Total revenue for the year was PKR 13.3 trillion, with tax revenues of PKR 10.1 trillion and non-tax revenues amounting to PKR 3.2 trillion. On the expenditure side, interest payments amounted to 8.2 trillion (7.7% of GDP), consuming around 81% of the tax revenues. The primary surplus was reported at 0.9% of GDP, registering a significant improvement from primary deficit of 1.1% last year. Moreover, the tax to GDP ratio stood at 9% at the end of FY24, depicting slight improvement from 8.5% in the previous fiscal year. The government has set an ambitious tax to GDP target of 13% over the next 3 years through implementation of envisaged structural reforms.

## WHEAT

Wheat production during FY24 was reported at 31.4 million tonnes as compared to 28.2 million tonnes last year<sup>1</sup>. This growth of 11% in output was mainly driven by post-flood recovery, better availability of inputs, increased land allocation for wheat cultivation, and low base impact. The floods in 2022 had adversely impacted the agriculture sector, resulting in the loss of fertilizers, stocks, and irrigation infrastructure.

During FY24, the domestic wheat market remained volatile amid supply anomalies, negatively impacting the downstream supply chain. Based on previous year's below par wheat crop and to avoid any possible shortages, the government imported around 3.5 million tonnes of wheat during the year, which along with bumper crop and lower international prices, led to a supply glut and price crash in the market. This translated into inventory losses for the farmers and millers due to free fall in wheat prices.

Going forward, to avoid the demand-supply mismatch, the government is considering to deregulate the wheat market, by abolishing the minimum support price. This will be a positive step towards bringing more consistency and efficiency to wheat-driven value chains. At approximately 125 kilograms per year, Pakistan's per capita consumption of wheat is one of the highest in the world. During the year 2023-24, the cultivation of wheat spanned over an extensive 9.6 million hectares, exhibiting an augmentation when contrasted with the previous year's expanse of 8.97 million hectares. This marked an increment of 6.6% in the cultivated area<sup>2</sup>.



Source: Pak Economic Survey 2023-24

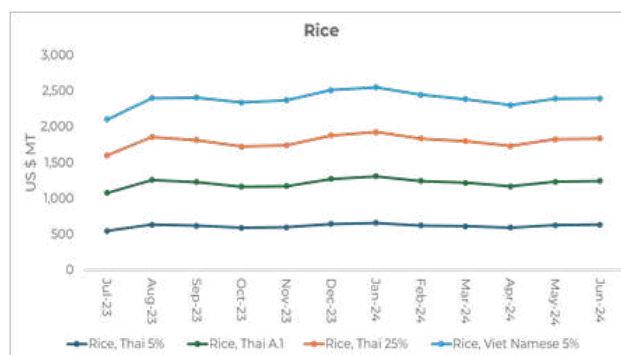
Pakistan sees huge opportunities within the agriculture sector to improve existing yields through technology integration, high quality inputs and the implementation of corporate farming practices to address structural issues. Keeping in view the global demand, Pakistan, through the right interventions, can become a regional supplier of wheat/flour as well as produce value-added goods for improvement in exports to cushion the stressed external economy.

<sup>1</sup> Pak Economic Survey 2023-2024 <sup>2</sup> Dawn News

## RICE

During FY24, international rice prices remained high mainly due to Indian government's export ban on Basmati Rice. Pakistan successfully capitalized on the opportunity and exported rice worth USD 3.9 bn this year indicating approximately 80% growth since the last year.

Moreover, rice production in Pakistan has witnessed a steady uptrend in recent years, except for the flood-damaged 2022-23 crop. Rice output during the year was 9.9 million tonnes, against 7.3 million tonnes of last year indicating an increase of 35%. Going forward, the international prices are expected to normalize as India is expected to reverse the export ban. However, the government is expecting to continue the growth momentum with an aggressive rice exports target in the coming years. Pakistan is set for a record rice harvest next year, thanks to larger planting areas and better yields<sup>3</sup>.



Source: World Bank Pink Sheet

## BUSINESS PERFORMANCE AND SEGMENT REVIEW

Despite the challenging macro-economic environment in FY24, Unity Foods Limited demonstrated resilience and adaptability. Faced with high finance costs, rising utility expenses, and a price anomaly in the local edible oil market, the Company remained steadfast in navigating these obstacles. Although margins were under pressure, UFL responded by focusing on cost efficiencies, successfully reducing operating expenses.

Recognizing opportunities amid adversity, the Company swiftly expanded its corn trade business, which bolstered operations during periods of slowed Palm Oil sales. UFL also invested in optimizing its processing capacities, ensuring it was well-positioned to meet growing demand as the economy progresses toward stabilization.

This strategic foresight and commitment to operational excellence underscore UFL's dedication to growth, even in challenging times.

## EDIBLE OILS

Pakistan relies heavily on palm oil imports to meet the demand for local cooking oil and ghee as well as value-added confectionery production. Overall, Pakistan has registered a decline in the edible oil imports namely palm oil imports, down by 20% and soybean oil down by 63% on a YoY basis. The declining trend is testimony to the depressed consumer spending patterns amid economic slowdown. The trends have been similar for the Company as it witnessed declining sales during the period under review. The supply glut resulting from excess imports in anticipation of higher prices caused negative parity which hindered plant operations at higher capacities. For most part of the FY 24, the margins were positive but remained under pressure due to higher raw material cost and over supply of edible Oil in the country.

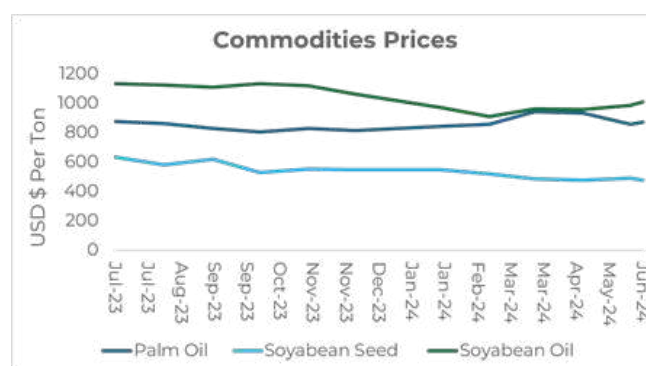
During FY24, global prices for Palm reached USD 860.8/mt from an average price of 948.9/mt during FY'23, a decrease of 9%. A brief uptick during the year was caused by policy level changes in Malaysia banning palm exports, however, the decision was later reversed. Other than that, area under cultivation and yields remained consistent during the year, ensuring smooth supply.

The average price of soybean oil decreased by 47% to USD 1041.2/mt during FY24 from an average of USD 1,337/mt during FY23. The highest recorded price was USD 1,962.9/mt during May 2022. Throughout the year, the market for soft oil such as Soybean oil and Canola remained volatile due to several factors such as climate, geo-political conflict and policy level changes. Particularly, weather-related challenges of key suppliers i.e. Argentina and Brazil, caused supply disruptions during FY24<sup>4</sup>. However, trade channels have begun to normalize. Going forward, long term factors including climate related issues in major supply countries, will continue to affect production estimates in the long run.

Despite the normalization of prices, factors such as bio-fuel production and new EU Deforestation Regulation (EUDR) imposing stricter standards on palm oil imports will have long-term implications on global palm oil prices. Demand for palm oil prices will continue to be driven by global economic performance which has shown recovery in the post-COVID era consumption patterns and is expected to improve as monetary easing takes its course.

Moving forward, bearish trends are anticipated into 2025, with a revised average price forecast of USD 853.9 until the end of 2024 driven by factors such as excess supplies, competition from other edible oils, and uncertain import demand. Upcoming La Niña conditions and the EU Deforestation Regulation could exacerbate these pressures.

According to USDA FAS, Global oilseeds production is forecasted to increase by nearly 4.5 million tons to 690.5 million this month, driven by higher soybean outputs in the U.S., Ukraine, Russia, and India, as well as increased rapeseed projections for Russia. These gains outweigh the declines in sunflower seed production in Europe and the Black Sea regions. Oilseeds trade is projected to rise by almost 1.1 million tonnes due to higher soybean exports from the U.S., Ukraine, and Russia<sup>5</sup>.



Source: World Bank, The Pink sheet, FOB Prices

<sup>3</sup> SBP Global - Agriculture

<sup>4</sup> Pink Sheet - World Bank

<sup>5</sup> Oilseeds: World Markets and Trade (August 2024)

## ANIMAL FEED INGREDIENTS

Livestock production stands as a pivotal pillar within Pakistan's agricultural landscape owing to its significant contribution to the country's Gross Domestic Product (GDP). Notably, within the broader agricultural framework, the livestock industry commands the foremost portion, accounting for 60.84% of the agricultural value added and a substantial 14.63% of the total national GDP during FY24<sup>6</sup>.

The animal feed segment witnessed a volumetric decline due to imported inflation as well as the shortage of major feed ingredients including Soybean Meal and Canola Meal. Estimated prices declined from June 2023 levels of PKR 315.63 per Kg and currently stand at PKR 288.25 per Kg for Soybean Meal and PKR 156.2 per Kg for Canola Meals from 177.38 per Kg in FY23. Conversely, cattle feed prices showed a marginal increase from PKR 79.94 to current prices of PKR 91.61 per KG<sup>7</sup>.

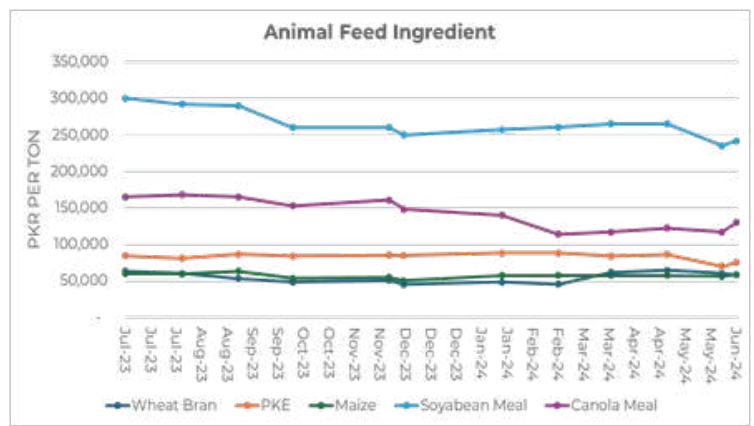


Figure 5 Source: Company Channel Checks

Despite Pakistan's vast livestock population of 224.7 million, the current production of milk and meat falls short of meeting the nutritional needs of its people. This shortfall highlights a significant opportunity within the cattle feed sector. The key to unlocking this potential lies in the availability and use of efficient, high-quality feed resources, which will be instrumental in driving the growth of Pakistan's agriculture sector to its full potential. Although recent regulatory challenges in the poultry feed industry have impacted demand, it is anticipated that once resolved, demand will return to its previous levels.

Although the Company maintained overall margins throughout the year, sales in the animal feed segment, including Palm Kernel Expeller (PKE), declined during the first half of FY 2024. This was primarily due to customers shifting to lower-cost alternatives following significant price increases caused by PKR devaluation and inflation in the previous year. However, with the IMF SLA agreement now in place for an extended period, the Company does not anticipate any major PKR devaluation moving forward. As a result, the demand for quality feed is expected to stabilize and grow steadily in the coming years.

Aflatoxin contamination is significantly higher in other feed ingredients compared to Palm Kernel Expeller (PKE), highlighting a strong business case for PKE. As the economy, particularly the agriculture sector, undergoes formalization with the government's renewed focus and recent taxation measures, the livestock industry will be required to meet stricter standards regarding feed ingredients. This shift is expected to favor PKE, as it poses a lower risk of aflatoxin contamination compared to alternative feed options.

## SUNRIDGE FOODS (PRIVATE) LIMITED

Banking on the extensive market potential, the Company continued expanding its footprints, market penetration and product range to record considerable growth of 63% in its topline that was recorded at around PKR 18 billion in FY 2024. Despite encouraging growth in revenues, FY24 proved to be a challenging year for the food processing sector marked with erratic supply movements in agriculture, particularly wheat. Mostly, during the 2HFY24, excess supply of wheat amid bumper crop caused a supply glut, leading to price anomaly in the market. Consequently, the continuous free fall in flour prices compressed the gross margins to 8.43% amid inventory losses due to frequent and considerable decline in wheat prices.

The selling and distribution considerably increased in absolute terms to PKR 1.3 billion from the last year's figure of PKR 780 million. However, in terms of percentage of sales, the selling and distribution expenses remained stable. The sharp surge in selling and distribution expenses resonates well with the Company's focus on increasing market penetration and expanding into new markets. However, due to compressed gross margins and higher selling and distribution expenses, the bottom line was adversely impacted resulting in a net loss of PKR 346 mil in FY 2024 in contrast with net profit of PKR 182 mil in the same period last year. We expect that stabilizing prices and the anticipated fall in interest rates will provide a much-needed boost to the Company and its operations. However, the prices are expected to remain volatile in the beginning months of FY 25 due to excess supply in the market amid bumper crop in the last season.

The Company's focused marketing and advertising efforts are translating into a growing market share, and the Board is confident that this momentum will continue. With a robust sales strategy and strong distribution channels, the Company is well-positioned for further growth. Looking ahead, the Company expects to run its plants at full capacity, optimizing production and lowering per-unit operating costs. The recent addition of 400 TPD capacity in the flour segment reflects the Company's commitment to meeting the rising demand for premium flour, in line with its long-term vision.

As global attention increasingly centers on food safety and quality, Sunridge Foods is devoted to delivering a positive, transparent message to its consumers and key stakeholders. This commitment to openness is not only a guiding principle in their operations but also a critical factor in their continued success in an industry where transparency is vital.

## SUNRIDGE CONFECTIONERY LIMITED

Sunridge Confectionery Limited is a wholly owned subsidiary of Sunridge Foods (Private) Limited, which is in turn the wholly owned subsidiary of the Company. Sunridge Foods has diversified its offerings through Sunridge Confectionery, now featuring value-added products like cupcakes and a range of confectionery items. With a proactive approach, Sunridge Confectionery is expanding its market presence through increased sales volumes and the introduction of new products. This strategy aims to broaden revenue streams and capitalize on synergies within the Company. The Company is rigorously exploring the opportunity to expand into global markets to diversify its revenue base.

## UNITY PLANTATIONS (PRIVATE) LIMITED

Unity Plantations (Private) Limited, a subsidiary formed to facilitate initiatives related to corporate farming and associated operations is faring well with the successful completion of its pilot project reporting higher than targeted yields. The Company contributes to ensuring the country's food security, traceability & sustainability of the upstream supply chain for Sunridge Foods besides adding to the overall profitability in the agricultural domain. The Company has plans to increase the land under cultivation over a period of time. The farms under management are being technologically and logistically uplifted in order to capture optimum resource utilization.

These strategic moves align seamlessly with UNITY's overarching mission to enhance food security and establish an efficient farm-to-table supply chain that spans the entire country. The Company is well positioned to capitalize on the agriculture potential of the Country through induction of quality inputs, integration of modern farm technology & best practices and sustainable downstream offtake.

<sup>6</sup> Pak Economic Survey 2023-2024 <sup>7</sup> Market Data

## SUNRIDGE MART (PRIVATE) LIMITED

The principal activity of Sunridge Mart (Private) Limited is to set up, own, run and manage marts and outlets under the "store within a store" concept where it will offer a 360 degree experience to its customers of all Sunridge products, including confectionery as well as basic grocery items. This strategy has helped Sunridge build its brand further. The Company is operating 7 marts in Karachi and expects to expand across the urban centers of the Country.

### HEALTH & SAFETY

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

### COMPLIANCE AND CERTIFICATIONS

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

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

## RISKS AND UNCERTAINTIES

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

## INTERNAL CONTROLS

An independent internal audit department is in place headed by a suitably qualified and experienced person. Regular audits of various departments and functions are carried out as per audit committee's audit plan. The Board Audit Committee regularly reviews audit reports submitted by the internal audit department and appropriate guidance is provided wherever felt necessary. The Internal Financial Control of the Company is adequately managed under SAP. The system was developed and implemented by Abacus Consulting.

## RISK MANAGEMENT

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

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

The Company is cognizant of sustainability risks and opportunities, which includes the environmental, social and governance considerations. The Management endeavors to promote Diversity, Equality and Inclusion (DE&I) to encourage gender equality and participation of women in the Management and workforce of the Company. On the backdrop of sustainability risks and opportunities, Unity Plantations (Private) Limited as a wholly owned subsidiary company of Sunridge Foods (Private) Limited has been established, with the aim of:

- i. Promoting corporate farming by utilizing latest technologies, implementing best practices of agriculture, use of state-of-the-art techniques to increase agricultural production in the Country
- ii. Efficient use of scarce water resources of the Country
- iii. Ensuring food security of the Country
- iv. Ensuring sustainable supply of quality raw materials to the factories of the Company
- v. Reduce carbon footprint on the planet
- vi. Increase export of agricultural products from the Country
- vii. Have a positive impact on the environment and help in reducing adverse impact of climatic changes.

The above actions and initiatives reflect the positive approach of the Company to mitigate sustainability related risks and to capitalize upon sustainability opportunities.

## OUTLOOK

Going forward, Pakistan has secured a new longer term USD 7 billion International Monetary Fund (IMF) staff-level agreement for Extended Fund Facility (EFF) to address fiscal and external imbalances, enhance public finances, and promote economic stability. Several new policies and stringent measures are expected to be implemented including bringing untaxed sectors into formal economy, fiscal curtailment and privatization of SOEs. The government is committed to broadening the tax base and introducing reforms and privatization for loss-making SOEs to unlock dormant revenue streams. It is important to note that the aforementioned IMF agreement is yet to be approved by the IMF Board.

During the 4QFY24, the money supply (M2) growth has started to decelerate which is consistent with the strict monetary policy stance maintained by the State Bank for most part of FY23 and FY24. Although inflation has exhibited signs of slowing down, the positive (single-digit) outlook for inflation remains susceptible due to tough budgetary measures recently announced and ongoing adjustments in electricity tariffs. However, it is expected that SBP will continue its gradual reduction in the policy rate over the medium term amid falling inflation and potential reduction in the Real Interest Rate (RIR) which is hovering significantly above the historical average.

Managing the external account will continue to be challenging owing to scheduled debt repayments of a whopping USD 27.5 billion by Nov-24 and currency induced risks. Apart from the anticipated IMF inflows, consistent foreign inflows through remittances, exports and other foreign sources will continue to be essential to maintain forex buffers and effectively manage any external risks. PKR is expected to remain range bound with stabilizing economy and longer-term IMF arrangement expected to finalize soon. A combination of administrative measures with lower CAD target will continue to be deployed for maintaining exchange rate stability. International commodity markets are expected to remain relatively stable as geo-political events move towards their closure/conclusion. Central banks of the major economies are set to announce the cut in policy rates given recent downward trend of inflation.

The ambitious fiscal targets (increased tax collection by 40% over last year and fiscal deficit of 5.9% of GDP) will prove to be challenging for the Government as slow growth may contain tax revenue collection and social spending needs might remain on the higher side as a result of tough macro-reforms. On the other hand, lower debt servicing on account of reduction in interest rates can provide some breather on the fiscal front. Progress on the ambitious privatization plans along with expansion of the tax net to reduce the share of informal economy can prove to be an immense game changer in restraining the fiscal deficit near the target.

The rebound in the real sector is contingent on the implementation of the macro-economic reforms and policy measures in the light of the new IMF program. Reduction in policy rate can provide a much-needed impetus to the businesses to rebound from their suppressed state and help achieve the GDP growth target of 3.2% in FY25. Positive surprise from the agriculture sector given the Government's policy focus can provide an additional upside to the economic growth. At the same time, recovery in FY25 is exposed to risks emanating from political uncertainty, any unforeseen currency devaluation and climate induced events.

Overall, macro-fundamentals are gradually moving towards stabilization that would lead to recovery in the medium term amidst implementation of the new 3-year IMF program, which will determine the performance of the economy, going forward.

While several factors impose risks and challenges, UFL and its management remain committed to extract the potential of Pakistan through integration opportunities in upstream markets and strive to serve a larger number of consumers by targeting a more widespread presence throughout the country. With an agenda of "Nourishing Pakistan," the business will train farmers with best practices to help them improve productivity, yield and profits thereby supporting and improving the communities we operate in. company's efforts will focus on accelerating its exports to remain resilient and contribute positively to the Company's bottom line as well as the national economy.

#### **APPOINTMENT OF AUDITORS**

The Audit Committee and the Board have recommended to the shareholders the appointment of M/s Grant Thornton Anjum Rahman, Chartered Accountants as auditors of the Company in place of retiring auditors M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants in the ensuing Annual General Meeting.

The name of M/s Grant Thornton Anjum Rahman has been recommended as the firm is one of the top ten audit firms of the Country. The Board has recommended that the Chief Executive Officer of the Company be authorized to negotiate and finalize the remuneration with the auditors.

#### **PATTERN OF SHAREHOLDING**

The pattern of shareholding as of June 30, 2024, is given in the Annual Report of the Company.

#### **RELATED PARTY TRANSACTIONS**

The Company has made the necessary disclosure about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. The Company has designated Sunridge Confectionery Limited in the capacity of commission agent under an agreement for all the local procurements of agri based goods i.e. wheat, corn, rice etc., to achieve operating effectiveness and cost efficiencies. For the same reason, an agreement has been entered into between Unity Foods Limited and Sunridge Foods (Private) Limited for the supply of Sunridge Foods' products normally required for preparation and onward supply of ration packs.

#### **COMMITMENTS AND CONTINGENCIES**

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

#### **BOARD AND THE COMMITTEES OF THE BOARD**

As on June 30, 2024, there were seven members of the Board as follows:

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

All the Directors of the Company remained on the Board throughout the year.

#### **ATTENDANCE AT THE MEETINGS**

Board Meetings

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

## Board Audit Committee Meetings

	Name of Director	Eligible to attend	Meetings attended
1	Mr. Muneer (Chairman/Independent Director)	4	4
2	Mr. A. Majeed Ghaziani (Non-Executive Director)	4	1
3	Dr. Safdar Ali Butt	4	4

## Board Human Resources & Remuneration Committee Meetings

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

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

There has been no change in the board or the committees between the June 30, 2024 and the date of this report.

The Brief Synopsis of Terms of Reference of Audit Committee and Human Resources and Remuneration Committee are provided in the Annual Report 2024. As per requirement of Code of Corporate Governance and best practices, the Board regularly evaluates its own performance and Boards' Committees through an internal performance evaluation mechanism.

Considering profitability position, the Company has not declared any dividend for the fiscal year ended June 30, 2024.

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

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

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

The remunerations of CEO, Directors and Executives are mentioned in note 41 to the unconsolidated accounts.

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

At Unity Foods, we are not just part of the business landscape; we are an integral part of the communities we serve. As one of the few public listed companies in Pakistan with a firm commitment to Environmental, Social, and Corporate Governance (ESG), we are driven by a purpose to create lasting, positive change. Our strategic approach is rooted in alignment with the United Nations Sustainable Development Goals (SDGs), specifically focusing on SDG 2: Zero Hunger, SDG 3: Good Health & Well-Being, SDG 4: Quality Education, and SDG 13: Climate Action. These goals are embedded into the core of our operations and future plans, ensuring that we grow responsibly while making meaningful contributions to society. In April 2022, our commitment to sustainability was validated through an independent audit conducted by SGS Pakistan, reaffirming our dedication to transparency and accountability.

At Unity Foods, we believe in creating equal opportunities for all. Our focus on gender equality is reflected in the strong representation of women in leadership and across every department, driving a culture of inclusion, innovation, and empowerment.

### SDG 2: Zero Hunger

At the heart of Unity Foods is a powerful mission—to fight hunger and malnutrition across Pakistan. Through our Sunridge Taqatwar Pakistan campaign, we've joined forces with hospitals, NGOs, government bodies, and compassionate individuals to deliver fortified nutrition to those who need it most. Widows, disabled individuals, families of terminally ill patients, pregnant women, and malnourished children are just a few of the vulnerable groups we're reaching.

With over 170,000 families impacted so far, our fight against hunger is only growing stronger. Every day, we're making a difference, one meal at a time—because a nourished Pakistan is a stronger Pakistan. Together, we can eliminate hunger and build a future where no one is left behind

### SDG 3: Good Health & Well-Being

Our commitment to health and well-being is deeply rooted in everything we do, extending not only to the communities we serve but also to our own workforce. At Unity Foods, we believe in creating an environment where our 900 employees can thrive—both mentally and physically. By fostering a culture of well-being, we ensure that our people grow alongside the company, contributing to a healthy and productive workplace for all.

In 2024, we took this commitment even further by launching the Ba-Ikhtiyar Kissan Program through our subsidiary Unity Plantations, designed to empower our supply chain at its core. Through this initiative, we equipped 500 farmers with technical training on sustainable agriculture practices, while providing them with top-quality fertilizers and seeds. This has not only increased their crop yields but also enabled them to secure sustainable livelihoods.

Moreover, by eliminating the middlemen, we have streamlined the process, purchasing produce directly from the farmers at competitive market rates. This approach reduced their transportation costs, increased profit margins, and improved the standard of living, ensuring financial well-being and long-term success for our farmers.

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

At Unity Foods, we are deeply committed to empowering the next generation through education. Our parent company Unity Foods are the proud sponsors of The School of Karachi, located in Ghaggar Phatak an underserved community, we support over 200 students by providing essential resources such as books, uniforms, teacher salaries, and classroom expansions. We've also established a computer lab to equip students with vital 21st-century skills, ensuring they are prepared for the future.

Our commitment to education extends further through the Unity Scholars Program, which sponsors an MBA student at IBA each year, opening doors to brighter futures and helping ambitious minds unlock their full potential. Through these initiatives, we are not just supporting education—we're shaping leaders of tomorrow.

#### **SDG 13: Climate Action**

We have committed to Net Zero by 2050. Between July 2023 and June 2024, we took transformative steps towards environmental stewardship by installing 1,697 KW of solar energy across our Kotri, SR1, and Feed Mill facilities. This milestone has already prevented 2,105 metric tons of CO2 emissions, bringing us closer to a cleaner and greener future. By reducing energy costs and moving away from coal, we are accelerating our journey toward sustainability.

But our efforts don't end there. We've replaced fossil fuels with biomass for steam boilers and energy production, installed four RO plants to optimize water use, and recycled plastic packaging waste into sustainable building materials. Our teams have also participated in impactful beach cleaning drives, embodying our commitment to environmental responsibility.

Together, we're not just reducing our environmental footprint—we're creating lasting change for our planet, setting new benchmarks for sustainability at Unity Foods and beyond.

Our ESG journey is one of responsibility, action, and impact—working towards a better, more sustainable future for all.

#### **ACKNOWLEDGEMENTS**

Alhamdulillah, we are truly humbled and grateful to our valued stakeholders, including our shareholders, bankers, and partners, for their unwavering trust in the Company. Their belief in us has been the driving force behind our remarkable growth over the past five years, allowing us to expand our horizons beyond edible oil into flour production. Their relentless support has made these achievements possible, and we are excited to continue this journey together as we grow and diversify our product portfolio.

We also extend our sincere thanks to the Pakistan Stock Exchange, the Securities & Exchange Commission of Pakistan, and the Central Depository Company for their ongoing cooperation. Your support has been vital, and we look forward to continuing this strong relationship in the future.

Lastly, we acknowledge the incredible dedication of our employees, whose tireless efforts have turned our vision into reality. With your continued commitment, we are confident that we will reach even greater heights.

Together, we are not just building a company—we're creating a legacy of growth and success



**Muhammad Farrukh**  
Chief Executive Officer



**Amir Shehzad**  
Director

October 03, 2024

## اعترافات

الحمد للہ، ہم اپنے معزز اسٹیک ہولڈرز، جن میں ہمارے شیئر ہولڈرز، بینکرز اور پارٹنرز شامل ہیں، کے غیر متوازن اعتماد پر بے حد مشکور ہیں۔ ان کا ہم پر یقین پچھلے پانچ سالوں میں ہماری شاندار ترقی کا باعث بنا ہے، جس نے ہمیں خوردنی تیل سے آگے بڑھتے ہوئے آٹے کی پیداوار تک پھیلنے کی اجازت دی۔ ان کی مستقل حمایت نے ان کامیابیوں کو ممکن بنایا، اور ہم اس سفر کو مل کر جاری رکھنے کے لیے پرجوش ہیں، جبکہ ہم اپنی پروڈکٹ پورٹ فولیو کو مزید بڑھا اور متنوع بنا رہے ہیں۔

ہم پاکستان اسٹاک ایکسچینج، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور سینٹرل ڈیپازٹری کمپنی کا بھی دل کی گہرائیوں سے شکریہ ادا کرتے ہیں، جن کے مسلسل تعاون نے ہمارے لیے اہم کردار ادا کیا ہے۔ آپ کی حمایت بے حد قیمتی رہی ہے، اور ہم مستقبل میں اس مضبوط تعلق کو جاری رکھنے کے منتظر ہیں۔

آخر میں، ہم اپنے ملازمین کی غیر معمولی محنت کو تسلیم کرتے ہیں جن کی انتھک کوششوں نے ہمارے وژن کو حقیقت میں بدل دیا ہے۔ آپ کے مسلسل عزم کے ساتھ، ہمیں یقین ہے کہ ہم مزید بلندیاں حاصل کریں گے۔

ہم مل کر صرف ایک کمپنی نہیں بنا رہے — بلکہ ہم ترقی اور کامیابی کی ایک میراث تخلیق کر رہے ہیں۔



عامر شہزاد  
ڈائریکٹر



محمد فرخ  
چیف ایگزیکٹو

13 اکتوبر 2024

اب تک 170,000 سے زائد خاندانوں پر اثر ڈالنے کے ساتھ، بھوک کے خلاف ہماری جنگ مزید مضبوط ہو رہی ہے۔ ہر دن، ہم ایک وقت میں ایک کھانا دے کر فرق ڈال رہے ہیں۔ کیونکہ ایک صحت مند پاکستان ایک مضبوط پاکستان ہے۔ مل کر، ہم بھوک کا خاتمہ کر سکتے ہیں اور ایک ایسے مستقبل کی تعمیر کر سکتے ہیں جہاں کوئی پیچھے نہ رہے۔

### 3SDG: اچھی صحت اور فلاح و بہبود

صحت اور فلاح و بہبود کے لیے ہمارا عزم ہر کام میں شامل ہے، نہ صرف ان کیونٹریز کے لیے جن کی ہم خدمت کرتے ہیں بلکہ اپنے کارکنوں کے لیے بھی۔ یونٹی فوڈز میں، ہم ایسا ماحول بنانے پر یقین رکھتے ہیں جہاں ہمارے 900 ملازمین ذہنی اور جسمانی طور پر ترقی کر سکیں۔ فلاح و بہبود کی ثقافت کو فروغ دے کر، ہم اس بات کو یقینی بناتے ہیں کہ ہمارے لوگ کمپنی کے ساتھ ساتھ ترقی کریں، اور ایک صحت مند اور نتیجہ خیز کام کی جگہ میں اپنا حصہ ڈالیں۔

2024 میں، ہم نے اس عزم کو مزید آگے بڑھاتے ہوئے اپنی ذیلی کمپنی یونٹی پلانٹیشنز کے ذریعے "بااختیار کسان پروگرام" شروع کیا، جو ہماری سپلائی چین کو بنیادی سطح پر مضبوط بنانے کے لیے بنایا گیا ہے۔ اس اقدام کے تحت، ہم نے 500 کسانوں کو پائیدار زرعی طریقوں پر تکنیکی تربیت فراہم کی، ساتھ ہی اعلیٰ معیار کے کھاد اور بیج فراہم کیے۔ اس سے نہ صرف ان کی فصلوں کی پیداوار میں اضافہ ہوا بلکہ انہیں پائیدار معاش کو محفوظ بنانے کا موقع ملا۔

مزید برآں، درمیانی افراد کو ختم کر کے، ہم نے یہ عمل آسان بنایا، کسانوں سے براہ راست پیداوار کو مستقیم مارکیٹ نرخوں پر خریدنا۔ اس طریقہ کار سے ان کے نقل و حمل کے اخراجات کم ہوئے، منافع کا مارجن بڑھا، اور معیار زندگی بہتر ہوا، جس سے مالی فلاح و بہبود اور طویل مدتی کامیابی کو یقینی بنایا گیا۔

### 4SDG: معیاری تعلیم

یونٹی فوڈز میں، ہم تعلیم کے ذریعے اگلی نسل کو بااختیار بنانے کے لیے پختہ عزم رکھتے ہیں۔ ہماری مادر کمپنی یونٹی فوڈز "دی اسکول آف کراچی" کی فخر سے سرپرستی کرتی ہے، جو گھگھر پھانک میں واقع ایک کمزور کمیونٹی میں ہے۔ ہم 200 سے زائد طلباء کی مدد کرتے ہیں، ضروری وسائل جیسے کہ کتابیں، یونیفارمز، اساتذہ کی تنخواہیں، اور کلاس روم کی توسیع فراہم کر کے۔ ہم نے طلباء کو 21 ویں صدی کی مہارتوں سے لیس کرنے کے لیے ایک کمپیوٹر لیب بھی قائم کی ہے، تاکہ وہ مستقبل کے لیے تیار ہو سکیں۔

ہمارا تعلیم کے لیے عزم "یونٹی سکالرز پروگرام" کے ذریعے مزید بڑھتا ہے، جو ہر سال آئی بی اے میں ایک MBA طالب علم کی سرپرستی کرتا ہے، جس سے روشن مستقبل کے دروازے کھلتے ہیں اور محنتی ذہنوں کو اپنے مکمل صلاحیتوں کو دریافت کرنے میں مدد ملتی ہے۔ ان اقدامات کے ذریعے، ہم صرف تعلیم کی حمایت نہیں کر رہے بلکہ کل کے رہنماؤں کی تشکیل کر رہے ہیں۔

### 13SDG: موسمیاتی اقدامات

ہم نے 2050 تک نیٹ زیرو کا عزم کیا ہے۔ جولائی 2023 سے جون 2024 کے درمیان، ہم نے اپنے کوٹری، SR1، اور فیڈل کی سہولیات میں 1,697 کلوواٹ کی سٹش تو انائی نصب کر کے ماحولیاتی نگہداشت کی طرف اہم قدم اٹھائے ہیں۔ اس سنگ میل نے پہلے ہی 2,105 میٹرک ٹن CO2 کے اخراج کو روکا ہے، جس سے ہم ایک صاف اور سبز مستقبل کے قریب پہنچ رہے ہیں۔ تو انائی کی قیمتوں میں کمی اور کولے سے دور ہو کر، ہم پائیداری کی طرف اپنے سفر کو تیز کر رہے ہیں۔

لیکن ہماری کوششیں یہاں ختم نہیں ہوتیں۔ ہم نے بھاپ کے بوائمر اور تو انائی کی پیداوار کے لیے فوسل فیوز کی جگہ با یو ماس کا استعمال کیا ہے، پانی کے استعمال کو بہتر بنانے کے لیے چارو پلانٹس نصب کیے ہیں، اور پلاسٹک کی ہینڈلنگ کے فضلے کو پائیدار تعمیراتی مواد میں ری سائیکل کیا ہے۔ ہماری ٹیمیں بھی ساحل کی صفائی کے مہمات میں حصہ لیتی ہیں، جو ہماری ماحولیاتی ذمہ داری کے عزم کو ظاہر کرتی ہیں۔

ہم مل کر صرف اپنے ماحولیاتی اثرات کو کم نہیں کر رہے بلکہ اپنے سیارے کے لیے دیر پا تبدیلی بھی پیدا کر رہے ہیں، یونٹی فوڈز میں پائیداری کے نئے معیارات قائم کر رہے ہیں اور اس سے آگے بڑھ رہے ہیں۔

ہمارا ESG سفر ذمہ داری، عمل، اور اثرات سے بھرپور ہے۔ سب کے لئے ایک بہتر اور زیادہ پائیدار مستقبل کی طرف بڑھنے کی کوشش کرتے ہوئے۔

سیریل نمبر	ڈائریکٹر کا نام	اجلاس میں شرکت کے اہل	شرکت کردہ اجلاس
1	ڈاکٹر صفدر علی بٹ (چیئر مین/آزاد ڈائریکٹر)	3	3
2	جناب عبدالجید غریبان (غیر ایگزیکٹو ڈائریکٹر)	3	1
3	جناب منیر ایس گوڈیل (آزاد ڈائریکٹر)	3	3
4	جناب محمد فرخ (ایگزیکٹو ڈائریکٹر/سی ای او)	3	2

کمپنیوں کو 07 نومبر 2022 کو بورڈ آف ڈائریکٹرز نے دوبارہ تشکیل دیا۔

30 جون 2024 اور اس رپورٹ کی تاریخ کے درمیان بورڈ یا کمیٹیوں میں کوئی تبدیلی نہیں ہوئی۔

آڈٹ کمیٹی اور انسانی وسائل و معاوضہ کمیٹی کے اختیارات کی مختصر وضاحت سالانہ رپورٹ 2024 میں فراہم کی گئی ہے۔ کارپوریٹ گورننس کوڈ اور بہترین روایات کے مطابق، بورڈ باقاعدگی سے اپنی کارکردگی اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لئے اندرونی طریقہ کار کے ذریعے جائزہ لیتا ہے۔

کمپنی کی منافع کی پوزیشن کو مد نظر رکھتے ہوئے، 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کوئی منافع (ڈیویڈنڈ) کا اعلان نہیں کیا گیا۔

#### ڈائریکٹر بشمول چیف ایگزیکٹو آفیسر کا معاوضہ

ڈائریکٹرز کی معاوضہ پالیسی کے مطابق، جو بورڈ نے منظور کی ہے، بورڈ کے اراکین کو میٹنگ میں شرکت کے لیے درج ذیل فیس دی جائے گی:

- بورڈ آف ڈائریکٹرز کی میٹنگ میں بطور رکن شرکت کرنے پر مکمل ہونے والی ہر میٹنگ کی فیس زیادہ سے زیادہ 200,000 روپے ہوگی۔
- بورڈ آف ڈائریکٹرز کی کسی بھی کمیٹی یا سٹیئر ہولڈرز کی میٹنگ میں بطور رکن شرکت کرنے پر مکمل ہونے والی ہر میٹنگ کی فیس زیادہ سے زیادہ 200,000 روپے ہوگی۔
- معمول کی میٹنگ فیس کے علاوہ، جو بورڈ ممبر بورڈ یا بورڈ کی کسی کمیٹی کی میٹنگ کی صدارت کرتا ہے، اسے صدارت کی فیس کے طور پر ہر میٹنگ کی 100,000 روپے اضافی دی جائے گی۔
- سی ای او، ڈائریکٹرز اور ایگزیکٹو کی تنخواہوں کی تفصیل غیر یکساں شدہ اکاؤنٹس کے نوٹ 41 میں دی گئی ہے

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

یونٹی فوڈز میں، ہم صرف کاروباری منظر نامے کا حصہ نہیں ہیں بلکہ ان کی پیروی کا لازمی حصہ ہیں جن کی ہم خدمت کرتے ہیں۔ پاکستان کی چند پبلک لسٹڈ کمپنیوں میں سے ایک ہونے کے ناطے، ہم ماحولیاتی، سماجی، اور کارپوریٹ گورننس (ESG) کے ساتھ پختہ عزم رکھتے ہیں اور ہمارا مقصد دیرپا اور مثبت تبدیلیاں لانا ہے۔ ہماری حکمت عملی کا محور اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDGs) کے ساتھ مطابقت رکھتا ہے، خاص طور پر 2SDG: بھوک کا خاتمہ، 3SDG: اچھی صحت اور فلاح و بہبود، 4SDG: معیاری تعلیم، اور 13SDG: موسمیاتی عمل۔ یہ اہداف ہمارے کاموں اور مستقبل کی منصوبہ بندی میں مرکزی حیثیت رکھتے ہیں، تاکہ ہم ذمہ داری سے ترقی کریں اور معاشرے میں بامعنی کردار ادا کریں۔ اپریل 2022 میں، ہماری پائیداری کے عزم کو SGS پاکستان کی جانب سے کیے گئے ایک آزادانہ آڈٹ کے ذریعے تصدیق ملی، جس نے ہماری شفافیت اور جوابدہی کی وابستگی کو مضبوط کیا۔

یونٹی فوڈز میں، ہم سب کے لیے مساوی مواقع پیدا کرنے پر یقین رکھتے ہیں۔ صنفی مساوات پر ہماری توجہ اس بات سے ظاہر ہوتی ہے کہ قیادت اور ہر شعبے میں خواتین کی مضبوط نمائندگی ہے، جو شمولیت، جدت، اور باختیاری کی ثقافت کو فروغ دیتی ہے۔

#### 2SDG: بھوک کا خاتمہ

یونٹی فوڈز کا بنیادی مشن پاکستان میں بھوک اور غذائی کمی کے خلاف لڑنا ہے۔ اپنی سمرج طاقتور پاکستان مہم کے ذریعے، ہم نے ہسپتالوں، این جی اوز، حکومتی اداروں، اور رحم دل افراد کے ساتھ مل کر ان لوگوں کو مضبوط غذائیت فراہم کرنے کے لیے کام کیا ہے جنہیں اس کی سب سے زیادہ ضرورت ہے۔ بیوائیں، معذور افراد، لاعلاج مریضوں کے خاندان، حاملہ خواتین، اور غذائی کمی کا شکار بچے، یہ چند حساس گروہ ہیں جن تک ہم پہنچ رہے ہیں۔

متعلقہ فریق کے ساتھ لین دین

کمپنی نے اپنی مالیاتی گوشواروں میں متعلقہ فریق کے ساتھ لین دین کے بارے میں ضروری ڈسکلوژر دیا ہے جو کہ اس سالانہ رپورٹ کے ساتھ منسلک ہیں۔ یہ ڈسکلوژر کمپنیز ایکٹ 2017 کے چوتھے شیڈول اور لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات کے مطابق ہیں۔ کمپنی نے سنز کی کفایت لیمیٹڈ کو ایک معاہدے کے تحت کمیشن ایجنٹ کی حیثیت سے نامزد کیا ہے تاکہ زرعی مصنوعات مثلاً گندم، مکئی، چاول وغیرہ کی مقامی خریداری میں آپریشنل مؤثریت اور لاگت میں بچت حاصل کی جاسکے۔ اسی مقصد کے لیے، یونٹی فوڈز لیمیٹڈ اور سنز فوڈز (پرائیویٹ) لیمیٹڈ کے درمیان ایک معاہدہ کیا گیا ہے تاکہ سنز فوڈز کی مصنوعات، جو عموماً راشن پیک کی تیاری اور اس کی آگے فراہمی کے لیے درکار ہوتی ہیں، کی فراہمی کو یقینی بنایا جاسکے۔

وعدے اور غیر یقینی حالات

بیلنس شیٹ کی تاریخ اور اس رپورٹ کی تاریخ کے درمیان کمپنی کے معاملات کی مالی حیثیت پر اثر انداز ہونے والے وعدوں میں کوئی اہم تبدیلی نہیں ہوئی۔

بورڈ اور بورڈ کی کمیٹیاں

30 جون 2024 تک بورڈ کے سات اراکین تھے جن کی تفصیل درج ذیل ہے:

- (a) آزاد ڈائریکٹرز دو  
 (b) غیر ایگزیکٹو ڈائریکٹرز تین (جن میں ایک خاتون ڈائریکٹر شامل ہیں)  
 (c) ایگزیکٹو ڈائریکٹرز دو  
 کمپنی کے تمام ڈائریکٹرز پورے سال بورڈ پر موجود رہے۔

اجلاسوں میں حاضری

بورڈ کے اجلاس

سیریل نمبر	ڈائریکٹر کا نام	اجلاس میں شرکت کے اہل	شرکت کردہ اجلاس
1	جناب محمد فرخ (ایگزیکٹو ڈائریکٹر/سی ای او)	6	5
2	جناب عبدالحمید غزنیانی (غیر ایگزیکٹو ڈائریکٹر)	6	1
3	جناب منیر ایس گوڈیل (آزاد ڈائریکٹر)	6	4
4	ڈاکٹر صفدر علی بٹ (آزاد ڈائریکٹر)	6	6
5	لیفٹیننٹ جنرل عمر محمود حیات (ریٹائرڈ) (چیئرمین/غیر ایگزیکٹو ڈائریکٹر)	6	6
6	محترمہ ملی ہونگ ہوا (غیر ایگزیکٹو ڈائریکٹر) ولمار انٹرنیشنل لیمیٹڈ کی نامزد کردہ	6	6
7	جناب عامر شہزاد (ایگزیکٹو ڈائریکٹر)	6	6

بورڈ آڈٹ کمیٹی کے اجلاس

سیریل نمبر	ڈائریکٹر کا نام	اجلاس میں شرکت کے اہل	شرکت کردہ اجلاس
1	جناب منیر ایس گوڈیل (چیئرمین/آزاد ڈائریکٹر)	4	4
2	جناب عبدالحمید غزنیانی (غیر ایگزیکٹو ڈائریکٹر)	4	1
3	ڈاکٹر صفدر علی بٹ (آزاد ڈائریکٹر)	4	4

مالی سال 2024 کی چوتھی سہ ماہی کے دوران ہنسی سپلائی (M2) کی ترقی میں سست روی شروع ہو گئی ہے، جو کہ اسٹیٹ بینک کی جانب سے مالی سال 2023 اور 2024 کے بیشتر حصے کے لیے اختیار کردہ سخت مالیاتی پالیسی کے مطابق ہے۔ اگرچہ مہنگائی میں کمی کے آثار ظاہر ہو رہے ہیں، لیکن مہنگائی کے لیے مثبت (ایک ہندسہ) نقطہ نظر حالیہ سخت بجٹ اقدامات اور بجلی کی قیمتوں میں جاری اینڈ جسٹمنٹس کی وجہ سے متاثر ہو سکتا ہے۔ تاہم، توقع کی جا رہی ہے کہ اسٹیٹ بینک درمیانی مدت میں پالیسی کی شرح میں بتدریج کمی جاری رکھے گا، کیونکہ مہنگائی میں کمی اور حقیقی سود کی شرح (RIR) میں ممکنہ کمی کی امید ہے، جو تاریخی اوسط سے کافی اوپر ہے۔

بیرونی اکاؤنٹ کا انتظام چیلنجنگ رہے گا، جس کی وجہ یہ ہے کہ نومبر 2024 تک 27.5 ارب ڈالر کے قرضے کی ادائیگیاں مقرر ہیں اور کرنسی سے متعلق خطرات موجود ہیں۔ متوقع آئی ایم ایف کی آمدنی کے علاوہ، ترسیلات، برآمدات، اور دیگر غیر ملکی ذرائع کے ذریعے مستقل غیر ملکی آمدنیوں کی ضرورت ہے تاکہ فارن ایکسچینج کے ذخائر کو برقرار رکھا جاسکے اور کسی بھی بیرونی خطرات کا مؤثر انداز میں انتظام کیا جاسکے۔ پاکستانی روپیہ توقع ہے کہ یہ مستحکم معیشت اور طویل مدتی آئی ایم ایف انتظامات کی توقع کے ساتھ مستحکم رہے گا، جو جلد مکمل ہونے کی توقع ہے۔ زرمبادلہ کی شرح میں استحکام برقرار رکھنے کے لیے انتظامی اقدامات کے ساتھ کم کرنٹ اکاؤنٹ خسارے (CAD) کا ہدف جاری رکھا جائے گا۔ بین الاقوامی اجناس کے بازاروں میں توقع ہے کہ یہ نسبتاً مستحکم رہیں گے، جیسا کہ جغرافیائی سیاسی واقعات اپنے اختتام کی جانب بڑھ رہے ہیں۔ بڑی معیشتوں کے مرکزی بینکوں کے حالیہ مہنگائی میں کمی کے رجحان کے پیش نظر پالیسی کی شرح میں کمی کا اعلان کرنے کا ارادہ ہے۔

مہنگائی کے بلند ہدف (گزشتہ سال کی نسبت 40% ٹیکس جمع کرنے میں اضافہ اور جی ڈی پی کا 5.9% مالی خسارہ) حکومت کے لیے ایک چیلنج ثابت ہوں گے کیونکہ سست ترقی ٹیکس کی آمدنی جمع کرنے میں رکاوٹ بن سکتی ہے اور سماجی خرچ کی ضروریات سخت میکرو اصلاحات کے نتیجے میں زیادہ رہ سکتی ہیں۔ دوسری طرف، شرح سود میں کمی کی وجہ سے کم قرض کی سروسنگ مالیاتی میدان میں کچھ سکون فراہم کر سکتی ہے۔ نجکاری کے منصوبوں میں پیشرفت اور غیر رسمی معیشت کے حصے کو کم کرنے کے لیے ٹیکس کے دائرہ کار کی توسیع مالی خسارے کو ہدف کے قریب رکھنے میں ایک بڑی تبدیلی لاسکتی ہے۔

حقیقی شعبے میں بہتری کا انحصار نئے آئی ایم ایف پروگرام کے تحت میکرو اقتصادی اصلاحات اور پالیسی اقدامات پر ہے۔ پالیسی کی شرح میں کمی کاروباری سرگرمیوں کو دباؤ کی حالت سے باہر نکلنے کے لیے ایک بہت ضروری تحریک فراہم کر سکتی ہے اور مالی سال 25 میں 3.2% کی جی ڈی پی کی نمو کے ہدف کو حاصل کرنے میں مدد دے سکتی ہے۔ حکومت کی پالیسی پر توجہ کی وجہ سے زراعت کے شعبے سے مثبت ترقی اقتصادی نمو کے لیے اضافی فائدہ فراہم کر سکتی ہے۔ اسی وقت، مالی سال 25 میں بحالی سیاسی عدم استحکام، کسی غیر متوقع کرنسی کی قدر میں کمی، اور آب و ہوا سے متعلقہ واقعات سے پیدا ہونے والے خطرات کا سامنا کر سکتی ہے۔

مجموعی طور پر، میکرو بنیادیاں آہستہ آہستہ استحکام کی طرف بڑھ رہی ہیں جو نئے 3 سالہ آئی ایم ایف پروگرام کے نفاذ کے دوران درمیانی مدت میں بحالی کی راہ ہموار کرے گی، جو مستقبل میں معیشت کی کارکردگی کا تعین کرے گی۔

اگرچہ کئی عوامل خطرات اور چیلنجز پیدا کرتے ہیں، لیکن UFL اور اس کی انتظامیہ پاکستان کی صلاحیت کو اپ اسٹریٹج مارکیٹوں میں انضمام کے مواقع کے ذریعے نکالنے کے لیے پرعزم ہیں اور ملک بھر میں زیادہ وسیع موجودگی کے ذریعے زیادہ سے زیادہ صارفین کی خدمت کرنے کی کوشش کر رہے ہیں۔ "پاکستان کی خوشحالی" کے ایجنڈے کے ساتھ، کاروبار کسانوں کو بہترین طریقوں کی تربیت دے گا تاکہ وہ پیداوار، پیداواریت اور منافع کو بہتر بنا سکیں، اس طرح ان کیڈیٹیز کی حمایت اور بہتری میں مدد ملے گی جن میں ہم کام کر رہے ہیں۔ کمپنی کی کوششیں اس کی برآمدات کو تیز کرنے پر مرکوز ہوں گی تاکہ یہ مستحکم رہ سکے اور کمپنی کے نیچے کی لائن اور قومی معیشت میں مثبت کردار ادا کر سکے۔

## آڈیٹرز کی تقرری

آڈٹ کمیٹی اور بورڈ نے شیئر ہولڈرز کو سفارش کی ہے کہ سالانہ اجلاس عام میں ریٹائر ہونے والے آڈیٹرز میسرز نوید ظفر اشفاق جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی جگہ میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کو کمپنی کا آڈیٹرز مقرر کیا جائے۔

میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کے نام کی سفارش کی گئی ہے کیونکہ یہ فرم ملک کی چوٹی کی دس آڈٹ فرموں میں سے ایک ہے۔ بورڈ نے سفارش کی ہے کہ کمپنی کے چیف ایگزیکٹو آفیسر کو آڈیٹرز کے ساتھ معاوضے کے بارے میں بات چیت کرنے اور معاوضہ طے کرنے کا اختیار دیا جائے۔

کے منافع پر قیمتوں اور شرح تبادلہ میں منفی تبدیلیوں کے اثرات کو کم سے کم رکھنے میں کامیاب رہی ہے

## اندرونی کنٹرولز

ایک خود مختار اندرونی آڈٹ ڈیپارٹمنٹ قائم کیا گیا ہے جس کی سربراہی ایک موزوں طور پر اہل اور تجربہ کار شخص کر رہا ہے۔ آڈٹ کمیٹی آڈٹ پلان کے مطابق مختلف شعبوں اور کاموں کے باقاعدہ آڈٹ کیے جاتے ہیں۔ بورڈ کی آڈٹ کمیٹی اندرونی آڈٹ ڈیپارٹمنٹ کی طرف سے جمع کرائی گئی آڈٹ رپورٹس کا باقاعدگی سے جائزہ لیتی ہے اور جہاں ضروری ہو، مناسب رہنمائی فراہم کرتی ہے۔ کمیٹی کا اندرونی مالیاتی کنٹرول ایس اے پی کے تحت مناسب طریقے سے منظم کیا گیا ہے۔ یہ نظام اب اس کنسلٹنگ کے ذریعے تیار اور نافذ کیا گیا تھا۔

## رسک مینجمنٹ

یونیٹوں میں، بورڈ اپنی ذمہ داری پوری مستعدی سے نبھاتا ہے جس میں رسک مینجمنٹ کے عمل کی نگرانی شامل ہے۔ یہ عمل جدید پیش گوئی، آپریشنل معیارات اور اندرونی کنٹرول کے طریقہ کار پر مشتمل ہے تاکہ خطرات کی نشاندہی، تجزیہ، ترجیح، علاج اور نگرانی کی جاسکے۔ ان دستاویزی طریقہ کار کو مستقل بنیادوں پر جائزہ لیا جاتا ہے تاکہ تنظیم کے مادی اور غیر مادی اثاثوں کو محفوظ رکھنے کی ضرورت کو مد نظر رکھتے ہوئے غیر ضروری خطرات کا خاتمہ کیا جاسکے۔ اندرونی یا بیرونی خطرات جو کمیٹی کو اس کے آپریشن، مالیاتی، یا حکمت عملی کے مقاصد حاصل کرنے میں رکاوٹ ڈال سکتے ہیں، انہیں انتظامیہ کے سامنے اجاگر کیا جاتا ہے تاکہ کسی بھی خطرے کو کم کرنے کے لیے بروقت ایکشن پلان تیار کیا جاسکے۔ رسک مینجمنٹ ایک مسلسل جاری عمل ہے جو خطرے کی شناخت، نگرانی یا کمی پر ختم نہیں ہوتا۔

اس کے علاوہ، کمیٹی کے پاس اب ویلیو چین کے تمام شعبوں میں ٹیکنالوجی اینٹیگریشن کے پلیٹ فارمز موجود ہیں، جو مکمل رسک مینجمنٹ فراہم کرنے میں مدد دیتے ہیں۔ اس میں جدید ترین ERP اور تکمیلی آلات کا نفاذ شامل ہے جو تنظیموں کے لیے جدید بیجٹل ماحول میں زندہ رہنے کے لیے ضروری ہیں۔ یہ نظام پڑھنی مؤثر اسٹینڈرڈ آپریٹنگ پروسیجرز (SOPs) اور واضح تنظیمی ڈھانچے پر کمیٹی کی توجہ کے ساتھ مل کر گزشتہ 5 سالوں کے دوران کمیٹی کی مسلسل اور مستحکم ترقی کی بنیاد رہا ہے۔ ساتھ ہی، کمیٹی اعلیٰ ترین نظامی سرٹیفیکیشنز کی پابندی کرتی ہے، مقامی اور عالمی سطح پر سرٹیفیکیشنز حاصل کرتے ہوئے کاروباری معیارات طے کرتی ہے اور پاکستان کے مسابقتی فوائد کو اجاگر کرتی ہے۔

کمیٹی پائیداری کے خطرات اور مواقع سے آگاہ ہے، جس میں ماحولیاتی، سماجی اور حکومتی پہلوؤں کا خیال رکھا جاتا ہے۔ انتظامیہ تنوع، مساوات اور شمولیت (DE&I) کو فروغ دینے کی کوشش کرتی ہے تاکہ جنس کی برابری اور خواتین کی شرکت کو کمیٹی کی انتظامیہ اور افرادی قوت میں بڑھایا جاسکے۔ پائیداری کے خطرات اور مواقع کے پس منظر میں، یوٹی پلانٹیشنز (پرائیویٹ) لمیٹڈ، سنز (پرائیویٹ) لمیٹڈ کی مکمل ملکیتی ذیلی کمیٹی کے طور پر قائم کی گئی ہے، جس کا مقصد ہے:

- i. جدید ٹیکنالوجی کے استعمال اور زراعت میں بہترین طریقہ کار اپنانے کے ذریعے کارپوریٹ فارمنگ کو فروغ دینا اور ملک میں زرعی پیداوار میں اضافہ کرنا
- ii. ملک کے محدود پانی کے وسائل کا مؤثر استعمال
- iii. ملک کی فوڈ سیکورٹی کو یقینی بنانا
- iv. کمیٹی کی فیکٹریوں کو معیاری خام مال کی پائیدار فراہمی یقینی بنانا
- v. زمین پر کاربن کے نقوش کو کم کرنا
- vi. ملک سے زرعی مصنوعات کی برآمدات میں اضافہ کرنا
- vii. ماحول پر مثبت اثر ڈالنا اور موسمیاتی تبدیلیوں کے مضر اثرات کو کم کرنے میں مدد کرنا

مندرجہ بالا اقدامات اور منصوبے کمیٹی کے مثبت طرز عمل کی عکاسی کرتے ہیں جو پائیداری سے متعلق خطرات کو کم کرنے اور پائیداری کے مواقع سے فائدہ اٹھانے کے لیے کیے جا رہے ہیں۔

## پیش نظر

آنے والے وقت میں، پاکستان نے مالیاتی اور خارجی عدم توازن کو دور کرنے، عوامی مالیات کو بہتر بنانے، اور اقتصادی استحکام کو فروغ دینے کے لیے 7 بلین ڈالر کے نئے طویل المدتی بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) اسٹاف لیول معاہدے پر دستخط کیے ہیں۔ متعدد نئی پالیسیوں اور سخت اقدامات کا نفاذ متوقع ہے، جن میں غیر محاصل شدہ شعبوں کو باقاعدہ معیشت میں لانا، مالیاتی کمی اور سرکاری کمپنیوں کی نجکاری شامل ہیں۔ حکومت کا عزم ہے کہ وہ ٹیکس کے دائرہ کار کو بڑھائے گی اور نقصان دہ سرکاری کمپنیوں کے لیے اصلاحات اور نجکاری متعارف کرائے گی تاکہ غیر فعال آمدنی کے ذرائع کو کھولا جاسکے۔ یہ بات اہم ہے کہ مذکورہ آئی ایم ایف معاہدے کی ابھی آئی ایم ایف بورڈ سے منظوری ہونا باقی ہے۔

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

خطرات اور غیر یقینی صورتحال

کمپنی کو تین بیرونی عوامل یعنی اجناس کی قیمتوں، بڑھتی ہوئی مارک اپ شرح اور کرنسی کے تبادلے کی شرح میں تبدیلیوں کی وجہ سے غیر یقینی صورتحال کے خطرات کا سامنا ہے، کیونکہ اس کی کارروائیاں تیل کے بیج، خوردنی تیل اور جانوروں کی خوراک کے اجزاء کی درآمد پر منحصر ہیں۔ ہماری صنعتی/تجارتی فروخت ہمیں اس خطرے کے خلاف قدرتی تحفظ فراہم کرتی ہے، کیونکہ فروخت کی قیمتوں کو باقاعدگی سے ایڈجسٹ کیا جاتا ہے۔ اس کے علاوہ، انتظامیہ خطرے کا جائزہ لینے، نگرانی کرنے، اور قابو میں رکھنے کے لیے تمام ممکنہ اقدامات کرتی ہے اور سپلائی چین کے موثر انتظام کے ذریعے کمپنی

میں اضافہ اور نئے مصنوعات کا تعارف کر رہی ہے۔ یہ حکمت عملی آمدنی کے ذرائع کو بڑھانے اور کمپنی کے اندر ہم آہنگی سے فائدہ اٹھانے کے لیے ہے۔ کمپنی عالمی مارکیٹوں میں توسیع کے مواقع کی سختی سے تلاش کر رہی ہے تاکہ اپنی آمدنی کی بنیاد کو متنوع بنایا جاسکے

### یوٹی پلائیشز (پرائیویٹ) لمیٹڈ

یوٹی پلائیشز (پرائیویٹ) لمیٹڈ، ایک ذیلی کمپنی جو کارپوریٹ فارمنگ اور متعلقہ کارروائیوں سے متعلقہ اقدامات کو فروغ دینے کے لیے قائم کی گئی ہے، اپنے پائلٹ پروجیکٹ کی کامیابی تکمیل کے ساتھ اچھا کر رہی ہے، جس میں ہدف سے زیادہ پیداوار اور پورٹ کی گئی ہے۔ یہ کمپنی سنر تیج فوڈز کے لیے ملک کی غذائی حفاظت، سپلائی چین کی ٹریس ایبلٹی اور پائیداری کو یقینی بنانے میں اپنا کردار ادا کر رہی ہے، علاوہ ازیں زراعت کے شعبے میں مجموعی منافع میں اضافہ کر رہی ہے۔ کمپنی کا منصوبہ ہے کہ وہ وقت کے ساتھ ساتھ زریکاشت زمین میں اضافہ کرے گی۔ زریکاشت فارموں کو بہتر ٹیکنالوجی اور لاجسٹکس فراہم کیے جا رہے ہیں تاکہ وسائل کے استعمال کو بہتر طریقے سے حاصل کیا جاسکے

یہ حکمت عملی کے اقدامات یوٹی کے بنیادی مشن کے ساتھ مکمل ہم آہنگی رکھتے ہیں، جو کہ غذائی تحفظ کو بڑھانا اور ملک بھر میں ایک موثر فارم ٹیلیبل سپلائی چین قائم کرنا ہے۔ کمپنی اعلیٰ معیار کے خام مال کی شمولیت، جدید زرعی ٹیکنالوجی اور بہترین طریقوں کے انضمام، اور پائیدار فروخت کے ذریعے ملک کی زراعت کے امکانات سے فائدہ اٹھانے کے لیے اچھی طرح سے تیار ہے

### سنر تیج مارٹ (پرائیویٹ) لمیٹڈ

سنر تیج مارٹ (پرائیویٹ) لمیٹڈ کی بنیادی سرگرمی "اسٹور وڈن اے اسٹور" تصور کے تحت مارٹس اور آؤٹ لیٹس قائم کرنا، ملکیت رکھنا، چلانا اور ان کا انتظام کرنا ہے، جہاں یہ اپنے صارفین کو سنر تیج کی تمام مصنوعات، بشمول کنفیکشنری اور بنیادی گروسری اشیاء 360 ڈگری تجربہ فراہم کرے گی۔ یہ حکمت عملی سنر تیج کو اپنے برانڈ کو مزید مضبوط بنانے میں مدد فراہم کر رہی ہے۔ کمپنی اس وقت کراچی میں 7 مارٹس چلا رہی ہے اور ملک کے شہری مراکز میں توسیع کی توقع رکھتی ہے

### صحت اور حفاظت

آپ کی کمپنی تمام ملازمین کے لیے ایک محفوظ اور صحت مند کام کرنے کے ماحول کو یقینی بنانے کے لیے پرعزم ہے۔ یوٹی فوڈز 3SDG (صحت مند زندگیوں کو یقینی بنانا اور فلاح و بہبود کو فروغ دینا) کی پیروی کر رہا ہے تاکہ ہر عمر کے لوگوں کے لیے ایک محفوظ اور صحت مند کام کرنے کا ماحول فراہم کیا جاسکے۔ اس مقصد کو پورا کرنے کے لیے، کمپنی نے اپنی تمام پیداوار کی جگہوں پر آگ سے تحفظ اور حفاظتی آلات نصب کیے ہیں۔ ایک ماہر ٹیم صحت، حفاظت، اور ماحول (HSE) سے متعلق تمام امور کی نگرانی کی ذمہ دار ہے تاکہ حفاظتی پروٹوکولز کو مسلسل برقرار رکھا جاسکے۔ تمام مقامات پر ٹیموں کو جاری تربیت فراہم کی گئی ہے، تاکہ انہیں اس میدان میں جدید ترین رجحانات اور ہدایات سے آراستہ کیا جاسکے

### تعمیل اور سرٹیفیکیشن

انتظامیہ کی جانب سے مصنوعات کی حفاظت، حفظان و صحت، اور ماحول کے اعلیٰ معیار کو یقینی بنانے کے عزم کے مطابق، ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی اور اس کی ذیلی کمپنی نے نہ صرف پچھلی سرٹیفیکیشنز کو برقرار رکھا ہے بلکہ اپنے عزم کے تحت مزید سرٹیفیکیشنز بھی حاصل کی ہیں، جو مسلسل بہتری اور پائیداری کی جانب ان کی کوششوں کی عکاسی کرتی ہیں

پاکستان کی 224.7 ملین کی وسیع مویشی آبادی کے باوجود، دودھ اور گوشت کی موجودہ پیداوار اپنے لوگوں کی غذائی ضروریات کو پورا کرنے میں ناکام ہے۔ یہ کمی مویشیوں کی خوراک کے شعبے میں ایک اہم موقع کی نشاندہی کرتی ہے۔ اس صلاحیت کو کھولنے کی کلید موثر، اعلیٰ معیار کے خوراک کے وسائل کی دستیابی اور استعمال میں ہے، جو پاکستان کے زراعت کے شعبے کی مکمل صلاحیت تک پہنچانے میں مددگار ثابت ہوں گے۔ حالانکہ حالیہ ریگولیشنز نے پولٹری فیڈ کی صنعت میں طلب پر اثر ڈالا ہے، لیکن توقع ہے کہ جب یہ مسائل حل ہوں گے تو طلب پہلے کی سطح پر واپس آ جائے گی

اگرچہ کمپنی نے پورے سال کے دوران مجموعی مارجنز کو برقرار رکھا، مویشیوں کی خوراک کے شعبے میں، بشمول پام کرنل ایکسپلر (PKE)، مالی سال 2024 کی پہلی ششماہی کے دوران سبز میں کمی آئی۔ یہ بنیادی طور پر اس وجہ سے ہوا کہ گاہکوں نے گزشتہ سال پاکستانی روپے کی قدر میں کمی اور مہنگائی کی وجہ سے ہونے والی بڑی قیمتوں میں اضافے کے بعد کم قیمت والے متبادل کی طرف منتقل ہو گئے۔ تاہم، SLA IMF معاہدے کے اب طویل مدت تک برقرار رہنے کی وجہ سے، کمپنی مستقبل میں کسی بڑی پاکستانی روپے کی قدر میں کمی کی توقع نہیں رکھتی۔ اس کے نتیجے میں، معیاری خوراک کی طلب کے مستحکم ہونے اور آنے والے سالوں میں مستحکم طور پر بڑھنے کی توقع ہے

افلاٹوکسین کی آلودگی دیگر خوراک کے اجزاء میں پام کرنل ایکسپلر (PKE) کی نسبت نمایاں طور پر زیادہ ہے، جو PKE کے لیے ایک مضبوط کاروباری موقع کی نشاندہی کرتا ہے۔ جیسے جیسے معیشت، خاص طور پر زراعت کا شعبہ، حکومت کے تازہ ترین توجہ اور حالیہ ٹیکسیشن کے اقدامات کے ساتھ باقاعدگی اختیار کرتا ہے، مویشیوں کی صنعت سے خوراک کے اجزاء کے بارے میں سخت معیار پر پورا اترنے کی ضرورت ہوگی۔ یہ تبدیلی PKE کے حق میں ہوگی، کیونکہ یہ متبادل خوراک کے اختیارات کے مقابلے میں افلاٹوکسین کی آلودگی کا کم خطرہ پیش کرتا ہے۔

### سبز تاج فوڈز (پرائیویٹ) لمیٹڈ

وسیع مارکیٹ کی صلاحیت پر انحصار کرتے ہوئے، کمپنی نے اپنی موجودگی، مارکیٹ میں داخلے اور مصنوعات کی رینج کو بڑھانا جاری رکھا جس سے مالی سال 2024 میں اس کی ٹاپ لائن میں 63% کی قابل لحاظ ترقی ہوئی، جو 18 ملین پاکستانی روپے ریکارڈ کی گئی۔ اگرچہ آمدنی میں حوصلہ افزا ترقی ہوئی، لیکن مالی سال 24 خوراک کی پرسیدنگ کے شعبے کے لیے ایک چیلنجنگ سال ثابت ہوا، جس میں زراعت، خاص طور پر گندم میں غیر مستحکم سپلائی کی نقل و حرکت دیکھی گئی۔ خاص طور پر، مالی سال 24 کی دوسری ششماہی کے دوران، بومر فصل کے دوران گندم کی اضافی سپلائی نے سپلائی کی زیادتی پیدا کی، جس کے نتیجے میں مارکیٹ میں قیمتوں کی بے قاعدگی پیدا ہوئی۔ نتیجتاً، آٹے کی قیمتوں میں مسلسل کمی نے مجموعی مارجنز کو 8.40% تک سکڑ دیا، جو گندم کی قیمتوں میں بار بار اور نمایاں کمی کی وجہ سے انویٹری کے نقصانات کے باعث ہوا۔

فروخت اور تقسیم میں مجموعی طور پر 1.3 بلین پاکستانی روپے تک قابل ذکر اضافہ ہوا، جبکہ پچھلے سال کی تعداد 780 ملین پاکستانی روپے تھی۔ تاہم، فروخت کے فیصد کی اعتبار سے، فروخت اور تقسیم کے اخراجات مستحکم رہے۔ فروخت اور تقسیم کے اخراجات میں تیز اضافہ کمپنی کی مارکیٹ میں داخلے اور نئے بازاروں میں توسیع پر توجہ دینے کے ساتھ جڑتا ہے۔ تاہم، مجموعی مارجنز میں کمی اور فروخت و تقسیم کے زیادہ اخراجات کی وجہ سے نیٹ لائن متاثر ہوئی، جس کے نتیجے میں مالی سال 2024 میں 346 ملین پاکستانی روپے کا نقصان ہوا، جبکہ پچھلے سال اسی مدت میں 182 ملین پاکستانی روپے کا نیٹ منافع تھا۔ ہمیں امید ہے کہ قیمتوں کے مستحکم ہونے اور متوقع شرح سود میں کمی کمپنی اور اس کی کارروائیوں کو ایک اہم فروغ فراہم کرے گی۔ تاہم، مالی سال 25 کے ابتدائی مہینوں میں قیمتوں میں تیزی سے اتار چڑھاؤ آنے کی توقع ہے، کیونکہ گزشتہ موسم میں فصل کی وافر مقدار کی وجہ سے مارکیٹ میں فراوانی ہے۔

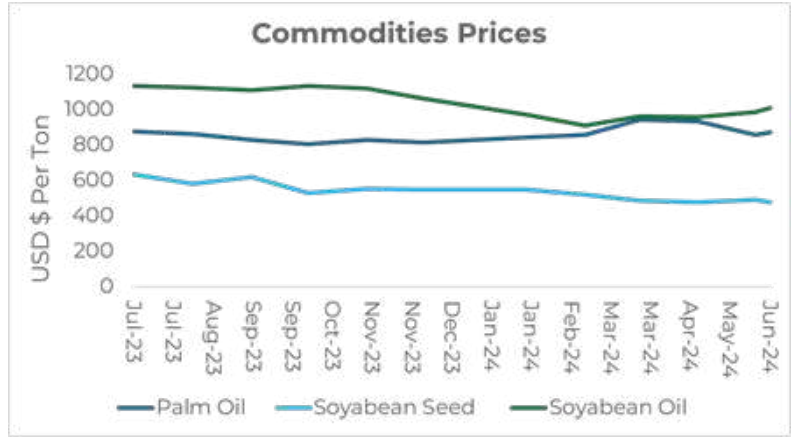
کمپنی کی توجہ مرکز مارکیٹنگ اور تشریحی کوششیں بڑھتی ہوئی مارکیٹ کی حصے داری میں تبدیل ہو رہی ہیں، اور بورڈ کو یقین ہے کہ یہ رفتار جاری رہے گی۔ ایک مضبوط سبز حکمت عملی اور مضبوط تقسیم کے چینلز کے ساتھ، کمپنی مزید ترقی کے لیے اچھی طرح سے تیار ہے۔ مستقبل کی جانب دیکھتے ہوئے، کمپنی اپنے پلانٹس کو مکمل صلاحیت پر چلانے کی توقع رکھتی ہے، پیداوار کو بہتر بناتے ہوئے اور فی یونٹ آپرینگ لاگت کو کم کرنے کی کوشش کرے گی۔ آٹے کے شعبے میں 400 ٹن پومیہ کی حالیہ اضافی صلاحیت کمپنی کے عزم کی عکاسی کرتی ہے کہ وہ اعلیٰ معیار کے آٹے کی بڑھتی ہوئی طلب کو پورا کرے، جو اس کے طویل مدتی وژن کے مطابق ہے۔

جبکہ عالمی توجہ خوراک کی حفاظت اور معیار پر بڑھ رہی ہے، سبز تاج فوڈز اپنے صارفین اور اہم اسٹیک ہولڈرز کو مثبت اور شفاف پیغام فراہم کرنے کے لیے پرعزم ہے۔ یہ شفافیت کا عزم نہ صرف ان کی کارروائیوں میں ایک رہنما اصول ہے بلکہ ایک ایسے شعبے میں ان کی مسلسل کامیابی کے لیے بھی ایک اہم عنصر ہے جہاں شفافیت بہت ضروری ہے۔

### سبز تاج کنفیکشنری لمیٹڈ

سبز تاج کنفیکشنری لمیٹڈ، سبز تاج فوڈز (پرائیویٹ) لمیٹڈ کی مکمل ملکیت کی ذیلی کمپنی ہے، جو کہ کمپنی کی مکمل ملکیت کی ذیلی کمپنی ہے۔ سبز تاج فوڈز نے سبز تاج کنفیکشنری کے ذریعے اپنی پیشکشوں کو متنوع بنایا ہے، جو اب ویلیو ایڈڈ مصنوعات جیسے کیک اور کنفیکشنری کے مختلف اشیاء شامل ہیں۔ ایک متحرک نقطہ نظر کے ساتھ، سبز تاج کنفیکشنری اپنی مارکیٹ کی موجودگی کو بڑھانے کے لیے فروخت کے حجم

یو ایس ڈی اے کے مطابق، اس ماہ عالمی تیل کی بیجوں کی پیداوار میں تقریباً 4.5 ملین ٹن کا اضافہ ہو کر 690.5 ملین ٹن ہونے کی توقع ہے، جس کی وجہ امریکہ، یوکرین، روس، اور بھارت میں سویا بین کی پیداوار میں اضافہ اور روس کے لیے ریپسید کی پیداوار کی پیشگوئی میں اضافہ ہے۔ یونان، یورپ اور بحیرہ اسود کے علاقوں میں سورج مکھی کے بیج کی پیداوار میں کمی سے زیادہ ہیں۔ تیل کے بیجوں کی تجارت میں تقریباً 1.1 ملین ٹن کا اضافہ متوقع ہے، جس کی وجہ امریکہ، یوکرین، اور روس سے سویا بین کی برآمدات میں اضافہ ہے۔

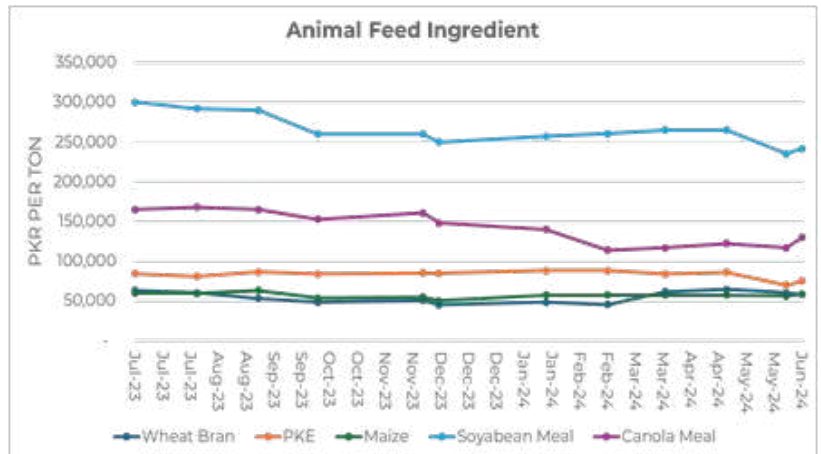


Source: World Bank, The Pink sheet, FOB Prices

#### جانوروں کی خوراک کے اجزاء

پاکستان کی زراعت کے منظر نامے میں مویشیوں کی پیداوار ایک اہم ستون کی حیثیت رکھتی ہے کیونکہ اس کا ملک کی مجموعی داخلی پیداوار (GDP) میں نمایاں کردار ہے۔ خاص طور پر، زراعت کے وسیع تر ڈھانچے میں، مویشیوں کی صنعت کا حصہ سب سے زیادہ ہے، جو زراعت کی اضافی قدر کا 60.84% اور مالی سال 24 کے دوران قومی GDP کا 14.63% ہے۔

جانوروں کی خوراک کے شعبے میں درآمدی مہنگائی اور اہم خوراک کے اجزاء جیسے سویا بین میل اور کیٹولامیل کی کمی کی وجہ سے حجم میں کمی آئی ہے۔ اندازے کے مطابق، قیمتیں جون 2023 کی سطح 315.63 پاکستانی روپے فی کلوگرام سے کم ہو کر سویا بین میل کی قیمت 288.25 پاکستانی روپے فی کلوگرام اور کیٹولامیل کی قیمت 156.2 پاکستانی روپے فی کلوگرام ہو گئی ہیں، جو کہ مالی سال 23 میں 177.38 پاکستانی روپے فی کلوگرام تھی۔ اس کے برعکس، مویشیوں کی خوراک کی قیمتوں میں معمولی اضافہ ہوا ہے، جو 79.94 پاکستانی روپے سے بڑھ کر موجودہ قیمت 91.61 پاکستانی روپے فی کلوگرام ہو گئی ہیں



مزید برآں، پاکستان میں چاول کی پیداوار حالیہ سالوں میں مسلسل بڑھ رہی ہے، سوائے 2022-23 کی سیلاب سے متاثرہ فصل کے۔ اس سال چاول کی پیداوار 9.9 بلین ٹن رہی، جبکہ پچھلے سال یہ 7.3 بلین ٹن تھی، جو 35 فیصد کا اضافہ ظاہر کرتی ہے۔ آگے بڑھتے ہوئے، بین الاقوامی قیمتوں کے معمول پر آنے کی توقع ہے کیونکہ بھارت کے برآمدی پابندی کو واپس لینے کی امید ہے۔ تاہم، حکومت آنے والے سالوں میں چاول کی برآمدات کے لیے ایک جارحانہ ہدف کے ساتھ ترقی کی رفتار کو جاری رکھنے کی توقع کر رہی ہے۔ پاکستان ایک ریکارڈ چاول کی فصل کے لیے تیار ہے، جس کی وجہ بڑے کاشت کے رقبے اور بہتر پیداوار ہے۔

### کاروباری کارکردگی اور شعبے کا جائزہ

مالی سال 24 میں چیلنجنگ میکرو اقتصادی ماحول کے باوجود، یونٹی فوڈ زلمیٹڈ نے لچک اور سازگاری کا مظاہرہ کیا۔ زیادہ مالی اخراجات، بڑھتی ہوئی یونٹس کی قیمتوں، اور مقامی خوردنی تیل کی مارکیٹ میں قیمتوں کی بے قاعدگی کے باوجود، کمپنی ان مشکلات کا سامنا کرنے میں ثابت قدم رہی۔ اگرچہ مارجن دباؤ میں تھے، UFL نے لاگت کی مؤثریت پر توجہ مرکوز کر کے آپریٹنگ اخراجات میں کامیابی سے کمی کی

مشکلات کے درمیان مواقع کو پہچانتے ہوئے، کمپنی نے اپنی کئی تجارت کے کاروبار کو تیزی سے بڑھایا، جس نے پام آئل کی فروخت میں کمی کے دوران آپریٹنگ کو مضبوط کیا۔ UFL نے اپنی پروسیسنگ کی صلاحیتوں کو بہتر بنانے میں بھی سرمایہ کاری کی، اس بات کو یقینی بنایا کہ یہ معیشت کے مستحکم ہونے کے ساتھ بڑھتی ہوئی طلب کو پورا کرنے کے لیے اچھی طرح سے تیار ہے

یہ اسٹریٹجک بصیرت اور عملی مہارت کے لیے عزم UFL کی ترقی کے لیے وابستگی کو اجاگر کرتی ہے، چاہے حالات کتنے ہی مشکل کیوں نہ ہوں

### خوردنی تیل

پاکستان اپنی مقامی کھانے کے تیل اور گھی کی طلب کو پورا کرنے کے لیے پام آئل کی درآمد پر بہت زیادہ انحصار کرتا ہے، ساتھ ہی اس کی ویلیو ایڈڈ کنفیکشنری کی پیداوار کے لیے بھی۔ مجموعی طور پر، پاکستان میں کھانے کے تیل کی درآمدات میں کمی آئی ہے، خاص طور پر پام آئل کی درآمدات %20 اور سویا بین آئل کی %63 سالانہ بنیاد پر کم ہوئی ہیں۔ یہ کمی اقتصادی سست روی کی وجہ سے صارفین کے خرچ کرنے کے پیٹرن میں تبدیلی کی عکاسی کرتی ہے۔ کمپنی کے لیے بھی یہی رجحان دیکھا گیا، جس نے جائزہ کے دورانیے کے دوران سبزیوں کی کاشت میں کمی کا سامنا کیا۔ زیادہ قیمتوں کی توقع میں زیادہ درآمدات کی وجہ سے سپلائی کی زیادتی نے منفی توازن پیدا کیا، جس نے پلانٹ کی کارروائیوں کو زیادہ صلاحیتوں کے ساتھ متاثر کیا۔ مالی سال 24 کے زیادہ تر حصے میں، مارجنز مثبت رہے لیکن خام مال کی زیادہ قیمت اور ملک میں کھانے کے تیل کی زائد فراہمی کی وجہ سے دباؤ میں رہے

مالی سال 24 کے دوران، پام کے عالمی دام USD860.8 فی میٹرک ٹن تک پہنچ گئے، جو مالی سال 23 کے دوران اوسط قیمت USD948.9 فی میٹرک ٹن سے %9 کم ہے۔ سال کے دوران ایک مختصر اضافہ ملائیشیا کی جانب سے پام کی برآمدات پر پابندی کی پالیسی میں تبدیلی کی وجہ سے ہوا، تاہم یہ فیصلہ بعد میں واپس لے لیا گیا۔ اس کے علاوہ، کاشت کے رقبے اور پیداوار میں پورے سال تسلسل رہا، جس نے سپلائی کو ہموار رکھنے میں مدد کی

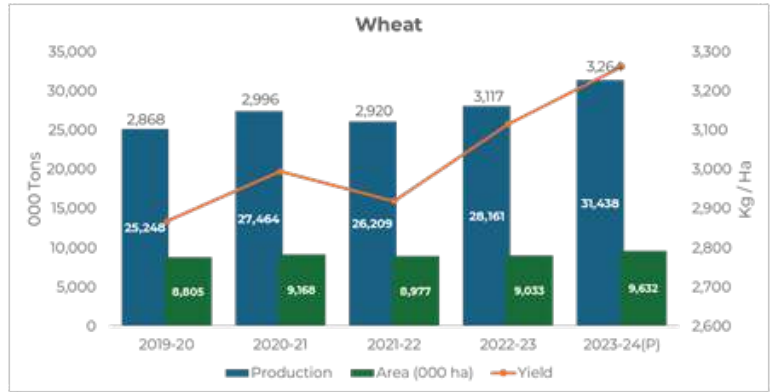
مالی سال 24 کے دوران، سویا بین آئل کی اوسط قیمت %47 کمی کے ساتھ USD1041.2 فی میٹرک ٹن ہو گئی، جو مالی سال 23 کے دوران USD1,337.9 فی میٹرک ٹن تھی۔ سب سے زیادہ قیمت مئی 2022 میں USD1,962.9 فی میٹرک ٹن ریکارڈ کی گئی۔ پورے سال کے دوران، نرم تیل جیسے سویا بین آئل اور کینولا کا مارکیٹ مختلف عوامل کی وجہ سے غیر مستحکم رہا، جیسے موسم، جغرافیائی تنازعات اور پالیسی کی تبدیلیاں۔ خاص طور پر، اہم سپلائرز یعنی ارجنٹائن اور برازیل کے موسم سے متعلق چیلنجز نے مالی سال 24 کے دوران سپلائی میں خلل ڈالا۔ تاہم، تجارتی چینلز معمول پر آنے لگے ہیں۔ آگے بڑھتے ہوئے، طویل مدتی عوامل، بشمول اہم سپلائی ممالک میں موسم سے متعلق مسائل، مستقبل میں پیداوار کے تخمینوں پر اثر انداز ہوتے رہیں گے

قیمتوں کے معمول پر آنے کے باوجود، بائیوفول کی پیداوار اور نئی EU جنگلات کی کٹائی کی ریگولیشن (EUDR) جو پام آئل کی درآمدات پر سخت معیار عائد کرتی ہے، عالمی پام آئل کی قیمتوں پر طویل مدتی اثرات مرتب کریں گی۔ پام آئل کی طلب عالمی اقتصادی کارکردگی سے متاثر رہے گی، جس نے COVID کے بعد کے دور میں صارفین کے پیٹرن میں بحالی دکھائی ہے اور توقع ہے کہ مالیاتی نرم پالیسی کے اثرات کے ساتھ یہ مزید بہتر ہوگی

آگے بڑھتے ہوئے 2025 میں مندی کے رجحانات کی توقع ہے، جس کے تحت 2024 کے آخر تک اوسط قیمت کا اندازہ USD853.9 فی میٹرک ٹن لگایا گیا ہے۔ اس کی وجوہات میں زائد سپلائی، دیگر کھانے کے تیلوں کے ساتھ مقابلہ، اور غیر یقینی درآمدی طلب شامل ہیں۔ آنے والی لائینا کی صورتحال اور EU جنگلات کی کٹائی کی ریگولیشن ان دباؤ کو بڑھا سکتی ہیں۔

کی کاشت کے لیے زمین کا زیادہ مختص کیا جانا اور کم بنیاد کے اثرات کی وجہ سے ہوئی۔ 2022 کے سیلاب نے زرعی شعبے پر منفی اثر ڈالا، جس کے نتیجے میں کھاد، اسٹاک، اور آبپاشی کے بنیادی ڈھانچے کا نقصان ہوا۔ مالی سال 24 کے دوران، ملکی گندم کی مارکیٹ سپلائی میں بے قاعدگیوں کی وجہ سے غیر مستحکم رہی، جس نے نیچے کی سپلائی چین پر منفی اثر ڈالا۔ پچھلے سال کی کمزور گندم کی فصل اور ممکنہ کمی سے بچنے کے لیے حکومت نے سال بھر تقریباً 3.5 ملین ٹن گندم درآمد کی۔ اس کے نتیجے میں بھرپور فصل اور بین الاقوامی قیمتوں میں کمی کی وجہ سے مارکیٹ میں سپلائی کا زیادہ ہونا اور قیمتوں کا گرنا ہوا۔ اس سے کسانوں اور ملرز کو گندم کی قیمتوں میں زبردستی کمی کے باعث انویٹری کے نقصانات کا سامنا کرنا پڑا۔

آگے بڑھتے ہوئے، طلب اور رسد کے عدم توازن سے بچنے کے لیے، حکومت گندم کی مارکیٹ کو ریگولیٹ کرنے پر غور کر رہی ہے، جس میں کم از کم سپورٹ قیمت ختم کی جائے گی۔ یہ گندم سے وابستہ ویلیو چینز میں زیادہ مستقل مزاجی اور کارکردگی لانے کی جانب ایک مثبت اقدام ہوگا۔ پاکستان میں فی کس گندم کی کھپت تقریباً 125 کلوگرام سالانہ ہے، جو دنیا میں سب سے زیادہ ہے۔ سال 2023-24 کے دوران، گندم کی کاشت کا رقبہ 9.6 ملین ہیکٹر سے زیادہ رہا، جو پچھلے سال کے 8.97 ملین ہیکٹر کے مقابلے میں اضافہ ظاہر کرتا ہے۔ یہ کاشت کیے گئے رقبے میں 6.6 فیصد کے اضافے کو ظاہر کرتا ہے۔

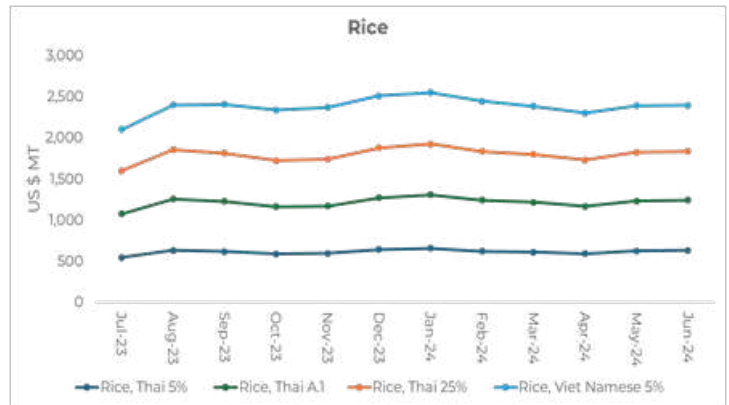


Source: Pak Economic Survey 2023-24

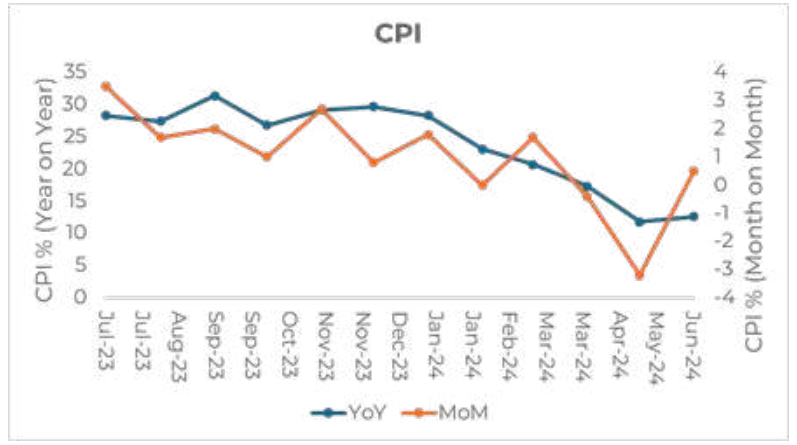
پاکستان زراعت کے شعبے میں موجودہ پیداوار کو بہتر بنانے کے لیے ٹیکنالوجی کے انضمام، اعلیٰ معیار کے وسائل، اور کارپوریٹ فارمنگ کے طریقوں کے نفاذ کے ذریعے بڑے موافق دیکھ رہا ہے تاکہ ساختی مسائل کا حل کیا جاسکے۔ عالمی طلب کو مدنظر رکھتے ہوئے، پاکستان مناسب اقدامات کے ذریعے گندم / آٹے کا علاقائی سپلائی بن سکتا ہے اور برآمدات میں بہتری کے لیے ویلیو ایڈڈ مصنوعات تیار کر سکتا ہے، تاکہ بیرونی معیشت کے دباؤ کو کم کیا جاسکے۔

## چاول

مالی سال 24 کے دوران، بین الاقوامی چاول کی قیمتیں بھارتی حکومت کے باہمی چاول پر پابندی کی وجہ سے بلند رہیں۔ پاکستان نے اس موقع کا کامیابی سے فائدہ اٹھایا اور اس سال چاول کی 3.9 ارب امریکی ڈالر کی برآمد کی جو پچھلے سال کے مقابلے میں تقریباً 80 فیصد کا اضافہ ظاہر کرتی ہے۔



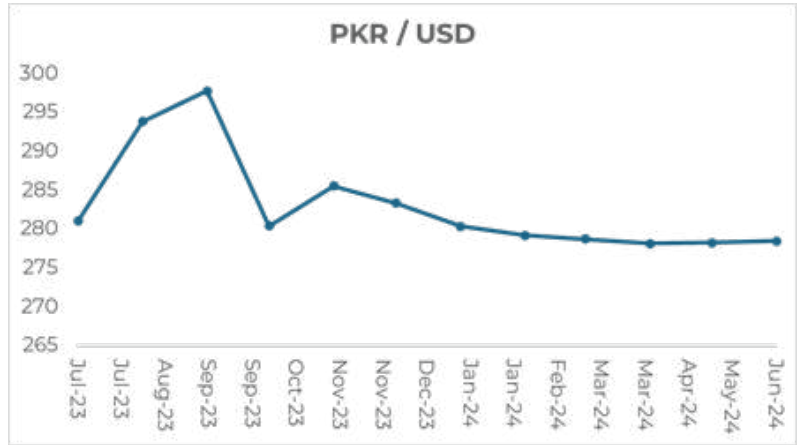
Source: World Bank Pink Sheet



Source: Pakistan Bureau of Statistics

### کرنٹ اکاؤنٹ

مالی سال 2024 میں پاکستان نے 681 ملین امریکی ڈالر یا جی ڈی پی کا 0.2 فیصد کرنٹ اکاؤنٹ خسارہ رپورٹ کیا، جو پچھلے سال کے 3.3 ارب امریکی ڈالر یا جی ڈی پی کے 1 فیصد کے خسارے سے نمایاں طور پر کم ہے، اور یہ تیرہ سالوں میں سب سے کم خسارہ ہے۔ اس کمی کی وجہ تجارتی خسارے میں کمی اور ترسیلات زر میں اضافہ تھا، جس کی بنیاد پر امریکی ڈالر اور پاکستانی روپے کی قدر میں استحکام اور معاشی اشاریوں کی بہتری شامل تھی۔ مزید برآں، ہلکی معاشی ترقی کی کمزور رفتار اور بلند افراط زر نے درآمدات میں کمی کے ساتھ کرنٹ اکاؤنٹ خسارے کو محدود کرنے میں اہم کردار ادا کیا۔



Source: State Bank of Pakistan

### مالیاتی خسارہ

اگرچہ مالی صورتحال ابھی بھی حساس ہے، مالی سال 2024 کے دوران اس میں معمولی بہتری آئی ہے کیونکہ حکومت نے مالی سال 2024 کا اختتام جی ڈی پی کے 6.8 فیصد کے بجٹ خسارے کے ساتھ کیا جو 7.2 کھرب پاکستانی روپے بنتا ہے، جبکہ مالی سال 2023 میں یہ خسارہ 7.7 فیصد تھا۔ سال بھر میں کل آمدنی 13.3 کھرب پاکستانی روپے تھی، جس میں سے ٹیکس آمدنی 10.1 کھرب پاکستانی روپے اور غیر ٹیکس آمدنی 3.2 کھرب پاکستانی روپے تھی۔ اخراجات کے حوالے سے، سود کی ادا نیکیاں 8.2 کھرب پاکستانی روپے (جی ڈی پی کا 7.7 فیصد) تھیں، جو ٹیکس آمدنی کا تقریباً 81 فیصد حصہ کھا گئیں۔ بنیادی سرپلس جی ڈی پی کا 0.9 فیصد رپورٹ کیا گیا، جو پچھلے سال کے بنیادی خسارے 1.1 فیصد سے نمایاں بہتر رہا، مزید یہ کہ مالی سال 2024 کے آخر میں ٹیکس آمدنی جی ڈی پی سے تناسب 9 فیصد رہا جو پچھلے مالی سال میں 8.5 فیصد کی نسبت معمولی بہتری ظاہر کرتا ہے۔ حکومت نے تجویز کردہ ڈھانچے جاتی اصلاحات کے نفاذ کے ذریعے اگلے تین سالوں میں جی ڈی پی کے لیے 13 فیصد ٹیکس کا ہدف مقرر کیا ہے۔

### گندم

مالی سال 24 میں گندم کی پیداوار 31.4 ملین ٹن رپورٹ کی گئی، جبکہ پچھلے سال یہ 28.2 ملین ٹن تھی۔ پیداوار میں 11 فیصد کمی یہ نمو بنیادی طور پر سیلاب کے بعد کی بحالی، بہتر وسائل کی دستیابی، گندم

مالی سال 2024 پاکستان کے لیے کئی اہم سیاسی اور اقتصادی واقعات کے لحاظ سے ایک انتہائی اہم سال رہا۔ مالی سال 2024 کے دوسرے نصف میں عام انتخابات کا کامیاب انعقاد مارکیٹوں کو درکار استحکام اور نسبتاً اعتماد فراہم کرنے کا باعث بنا، جس کے بعد آئی ایم ایف کے اسٹینڈ ہائی انتظامات کی بروقت تکمیل نے معیشت کو استحکام فراہم کیا۔ معیشت نے قابل ذکر بحالی کا مظاہرہ کیا، جو گزشتہ سال کے 0.2 فیصد کے مقابلے میں 2.3 فیصد کی حقیقی جی ڈی پی کی شرح نمو سے ظاہر ہے۔

#### زراعت

زرعی شعبے نے مالی سال 2024 میں 6.3 فیصد کی مضبوط ترقی رپورٹ کی، جو گزشتہ سال کے اسی عرصے میں 2.4 فیصد تھی، اور یہ اہم فصلوں کی زبردست نمو سے ممکن ہوئی۔ گندم نے 11.6 فیصد کی ریکارڈ ترقی دیکھی، جس کی پیداوار 28.2 بلین ٹن سے بڑھ کر 31.4 بلین ٹن تک پہنچ گئی۔ اسی طرح، چاول کی پیداوار میں بھی نمایاں اضافہ ہوا، جو گزشتہ سال کے 7.3 بلین ٹن کے مقابلے میں 9.9 بلین ٹن تک پہنچ گئی، جس سے 34.8 فیصد کی خاطر خواہ ترقی ظاہر ہے۔

زراعت میں مضبوط نمو گزشتہ سال کے سیلابوں کی وجہ سے کم بنیاد کے اثرات اور مالی سال 2023 میں سیلابوں کے بعد فصلوں کی پیداوار میں اضافے کا نتیجہ قرار دیا جاسکتا ہے۔ اس کے علاوہ، آبپاشی کی سہولیات تک بہتر رسائی، کھاد کے موثر استعمال اور کسانوں کی جانب سے تصدیق شدہ بیجوں کے استعمال نے بھی اس مضبوط بحالی کو مزید فروغ دیا۔ مزید برآں، زراعت کے لیے فراہم کردہ کریڈٹ کی تقسیم 1.77 ٹریلین پاکستانی روپے رہی، جو پچھلے سال کے مقابلے میں 25.2 فیصد کا اضافہ ظاہر کرتی ہے، جس نے شعبے کی بہتری کے لیے مزید محرک فراہم کیا۔

#### بڑے پیمانے پر پیداوار (ایل ایس ایم)

مالی سال 2024 میں پاکستان نے بڑے پیمانے پر پیداوار کی سطح میں صرف 0.9 فیصد کی معمولی ترقی رپورٹ کی، جبکہ مالی سال 2023 میں 10.3 فیصد کی کمی ہوئی تھی۔ نجی شعبے کے لیے بینک کے قرضوں میں 77 فیصد کی سالانہ ترقی کے ساتھ نمایاں بہتری آئی، حالانکہ سخت مالیاتی پالیسی جاری رہی۔ سال کے دوران، پاکستان کا صنعتی شعبہ مجموعی معاشی استحکام کی وجہ سے بحالی کی طرف گامزن ہوا۔ عالمی اجناس کی منڈی کے بہتر حالات اور پاکستانی روپے کی استحکام نے بھی اس سال بحالی میں مدد فراہم کی۔ پاکستانی روپے کے استحکام میں آئی ایم ایف کے اسٹینڈ ہائی انتظامات اور حکومت کی جانب سے غیر قانونی ڈالر کے بہاؤ کو روکنے کے لیے کیے گئے اقدامات کا اہم کردار رہا۔ تاہم، نیچے کی طرف خطرات اور 22 فیصد کی بلند پالیسی شرح نے کسی بڑی تبدیلی کی راہ میں رکاوٹ ڈالی۔ اگرچہ پیداواری سرگرمی میں کچھ بہتری دیکھی گئی، مگر زیادہ لاگت، سیاسی عدم استحکام اور عالمی ترقی میں کمی جیسے عوامل نے کسی بھی اہم بہتری میں رکاوٹ ڈالی۔

#### افراط زر

اگرچہ سالانہ صارف قیمت اشاریہ (سی پی آئی) 23.4 فیصد کے ساتھ اب بھی بلند ہے، لیکن مالی سال 2024 کے دوران سخت مالیاتی پالیسی اور استحکامی اقدامات کے باعث مہنگائی کی شرح میں کمی دیکھنے میں آئی۔ مہنگائی کی بلند شرح کے اہم عوامل میں ملکی توانائی کی قیمتوں میں دباؤ اور مالیاتی دباؤ کے باعث پیسے کی فراہمی میں اضافہ پر دباؤ شامل تھے۔

جون 2024 تک پاکستان میں ماہانہ مہنگائی کی شرح کمی کی جانب گامزن رہی اور 12.6 فیصد رپورٹ کی گئی، جو ستمبر 2023 کی 31.4 فیصد کی بلند شرح سے نمایاں کمی کو ظاہر کرتی ہے۔ اس کمی کی بنیادی وجوہات میں عالمی اجناس کی قیمتوں کا استحکام، ملکی فصلوں کی زیادہ پیداوار، بلند بنیاد کا اثر اور زرمبادلہ کی شرح میں استحکام شامل ہیں۔

# ڈائریکٹرز کی رپورٹ

ہمیں خوشی ہے کہ ہم یوٹیٹی فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2024 کو ختم ہونے والے سال کے لیے درج ذیل رپورٹ پیش کر رہے ہیں۔  
مالی کارکردگی

مشکل معاشی ماحول، خاص طور پر بڑے پیمانے پر صنعت کاری کے حوالے سے، کے اثرات کمپنی کی مالی کارکردگی پر مالی سال 2024 میں واضح طور پر نظر آئے۔ کمپنی کے مجموعی کاروبار میں گزشتہ سال کے مقابلے میں 17.7 فیصد کمی واقع ہوئی، جو زیر جائزہ سال کے دوران 83 ارب پاکستانی روپے پر رپورٹ کیا گیا۔ یہ کمی بنیادی طور پر پام آئل اور اس کی مصنوعات کی کم فروخت کی وجہ سے ہوئی۔ منفی تفاوت اور قیمتوں میں کمی کی وجہ سے مجموعی منافع کم ہو کر 7.2 ارب پاکستانی روپے رہ گیا۔

گزشتہ سال کے 13 فیصد سے زائد گراس مارجن میں کمی کر کے تقریباً 9 فیصد تک آنا بنیادی طور پر مقامی انوینٹری کی سطح کے معمول پر آنے سے منسوب کی جاتی ہے۔ پچھلے سال 13 فیصد سے زیادہ کا گراس مارجن ایک غیر معمولی صورت حال تھی، جو ملک میں سپلائی میں عدم استحکام کی وجہ سے پیدا ہوئی تھی۔ اس کے برعکس، سال کے دوران زرمبادلہ سے حاصل ہونے والا منافع 667 ملین پاکستانی روپے رہا، جو اس عرصے کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں اضافے کی وجہ سے تھا۔ تاہم بلند شرح سود کے باعث مالی اخراجات میں نمایاں اضافہ ہو کر 7.4 ارب پاکستانی روپے تک پہنچ گئے، جس سے کمپنی کے منافع نتائج پر منفی اثر پڑا، اور مالی سال 24 کے دوران مجموعی بنیادوں پر 3.4 ارب پاکستانی روپے کا خالص خسارہ رپورٹ کیا گیا۔ حالیہ دنوں میں شرح سود میں تیزی سے کمی دیکھنے میں آئی ہے اور مزید کمی کا امکان ظاہر ہو رہا ہے، جس سے فنانس لاگت میں کمی کے حوالے سے مثبت توقعات پیدا ہو رہی ہیں۔ اس کے علاوہ، افراط زر میں کمی کمپنی کے لیے مثبت اشارہ ہے کیونکہ یہ اخراجات اور لاگتوں میں کمی کے ساتھ ساتھ ہدف شدہ صارفین کی خریداری کے رجحانات میں مثبت تبدیلی بن رہی ہے۔

کلیدی آپریٹنگ اور مالیاتی جھلکیاں

اجتماعی	
FY 23	FY 24
100,870	83,003
13,811	7,248
3,879	4,805
675	(3,409)
0.57	(2.85)
77,549	87,247
21,308	17,813

انفرادی	
FY 23	FY 24
90,158	60,489
12,139	5,297
3,570	5,003
567	(2,533)
0.48	(2.12)
71,532	80,157
21,724	19,191

پاک روپے بلین میں، سوائے ای پی ایس کے
خالص فروخت
مجموعی منافع
سود اور ٹیکس سے پہلے منافع
ٹیکس کے بعد (نقصان) / منافع
نی شیئر (نقصان) / منافع آمدنی
مجموعی اثاثے
کل ایکویٹی

اجتماعی	
FY23	FY24
13.69 %	8.73 %
3.85 %	5.79 %
0.67 %	(4.11 %)
1.43	1.01
1.06	0.97

انفرادی	
FY23	FY24
13.46 %	8.76 %
3.96 %	8.27 %
0.63 %	(4.19 %)
1.39	0.80
1.05	1.01

تناسب کا تجزیہ
گراس مارجن
ای بی آئی ٹی مارجن
نیٹ مارجن
اثاثوں کا ٹرن اوور
موجودہ تناسب

# DISTRIBUTION

## Delivering Freshness with Every Mile

At Unity Foods Limited, our distribution network is the vital link that completes our farm-to-fork journey, ensuring our high-quality products reach every corner of the nation. With an unwavering commitment to efficiency and reliability, our extensive logistics infrastructure connects farms, production facilities, and consumers seamlessly. We leverage advanced technologies and strategic partnerships to maintain the freshness and integrity of our products from the moment they leave our facilities until they arrive at your doorstep. This robust network allows us to deliver nutritional excellence to diverse communities, supporting healthier lifestyles and contributing to food security. At UFL, our dedication to excellence is reflected in every step of our distribution process, bringing the best of nature's bounty to your table.





**unity**  
foods limited

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that **34<sup>th</sup>** Annual General Meeting (AGM) of Unity Foods Limited (the "Company") will be held on **Monday, October 28, 2024 at 11:30 a.m.** at Park Lane Hotel, 107-B3- M.M. Alam Road, Gulberg III, Lahore, to transact the following business:

## **Ordinary Business:**

1. To receive, consider and adopt the audited annual financial statements of the Company for the year ended June 30, 2024 together with Directors' and Auditors' reports thereon and Chairman's Review Report.
2. To appoint the auditors of the Company and fix their remuneration. The members are hereby given notice that the Board Audit Committee and the Board of Directors have recommended the appointment of M/s Grant Thornton Anjum Rahman, Chartered Accountants as auditors of the Company in the AGM to replace retiring auditors M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants.

**By Order of the Board**

Dated: October 07, 2024  
Place: Lahore

Umar Shahzad  
Company Secretary

## **Notes:**

- i) The Share Transfer Books of the Company shall remain closed from October 23, 2024 to October 28, 2024 (both days inclusive) for determining the entitlement of shareholders for attending the Annual General Meeting (AGM).
- ii) Physical Transfers received by the Company at the close of business on October 22, 2024 will be treated as being in time for the purpose of attending and voting at the meeting.
- iii) A member entitled to attend and vote at the AGM may appoint a proxy to attend, speak and vote on him /her/its behalf. A proxy must be a member of the Company.
- iv) Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.

- v) Members who have deposited their shares into the Central Depository Company of Pakistan Limited (“CDC”) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan (SECP).

**A. For attending the Meeting**

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

**B. For appointing Proxies**

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

**Special Notes to the Shareholders**

vii) **Online Participation in the AGM**

The members can also participate in the AGM through video link facility.

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

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

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 26, 2024.

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

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

ix) **Unclaimed dividend**


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

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

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

x) **Circulation of Annual Audited Financial Statements to Members**

Pursuant to SRO No. 389 (I)/ 2023 dated March 21, 2023 of Securities and Exchange Commission of Pakistan and the approval of shareholders of the Company, the Annual Audited Financial Statements of the Company for the year ended June 30, 2024, are being circulated to the members through QR enabled code and web-link which is given below:

Weblink	QR Code
<a href="https://www.unityfoods.pk/investor-relations.html#financial_reports">https://www.unityfoods.pk/investor-relations.html#financial_reports</a>	

A soft copy of the Annual Financial Statements for the year ended on June 30, 2024 is being sent through email to the shareholders who have given their email address. Those shareholders (who have not provided the email addresses) desire to receive the Company's Annual Financial Statements through e-mail are requested to fill the requisite form placed on the Company's website and send it to the Company Secretary at the Registered Office of the Company.

In case any member, requests for hard copy of Annual Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.

xi) **Placement of Financial Statements**

The Company has placed the Audited Financial Statements for the year ended June 30, 2024 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: [www.unityfoods.pk](http://www.unityfoods.pk).

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

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

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

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

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

xiv) **Withholding Tax on dividends**

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

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

In accordance with the instructions of Federal Board of Revenue, the tax on dividend income of joint holders of share will be deducted in accordance with their shareholding proportion or in equal proportion, if such proportion is not provided. Therefore, shareholders are requested to provided, if not provided earlier, shareholding proportion of each joint shareholder(s) to the Company's Share Registrar latest by October 21, 2024 in the following manner:

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

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

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

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

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

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

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

Place: Islamabad  
Date: October 05, 2024  
UDIN: CR202410596sqSNetfVH



Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants

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

Name of Company: **UNITY FOODS LIMITED**

Year ended: **JUNE 30, 2024**

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

1. The total number of directors are Seven as per the following:

- a. Male: Six
- b. Female : One

2. The Composition of the Board is as follows:

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

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

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Directors of the Company have completed Directors' Training program except one Director namely Ms. Lie Hong Hwa.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below.

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/ half yearly/ yearly) of the committee were as following:
  - a. Audit committee Four Meetings during the year
  - b. HR and Remuneration Committee Three Meetings during the year
15. The Board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

19. Explanation of non-compliance with requirements of following regulations are below:

Regulation	Compliance Requirement	Explanation
19(1)(iii)	It is encouraged that by June 30, 2024, all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Due to busy schedule of the Director (Ms. Lie Hong Hwa) based in Singapore, a training could be not arranged for her, during the year.
27(2)(i)	It is mandatory that meetings of the audit committee shall be held as per the following requirements,- (i) the audit committee of a company shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the company by its Board and after completion of external audit.	Due to unexpected delay in completion of annual audit of the Company as of 30.06.2023, no meeting of the Board Audit Committee could be held during the quarter from July to September 2023.
29(1)	<b>Non-Mandatory Requirement</b> Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted the Nomination Committee. The function of the Nomination Committee is performed by the Board.
30(1)	<b>Non-Mandatory Requirement</b> Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted the Risk Management Committee, and the function is being performed by the Board.
10A	<b>Role of the Board and its members to address sustainability risk and opportunities:</b>  The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee having atleast one female director	At present the Board provides governance and oversight in relation to the Company's initiatives on environmental, social and governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024 will be complied with in due course.

  
**Amir Shehzad**  
Director  
Karachi.  
Dated : October 03, 2024

  
**Muhammad Farrukh**  
Chief Executive

# CONSUMPTION

## Celebrating the Journey from Farm to Your Plate

At UFL, the culmination of our farm-to-fork journey brings our superior products to your table, enriching lives with unparalleled quality and nutrition. Our diverse range of offerings is designed to meet the varied dietary needs of our consumers, ensuring every meal supports a healthier lifestyle. Embracing a triple-bottom-line approach, we prioritize the well-being of people, the health of our planet, and sustainable profitability. Our commitment extends beyond profit; through our CSR initiatives, we champion to improve food security, promote education, and enhance health and nutrition across the country. By focusing on this holistic strategy, we measure success not only in financial terms, but also by our positive impact on society and the environment.

At UFL, we are dedicated to uniting and uplifting communities, making a meaningful difference in the lives of thousands.





# Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A member firm of



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

Report on the Audit of the unconsolidated financial statements

### Opinion

We have audited the annexed unconsolidated financial statements of Unity Foods Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, 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, 2024 and of the loss and other comprehensive loss, 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	<p><b>Property, Plant and Equipment</b></p> <p>As disclosed in note 5.1 and 5.5.1 to the unconsolidated financial statements, the Company has incurred substantial amount of capital expenditure in operating fixed assets (including transfers from CWIP) and under capital work-in-progress amounting to Rs. 2,899.92 million and Rs. 360.334 million respectively during the year for enhancement of production and operating capacity and to improve efficiency.</p> <p>We focused on capital expenditure incurred during the year as this represents significant transactions for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures to assess the additions in Capital Work-In-Progress (CWIP) and capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system by following policies consistently;</li> <li>• testing, on sample basis, the costs incurred on various items with supporting documentation and contracts;</li> <li>• assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable policy and accounting standards;</li> <li>• inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation;</li> <li>• physical verification of the additions in fixed assets on sample basis and reviewed the relevant records and supporting documents for various components of the capitalised cost of fixed assets ; and</li> <li>• inspecting the title documents for the property added during the year to ensure that all titles and properties are in the name of the Company.</li> </ul>

<p><b>02</b></p>	<p><b>Stock in trade</b></p> <p>As of the date of statement of financial position, the company held stock in trade balance of Rs. 10,067.55 million Which constitute 12.56% of total assets of the company.</p> <p>As described in note 12 to the financial statement, stock in trade is measured at lower of cost and net realizable value. The cost of raw material and finished goods is determined at weighted average cost including a proportion of production overheads. There is element of judgement involved in determining an appropriate costing basis and assessing its valuation.</p> <p>Given the significance of stock in trade to the company's total assets and the level of judgements and estimates involved, we have identified stock in trade as a key audit matter.</p>	<p>We performed a range of audit procedures with respect to inventory items including:</p> <ul style="list-style-type: none"> <li>• attended physical inventory count performed by the Company on 01 July 2024 to gain comfort over the existence and condition of inventories;</li> <li>• carried out a quantitative reconciliation of the stock produced and sold during the year and balance of stock at the year-end;</li> <li>• for a sample of inventory items, re-performed the weighted average cost calculation and compared it with the weighted average cost appearing on valuation sheets;</li> <li>• Assessed net realizable value (NRV) by comparing management estimation of future selling price with selling price achieved in subsequent period.</li> <li>• testing the calculations of per unit cost of finished goods, and work in process and assessing the appropriateness of management's basis for the allocation of cost and production overheads;</li> <li>• testing valuation methods and their appropriateness in accordance with the applicable accounting standards; and</li> <li>• assessing the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.</li> </ul>
<p><b>03</b></p>	<p><b>Trade Debts</b></p> <p>As disclosed in note 13 to the unconsolidated financial statements, the Company's gross trade debtors were of Rs. 24,805.07 million.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the provision of Expected Credit Loss (ECL) and recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control process (including credit account application approvals and credit account application approvals and credit limit review), debt collections process and making allowance for ECLs;</li> </ul>

		<ul style="list-style-type: none"> <li>• obtaining an understanding of the age analysis and financial model used by the Company's management for determination of ECL on trade receivables;</li> <li>• testing the accuracy of trade receivable its aging report, on a sample basis, by comparing individual balances in the report with underlying documentation to ensure the balances appearing in the ageing report were classified within appropriate ageing bracket;</li> <li>• reviewing assessment of expected credit loss made by independent firms of accounting advisory compliance;</li> <li>• assessing the completeness and accuracy of the data used in the model to the underlying accounting records on sample basis;</li> <li>• checking the mathematical accuracy of the model by performing recalculations;</li> <li>• circularizing direct confirmation to selected debtors on sample basis and obtaining their responses; and</li> <li>• assessing the historical accuracy of Credit loss if any under IFRS 9 by examining the utilization or release of previously recorded provisions for doubtful debts.</li> </ul>
<p><b>04</b></p>	<p><b>Sales</b></p> <p>Refer note 28 to the unconsolidated financial statements which shows that revenue has been decreased by 33% from last year</p> <p>Revenue is recognised when control of the underlying products is transferred to the customers. The Company recognized revenue of Rs. 60,488.68 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2024 as compared to Rs. 90,158.188 million in previous year.</p> <p>We identified recognition of sales as a key audit matter because sales are one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the risk and rewards.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li> <li>• assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;</li> <li>• assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers';</li> <li>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;</li> </ul>

		<ul style="list-style-type: none"> <li>• comparing a sample of sale transactions recorded around the year with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period;</li> <li>• comparing, on a sample basis, specific sale transactions recorded just before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period;</li> <li>• scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation;</li> <li>• worked out party wise sales and noticed parties having large portion of sale and undertaken audit procedures to confirm that the sales to those parties and related parties have been made under normal commercial basis;</li> <li>• performing audit procedures to analyze variation in the price and quantity sold during the year; and</li> <li>• performing for a procedure for sales return and appropriate adjustment made</li> <li>• assessing the adequacy of disclosures made in the unconsolidated financial statements related to sales.</li> <li>• discussing the significance decrease in sales with management to understand the reasons behind it and any potential implication on the financial statements.</li> </ul>
<p><b>05</b></p>	<p><b>Borrowings and related finance costs</b></p> <p>Refer notes 26 and 35 to the unconsolidated financial statements.</p> <p>The Company has obtained a range of financing facilities from different financial institutions amounting to Rs. 33,976.85 million, being 55.73% of total liabilities, as at 30 June 2024 with varying terms and tenure and incurred substantial financial cost.</p> <p>This was considered to be a key audit matter as these affects Company's gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design and operating effectiveness of the Company's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs;</li> <li>• Reviewed loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management in order to verify finance costs, fair value determination and ensured that the borrowings have been approved at appropriate level;</li> </ul>

		<ul style="list-style-type: none"> <li>• testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved applicable accounting standards</li> <li>• assessing the adequacy of the Company's compliance with the loan covenants and the disclosure in the unconsolidated financial statements; and</li> <li>• Obtaining direct confirmations of borrowings as at 30 June 2024 directly from the financial institutions.</li> </ul>
<p><b>06</b></p>	<p><b>Deferred tax asset</b></p> <p>As disclosed in note 10 to the unconsolidated financial statement the company has booked net deferred tax asset of Rs. 1,333.089 million which has mainly arisen due to minimum tax and unused tax losses. Under the International Accounting Standard-12 (IAS-12), the Company is required to review the recoverability of deferred tax asset recognized in the statement of financial position at each reporting period.</p> <p>Recognition of deferred tax is dependent on estimate of sufficient future taxable profit against which such tax asset can be utilized.</p> <p>The future taxable profit is worked out based on approved management projections. The estimation involved the degree of uncertainty as required judgement in relation to the future cash flow.</p> <p>Valuation of deferred tax is considered as a Key Audit Matter because the amount involved is material, the complexities of the calculation of the future taxable profits and inherit uncertainty involved in forecasting of taxable profits to available in future periods.</p>	<p>Our audit procedure included the following;</p> <ul style="list-style-type: none"> <li>• Understanding the design, implementation of management control and testing control over recognition of deferred tax asset and accuracy of its recording in the system and the process of calculation of such asset;</li> <li>• Considered the expected timing of utilization of deferred tax asset keeping in view the relevant portion of Income Tax Ordinance, 2001 that apply to the adjustment / utilization of unrealized exchange losses;</li> <li>• Determined the extent to which the sufficient probable taxable profit would arise in the period within which the related losses would be available for adjustment / utilization;</li> <li>• Considered whether the taxation balances calculated using appropriate and substantively enacted tax laws and rate are in order.</li> <li>• Obtained understanding of the Company process of preparing its financial projections for future profits.</li> <li>• Evaluated the financial projections and assessed the likelihood of company generating sufficient future taxable profit; and</li> <li>• Assessed the adequacy of disclosures made in the unconsolidated financial statements related to deferred tax asset.</li> </ul>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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



Chartered Accountants

Islamabad

Date: October 05, 2024

UDIN: AR202410596ekj0AxQsX

# **Unconsolidated Financial Statements**

# Unconsolidated Statement of Financial Position

As at June 30, 2024

ASSETS	Note	2024 ------(Rupees in '000)-----	2023
<b>Non-current assets</b>			
Property, plant and equipment	5	10,238,100	10,858,641
Right-of-use assets	6	1,819	31,412
Intangible assets	7	65,795	79,792
Long-term security deposits	8	42,348	44,827
Long-term loans	9	34,960	13,754
Deferred taxation - net	10	1,333,089	1,139,337
Long-term investment	11	7,827,641	7,827,641
		<b>19,543,752</b>	<b>19,995,404</b>
<b>Current assets</b>			
Stock-in-trade	12	10,067,554	10,203,672
Stores and spares		48,983	51,505
Trade debts	13	24,612,514	23,648,100
Advances, deposits and prepayments	14	11,288,998	1,302,111
Other receivables	15	188,957	500,083
Current portion of long-term loans	9	7,299	4,292
Taxation - net of provision		5,355,486	5,251,401
Short-term investments	16	3,919,454	9,568,937
Cash and bank balances	17	5,123,713	1,006,054
		<b>60,612,958</b>	<b>51,536,155</b>
<b>TOTAL ASSETS</b>		<b>80,156,710</b>	<b>71,531,559</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	18	11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		3,850,857	6,383,506
		<b>19,191,357</b>	<b>21,724,006</b>
<b>Non-current liabilities</b>			
Long-term financing	19	516,808	522,986
Diminishing musharika arrangement	20	1,435	1,735
Lease liabilities	21	-	2,801
Gas Infrastructure Development Cess (GIDC)	22	-	-
Deferred government grant	23	174,608	198,563
		<b>692,851</b>	<b>726,085</b>
<b>Current liabilities</b>			
Current portion of long-term financing	19	134,558	71,141
Current portion of diminishing musharika arrangement	20	300	252
Current portion of lease liabilities	21	2,801	36,370
Current portion of deferred government grant	23	57,699	49,805
Trade and other payables	24	25,061,812	23,766,594
Accrued mark-up	25	1,037,908	553,450
Short-term borrowings	26	33,976,852	24,603,316
Unclaimed dividend		572	540
		<b>60,272,502</b>	<b>49,081,468</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>80,156,710</b>	<b>71,531,559</b>
Contingencies and commitments	27		

The annexed notes from 1 to 48 form an integral part of these annual audited unconsolidated financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

# Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
Sales - net	28	60,488,680	90,158,188
Cost of sales	29	(55,191,742)	(78,018,707)
<b>Gross profit</b>		<u>5,296,938</u>	<u>12,139,481</u>
Selling and distribution expenses	30	(1,075,847)	(1,066,210)
Administrative expenses	31	(804,935)	(817,615)
Other operating expenses	32	-	(12,107)
Allowance for impairment of financial assets	13.3	(152,563)	-
Exchange gain / (loss) - net	33	664,604	(7,488,050)
		<u>(1,368,741)</u>	<u>(9,383,982)</u>
Other income	34	1,074,573	814,538
		<u>5,002,770</u>	<u>3,570,037</u>
Finance cost	35	(6,970,003)	(3,406,680)
<b>(Loss) / profit before levies and income tax</b>		<u>(1,967,233)</u>	<u>163,357</u>
Levies	36	(759,168)	(512,517)
<b>Loss before income tax</b>		<u>(2,726,401)</u>	<u>(349,160)</u>
Taxation	37	193,752	916,618
<b>(Loss) / profit after taxation</b>		<u>(2,532,649)</u>	<u>567,458</u>
<b>(Loss) / earning per share - basic and diluted (Rupees)</b>	38	<u>(2.12)</u>	<u>0.48</u>

The annexed notes from 1 to 48 form an integral part of these annual audited unconsolidated financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

# Unconsolidated Statement of **Comprehensive income**

For the year ended June 30, 2024

	2024	2023
	------(Rupees in '000)-----	
<b>(Loss) / profit for the year</b>	<b>(2,532,649)</b>	567,458
Other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b><u>(2,532,649)</u></b>	<b><u>567,458</u></b>

The annexed notes from 1 to 48 form an integral part of these annual audited unconsolidated financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

# Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2024

	Share capital	Reserves		Total equity
		Capital Share premium	Revenue Unappropriated profit	
------(Rupees in '000)-----				
Balance as at June 30, 2022	11,940,500	3,400,000	5,816,048	21,156,548
Total comprehensive income for the year ended June 30, 2023				
Profit after taxation	-	-	567,458	567,458
Other comprehensive income	-	-	-	-
<b>Balance as at June 30, 2023</b>	<b>11,940,500</b>	<b>3,400,000</b>	<b>6,383,506</b>	<b>21,724,006</b>
Total comprehensive income for the year ended June 30, 2024				
Loss after taxation	-	-	(2,532,649)	(2,532,649)
Other comprehensive income	-	-	-	-
<b>Balance as at June 30, 2024</b>	<b>11,940,500</b>	<b>3,400,000</b>	<b>3,850,857</b>	<b>19,191,357</b>

The annexed notes from 1 to 48 form an integral part of these annual audited unconsolidated financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

# Unconsolidated Statement of Cash Flows

For the year ended June 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash (used in) / generated from operating activities</b>	<b>39</b>	<b>(4,742,278)</b>	4,953,699
Taxes paid - net		(863,253)	(1,684,843)
Long-term loans - net		(24,213)	24,465
Long-term security deposits - net		2,479	(11,864)
Donations paid		(58,736)	(108,289)
<b>Net cash (used in) / generated from operating activities</b>		<b>(5,686,001)</b>	3,173,168
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(413,137)	(2,763,942)
Investment in Subsidiary		-	(7,000,000)
Purchase of intangible assets		(4,483)	(20,005)
Proceed from disposal of property, plant and equipment and intangible assets		754,235	56,488
Short-term investments - net		5,933,110	(655,900)
Profit received from bank deposits and short-term investments		586,363	1,668,321
<b>Net cash generated from / (used in) investing activities</b>		<b>6,856,088</b>	(8,715,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings - net		1,672,602	13,207,661
Long term financing - net		71,888	510,233
Rentals paid against right-of-use assets and diminishing musharika		(36,622)	(54,386)
Outstanding dividend paid		-	(104)
Finance cost paid		(6,461,229)	(3,250,154)
<b>Net cash (used in) / generated from financing activities</b>		<b>(4,753,361)</b>	10,413,250
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,583,275)</b>	4,871,380
Cash and cash equivalents at the beginning of the year		597,111	(4,274,269)
<b>Cash and cash equivalents at the end of the year</b>	<b>39.1</b>	<b>(2,986,164)</b>	597,111

The annexed notes from 1 to 48 form an integral part of these annual audited unconsolidated financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2024

## 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, soap and related businesses.

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

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

1.3 The Company has the following subsidiaries:

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

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

### 1.3.2 Sunridge Confectionery Limited - 100% Shareholding through Subsidiary

Sunridge Confectionery Limited, the subsidiary wholly owned through Sunridge Foods (Private) Limited was incorporated in Pakistan as a Public Limited Company on September 01, 2016 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal business activity of the Subsidiary Company is to manufacture, sell and distribute food items.

### 1.3.3 Unity Plantations (Private) Limited - 100% Shareholding through Subsidiary

Unity Plantations (Private) Limited was incorporated on August 09, 2023, as a wholly owned subsidiary of Sunridge Foods (Private) Limited which in turn is a wholly owned subsidiary of Unity Foods Limited. The principal line of business of the Subsidiary is to cultivate, grow, collect, process, produce, set-up and carry on agriculture farming and related businesses.

### 1.3.4 Unity Technologies (Private) Limited - 100% Shareholding through Subsidiary

Unity Technologies (private) Limited was incorporated on August 31, 2023, as a wholly owned subsidiary of Sunridge Foods (Private) Limited which in turn is a wholly owned subsidiary of Unity Foods Limited. The subsidiary is engaged mainly in the information technology - allied other sector.

### 1.3.5 Sunridge Mart (Private) Limited - 100% Shareholding through Subsidiary

Sunridge Mart (Private) Limited was incorporated on October 23, 2023 as a wholly owned subsidiary of Unity Technologies (Private) Limited. Sunridge Foods (Private) Limited is a wholly owned subsidiary of Unity Foods Limited and holds 100% shareholding of Unity Technologies (Private) Limited. Sunridge Mart (Private) Limited is engaged mainly in the wholesale and retail sale business.

### **1.3.6 Sunridge Global (Private) Limited - 100% Shareholding through Subsidiary**

Sunridge Global (Private) Limited was incorporated on December 15, 2023, as a wholly owned subsidiary of Sunridge Foods (Private) Limited which in turn is a wholly owned subsidiary of Unity Foods Limited. The company is engaged mainly in the foods and beverages - allied other sector.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

### **2.2 Basis of measurement**

These annual audited unconsolidated financial statements have been prepared;

- (i) Under the historical cost convention except otherwise stated.
- (ii) Following accrual basis of accounting except for cash flow information.

### **2.3 Functional and presentation currency**

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

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

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

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

- Property, plant and equipment and depreciation (refer note 4.1)
- Right-of-use assets (refer note 4.3)
- Intangible assets and amortization (refer note 4.4)
- Stock-in-trade (refer note 4.7)
- Lease liabilities (refer note 4.15)
- Government grant (refer note 4.16)
- Provisions (refer note 4.18)
- Taxation (refer note 4.21)
- Contingent liabilities (refer note 4.22)
- Impairment (refer note 4.26)

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

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's annual audited unconsolidated financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates.
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract.
- Amendments to IAS 12 'Income taxes - International Tax Reform - Pillar Two Model Rules.

#### 3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective and have not been early adopted by the Company:

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

	<b>Effective from accounting period beginning on or after:</b>
- Amendments to IFRS 16 'Leases - clarification on how seller-lessee subsequently measures sale and leaseback transactions amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' Classification of liabilities as current or non-current along with non-current liabilities with Covenants.	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures - Supplier Finance Arrangements.	January 01, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' Clarification on how entity accounts when there is long term lack of exchangeability.	January 01, 2025
- IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17).	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures - Classification and measurement of financial instruments.	January 01, 2026
- Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
- IFRS 1 - First Time Adoption of International Financial Reporting Standards	
- IFRS 18 - Presentation and Disclosures in Financial Statements	
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	

#### **4. MATERIAL ACCOUNTING POLICIES**

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

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

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

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

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

###### **Measurement**

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

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

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

###### **Subsequent expenditure**

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

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

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

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

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

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

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

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

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

#### **4.4 Intangible assets and amortization**

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

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

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

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

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

#### **4.5 Trade debts**

Trade debts originated by the Company is recognised and carried at original invoice amounts less allowance for expected credit losses (ECL). Bad debts are written-off when identified with BOD approval when identified. The Company recognizes allowance for ECL as per policy stated in note 4.26.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **4.12 Borrowing cost**

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

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

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

#### **4.14 Foreign currency translation**

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

#### **4.15 Lease liabilities**

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

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

#### **4.15 Lease liabilities (continued)**

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

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

#### **4.16 Government grants**

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

#### **4.17 Related party transactions**

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

#### **4.18 Provisions**

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

#### **4.19 Revenue recognition**

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

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

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

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

#### **4.21 Taxation**

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

#### 4.21 Taxation (continued)

##### 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.

##### c) Levies

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

#### 4.22 Contingent liabilities

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

#### 4.23 Investments

##### Investments in subsidiaries

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

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

#### **4.24 Share Capital**

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

#### **4.25 Financial Instruments**

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

The Company classifies its financial assets into following three categories;

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

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

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

##### **Financial assets at FVOCI**

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

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

##### **Financial assets at FVTPL**

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

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

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

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

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

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

#### 4.25 Financial Instruments (continued)

##### (b) Subsequent measurement

###### **Financial assets at FVOCI**

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

###### **Financial assets at FVTPL**

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

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

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

##### (c) Derecognition

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

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

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

##### (d) Financial liabilities

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

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

#### 4.26 Impairment

##### (a) Financial assets

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

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

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

#### 4.26 Impairment (continued)

##### a) Financial assets (continued)

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

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

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

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

#### 4.27 Proposed dividend and transfer between reserves

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

#### 4.28 Earnings per share

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

#### 4.29 Operating segment

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

#### 4.30 Change in Policy

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and has issued a Guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said Guidance requires taxes paid under minimum tax regime to be shown separately as a levy instead of showing it in current tax. Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS) 8 - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position and statement of cash flows as a result of this change. Had there been no change in accounting policy, taxation and loss before taxation for the current year and previous year would have been lower by 759.168 and 512.517 million respectively.

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	8,156,623	6,290,380
Capital work-in-progress (CWIP)	5.5	2,081,477	4,568,261
		<u>10,238,100</u>	<u>10,858,641</u>

5.1 Operating fixed assets

	COST			Depreciation Rates %	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2023	Additions/transfers	Disposals		As at July 01, 2023	Depreciation for the year	Disposals	
	------(Rupees in '000)-----							
<b>Owned</b>	20,815	-	-	-	-	-	-	20,815
- Free hold land	2,140,036	1,652,454	(288,019)	4%	(219,674)	34,562	(284,983)	3,219,488
- Building on leasehold land	3,336,729	1,078,284	(632)	5%	(539,448)	185	(716,097)	3,698,284
- Plant and machinery	113,455	97,014	(4,281)	10% - 20%	(49,252)	-	(68,535)	137,653
- Furniture, fixtures and office equipment	55,143	24,968	(219)	25%	(23,740)	123	(39,469)	40,423
- Computer and auxiliary equipment	276,689	7,200	(529)	20%	(48,708)	35	(103,254)	180,106
- Vehicles	1,331,784	40,000	(419,600)	1.12%-1.14%	(103,449)	43,414	(92,330)	859,854
<u>Leased</u>	7,274,651	2,899,920	(713,280)		(984,271)	78,319	(1,304,668)	8,156,623

	COST			Depreciation Rates %	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2022	Additions/transfers	Disposals		As at July 01, 2022	Depreciation for the year	Disposals	
	------(Rupees in '000)-----							
<b>Owned</b>	20,815	-	-	-	-	-	-	20,815
- Free hold land	2,140,036	-	-	4%	(134,044)	(85,630)	(219,674)	1,920,362
- Building on leasehold land	3,306,868	29,861	-	5%	(373,273)	(166,175)	(539,448)	2,797,281
- Plant and machinery	78,529	34,986	(60)	10% - 20%	(33,763)	32	(49,252)	64,203
- Furniture, fixtures and office equipment	34,904	20,722	(483)	25%	(14,726)	190	(23,740)	31,403
- Computer and auxiliary equipment	184,521	144,560	(52,392)	20%	(27,780)	20,867	(48,708)	227,981
- Vehicles	1,327,384	4,400	-	1.12%-1.14%	(70,365)	(33,084)	(103,449)	1,228,335
<u>Leased</u>	7,093,057	234,529	(52,935)		(653,951)	21,089	(984,271)	6,290,380

	Note	2024	2023
		----- (Rupees in '000) -----	
<b>5.2 The depreciation charged for the year has been allocated as follows:</b>			
Cost of sales	29	331,596	300,557
Selling and distribution expenses	30	26,504	23,867
Administrative expenses	31	40,616	26,985
		<u>398,716</u>	<u>351,409</u>

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

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

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

Asset category	Description	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relation with buyer
----- (Rupees in '000) -----									
Leasehold Land	Plot No. D-51& D-52 PortQasim	419,600	(43,414)	376,186	487,962	111,776	Negotiation	Bulk Management (Pakistan) (Pvt) Limited	None
Building	Building on Plot No. D-51 & D-52	288,019	(34,562)	253,457	257,670	4,213			
		<u>707,619</u>	<u>(77,976)</u>	<u>629,643</u>	<u>745,632</u>	<u>115,989</u>			

**5.5 Capital work-in-progress (CWIP)**

	2024	2023	
		----- (Rupees in '000) -----	
Land - leasehold	692,335	712,335	
Building on lease / free hold land	60,827	964,998	
Plant and machinery	1,317,315	2,870,015	
Furniture, fixtures and office equipment	-	13,005	
Computers & IT equipment	-	7,908	
Vehicles	11,000	-	
	<u>2,081,477</u>	<u>4,568,261</u>	

	Note	2024 ------(Rupees in '000)-----	2023
<b>5.5.1 Movement in capital work-in-progress is as follows:</b>			
Balance at the beginning of the year		4,568,261	2,038,848
Additions during the year		360,334	2,538,514
Transfers / adjustments to operating fixed assets during the year		(2,847,118)	(9,101)
Balance at the end of the year		<u>2,081,477</u>	<u>4,568,261</u>
<b>6. RIGHT-OF-USE ASSETS</b>			
Written down value - opening		31,412	71,848
Disposal		-	(1,153)
Impact of lease re-measurement		-	3,323
Depreciation charged during the year	6.3	(29,593)	(42,606)
Written down value - closing		<u>1,819</u>	<u>31,412</u>
<b>6.1</b>	The right-of-use asset comprises of rental premises of Islamabad warehouse.		
<b>6.2</b>	The annual rate of depreciation for the right-of-use assets is 25%.		
<b>6.3</b>	Depreciation for the year has been allocated as follows:		
Cost of sales	29	25,954	39,872
Selling and distribution expenses	30	3,639	2,734
		<u>29,593</u>	<u>42,606</u>
<b>7. INTANGIBLE ASSETS</b>			
Computer software and ERP system	7.1	59,212	77,692
Systems under development	7.3	6,583	2,100
		<u>65,795</u>	<u>79,792</u>
<b>7.1 Computer software and ERP system</b>			
<b>Net carrying value basis</b>			
Net book value - opening		77,692	6,301
Additions / transfer - at cost		-	86,937
Amortization for the year	7.2	(18,480)	(15,546)
Net book value - closing		<u>59,212</u>	<u>77,692</u>
<b>Gross carrying value basis</b>			
Cost		102,821	102,821
Accumulated amortization		(43,609)	(25,129)
Net book value		<u>59,212</u>	<u>77,692</u>
Useful life (years)		<u>5</u>	<u>5</u>
Amortization rate (%)		<u>20%</u>	<u>20%</u>
<b>7.2</b>	Amortization for the year has been allocated as follows:		
Cost of sales	29	5,544	4,664
Selling and distribution expenses	30	3,696	3,109
Administrative expenses	31	9,240	7,773
		<u>18,480</u>	<u>15,546</u>
<b>7.3</b>	This represents amount given to vendor / consultant for the implementation of SAP Analytics Cloud (SAC), which is expected to be capitalized next year.		

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>8. LONG-TERM SECURITY DEPOSITS</b>			
Security deposits against utilities	8.1	30,688	17,682
Security deposits with Nazir Sindh High Court	8.2	-	18,977
Security deposits to the suppliers	8.3	11,660	8,168
		<u>42,348</u>	<u>44,827</u>

**8.1** The amount given to Sui Southern Gas Company Limited (SSGC) and K-Electric Limited (KE) against the security deposits for the supply of gas and electricity respectively.

**8.2** The amount was paid to Nazir High court in respect of tariff increase as stated in note 27.1.1.

**8.3** This includes deposit given to Pakistan State Oil Company (PSO) amounting to Rs. 10.876 million (June 30, 2023: Rs. 6.883 million) against fuel.

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>9. LONG-TERM LOANS</b>			
Loan to employees and executives	9.1	42,259	18,046
Less: current portion		(7,299)	(4,292)
		<u>34,960</u>	<u>13,754</u>

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

		2024	2023
		----- (Rupees in '000) -----	
<b>9.2</b> Reconciliation of carrying amount of long-term loans:			
Balance at the beginning of the year		18,046	42,511
Disbursements made during the year		37,863	11,816
Repayments during the year		(13,650)	(36,281)
Balance at the end of the year		<u>42,259</u>	<u>18,046</u>

**9.3** The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 37.291 million (June 30, 2023: Rs. 42.226 million).

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>10. DEFERRED TAXATION - NET</b>			
<b>Deferred tax asset / (liability) in respect of:</b>			
Allowance for impairment of financial assets		55,842	11,599
Lease liabilities		812	11,360
Minimum tax		654,871	5,278
Unrealized exchange loss		1,083,284	1,460,446
Unused tax loss		797,487	-
Taxable temporary difference on tax depreciation		(460,883)	(337,629)
Re-measurement gain / loss on short term investment		(441)	(1,706)
Right-of-use assets		(528)	(9,110)
Deductible / (taxable) temporary difference on tax amortization		132	(901)
<b>Deferred tax asset - net</b>		<u>2,130,576</u>	1,139,337
less: deferred tax asset unrecognized	10.1	(797,487)	-
<b>Deferred tax asset - net recognized</b>		<u>1,333,089</u>	<u>1,139,337</u>

**10.1** For the current year ended June 30, 2024, the Company incurred a taxable business loss amounted to Rs. 2,749.96 million (till June 30, 2023: nil) out of which business loss amounting to Rs. 2,121.53 million has expiry period till financial year 2030. On a prudent basis, the Company has not recognized any further deferred tax asset amounting to Rs. 797.49 million on the said taxable business loss.

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>11. LONG-TERM INVESTMENT</b>			
<b>Investment in subsidiary (unquoted) - at cost</b>			
Sunridge Foods (Private) Limited	11.1	<u>7,827,641</u>	<u>7,827,641</u>
11.1	This represents investment in a wholly owned subsidiary formed under Companies Act 2017. The principal business of the Subsidiary is processing of food products.		
<b>12. STOCK-IN-TRADE</b>	Note	2024	2023
		----- (Rupees in '000) -----	
<b>Raw materials</b>			
In-hand	12.1	<u>7,054,254</u>	7,223,320
In-transit		<u>1,536,332</u>	918,685
		<u>8,590,586</u>	8,142,005
<b>Packing Material</b>		175,566	213,638
<b>Finished goods</b>	12.1	<u>1,301,402</u>	1,848,029
		<u>10,067,554</u>	<u>10,203,672</u>
12.1	On the reporting date, the inventories of raw materials and finished goods have been stated at their net realisable value (NRV), the amount charged to statement of profit or loss in respect of stock written down to their NRV on raw materials and finished goods amounted to Rs. 11.318 million and Rs. 27.960 million, respectively.		
<b>13. TRADE DEBTS</b>	Note	2024	2023
		----- (Rupees in '000) -----	
Trade debts - unsecured	13.1	<u>24,805,072</u>	23,688,095
Allowance for impairment - expected credit loss (ECL)	13.2	<u>(192,558)</u>	(39,995)
		<u>24,612,514</u>	<u>23,648,100</u>
13.1	Related party from whom trade debts are due as under:		
Sunridge Foods (Private) Limited		4,662	30,337
Sunridge Confectionery Limited		7,233	-
Sunridge Mart (Private) Limited		13,449	-
		<u>25,344</u>	<u>30,337</u>
13.2	The Company as per policy applies simplified approach in calculating expected credit losses. The assessment of expected credit loss has been independently made by a firm of accounting advisory, compliance by establishing a provision matrix that is based on Company's historical credit loss experience adjusted for forward looking factors specific to the trade receivables and the economic environment.		
13.3	Movement of allowance for impairment:		
		2024	2023
		----- (Rupees in '000) -----	
Balance at the beginning of the year		<u>39,995</u>	39,995
Amount charged during the year		<u>152,563</u>	-
Balance at the end of the year		<u>192,558</u>	<u>39,995</u>
13.4	The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 279.93 million (June 30, 2023: Rs. 65.93 million).		
13.5	The aging of the trade debts from related parties as at the reporting date is as under:		
		2024	2023
		----- (Rupees in '000) -----	
Not yet due		<u>21,246</u>	9,369
Past due 1- 180 days		<u>4,098</u>	20,968
Total		<u>25,344</u>	<u>30,337</u>

14. ADVANCES, DEPOSITS AND PREPAYMENTS	Note	2024 ----- (Rupees in '000) -----	2023
Advances to suppliers	14.1	11,133,001	125,655
Margin against letter of credit	14.2	130,857	1,154,720
Security deposits	14.3	10,150	7,929
Prepayments	14.3	14,990	13,807
		<u>11,288,998</u>	<u>1,302,111</u>

14.1 These advances to suppliers are in an ordinary course of business and are non-interest bearing, this amount includes the following balances with related parties:

	2024 ----- (Rupees in '000) -----	2023
Sunridge Foods (Private) Limited	4,813,994	-
Sunridge Confectionery Limited	6,061,400	-
	<u>10,875,394</u>	<u>-</u>

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

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

15. OTHER RECEIVABLES	Note	2024 ----- (Rupees in '000) -----	2023
Receivable from related party	15.1	104,677	192,962
Interest receivable from related party	15.2	-	228,537
Receivable against short shipment	15.3	31,895	28,830
Interest / profit receivable against TDRs and on saving accounts	15.4	45,936	32,686
Others		6,449	17,068
		<u>188,957</u>	<u>500,083</u>

15.1 This includes amount receivable from Sunridge Foods (Private) Limited amounting to Rs. 93.376 million (June 30, 2023: Rs. 192.962 million) against salary, marketing, fuel, rent and other expenses. This also includes the amount of Rs. 11.301 million (June 30, 2023: NIL) for payment made on behalf of Sunridge Mart (Private) Limited against fixed assets.

15.2 The interest amount was receivable against loan given to Sunridge Foods (Private) Limited.

15.3 This represents receivable in respect of short receipt of edible oil. The management pursued various actions for recovery of the amount which has resulted in the recovery of Rs. 3.75 million during the year.

15.4 This also includes profit receivable against investment in term deposit receipts (TDRs) and on saving accounts.

16. SHORT-TERM INVESTMENTS	Note	2024 ----- (Rupees in '000) -----	2023
<b>At fair value through profit or loss</b>			
Mutual funds - conventional	16.1	1,539,454	1,001,037
<b>At amortized cost</b>			
Term deposit receipts - Islamic	16.2	2,380,000	8,567,900
		<u>3,919,454</u>	<u>9,568,937</u>

16.1 This comprises of investments in units of HBL Financial Sector Income Fund Plan-I and JS Fixed Term Munafa Plan-2 amounting to Rs. 1,162.51 million (June 30, 2023: Rs. 1,001.04 million - HBL Cash Fund) and Rs. 376.94 million (June 30, 2023: nil) respectively at the closing price of previous day Net Asset Value. As at June 30, 2024, Rs. 1,162.29 million (June 30, 2023: nil) from HBL Financial Sector Income Fund Plan-I and Rs. 347.58 million (June 30, 2023: nil) from JS Fixed Term Munafa Plan-2 out of the total investments were pledged as security for facility of equivalent amounts from HBL and JSBL respectively as per note 27.2.3.

16.1.1	<u>The details of investment in mutual fund are as follows:</u>	Number of Units	Rate / unit
<u>As on June 30, 2024</u>			
	HBL Cash Fund	-	-
	HBL Financial Sector Fund Plan-I	11,383,411	102.1232
	JS Fixed Term Munafa Plan-2	3,749,565	100.5300
		<u>15,132,976</u>	

<u>As on June 30, 2023</u>			
	HBL Cash Fund	9,798,256	102.1648
	HBL Financial Sector Fund Plan-I	-	-
	JS Fixed Term Munafa Plan-2	-	-
		<u>9,798,256</u>	

16.2 This carries markup at 6.50% to 20.50% per annum (June 30, 2023: 6.50% to 19.50% per annum) having maturity upto one year.

17.	CASH AND BANK BALANCES	Note	2024 ----- (Rupees in '000) -----	2023
	<b>Bank balances - Islamic banking</b>			
	Saving accounts	17.1	4,292,374	52,536
	Current accounts		689,304	311,781
			<u>4,981,678</u>	<u>364,317</u>
	<b>Bank balances - conventional banking</b>			
	Saving accounts	17.1	84,329	210,766
	Current accounts		54,295	427,557
			<u>138,624</u>	<u>638,323</u>
	<b>Cash in hand</b>		3,411	3,414
			<u>5,123,713</u>	<u>1,006,054</u>

17.1 Profit on saving accounts ranges from 6.50% - 18% against Islamic and from 18% to 20.51% against conventional (June 30, 2023: from 6.50% - 10.14% against Islamic and 8.75% to 19.50% against conventional) per annum.

18.	SHARE CAPITAL	Note	2024 ----- (Rupees in '000) -----	2023
	<b>Authorized share capital</b>			
	1,200,000,000 (June 30, 2023: 1,200,000,000) ordinary shares of Rs. 10/- each		<u>12,000,000</u>	<u>12,000,000</u>
	<b>Issued, subscribed and paid-up capital</b>			
	1,194,050,000 (June 30, 2023: 1,194,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	18.1	<u>11,940,500</u>	<u>11,940,500</u>

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

18.2 During the financial year ended June 30, 2019, the Company issued 375 million right shares at Rs. 10 per share. The purpose of right issue was to utilize the proceeds in capacity expansion.

18.2.1 The status of utilization of right share proceeds are as follows:

<u>Purpose of utilization of right proceeds</u>	<u>Breakup of right issue proceeds (Rupees in '000)</u>	<u>% of allocation</u>	<u>% of utilization</u>
Acquisition of Port Qasim Refinery	850,000	23%	100%
Additions to Port Qasim Refinery	2,000,000	53%	100%
Establishment of Oil Terminal	900,000	24%	0%
	<u>3,750,000</u>		

18.2.2 The un-utilized amount of right share proceeds has been invested in short-term investments (refer note 16 of these annual audited unconsolidated financial statements).

19. LONG-TERM FINANCING	Note	2024 ------(Rupees in '000)-----	2023
Financing under ITERF scheme - shariah arrangement	19.1	651,366	594,127
Less: current portion shown under current liabilities		(134,558)	(71,141)
		<u>516,808</u>	<u>522,986</u>

19.1 The Company has obtained long term financing from Al Baraka Bank (Pakistan) Limited and Dubai Islamic Bank (Pakistan) Limited under the expansion projects with 25% margin and lien over bank account under ITERF. During the year, additional tranche of Rs. 71.888 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate used to recognize the same at present value ranged between 9.75% to 21.41% per annum. The sanctioned facility amounts to Rs. 920 million. These are repayable in quarterly installments of Rs. 34.8 million commencing from October 2024.

20. DIMINISHING MUSHARIKA ARRANGEMENT	Note	2024 ------(Rupees in '000)-----	2023
Diminishing musharika	20.1	1,735	1,987
Less: current portion shown under current liabilities		(300)	(252)
Non - current portion		<u>1,435</u>	<u>1,735</u>

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

21. LEASE LIABILITIES	Note	2024 ------(Rupees in '000)-----	2023
Balance at the beginning of the year		39,171	84,773
Impact of lease re-measurement		-	3,323
Disposals during the year		-	(2,355)
Lease rentals paid		(38,146)	(54,167)
Accretion of interest charged in statement of profit or loss	35	1,776	7,597
Balance at the end of the year		2,801	39,171
Less: current portion shown under current liabilities		(2,801)	(36,370)
Non current portion		<u>-</u>	<u>2,801</u>

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

	2024		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
	------(Rupees in '000)-----		
<b>Not later than one year</b>	2,869	(68)	2,801
<b>Later than one year but not later than five years</b>	-	-	-
<b>Total future minimum lease payments</b>	<u>2,869</u>	<u>(68)</u>	<u>2,801</u>
	2023		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
	------(Rupees in '000)-----		
Not later than one year	38,146	(1,776)	36,370
Later than one year but not later than five years	2,869	(68)	2,801
<b>Total future minimum lease payments</b>	<u>41,015</u>	<u>(1,844)</u>	<u>39,171</u>

	Note	2024 ----- (Rupees in '000) -----	2023
<b>22. GAS INFRASTRUCTURE DEVELOPMENT CESS</b>			
Balance at the beginning of the year		27,992	26,132
Unwinding of Gas Infrastructure Development Cess (GIDC)		4,311	1,861
Gain on remeasurement of GIDC		(2,250)	-
		<u>30,053</u>	<u>27,993</u>
Less: Current portion of GIDC	24	(30,053)	(27,993)
Non - current portion		-	-

<b>23. DEFERRED GOVERNMENT GRANT</b>			
Balance at the beginning of the year		248,368	69,279
Recognized during the year		36,945	198,087
Amortized during the year	34	(53,006)	(18,998)
Balance at the end of the year		<u>232,307</u>	<u>248,368</u>
Less: current portion shown under current liabilities		(57,699)	(49,805)
Non-current portion		<u>174,608</u>	<u>198,563</u>

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

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

	Note	2024 ----- (Rupees in '000) -----	2023
<b>24. TRADE AND OTHER PAYABLES</b>			
Trade creditors	24.1	22,682,992	21,312,948
Accrued liabilities	24.2	199,582	357,088
Provision for SDIC	24.3	1,881,318	1,693,352
Provision for GIDC	24.4	30,053	27,992
Sales tax payable		80,615	260,495
Withholding sales tax payable		4,900	5,399
Withholding income tax payable		43,211	65,685
Provident fund	24.5	3,484	510
Worker's welfare fund		-	3,334
Worker's profit participation fund	24.6	-	23,596
Advance from customers	24.7	134,099	14,742
Others		1,558	1,452
		<u>25,061,812</u>	<u>23,766,593</u>

	Note	2024 ----- (Rupees in '000) -----	2023
<b>24.1</b> This amount includes the following balances with related parties:			
Sunridge Foods (Private) Limited		-	111,119
Wilmar Trading Pte Limited		19,021,562	17,275,155
Sunridge Confectionery Limited		-	1,199
Sunridge Mart (Private) Limited		3,206	-
		<u>19,024,768</u>	<u>17,387,473</u>

**24.2** This amount includes amount payable to Sunridge Confectionery Limited amounting to Rs. 10.175 million (June 30, 2023: nil) against commission charged to purchase inventory.

**24.3** This is the provision of Sindh Development and Infrastructure Cess (SDIC) levied by the Excise and Taxation Department of the Government of Sindh on goods entering or leaving the province through air or sea at the prescribed rate under Sindh Finance Ordinance 2001. Earlier, a Constitutional Petition C.P No. 4090/2020 was filed in the Sindh High Court (SHC) by the Company on September 02, 2020, to challenge the levy of SDIC. An interim relief was granted by the SHC on condition to furnish of 50% bank guarantee and 50% should be paid in cash of the value of infrastructure cess. On June 04, 2021, the SHC in its judgement decided to encash the bank guarantee submitted and pay it to Collectorate.

The Company filed an appeal in the Honorable Supreme Court of Pakistan (SCP). The SCP vide Judgment dated September 01, 2020, has suspended SHC's Judgment dated June 04, 2021 (Impugned Judgment) granting interim relief to the appellants on the condition that all future consignments be released on furnishing 100% bank guarantee to the satisfaction of Excise and Taxation Department.

**24.4** In respect of the GIDC matter, the Supreme Court of Pakistan (SCP) in its judgment dated November 03, 2020, while dismissing all review petitions filed against its earlier judgement dated August 13, 2020, clearly stated that as the SCP held the Act to be intra-vires therefore all the sections are to be applied and that the question pertaining to the applicability of Section 8(2) and its proviso has not been agitated and its relief lies elsewhere and that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. Further, SCP has permitted the Government to collect arrears of GIDC that have become due up to July 31, 2020 in 48 equal installments. Meanwhile, during the year 2021, the Company had filed petition in the Honorable High Court of Sindh (SHC) whereby challenging the recovery of installments of GIDC arrears initiated by SSGCL through separate GIDC bills. The SHC in its order allowed a stay order restraining SSGCL from collection of GIDC and any adverse action against the Company. The management maintains that since the Company has not passed on the burden to its consumers / clients, it is not liable to pay GIDC, by whatever name charged as it clearly falls within the ambit of the exemption in line with Section 8(2) of the GIDC Act, 2015.

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

	Note	2024 ------(Rupees in '000)-----	2023
<b>24.6 Worker's profit participation fund</b>			
Balance at the beginning of the year		23,596	131,430
Interest	24.6.1 & 35	2,020	14,823
Allocation for the year	32	-	8,773
Paid during the year		(25,616)	(131,430)
Balance at the end of the year		-	23,596

**24.6.1** Interest on the workers profit participation fund has been accrued at the rate of 25.40% (June 30, 2023: 17.82%) per annum.

	2024 ------(Rupees in '000)-----	2023
<b>24.7</b> This amount includes the following balance with a related parties:		
Unity Resources Food Products L.L.C	116,749	-

	Note	2024 ------(Rupees in '000)-----	2023
<b>25. ACCRUED MARK-UP</b>			

Markup accrued on running finance and short term loans

25.1 1,037,908 553,450

**25.1** This includes mark-up accrued amounting to Rs. 177.636 million (June 30, 2023: Rs. 142.095 million) on shariah arrangements.

	Note	2024 ------(Rupees in '000)-----	2023
<b>26. SHORT-TERM BORROWINGS - SECURED</b>			

**Under conventional arrangements**

Arrangement for FIM / FATR/ Money Market

26.1 23,367,826 19,895,626

Short term running finance

26.2 7,610,044 408,943

Foreign currency loan

26.5 - 420,623

**Under Islamic arrangements**

Short term finance

26.3 & 26.4 2,998,982 3,186,117

Foreign currency loan

26.5 - 692,007

33,976,852 24,603,316

**26.1** Post import facilities (i.e. finance against imported merchandise (FIM), finance against trust receipt (FATR) and short term money market loan) available from various commercial banks under mark-up arrangements amounted to Rs. 24,500 million (June 30, 2023: Rs. 24,500 million) out of which Rs. 23,368 million (June 30, 2023: Rs.19,896 million) was outstanding. At year end, the applicable mark-up rates ranged between 24.31% to 21.54% (June 30, 2023: 16.16% to 23.57%) per annum. These facilities are valid upto April 30 2025 and are from 3 months to 6 months.

- 26.2** Short term running finance facility limits available from various commercial banks under mark-up arrangements amounted to Rs. 7,629 million (June 30, 2023: Rs. 1,200 million) out of which Rs. 7,610 million was outstanding. At year-end, the applicable mark-up rates ranged between 21.49% to 24.16% (June 30, 2023: 16.41% to 24.16%) per annum.
- 26.3** Short term facilities (isitisna, wakala and murabaha) available from various Islamic banks under mark-up arrangements amounted to Rs. 2,500 (June 30, 2023: Rs. 2,200 million) out of which Rs. 2,499 million (June 30, 2023: Rs. 1,545 million), was outstanding. At year end, the applicable mark-up rates ranged between 21.14% to 23.97% (June 30, 2023: 16.35% to 23.97%) per annum. These facilities are valid upto October 31, 2024.
- 26.4** Short term running musharakah available from Al Baraka Bank Limited under mark-up arrangements amounted to Rs. 500 million (June 30, 2023: Rs. 2,000 million) out of which Rs. 499 million was outstanding. Mark-up on these arrangements is three month KIBOR plus 1% (June 30, 2023: three month KIBOR plus 1%). At year end, the applicable mark-up rate was 21.24% (June 30, 2022: 23.91%) .
- 26.5** At the year-end, the Company had no foreign currency borrowing (June 30, 2023: USD 2.42 million) from commercial and no borrowing from Islamic Bank (June 30, 2023: USD 1.47 million).
- 26.6** Above facilities are secured by way of joint pari passu charge over current and fixed assets of the Company amounting to Rs. 13,200 million and pledge of imported goods of the Company amounting to Rs. 650 million (June 30, 2023: Rs. 650 million), corporate guarantee amounting to Rs. 20,000 million by our associated company Wilmar International Limited in Standard Chartered Bank Limited (June 30, 2023: Rs. 20,000 million), bank guarantee / SBLC from our associated company Wilmar International Limited's bank amounting to USD 30 million in Habib Bank Limited (June 30, 2023: nil).

## **27. CONTINGENCIES AND COMMITMENTS**

### **27.1 Contingencies**

- 27.1.1** The increase in Gas Tariff through notification dated October 23, 2020 was challenged by the Company whereby the Honorable High Court (HC) has granted interim relief through its order dated November 30, 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the High Court till further orders. The Company has deposited security cheques of the disputed amount of Rs. 18.977 accumulated till March 28, 2024. On March 28, 2024, the Honorable High Court through its judgement upheld the order of the single judge and ordered for encashment of securities deposited with Nazir of Sindh High Court. The Company has filed an appeal before the Honorable Supreme Court of Pakistan against the said order.
- 27.1.2** The Securities & Exchange Commission of Pakistan (SECP) issued an Order dated December 27, 2019, appointing inspectors to conduct inspection without limiting the scope of inspection, on all aspects of Unity Foods Limited (the Company). Being aggrieved therefore, the Company filed a Constitutional Petition in the High Court of Sindh. The High Court of Sindh at Karachi ("Court") has passed an Order in the matter limiting the applicability of SECP's Order to the extent of frame provided under section 221 of Companies Act, 2017. The Court also clarified that this Order shall not be construed as curtailment of any rights of SECP insofar as contemplated actions under other provisions of the Companies Act, 2017, if the situation demands.

### **27.2 Commitments**

- 27.2.1** Commitments under letter of credit for raw materials as at June 30, 2024 amounted to Rs. 2,976 million (June 30, 2023: Rs. 5,406 million).
- 27.2.2** Capital expenditure commitments outstanding as at June 30, 2024 amounted to Rs. 5.04 million (June 30, 2023: 10.17 million)
- 27.2.3** Guarantee issued at the year end on behalf of the Company amounted to Rs. 2,204 million (June 30, 2023: Rs. 1,670 million). Above facility is the part of the borrowing limits and is secured by way of pledge on the Company's mutual funds amounting to Rs. 1,509 million, term deposits amounting to Rs. 450 million & under saving accounts Rs. 294.5 million.

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>28. SALES - NET</b>			
Local		61,456,521	102,732,085
Export		6,562,265	864,730
	28.1	68,018,786	103,596,815
Sales tax		(7,529,698)	(13,437,675)
Trade discount		(408)	(952)
		(7,530,106)	(13,438,627)
		60,488,680	90,158,188

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

**Primarily geographical markets:**

Local	61,456,521	102,732,085
Sri Lanka	3,236,698	379,759
Malaysia	2,837,966	432,123
Vietnam	245,598	52,848
Bangladesh	206,396	-
UAE	20,636	-
China	10,566	-
EPZ - Pakistan	3,443	-
Singapore	962	-
	68,018,786	103,596,815

**28.2 Refund Liability**

The Company deals in products that are generic in nature and carry a long shelf life and does not carry the element of obsolescence. Customers at the time of accepting the delivery perform their quality check that eliminates the probability of sales return.

The Company does not have a policy to make sales to its customers with explicit contractual terms for giving them rights to return the products sold which may involve any refund liability as such liability arises only when customers have been given a control over sales and right to return the products and sales are expected to return.

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>29. COST OF SALES</b>			
Raw material consumed	29.1	43,022,615	70,845,014
Salaries, wages and benefits	29.2	520,866	551,089
Rent, rates and taxes		17,703	8,605
Fuel, power and electricity		455,089	521,288
Insurance		98,896	95,039
Security and janitorial		12,578	4,281
Postage, telephone and internet		4,824	2,871
Printing, stationary and office supplies		1,192	1,224
Vehicle, travelling and conveyance		21,091	19,648
Transport - freight		294,923	259,780
Depreciation on operating fixed assets	5.2	331,596	300,557
Depreciation on right-of-use assets	6.3	25,954	39,872
Amortization on intangible assets	7.2	5,544	4,664
Repair and maintenance		105,637	66,940
Others		25,393	28,372
		44,943,901	72,749,244
Add: opening stock of finished goods		1,848,029	1,778,841
Add: Purchases of finished goods		9,701,214	5,338,651
Less: closing stock of finished goods	12	(1,301,402)	(1,848,029)
		10,247,841	5,269,463
		55,191,742	78,018,707

	2024	2023
	----- (Rupees in '000) -----	
<b>29.1 RAW MATERIAL CONSUMED</b>		
Add: opening stock of raw material	7,436,958	7,208,214
Add: Purchases of raw and packing materials	42,815,477	71,073,758
Less: closing stock of raw material	(7,229,820)	(7,436,958)
	<u>43,022,615</u>	<u>70,845,014</u>

**29.2** Salaries, wages and benefits include Rs. 11.115 million for the year ended June 30, 2024 (June 30, 2023: Rs. 9.599 million) in respect of staff retirement benefits.

		2024	2023
		----- (Rupees in '000) -----	
<b>30. SELLING AND DISTRIBUTION EXPENSES</b>	<b>Note</b>		
Salaries, wages and benefits	30.1	145,008	126,065
Security and janitorial		2,446	4,200
Freight and forwarding		767,841	650,499
Travelling, conveyance and entertainment		18,900	17,321
Depreciation on operating fixed assets	5.2	26,504	23,867
Depreciation on right-of-use assets	6.3	3,639	2,734
Amortization on intangible assets	7.2	3,696	3,109
Electricity, gas and water		1,240	686
Printing, stationary and office supplies		1,724	463
Postage, telephone and internet		1,169	548
Repair and maintenance		166	1,870
Rent, rates and taxes		785	-
Insurance		2,094	5,602
Fees and subscription		25,334	17,375
Advertising and sales promotion		73,605	59,854
Others		1,696	152,017
		<u>1,075,847</u>	<u>1,066,210</u>

**30.1** Salaries, wages and benefits include Rs. 5.73 million for the year ended June 30, 2024 (June 30, 2023: Rs. 4.302 million) in respect of staff retirement benefits.

		2024	2023
		----- (Rupees in '000) -----	
<b>31. ADMINISTRATIVE EXPENSES</b>	<b>Note</b>		
Salaries, wages and benefits	31.1	273,952	236,262
Directors' remuneration	41	78,708	59,483
Rent, rates and taxes		14,813	5,959
Travelling, conveyance and entertainment		79,009	63,329
Electricity, gas and water		7,537	8,310
Postage, telephone and internet		39,723	25,460
Printing, stationary and office supplies		7,999	5,969
Insurance		15,983	8,907
Repair and maintenance		8,208	19,800
Auditor's remuneration	31.2	10,400	8,600
Legal and professional		21,520	32,175
Consultancy services		27,053	64,188
Fees and subscription		98,429	125,167
Security and janitorial		9,431	7,312
Donations	31.3	58,736	108,289
Depreciation on operating fixed assets	5.2	40,616	26,985
Amortization on intangible assets	7.2	9,240	7,773
Others		3,578	3,647
		<u>804,935</u>	<u>817,615</u>

**31.1** Salaries, wages and benefits include Rs. 14.516 million for the year ended June 30, 2024 (June 30, 2023: Rs. 11.744 million) in respect of staff retirement benefits.

	2024	2023
	----- (Rupees in '000) -----	
<b>31.2 Auditor's remuneration</b>		
Audit fee	6,600	5,500
Half yearly review	2,100	1,750
Consolidation of financial statements with subsidiaries	900	750
Review of code of corporate governance	240	200
Out of pocket expenses	200	200
	<u>10,040</u>	<u>8,400</u>
Certifications for regulatory purposes	360	200
	<u>10,400</u>	<u>8,600</u>

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

	2024	2023
	----- (Rupees in '000) -----	
<b>Name of Donee</b>		
Saylani Welfare Trust	<u>48,188</u>	<u>76,882</u>

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

		2024	2023
		----- (Rupees in '000) -----	
<b>32. OTHER OPERATING EXPENSES</b>	<b>Note</b>		
Worker's welfare fund		-	3,334
Worker's profit participation fund	24.6	-	8,773
		<u>-</u>	<u>12,107</u>

<b>33 EXCHANGE GAIN / (LOSS) - NET</b>			
Unrealized exchange gain / (loss)		1,296,982	(5,036,769)
Realized exchange loss		(632,378)	(2,451,281)
Exchange gain / (loss) - net		<u>664,604</u>	<u>(7,488,050)</u>

<b>34. OTHER INCOME</b>			
<b>Income / return on financial assets</b>			
Income on bank deposits		89,325	80,304
Income on TDRs		506,392	255,545
Interest income on loan to related party		335	228,537
Re-measurement gain on investment in mutual fund units		3,529	13,648
Profit realized on redemption of mutual fund units		11,536	243
Dividend income from mutual fund units		283,627	188,763
		<u>894,744</u>	<u>767,040</u>
<b>Income from non-financial assets</b>			
Amortization of deferred government grant	23	53,006	18,998
Scrap sales		7,550	2,657
Gain/(Loss) on disposal of fixed assets		119,273	24,642
Gain on re-assessment of right-of-use-assets		-	1,201
		<u>179,829</u>	<u>47,498</u>
		<u>1,074,573</u>	<u>814,538</u>

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>35. FINANCE COST</b>			
Interest on non-shariah arrangements		6,096,653	2,679,146
Profit on shariah arrangements		828,185	696,039
Interest on worker's profit participation fund	24.6	2,020	14,823
Finance charge of lease liabilities	21	1,776	7,597
Bank charges		38,066	5,685
Transaction cost on debt financing		3,303	3,390
		<u>6,970,003</u>	<u>3,406,680</u>
<b>36. LEVIES</b>			
Levies	36.1	<u>759,168</u>	<u>512,517</u>
<b>36.1</b>	These represent taxes under section 113, 150, 154 (1) and 37A of income Tax Ordinance, 2001, being treated as levies as per requirements of IFRIC 21 and IAS 37.		
<b>37. INCOME TAX EXPENSE</b>		2024	2023
	Note	----- (Rupees in '000) -----	
Prior		-	143,689
Deferred	10.1	<u>(193,752)</u>	<u>(1,060,307)</u>
		<u>(193,752)</u>	<u>(916,618)</u>
<b>37.1</b>	The income tax assessment of the Company is deemed to be finalized upto tax year 2023.		
<b>37.2 Relationship between tax expense and accounting profit:</b>		2024	2023
		----- (Rupees in '000) -----	
(Loss) / profit before levies and income tax		<u>(1,967,233)</u>	<u>163,357</u>
Tax applicable rate		<u>29%</u>	<u>29%</u>
Tax on accounting profit		-	47,374
Effect of final tax regime		140,229	36,962
Effect of minimum tax		649,593	(5,278)
Prior		-	(143,689)
Effect of tax credit, temporary differences and unused tax losses		(985,016)	(848,059)
Effects due to different rate applicable to capital gains		1,442	(3,928)
		<u>(193,752)</u>	<u>(916,618)</u>
<b>37.3</b>	Provision for current tax is calculated on the taxable income after adjusting the income eligible for tax credit under section 65 (E) of the Income tax ordinance 2001.		
<b>38. EARNINGS PER SHARE</b>		2024	2023
		----- (Rupees in '000) -----	
(Loss) / profit after taxation		<u>(2,532,649)</u>	<u>567,458</u>
		2024	2023
		----- (Number of shares) -----	
Weighted average number of ordinary shares outstanding		<u>1,194,050,000</u>	<u>1,194,050,000</u>
		2024	2023
		----- (Rupees) -----	
(Loss) / earning per share - basic and diluted		<u>(2.12)</u>	<u>0.48</u>

39. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2024 ----- (Rupees in '000) -----	2023
(Loss) / profit before levies and income tax		(1,967,233)	163,357
<b>Adjustments for non-cash and other items:</b>			
Depreciation on operating fixed assets	5.2	398,716	351,409
Depreciation on right-of-use assets	6.3	29,593	42,606
Amortization on intangible assets	7.2	18,480	15,546
Amortization on deferred government grant	23	(53,006)	(18,998)
Exchange loss - unrealized	33	(1,296,982)	5,036,769
Gain on re-measurement of mutual fund units	32 & 34	(3,529)	(13,648)
Allowance for impairment of financial assets	13.3	152,563	-
Gain on disposal of property, plant and equipment	34	(119,273)	(24,642)
Dividend income	34	(283,627)	(188,763)
Profit on short term investments & bank deposits	34	(595,717)	(335,849)
Interest income on related party loan	34	(335)	(228,537)
Finance cost	34	6,970,003	3,406,680
		<b>3,249,653</b>	<b>8,205,930</b>
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets:</b>			
Stock-in-trade		136,118	1,018,958
Stores and spares		2,522	(10,789)
Trade debts		(1,116,977)	(1,701,261)
Advances, deposits and prepayments		(9,986,887)	(939,745)
Other receivables		324,376	-
Sales tax receivable		-	262,556
		<b>(10,640,848)</b>	<b>(1,370,281)</b>
<b>Increase / (decrease) in current liabilities:</b>			
Trade and other payables		2,709,440	(1,878,402)
Advance to customers		119,357	(3,548)
Sales tax payable		(179,880)	-
		<b>2,648,917</b>	<b>(1,881,950)</b>
<b>Cash (used in) / from generated operating activities</b>		<b>(4,742,278)</b>	<b>4,953,699</b>
<b>39.1 Cash and cash equivalents comprise of:</b>			
Cash and bank balances	17	5,123,713	1,006,054
Short term borrowings - running finance (secured)	26	(8,109,877)	(408,943)
		<b>(2,986,164)</b>	<b>597,111</b>

### 39.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

<u>Description</u>	<u>Long term financing</u>	<u>Lease liabilities</u>	<u>Diminishing musharika</u>	<u>Short term borrowings</u>	<u>Accrued markup</u>	<u>Unclaimed dividend</u>	<u>Total</u>
Balance as at July 01, 2023	594,127	39,171	1,987	24,603,316	553,450	540	25,792,591
<b>Changes from financing cash flows</b>							
- Long term financing received - net	71,888	-	-	-	-	-	71,888
- Proceeds from short term finance facilities	-	-	-	1,672,602	-	-	1,672,602
- Proceeds from running finance facilities shown as cash equivalents	-	-	-	7,700,934	-	-	7,700,934
- Rentals paid against right of use asset / diminishing musharika	-	(38,146)	(252)	-	1,776	-	(36,622)
- Finance cost paid	(71,141)	-	-	-	(6,390,088)	-	(6,461,229)
	747	(38,146)	(252)	9,373,536	(6,388,312)	-	2,947,573
<b>Other changes</b>							
- Interest expense	93,437	1,776	-	-	6,872,770	-	6,967,983
- Government grant	(36,945)	-	-	-	-	-	(36,945)
- Interest on un-claimed dividend	-	-	-	-	-	32	32
	56,492	1,776	-	-	6,872,770	32	6,931,070
<b>Balance as at June 30, 2024</b>	<b>651,366</b>	<b>2,801</b>	<b>1,735</b>	<b>33,976,852</b>	<b>1,037,908</b>	<b>572</b>	<b>35,671,234</b>

### 40.. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### Risk management framework

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

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

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

#### 40.1 Credit risk

Credit risk is the risk of financial loss to the 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	2024 ------(Rupees in '000)-----	2023
Long-term deposits	8	42,348	44,827
Long-term loans	9	42,259	18,046
Trade debts	13	24,805,072	23,688,095
Advances and deposits	14	11,274,008	1,288,304
Other receivables	15	188,957	500,083
Short-term investments	16	3,919,454	9,568,937
Bank balances	17	5,120,302	1,002,640
		<u>45,392,400</u>	<u>36,110,932</u>

#### 40.1 Credit risk (continued)

##### Long-term deposits

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

##### Long-term loans

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

##### Trade debts

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

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

	2024	2023
	------(Rupees in '000)-----	
Domestic	24,715,030	23,688,095
Export	90,042	-
	<u>24,805,072</u>	<u>23,688,095</u>
The ageing of trade debts as at the date of the statement of financial position is:		
Not past due	6,148,286	10,231,565
Past due 1 - 90 days	8,608,101	10,139,004
Past due 91 - 180 days	6,562,508	2,756,025
Past due 181 - 270 days	3,185,444	539,657
Past due 271 - 360 days	254,711	21,826
Past due above 360 days	46,022	18
	<u>24,805,072</u>	<u>23,688,095</u>

##### Advances and deposits

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

##### Others receivables

These represent amount receivable from subsidiary against expense and also includes profit receivable against investment in term deposit receipts and on saving accounts. The management does not expect to incur credit loss there against.

##### Short-term investments

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

##### Bank balances

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

##### Concentration of credit risk

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

## 40.2 Liquidity risk

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

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

As at June 30, 2024	Carrying amount	Contractual maturities	Maturity up to one year	Maturity after one year
------(Rupees in '000)-----				
<b>Non-derivative financial liabilities</b>				
Long-term financing	651,366	1,047,595	134,558	913,037
Diminishing musharika arrangement	1,735	2,596	621	1,975
Lease liabilities	2,801	2,869	2,869	-
Trade and other payables	25,013,701	25,013,701	25,013,701	-
Accrued mark-up	1,037,908	1,037,908	1,037,908	-
Short-term borrowings	33,976,852	33,976,852	33,976,852	-
Unclaimed dividend	572	572	572	-
	<u>60,684,935</u>	<u>61,082,093</u>	<u>60,167,081</u>	<u>915,012</u>

As at June 30, 2023	Carrying amount	Contractual maturities	Maturity up to one year	Maturity after one year
------(Rupees in '000)-----				
<b>Non-derivative financial liabilities</b>				
Long-term financing	594,127	1,031,530	71,141	960,389
Diminishing musharika arrangement	1,987	3,222	626	2,596
Lease liabilities	39,171	41,015	38,145	2,870
Trade and other payables	23,653,838	23,653,838	23,653,838	-
Accrued mark-up	553,450	553,450	553,450	-
Short-term borrowings	24,603,316	24,603,316	24,603,316	-
Unclaimed dividend	540	540	540	-
	<u>49,446,429</u>	<u>49,886,911</u>	<u>48,921,056</u>	<u>965,855</u>

## 40.3 Market risk

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

### 40.3.1 Currency risk

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

The 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:

	2024		2023	
	Rupees	US Dollars	Rupees	US Dollars
<b>Financial liabilities</b>	------(Amounts in '000)-----			
Trade creditors - foreign	<u>19,286,818</u>	<u>69,292</u>	<u>19,461,203</u>	<u>68,048</u>

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

	2024	2023
US Dollars (USD) to Pakistani Rupees	<u>278.3412</u>	<u>285.9905</u>

### 40.3.1 Currency risk (continued)

#### Sensitivity analysis

A 10 percent strengthening / weakening of the Pakistani Rupee against the US Dollar at June 30, 2024 would have decreased / increased the equity / profit after tax by Rs. 1,928.68 million (June 30, 2023: 1,946.12 million).

### 40.3.2 Interest rate risk

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

Financial assets and liabilities include balance of Rs. 6,756.70 million (June 30, 2023: Rs 8,831.2 million) and Rs. 34,632.75 million (June 30, 2023: 25,238.60 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, 2024, if interest rates had been 100 basis points higher / lower with all other variables held constant, profit after tax for the year would have been Rs. 278.76 million (June 30, 2023: Rs. 164.07 million) lower/ higher, mainly as a result of lower / higher interest expense / income from these financial liabilities and assets.

### 40.3.3 Price risk

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

### 40.3.4 Fair value of financial assets and liabilities

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

### 40.3.5 Financial instruments by categories

	Note	2024 ----- (Rupees in '000) -----	2023
<b>Financial assets</b>			
<b>Held at amortized cost</b>			
Long-term deposits	8	42,348	44,827
Long-term loan	9	42,259	18,046
Trade debts	13	24,612,514	23,648,100
Advances and deposits	14	11,274,008	1,288,304
Other receivables	15	188,957	500,083
Short-term investments	16	2,380,000	8,567,900
Bank balances	17	5,120,302	1,002,640
		<u>43,660,388</u>	<u>35,069,900</u>
<b>Held at fair value</b>			
Short-term investments	16	1,539,454	1,001,037
<b>Financial liabilities</b>			
<b>Held at amortized cost</b>			
Long-term financing	19	651,366	594,127
Diminishing musharika arrangement	20	1,735	1,987
Lease liabilities	21	2,801	39,171
Trade and other payables	24	25,013,701	23,668,580
Accrued mark-up	25	1,037,908	553,450
Short-term borrowings	26	33,976,852	24,603,316
Unclaimed dividend		572	540
		<u>60,684,935</u>	<u>49,461,171</u>

41. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024				
	Non Executive Directors	Executive Director	Chief Executive	Executives	Total
	----- (Rupees in '000) -----				
Managerial remuneration	-	20,496	27,090	130,709	178,295
House rent	-	9,231	12,201	58,870	80,302
Medical	-	2,050	2,709	13,071	17,830
Retirement benefits	-	1,707	3,224	9,853	14,784
Director's meeting fee	7,700	-	-	-	7,700
	<u>7,700</u>	<u>33,484</u>	<u>45,224</u>	<u>212,503</u>	<u>298,911</u>
Number of persons	<u>5</u>	<u>1</u>		<u>48</u>	<u>55</u>

	2023				
	Non Executive Directors	Executive Director	Chief Executive	Executives	Total
	----- (Rupees in '000) -----				
Managerial remuneration	-	13,410	22,444	91,625	127,479
House rent	-	6,039	10,112	41,264	57,415
Medical	-	1,341	2,244	9,163	12,748
Retirement benefits	-	1,099	2,794	6,697	10,590
Director's meeting fee	9,900	-	-	-	9,900
	<u>9,900</u>	<u>21,889</u>	<u>37,594</u>	<u>148,749</u>	<u>218,132</u>
Number of persons	<u>5</u>	<u>1</u>		<u>41</u>	<u>48</u>

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

## 42. TRANSACTIONS WITH RELATED PARTIES

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

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

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

**Transactions with related parties**

<u>Name</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>For the year ended</u>	
			<u>2024</u>	<u>2023</u>
			<u>----- (Rupees in '000) -----</u>	
Sunridge Foods (Private) Limited	Subsidiary	Sales	<u>374,449</u>	<u>30,926</u>
		Purchases	<u>149,637</u>	<u>360,137</u>
		Payment made on behalf of the Subsidiary Company against purchase of SAP S4 HANA	<u>-</u>	<u>64,719</u>
		Payment made on behalf of the Subsidiary Company against fixed assets	<u>278,100</u>	<u>-</u>
		Payment made on behalf of the Subsidiary Company against expenses	<u>344,933</u>	<u>192,962</u>
		Long term investment	<u>-</u>	<u>7,000,000</u>
		Payment of loan to Subsidiary Company	<u>-</u>	<u>5,000,000</u>
		Interest income earned	<u>335</u>	<u>228,537</u>
		Interest income received	<u>228,872</u>	<u>-</u>
		Advance against purchases - net	<u>4,963,631</u>	<u>-</u>
Sunridge Confectionery Limited	Subsidiary	Purchases	<u>-</u>	<u>1,199</u>
		Sales	<u>44,773</u>	<u>-</u>
		Payment as commission agent against purchase of inventory - net	<u>11,736,706</u>	<u>-</u>
		Commission charged by the Subsidiary Company	<u>10,175</u>	<u>-</u>
Sunridge Mart (Private) Limited	Subsidiary	Sales	<u>23,186</u>	<u>-</u>
		Purchases	<u>3,705</u>	<u>-</u>
		Payment made on behalf of the Subsidiary Company against fixed assets	<u>11,301</u>	<u>-</u>
Unity Resource Food Products LLC	Associated Company	Advance received against sale of goods	<u>137,769</u>	<u>-</u>
		Sales	<u>20,535</u>	<u>-</u>
Wilmar Trading Pte Limited	Associated Company	Purchases	<u>33,740,255</u>	<u>44,065,186</u>
		Sales	<u>962</u>	<u>-</u>
		Payments	<u>30,771,439</u>	<u>45,726,354</u>
Unity Feeds (Private) Limited	Associated Company	Purchase of vehicle	<u>-</u>	<u>3,429</u>
		Payment made against vehicle	<u>-</u>	<u>3,429</u>
Unity Commodities	Associated person	Purchase of vehicle	<u>-</u>	<u>76,800</u>
		Payment made against vehicle	<u>-</u>	<u>76,800</u>
Ms. Fehmida Amin	Associated person	Purchase of vehicle	<u>-</u>	<u>3,250</u>
		Payment made against vehicle	<u>-</u>	<u>3,250</u>
Provident fund	Staff retirement benefit fund	Contribution paid	<u>58,029</u>	<u>50,486</u>
Directors and executives	Key management personnel	Remuneration paid	<u>161,465</u>	<u>119,645</u>
		Purchase of vehicle	<u>7,200</u>	<u>-</u>

#### 43. CAPITAL RISK MANAGEMENT

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

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

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

	Note	2024 ------(Rupees in '000)-----	2023
The gearing ratio is as follows;			
Long-term financing	19	651,366	594,127
Diminishing musharika arrangement	20	1,735	1,987
Short-term borrowings	25	33,976,852	24,603,316
<b>Total debt</b>		<b>34,629,953</b>	25,199,430
Cash and bank balances	17	(5,123,713)	(1,006,054)
<b>Net debt</b>		<b>29,506,240</b>	24,193,376
Share capital	18	11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		3,850,857	6,383,506
<b>Share capital and reserves</b>		<b>19,191,357</b>	21,724,006
<b>Gearing ratio (net debt / (net debt + share capital and reserves))</b>		<b>60.59%</b>	52.69%

#### 44. MEASUREMENT OF FAIR VALUES

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

Underlying the definition of fair value is the presumption that the 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).

#### 44. MEASUREMENT OF FAIR VALUES (continued)

As at June 30, 2024, all financial assets and financial liabilities are carried at amortized cost which is approximate to their fair value, except short term investment which is carried at fair value.

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

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

45. ANNUAL PRODUCTION CAPACITY	Note	2024	2023
----- (Metric Tonnes) -----			
<b>Production capacity as at year end was as follows:</b>			
Edible oil refinery	45.1	372,600	264,600
Feed mill		302,400	302,400
Solvent extraction plant		162,000	162,000
Soap plant		15,600	15,600
<b>The actual production for the year was:</b>			
Edible oil refinery		126,406	214,775
Feed mill		96,400	166,401
Solvent extraction plant		15,515	22,445
Soap plant		1,698	2,144

The above production is carried out as per sale demand.

45.1 During the year, a new edible oil refinery was capitalized by the Company which expanded the annual production capacity of the oil refinery unit by 108,000 metric tons.

#### 46. CORRESPONDING FIGURES

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

Nature	Financial statements line item		Amount '000'
	2023	2024	
Advance from customers	Contract liabilities	Trades & other payable	14,742
<b>47. NUMBER OF EMPLOYEES</b>			
Total number of employees as at year end		2024	2023
Average number of employees during the year		540	577
		564	564

#### 48. DATE OF AUTHORIZATION FOR ISSUE

These annual audited unconsolidated financial statements were authorized for issue in the Board of Directors' meeting held on October 03, 2024.

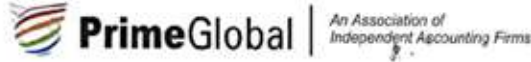
  
Director

  
Chief Executive

  
Chief Financial Officer

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

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY FOODS LIMITED ON THE UTILIZATION OF RIGHT SHARES PROCEEDS

We have reviewed the annexed statement of utilization of the proceeds of Right Shares issued by Unity Foods Limited (the Issuer-Company) on February 19, 2019. The Issue of Right Shares comprised of 375 million shares at face value of Rs 10 per Right Share amounting to Rs 3.750 billion.

### Scope of the Auditor's Report

Pursuant to the Notification (S.R.O. 231 (1)/2020) dated March 16, 2020 issued by the SECP As the statutory auditor of the Issuer-Company to confirm the appropriateness of utilization of Right Shares proceeds referred to in the final offer letter dated February 19, 2019 submitted by the Company to the SECP on the earmarked items mentioned in the said letter: (i) Acquisition of Port Qasim Refinery (Rs 0.850 billion); (ii) Additions to Port Qasim Refinery (Rs 2.000); and (iii) Establishment of Oil Terminal (Rs 0.900 billion).

### Management's Responsibility

It is the management responsibility to ensure that the utilization of Right Shares proceeds amounting to Rs 3.750 billion have been utilized on the descriptive items and any deviation, if any, therefrom as reported in the annexed statement of utilization of Right Shares proceeds and such utilization proceeds are appropriately report in the Company's financial statements for the year ended June 30, 2024.

### Auditor's responsibility

Our responsibility is to review and certify about the utilization of proceeds of the Right Shares and appropriateness of reporting in the financial statements of the Company for the year ended June 30, 2024. We conducted our verification in accordance with 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Those guidelines require us to review the provision of adequate information by the management and to certify in accordance with the applicable financial reporting framework.

Our verification procedures include obtaining such evidence and explanation about the information as contained in the annexed Statement of Utilization of Right Shares Proceeds as at June 30, 2024. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for auditor's report.

### Auditor's Report

Based on our review of the documentation and procedures as mentioned above, we report that out of the total Right Shares proceeds of Rs 3.750 billion, the Company has utilized an amount of Rs 2.850 billion while Rs 900 million earmarked for 'Establishment of Oil Terminal' has not yet been utilized as at June 30, 2024.

Chartered Accountants  
Islamabad  
Dated: October 4, 2024

# Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A member firm of



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

Report on the Audit of the Consolidated Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matter(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	<p><b>Property, Plant and Equipment</b></p> <p>As disclosed in note 5.1 and 5.5.1 to the consolidated financial statements, the Group has incurred substantial amount of capital expenditure in operating fixed assets (including transfers from CWIP) and under capital work-in-progress amounting to Rs. 3,263.09 million and Rs. 2,318.5 million respectively during the year for enhancement of production and operating capacity and to improve efficiency.</p> <p>We focused on capital expenditure incurred during the year as this represents significant transactions for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures to assess the additions in Capital Work-In-Progress (CWIP) and capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system and following policies consistently;</li> <li>• testing, on sample basis, the costs incurred on various items with supporting documentation and contracts;</li> <li>• assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards;</li> <li>• inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation;</li> <li>• physical verification of the additions in fixed assets on sample basis and reviewed the relevant contracts and supporting documents for various components of the capitalised cost; and</li> <li>• inspecting the title documents for the property added during the year to ensure that all properties are in the name of the Company.</li> </ul>

<p><b>02</b></p>	<p><b>Stock in trade</b></p> <p>As of the date of Consolidated statement of financial position, the company held stock in trade balance of Rs. 13,581.56 million Which constitute 15.57% of total assets of the Group.</p> <p>As described in note 12 to the consolidated financial statement, stock in trade is measured at lower of cost and net realizable value. The cost of raw material and finished goods is determined at weighted average cost including a proportion of production overheads. There is element of judgement involved in determining an appropriate costing basis and assessing its valuation.</p> <p>Given the significance of stock in trade to the Group's total assets and the level of judgements and estimates involved, we have identified stock in trade as a key audit matter.</p>	<p>We performed a range of audit procedures with respect to inventory items including:</p> <ul style="list-style-type: none"> <li>• attended physical inventory count performed by the Group on 1 July, 2024 to gain comfort over the existence and condition of inventories;</li> <li>• carried out a quantitative reconciliation of the stock produced and sold during the year and balance of stock at the year-end;</li> <li>• for a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>• testing the calculations of per unit cost of finished goods and assessing the appropriateness of management's basis for the allocation of cost and production overheads;</li> <li>• testing valuation methods and their appropriateness in accordance with the applicable accounting standards; and</li> <li>• assessing the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Group at the year end.</li> </ul>
<p><b>03</b></p>	<p><b>Trade Debts</b></p> <p>Refer to note 13 to the consolidated financial statements.</p> <p>As at 30 June 2024, the Group's gross trade debtors were Rs. 25,816.16 million.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control process (including credit account application approvals and credit limit review), debt collections process and making allowance for ECLs;</li> <li>• obtained an understanding of the financial model used by the Group's management for the determination of ECL on trade receivables;</li> </ul>

		<ul style="list-style-type: none"> <li>• We assessed net realizable value (NRV) by comparing management estimation of future selling price with selling price achieved subsequent period.</li> <li>• testing the accuracy of trade receivable aging report, on a sample basis, by comparing individual balances in the report with underlying documentation to ensure the balances appearing in the ageing report were classified within appropriate ageing bracket;</li> <li>• reviewing assessment of expected credit loss made by independent firms of accounting advisory compliance;</li> <li>• performing a procedure for sales return and appropriate adjustment made</li> <li>• assessing the completeness and accuracy of the data used in the model to the underlying accounting records on sample basis;</li> <li>• checking the mathematical accuracy of the model by performing recalculations;</li> <li>• circularizing direct confirmation to debtors on sample basis; and</li> <li>• assessing the historical accuracy of Credit loss if any under IFRS 9 by examining the utilization or release of previously recorded provisions for doubtful debts.</li> </ul>
<p><b>04</b></p>	<p><b>Sales</b></p> <p>Refer note 29 to the consolidated financial statements which shows that revenue of the Group has substantially increased.</p> <p>Revenue is recognised when control of the underlying products is transferred to the customers. The Group recognized revenue of Rs. 83,002.78 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2024 as compared to Rs. 100,870.35 million in the previous year.</p> <p>We identified recognition of sales as a key audit matter because sales are one of the key performance indicators of the Group and gives rise to a risk that revenue is recognized without transferring the risk and rewards.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li> <li>• assessing the appropriateness of the Group’s accounting policies for recording of sales and compliance of those policies with applicable accounting standards;</li> <li>• assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 ‘Revenue from Contracts with Customers’;</li> <li>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;</li> </ul>

		<ul style="list-style-type: none"> <li>• comparing a sample of sale transactions recorded around the year with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period;</li> <li>• comparing, on a sample basis, specific sale transactions recorded just before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period;</li> <li>• scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation;</li> <li>• worked out party-wise sales and noticed concentration of large portion of sale with one party and undertaken audit procedures to confirm that the sales to this party have been made under normal commercial basis;</li> <li>• performing audit procedures to analyze variation in the price and quantity sold during the year; and</li> <li>• assessing the adequacy of disclosures made in the consolidated financial statements related to sales.</li> <li>• Discuss the significance decrease in sales with management to understand the reason behind it and any potential implication on the financial statement.</li> </ul>
<p><b>05</b></p>	<p><b>Borrowings and related finance costs</b></p> <p>Refer notes 27 and 36 to the consolidated financial statements.</p> <p>The Group has obtained a range of financing facilities from different financial institutions amounting to Rs. 40,698.1 million, being 58.6% of total liabilities, as at 30 June 2024 with varying terms and tenure and incurred substantial cost.</p> <p>This was considered to be a key audit matter as these affects Group’s gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design and operating effectiveness of the Group’s internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs;</li> <li>• reviewed loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management in order to verify finance costs, fair value determination and ensured that the borrowings have been approved at appropriate level;</li> </ul>

		<ul style="list-style-type: none"> <li>• testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved applicable accounting standards</li> <li>• assessing the adequacy of the Group's compliance with the loan covenants and the disclosure in the consolidated financial statements.</li> <li>• obtaining direct confirmations of borrowings as at 30 June 2024 directly from the financial institutions;</li> </ul>
<p><b>06</b></p>	<p><b>Deferred tax asset</b></p> <p>As disclosed in note 10 to the consolidated financial statement the company has booked net deferred tax asset of Rs. 1,390.6 million which has mainly arisen due to heavy unrealized exchange losses. Under the International Accounting Standard-12 (IAS-12), the group is required to review the recoverability of deferred tax asset recognized in the statement of financial position at each reporting period.</p> <p>Recognition of deferred tax is dependent on estimate of sufficient future taxable profit against which such tax asset can be utilized.</p> <p>The future taxable profit is based on approved management projections. The estimation involved the degree of uncertainty as required judgement in relation to the future cash flow.</p> <p>Valuation of deferred tax is considered as a Key Audit Matter because the amount involved is material, the complexities of the calculation of the future taxable profits and inherit uncertainty involved in the forecasting of taxable profits available in future periods.</p>	<p>Our audit procedure included the following;</p> <ul style="list-style-type: none"> <li>• Understanding the design, implementation of management control and testing control over the recognition of deferred tax asset and accuracy of its recording in the system and the process of calculation of such asset;</li> <li>• Considered the expected timing of utilization of deferred tax asset keeping in view the relevant portion of Income Tax Ordinance, 2001 that apply to the adjustment / utilization of unrealized exchange losses;</li> <li>• Determined the extent to which the sufficient probable taxable profit would arise in the period within which the related losses would be available for adjustment / utilization;</li> <li>• Considered whether the tax balances calculated using appropriate and substantively enacted tax laws and rate;</li> <li>• Obtained understanding of the Group process of preparing its financial projections;</li> <li>• Evaluated the financial projection and assessed the likelihood of company generating sufficient future taxable profit; and</li> <li>• Assessed the adequacy of disclosures made in the consolidated financial statements related to deferred tax asset.</li> </ul>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Other Matter**

The financial statements of the indirect subsidiary for the year ended June 30, 2024 were audited by another firm of Chartered Accountants who had expressed unmodified opinion vide their report dated October 05, 2024 on those statements.

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

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



Chartered Accountants

Islamabad

Date: October 05, 2024

UDIN: AR202410596YFV2SUzZP

# **Consolidated Financial Statements**

# Consolidated Statement of Financial Position

As at June 30, 2024

ASSETS	Note	2024 ------(Rupees in '000)-----	2023
<b>Non-current assets</b>			
Property, plant and equipment	5	18,068,555	16,634,612
Right-of-use assets	6	1,819	31,412
Intangible assets	7	567,218	591,892
Long-term security deposits	8	91,829	87,143
Long-term loans	9	38,027	22,603
Deferred taxation - net	10	1,390,602	1,282,934
Long-term investment	11	557,353	230,938
		<b>20,715,403</b>	<b>18,881,534</b>
<b>Current assets</b>			
Stock-in-trade	12	13,581,556	11,747,761
Stores and spares		80,419	69,780
Trade debts	13	25,581,861	24,830,944
Advances, deposits and prepayments	14	12,390,914	5,840,219
Other receivables	15	87,353	90,889
Sales tax receivable		1,693	23,931
Current portion of long-term loans	9	17,776	4,292
Taxation - net of provision		5,597,802	5,280,658
Short-term investments	16	3,919,454	9,568,937
Cash and bank balances	17	5,272,354	1,210,119
		<b>66,531,182</b>	<b>58,667,530</b>
<b>TOTAL ASSETS</b>		<b>87,246,585</b>	<b>77,549,064</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	18	11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		2,472,649	5,967,332
		<b>17,813,149</b>	<b>21,307,832</b>
<b>Non-current liabilities</b>			
Long-term financing	19	516,808	522,986
Diminishing musharika arrangement	20	1,435	1,735
Lease liabilities	21	-	2,801
Gas Infrastructure Development Cess (GIDC)	22	-	-
Deferred government grant	23	174,608	198,563
Staff retirement benefits	24	19,837	23,400
		<b>712,688</b>	<b>749,485</b>
<b>Current liabilities</b>			
Current portion of long-term financing	19	134,558	71,141
Current portion of diminishing musharika arrangement	20	300	252
Current portion of lease liabilities	21	2,801	36,370
Current portion of deferred government grant	23	57,699	49,805
Trade and other payables	25	26,615,437	24,171,793
Accrued mark-up	26	1,211,279	579,950
Short-term borrowings	27	40,698,102	30,581,896
Unclaimed dividend		572	540
		<b>68,720,748</b>	<b>55,491,747</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>87,246,585</b>	<b>77,549,064</b>
Contingencies and commitments	28		

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

  
Director

  
Chief Executive

  
Chief Financial Officer

# Consolidated Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
Sales - net	29	<b>83,002,785</b>	100,870,351
Cost of sales	30	<b>(75,754,488)</b>	(87,059,117)
<b>Gross profit</b>		<b>7,248,297</b>	13,811,234
Selling and distribution expenses	31	<b>(2,477,719)</b>	(1,852,854)
Administrative expenses	32	<b>(1,525,861)</b>	(1,208,661)
Other operating expenses	33	<b>(25,496)</b>	(33,149)
Allowance for impairment of financial assets	13.2	<b>(174,966)</b>	(22,805)
Exchange gain / (loss) - net	34	<b>667,244</b>	(7,488,050)
		<b>(3,536,798)</b>	(10,605,519)
Other income	35	<b>1,093,988</b>	673,271
		<b>4,805,487</b>	3,878,986
Finance cost	36	<b>(7,440,127)</b>	(3,564,114)
<b>(Loss) / profit before levies and income tax</b>		<b>(2,634,640)</b>	314,872
Levies	37	<b>(840,859)</b>	(556,206)
<b>(Loss) / profit before taxation</b>		<b>(3,475,499)</b>	(241,334)
Taxation	38	<b>66,571</b>	916,425
<b>(Loss) / profit after taxation</b>		<b>(3,408,928)</b>	675,091
<b>(Loss) / earning per share- basic and diluted (Rupees)</b>	39	<b>(2.85)</b>	0.57

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

  
Director

  
Chief Executive

  
Chief Financial Officer

# Consolidated Statement of Comprehensive Income

For the year ended June 30, 2024

	2024	2023
	------(Rupees in '000)-----	
<b>Loss/ profit for the period</b>	<b>(3,408,928)</b>	675,091
Other comprehensive income	-	-
<b>Items that will not be subsequently reclassified to consolidated statement of profit or loss</b>		
Fair value reserve of financial asset carried at FVOCI - net of tax	<b>(85,755)</b>	(78,257)
<b>Total comprehensive (loss) / income for the year</b>	<b><u>(3,494,683)</u></b>	<u>596,834</u>

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

  
Director

  
Chief Executive

  
Chief Financial Officer

# Consolidated Statement of Changes in Equity

For the year ended June 30, 2024

	Reserves			Total equity
	Share capital	Capital Share premium	Revenue Unappropriated profit	
	------(Rupees in '000)-----			
Balance as at June 30, 2022	11,940,500	3,400,000	5,370,498	20,710,998
Total comprehensive income for the year ended June 30, 2023				
Profit after taxation	-	-	675,091	675,091
Other comprehensive loss	-	-	(78,257)	(78,257)
Balance as at June 30, 2023	<u>11,940,500</u>	<u>3,400,000</u>	<u>5,967,332</u>	<u>21,307,832</u>
<b>Total comprehensive income for the year ended June 30, 2024</b>				
Loss after taxation	-	-	(3,408,928)	(3,408,928)
Other comprehensive loss	-	-	(85,755)	(85,755)
<b>Balance as at June 30, 2024</b>	<u>11,940,500</u>	<u>3,400,000</u>	<u>2,472,649</u>	<u>17,813,149</u>

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

  
Director

  
Chief Executive

  
Chief Financial Officer

# Consolidated Statement of Cash Flows

For the year ended June 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash used in operating activities</b>	40	<b>(2,098,030)</b>	(2,187,780)
Taxes paid - net		(1,158,003)	(1,725,869)
Long-term loans - net		(28,908)	21,379
Long-term deposits paid		(4,686)	(40,748)
Staff retirement benefits paid		(3,563)	(2,856)
Donations paid		(146,640)	(113,086)
<b>Net cash used in operating activities</b>		<b>(3,439,830)</b>	(4,048,960)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(2,659,004)	(4,869,741)
Proceed from disposal of property, plant and equipment		768,934	56,712
Purchase of intangible assets		(7,757)	(85,118)
Net consideration paid under business combination		-	(576,125)
Long-term investment in listed equity securities		(411,645)	(320,375)
Short-term investments - net		5,936,639	858,312
Profit received from bank deposits and short-term investments		509,928	257,534
<b>Net cash generated from / (used in) investing activities</b>		<b>4,137,095</b>	(4,678,801)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings - net		2,915,105	19,186,241
Long-term financing - net		71,888	75,621
Rentals paid against right-of-use assets and diminishing musharika		(36,621)	(54,386)
Outstanding dividend paid		-	(107)
Finance cost paid		(6,786,503)	(3,731,987)
<b>Net cash (used in) generated from financing activities</b>		<b>(3,836,131)</b>	15,475,382
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(3,138,866)</b>	6,747,621
Cash and cash equivalents at the beginning of the year	40.1	801,176	(5,946,445)
<b>Cash and cash equivalents at the end of the year</b>		<b>(2,337,690)</b>	801,176

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

  
Director

  
Chief Executive

  
Chief Financial Officer

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2024

## 1 THE GROUP AND ITS OPERATIONS

1.1 The Group consists of Unity Foods Limited (the Holding Company) and its subsidiaries namely Sunridge Foods (Private) Limited, Sunridge Confectionery Limited, Unity Plantations (Private) Limited, Unity Technologies (Private) Limited, Sunridge Mart (Private) Limited and Sunridge Global (Private) Limited. Brief profiles of the Holding Company and its subsidiaries are as follows:

### 1.1.1 Unity Foods Limited

Unity Foods Limited (the Holding Company) was incorporated in Pakistan in 1991 as a Private Limited Company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a Public Limited Company on June 16, 1991. Shares of the 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, soap and related businesses.

### 1.1.2 Sunridge Foods (Private) Limited

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

### 1.1.3 Sunridge Confectionery Limited

Sunridge Confectionery Limited, the subsidiary wholly owned through Sunridge Foods (Private) Limited was incorporated in Pakistan as a Public Limited Company on September 1, 2016 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal business activity of the Subsidiary Company is to manufacture, sell and distribute food items.

### 1.1.4 Unity Plantations (Private) Limited

Unity Plantations (Private) Limited was incorporated on August 09, 2023, as a wholly owned subsidiary of Sunridge Foods (Private) Limited which in turn is a wholly owned subsidiary of Unity Foods Limited. The principal line of business of the Subsidiary is to cultivate, grow, collect, process, produce, set-up and carry on agriculture farming and related businesses.

### 1.1.5 Unity Technologies (Private) Limited

Unity Technologies (Private) Limited was incorporated on August 31, 2023, as a wholly owned subsidiary of Sunridge Foods (Private) Limited which in turn is a wholly owned subsidiary of Unity Foods Limited. The subsidiary is engaged mainly in the information technology - allied other sector.

### 1.1.6 Sunridge Mart (Private) Limited

Sunridge Mart (Private) Limited was incorporated on October 23, 2023 as a wholly owned subsidiary of Unity Technologies (Private) Limited. Sunridge Foods (Private) Limited is a wholly owned subsidiary of Unity Foods Limited and holds 100% shareholding of Unity Technologies (Private) Limited. Sunridge Mart (Private) Limited is engaged mainly in the wholesale and retail sale business.

### 1.1.7 Sunridge Global (Private) Limited

Sunridge Global (Private) Limited was incorporated on December 15, 2023, as a wholly owned subsidiary of Sunridge Foods (Private) Limited which in turn is a wholly owned subsidiary of Unity Foods Limited. The subsidiary is engaged mainly in the foods and beverages - allied other sector.

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

Addresses	Purpose	In Use
<b>Karachi, Sindh</b>		
Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.	- Head Office - Registered Office	- Unity Foods Limited - Sunridge Global (Pvt.) Limited
Plot No. A-48, Eastern Industrial Zone, Port Qasim.	- Oil Refinery	- Unity Foods Limited
Plot No. A-55 & 56, Eastern Industrial Zone, Port Qasim.	- Feed Mill	- Unity Foods Limited
Plot No. C6, North West Industrial Zone, Port Qasim.	- Pesa Flour Plant	- Sunridge Foods (Pvt.) Limited
Office No. 602-604, 6th Floor Fortune Center, P.E.C.H.S, Block 6	- Corporate Office	- Sunridge Foods (Pvt.) Limited
Industrial Plot No. H/14, SITE Super Highway, Phase II.	- Flour Mill	- Sunridge Foods (Pvt.) Limited

**Kotri, District Hyderabad, Sindh**

Plot No. N-25 & N-27/B, N37/A, SITE Area.	Edible Oil Extraction Plant, Refinery and Pelletising Mills	Unity Foods Limited
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**Hub, Balochistan**

Plot No. C-375, C-376, C-377, C-382, C-383 and C-384, Hub Industrial Estate, Lasbella.	Soap Plant	Unity Foods Limited
Plot No. 16-21, Main Road, Hub Chowki.	Confectionery Plant	Sunridge Confectionery Limited

**Lahore, Punjab**

TAMC Building, Plot No. 27 - C-3, M.M. Alam Road, Gulberg-III	- Registered Office of; - Unity Foods Limited, - Sunridge Foods (Pvt.) Limited, - Sunridge Confectionery Limited, - Sunridge Mart (Pvt.) Limited, - Unity Plantations (Pvt.) Limited and - Unity Technologies (Pvt.) Limited	- Unity Foods Limited, - Sunridge Foods (Pvt.) Limited, - Sunridge Confectionery Limited, - Sunridge Mart (Pvt.) Limited, - Unity Plantations (Pvt.) Limited and - Unity Technologies (Pvt.) Limited
Muhammad Pura / Dhamkay, Tehsil Sharaqpur, District Sheikhpura.	Flour and Rice Mill	Sunridge Foods (Pvt.) Limited

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

## 2.2 Basis of measurement

These annual audited consolidated financial statements have been prepared;

- (i) under the historical cost convention except otherwise stated.
- (ii) following accrual basis of accounting except for cash flow information.

## 2.3 Functional and presentation currency

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

## 2.4 Use of estimates and judgments

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

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

- Property, plant and equipment and depreciation (refer note 4.1)
- Right-of-use assets (refer note 4.3)
- Intangible assets and amortization (refer note 4.4)
- Goodwill (refer note 4.5)
- Stock-in-trade (refer note 4.8)
- Lease liabilities (refer note 4.16)
- Government grant (refer note 4.18)
- Provisions (refer note 4.20)
- Taxation (refer note 4.23)
- Contingent liabilities (refer note 4.24)
- Impairment (refer note 4.27)

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

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Group's annual audited consolidated financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract.
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules.

### 3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective and have not been early adopted by the Company:

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

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with non-current liabilities with Covenants.	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements.	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability.	January 01, 2025
IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17).	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments.	January 01, 2026

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

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

## 4 MATERIAL ACCOUNTING POLICIES

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

### 4.1 Property, plant and equipment and depreciation

#### Initial recognition

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

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

#### Measurement

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

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

#### 4.1 Property, Plant and Equipment (continued)

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 item can be measured reliably. All other expenditure (including repairs and normal maintenance) are charged in the consolidated statement of profit or loss as an expense when incurred.

##### **Depreciation**

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

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

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

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

#### 4.2 Capital work-in-progress

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

#### 4.3 Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities 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 terms or the estimated useful lives of the assets.

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.

#### 4.4 Intangible assets, and amortization

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

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

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

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

- (a) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- (b) its intention to complete and its ability and intention to use or sell the asset.
- (c) how the asset will generate future economic benefits.
- (d) the availability of resources to complete the asset.
- (e) the ability to measure reliably the expenditure during development.

#### 4.5 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.

#### **4.5 Goodwill (Continued)**

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

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the consolidated statement of profit or loss on the acquisition date.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating unit (CGU) (Wheat Production Unit) that are expected to benefit from the synergies of the operations irrespective of whether other assets or liabilities of the acquiree are assigned to these units or group of units.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### **4.6 Trade debts**

Trade debts originated by the Group are recognised and carried at original invoice amounts less allowance for expected credit losses (ECL). Bad debts are written-off when identified with BOD approval. The Group recognizes allowance for ECL as per policy stated in note 13.1.

#### **4.7 Advances and other receivables**

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

#### **4.8 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.

#### **4.9 Stores and spares**

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

#### **4.10 Cash and cash equivalents**

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

#### **4.11 Trade and other payables**

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

## **4.12 Staff retirement benefits**

### **4.12.1 Defined contribution plan**

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

### **4.12.2 Unfunded gratuity scheme**

Sunridge Foods (Private) Limited, the wholly owned subsidiary, operated an unapproved and unfunded gratuity scheme covering all its permanent employees who have completed the qualifying period under the scheme. The scheme was being administered by the directors and contribution therein were being made in the accordance with actuarial recommendations.

The valuation in this regard was carried using the Projected Unit Credit Method with actuarial valuation being carried out at the end of each annual reporting period. Remeasurement of the defined benefit liability, which comprises of actuarial gain and losses was recognized in other comprehensive income.

All the past service costs were recognised at the earlier of when the amendments or curtailment occurs and when the Group had recognised related restructuring or termination benefits. Net interest expenses, current and past service costs relating to defined benefit scheme were recognised in the statement of profit or loss.

From January 01, 2023 gratuity scheme was discontinued and replaced with provident fund scheme.

### **4.12.3 Compensated absences**

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

## **4.13 Borrowing cost**

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

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

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

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

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

#### **4.16 Lease liabilities**

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

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

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

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

#### **4.18 Government grants**

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

#### **4.19 Related party transactions**

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

#### **4.20 Provisions**

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

#### **4.21 Revenue recognition**

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

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

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

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

#### **4.23 Taxation**

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

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

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

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

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

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

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

##### **c) Levy**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid/ payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 / IAS 32.

#### **4.24 Contingent liabilities**

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

#### 4.25 Share Capital

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

#### 4.26 Financial Instruments

##### a) Classification and initial measurement

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

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

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

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

##### Financial assets at FVOCI

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

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

##### Financial assets at FVTPL

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

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

##### Financial assets measured at amortized cost

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

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

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

##### b) Subsequent measurement

##### Financial assets at FVOCI

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

##### Financial assets at FVTPL

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

##### Financial assets measured at amortized cost

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

#### 4.26 Financial Instruments (Continued)

##### c) Derecognition

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

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

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

##### d) Financial liabilities

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

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

#### 4.27 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.

#### 4.27 Impairment (Continued)

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

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

#### 4.28 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.

#### 4.29 Earnings per share

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

#### 4.30 Operating segments

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

#### 4.31 Change in Policy

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and has issued a Guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said Guidance requires taxes paid under check and reward be shown separately as a levy instead of showing it in current tax.

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

Had there been no change in accounting policy, taxation and loss before taxation for the current year and previous year would have been lower by 804.86 and 556.21 million respectively.

	Note	2024 ------(Rupees in '000)-----	2023
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>12,775,455</b>	10,737,422
Capital work-in-progress (CWIP)	5.5	<b>5,293,100</b>	5,897,190
		<b>18,068,555</b>	16,634,612

### 5.1 Operating fixed assets

	COST				Depreciation Rates	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2023	Additions/transfers	Acquired under business combination	Disposals		As at June 30, 2024	Depreciation for the year	Disposals	
	------(Rupees in '000)-----				%	------(Rupees in '000)-----			
<b>Owned</b>									
- Free hold land	1,420,766	-	-	-	-	1,420,766	-	-	1,420,766
- Building on leasehold land	2,676,243	1,695,035	-	(296,919)	4%	4,074,359	34,562	(338,327)	3,736,032
- Plant and machinery	5,252,662	1,212,857	-	(632)	5%	6,464,887	1,231	(927,648)	5,537,239
- Furniture, fixtures and office equipment	188,450	240,564	-	(4,281)	10% - 20%	424,733	-	(114,183)	310,550
- Computer and auxiliary equipment	75,718	65,246	-	(219)	25%	140,745	123	(51,641)	89,104
- Vehicles	351,081	9,392	-	(975)	20%	359,498	313	(122,808)	236,690
<b>Leased</b>									
- Lease hold land	1,950,818	40,000	-	(419,600)	1.12 %-1.14%	1,571,218	43,414	(126,144)	1,445,074
	<u>11,915,738</u>	<u>3,263,094</u>	<u>-</u>	<u>(722,626)</u>		<u>14,456,206</u>	<u>79,643</u>	<u>(1,680,751)</u>	<u>12,775,455</u>
	COST				Depreciation Rates	ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
As at July 01, 2022	Additions/transfers	Acquired under business combination	Disposals	As at June 30, 2023		Depreciation for the year	Disposals	As at June 30, 2023	
	------(Rupees in '000)-----				%	------(Rupees in '000)-----			
<b>Owned</b>									
- Free hold land	255,766	847,900	317,100	-	-	1,420,766	-	-	1,420,766
- Building on leasehold land	2,438,469	18,526	219,248	-	4%	2,676,243	-	(249,417)	2,426,826
- Plant and machinery	4,500,241	138,893	613,528	-	5%	5,252,662	-	(653,416)	4,599,246
- Furniture, fixtures and office equipment	100,349	76,057	12,104	(60)	10% - 20%	188,450	32	(74,709)	113,741
- Computer and auxiliary equipment	41,659	34,714	114	(769)	25%	75,718	476	(26,873)	48,845
- Vehicles	189,564	210,894	3,200	(52,577)	20%	351,081	20,988	(52,571)	298,510
<b>Leased</b>									
- Lease hold land	1,670,623	280,195	-	-	1.12 %-1.14%	1,950,818	-	(121,330)	1,829,488
	<u>9,196,671</u>	<u>1,607,179</u>	<u>1,165,294</u>	<u>(53,406)</u>		<u>11,915,738</u>	<u>21,496</u>	<u>(1,178,316)</u>	<u>10,737,422</u>

	Note	2024 ------(Rupees in '000)-----	2023
<b>5.2 The depreciation charged for the year has been allocated as follows:</b>			
Cost of sales	30	471,263	414,173
Selling and distribution expenses	31	32,764	28,237
Administrative expenses	32	78,051	35,680
		<u>582,078</u>	<u>478,090</u>

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

Particulars	Location	Total Area
<b>Unity Foods Limited</b>		
Lease hold land (Manufacturing plant)	Plot No. N27/B & N37/A, SITE Area, Kotri, District Hyderabad.	38,429.60 Sq. Yd
Free hold land (Under construction)	Plot No. N25, SITE Area, Kotri, District Hyderabad.	148,733.20 Sq. Yd
Lease hold land (Under construction)	Plot No. W2/1/67 & 68, North Western Industrial Zone, Port Qasim, Karachi.	6,222.22 Sq. Yd
Lease hold land (Manufacturing plant)	Plot No. A-48, Eastern Industrial Zone, Port Qasim, Karachi.	2 4,200.00 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, Plot No. 8-C, P.E.C.H.S., Block 6, Shahrah-e-Faisal, Karachi.	600 Sq. Yd
<b>Sunridge Foods (Private) Limited</b>		
Lease hold land (Manufacturing plant)	C-6, North West Zone, Port Qasim, Karachi.	14,520 Sq. Yd
Lease hold land (Manufacturing plant)	Industrial Plot No. H-14, SITE Super Highway Phase II, Karachi.	4,307 Sq. Yd
Lease hold land (Manufacturing plant)	Muhammad Pura / Dhamkay, Tehsil Sharaqpur, District Sheikhpura.	38,127 Sq. Yd
Free hold land (Manufacturing plant)	63,9 Off Road, Dhamkay, Tehsil Sharaqpur, District Sheikhpura.	9,680 Sq. Yd
Lease hold land (For construction of Office premises)	Plot No. 18-C, Block 6, P.E.C.H.S., Karachi.	1,500 Sq. Yd
Lease hold land (Warehouse)	Plot No. W2/1/72-73, Port Qasim, Karachi.	9,680 Sq. Yd
Freehold land (For construction of Office premises)	Plot No. 5, Q Block, Gulberg II.	24,200 Sq. Yd
<b>Sunridge Confectionery Limited</b>		
Freehold land (Manufacturing plant)	Plot No. 16-21, Main Road, Hub Chowki, Hub, Balochistan.	43,850 Sq. Yd

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

<u>Asset category</u>	<u>Description</u>	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>	<u>Sale proceeds</u>	<u>Gain / (Loss) on disposal</u>	<u>Mode of disposal</u>	<u>Particulars of buyer</u>	<u>Relation with buyer</u>
----- <b>(Rupees in '000)</b> -----									
Leasehold Land	Plot No D-51 & D-52 Port Qasim	419,600	(43,414)	376,186	487,962	111,776	Negotiation	Bulk Management (Pakistan) (Pvt) Limited	N/A
Building	Building on Plot No D-51 & D-52	288,019	(34,562)	253,457	257,670	4,213	Negotiation	Bulk Management (Pakistan) (Pvt) Limited	N/A
Plant & Machinery	Plansifter	3,400	(427)	2,973	3,400	427	Negotiation	M.K Brokers	N/A
Plant & Machinery	Cummins VT-38 Model 2007 Diesel Genset	5,500	(619)	4,881	4,661	(220)	Negotiation	ZTA Power Services	N/A
		<b>716,519</b>	<b>(79,022)</b>	<b>637,496</b>	<b>753,693</b>	<b>116,196</b>			

**5.5 Capital work-in-progress (CWIP)**

	<b>2024</b>	<b>2023</b>
	----- <b>(Rupees in '000)</b> -----	
Land - freehold	<b>308,000</b>	-
Land - leasehold	<b>732,335</b>	752,335
Building on lease / free hold land	<b>1,062,552</b>	1,629,741
Plant and machinery	<b>3,170,598</b>	3,480,909
Furniture, fixtures and office equipment	<b>8,615</b>	17,358
Computers & IT Equipments	-	16,847
Vehicles	<b>11,000</b>	-
	<b>5,293,100</b>	<b>5,897,190</b>

**5.5.1 Movement in capital work-in-progress is as follows:**

Balance at the beginning of the year	<b>5,897,190</b>	2,634,628
Additions during the year	<b>2,318,504</b>	4,448,028
Transfers / adjustments to operating fixed assets during the year	<b>(2,922,594)</b>	(1,185,466)
Balance at the end of the year	<b>5,293,100</b>	<b>5,897,190</b>

		2024	2023
		----- (Rupees in '000) -----	
<b>6</b>	<b>RIGHT-OF-USE ASSETS</b>		
	Written down value (WDV) - opening	31,412	71,848
	Derecognized	-	(1,153)
	Impact of lease re-measurement	-	3,323
	Depreciation charged during the year	(29,593)	(42,606)
	Written down value (WDV) - closing	<u>1,819</u>	<u>31,412</u>

6.1 The right-of-use asset comprise of rental premises of islamabad warehouse.

6.2 The annual rate of depreciation for the right-of-use asset is 25%.

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

Cost of sales	30	25,954	39,872
Selling and distribution expenses		3,639	2,734
		<u>29,593</u>	<u>42,606</u>

**7 INTANGIBLE ASSETS**

Goodwill	7.1	454,653	454,653
Computer software and ERP system	7.2	105,982	135,139
Systems under development	7.4	6,583	2,100
		<u>567,218</u>	<u>591,892</u>

**7.1 Goodwill**

This represents goodwill acquired amounting to Rs. 281.249 million and Rs. 173.404 million upon acquisition of the subsidiaries i.e. Sunridge Foods (Private) Limited and Sunridge Confectionery Limited in financial year 2020 and 2023 respectively.

Assessment of any possible impairment in the value of acquired goodwill is performed by the management on annualized basis after completion of one year from the date of acquisition or more frequently when there is an indication of impairment.

		2024	2023
		----- (Rupees in '000) -----	
<b>7.2</b>	<b>Computer software and ERP system</b>		
	<b>Net carrying value basis</b>		
	Net book value - opening	135,139	6,574
	Additions / transfer - at cost	3,273	152,050
	Acquired under business combination	-	1,128
	Amortization for the year	(32,431)	(24,613)
	Net book value - closing	<u>105,981</u>	<u>135,139</u>
	<b>Gross carrying value basis</b>		
	Cost	172,592	169,404
	Accumulated amortization	(66,611)	(34,265)
	Net book value	<u>105,981</u>	<u>135,139</u>
	Useful life (years)	5	5
	Amortization rate (%)	20%	20%

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

Cost of sales	30	5,934	7,444
Selling and distribution expenses	31	3,696	4,873
Administrative expenses	32	22,801	12,296
		<u>32,431</u>	<u>24,613</u>

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

		2024	2023
		----- (Rupees in '000) -----	
<b>8</b>	<b>LONG-TERM SECURITY DEPOSITS</b>		
	Security deposits against utilities	71,116	34,793
	Security deposits with Nazir Sindh High Court	-	18,977
	Security deposits to the suppliers	20,713	33,373
		<u>91,829</u>	<u>87,143</u>

**8.1** The represents amount given to Sui Southern Gas Company Limited (SSGC) and K-Electric Limited (KE) against the security deposits for the supply of gas and electricity respectively.

**8.2** The amount was paid to Nazir Sindh High Court in respect of tariff increase as stated in note 28.1.1.

**8.3** This includes deposit given to Pakistan State Oil Company (PSO) amounting to Rs.10.876 million (June 30, 2023: Rs. 6.833 million) against fuel.

		2024	2023
		----- (Rupees in '000) -----	
<b>9</b>	<b>LONG-TERM LOANS</b>		
	Loan to employees and executives	55,803	26,895
	Less: current portion shown under current assets	(17,776)	(4,292)
		<u>38,027</u>	<u>22,603</u>

**9.1** These represent interest free loans to executives and employees for purchase of vehicles, house building, marriage and others, in accordance with the Group's policy. These loans are recoverable through monthly installments. These loans have not been discounted as the amount involved is not significant to these annual audited consolidated financial statements.

		2024	2023
		----- (Rupees in '000) -----	
<b>9.2</b>	Reconciliation of carrying amount of long-term loans:		
	Balance at the beginning of the year	26,895	48,278
	Disbursement made during the year	44,860	19,394
	Repayments during the year	(15,952)	(40,777)
	Balance at the end of the year	<u>55,803</u>	<u>26,895</u>

**9.3** The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs.41.291 million (June 30, 2023: Rs. 42.226 million).

		2024	2023
		----- (Rupees in '000) -----	
<b>10</b>	<b>DEFERRED TAXATION - NET</b>		
	<b>Deferred tax asset / (liability) in respect of:</b>		
	Unusual tax losses	1,117,919	300,506
	Allowance for impairment of financial assets	43,736	29,113
	Lease liabilities	812	11,360
	Unrealized exchange loss	1,083,283	1,460,446
	Provision against inventory	-	580
	Minimum tax	713,990	76,900
	Taxable temporary difference on tax amortization	97	(953)
	Equity investment held as FVOCI	10,654	11,180
	Taxable temporary difference on tax depreciation	(775,680)	(602,169)
	Staff retirement benefit	(5,753)	6,786
	Re-measurement gain / (loss) on short term investment	(441)	(1,706)
	Right-of-use assets	(528)	(9,109)
	<b>Deferred tax asset - net</b>	<u>2,188,089</u>	<u>1,282,934</u>
	less: deferred tax asset unrecognized	10.1 (797,487)	-
	<b>Deferred tax asset - net recognized</b>	10.2 <u>1,390,602</u>	<u>1,282,934</u>

**10.1** For the current year ended June 30, 2024, the Holding Company incurred a taxable business loss amounted to Rs. 2,749.96 million (till June 30, 2023: nil) out of which business loss amounting to Rs. 2,121.53 million has expiry period till financial year 2030. On a prudent basis, the Holding Company has not recognized any further deferred tax asset amounting to Rs. 797.49 million on the said taxable business loss.

**10.2** The deferred tax income being difference of net opening deferred tax asset and closing deferred asset amounts to Rs. 107.67 million. Out of this, Rs. 107.14 million has been recorded in profit or loss whereas the remaining Rs. 0.53 million pertaining to deferred tax income on remeasurement loss on equity investment held as FVOCI has been recorded in other comprehensive income in these consolidated financial statements.

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>11 LONG-TERM INVESTMENT</b>			
<b>Fair value through other comprehensive income</b>			
Listed equity securities - Al Shaheer Corporation Limited	11.1	<u>557,353</u>	<u>230,938</u>
11.1 Sunridge Foods (Private) Limited, the subsidiary, holds 18% (June 30, 2023: 8.5%) ownership interest in Al Shaheer Corporation Limited which represents 69,064,774 (June 30, 2023: 31,941,586) shares at cost of Rs. 730,988,791 (June 30, 2023: 320,374,110).			
		2024	2023
<b>11.2 Movement in listed equity securities for the year:</b>		----- (Rupees in '000) -----	
Balance at the beginning of the year		230,938	-
Investments during the year		411,645	320,374
		<u>642,583</u>	<u>320,374</u>
Unrealized loss on remeasurement charged to OCI during the year		(85,230)	(89,436)
Balance at the end of the year		<u>557,353</u>	<u>230,938</u>
		2024	2023
	Note	----- (Rupees in '000) -----	
<b>12 STOCK-IN-TRADE</b>			
<b>Raw materials</b>			
In-hand		9,494,995	7,759,108
In-transit		1,536,332	918,924
		<u>11,031,327</u>	<u>8,678,032</u>
<b>Packing Material</b>		417,109	371,244
<b>Finished goods</b>	12.1	2,133,120	2,700,486
		<u>13,581,556</u>	<u>11,749,762</u>
<b>Provision against inventory</b>	12.2	-	(2,001)
		<u>13,581,556</u>	<u>11,747,761</u>
12.1 On the reporting date, the inventories of raw materials and finished goods have been stated at their net realisable value (NRV). The amount charged to statement of profit or loss in respect of stock written down to their NRVs on raw materials and finished goods amounting to Rs. 11.318 million and Rs. 27.960 million, respectively.			
		2024	2023
<b>12.2 Movement for provision against inventory:</b>	Note	----- (Rupees in '000) -----	
Balance at the beginning of the year		2,001	-
Adjusted during the year		(2,001)	2,001
Balance at the end of the year		<u>-</u>	<u>2,001</u>
<b>13 TRADE DEBTS</b>			
Trade debts - unsecured	13.1	25,816,165	24,931,331
Allowance for impairment - expected credit loss (ECL)	13.2	(234,304)	(100,387)
		<u>25,581,861</u>	<u>24,830,944</u>
13.1 The Group as per policy applies simplified approach in calculating expected credit losses. The assessment of expected credit loss has been independently made by a firm of accounting advisory compliance by establishing a provision matrix that is based on Group's historical credit loss experience adjusted for forward looking factors specific to the trade receivables and the economic environment.			

	Note	2024 ----- (Rupees in '000) -----	2023
<b>13.2</b>	Movement of allowance for impairment:		
	Balance at the beginning of the year	100,387	77,582
	Amount charged during the year	174,966	22,805
	Adjusted during the year	(41,049)	-
	Balance at the end of the year	<u>234,304</u>	<u>100,387</u>

#### 14 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances to employees		2,885	562
Advances to suppliers	14.1	12,208,188	4,653,190
Margin against letter of credit	14.2	130,857	1,154,720
Security deposits	14.3	22,980	10,665
Prepayments	14.3	26,004	21,082
		<u>12,390,914</u>	<u>5,840,219</u>

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

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

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

#### 15 OTHER RECEIVABLES

	Note	2024 ----- (Rupees in '000) -----	2023
Receivable against short shipment	15.1	31,895	28,830
Profit receivable against TDRs and on saving accounts		45,936	32,686
Others		9,522	29,373
		<u>87,353</u>	<u>90,889</u>

15.1 This represented receivable in respect of short receipt of edible oil. The management pursued various actions for recovery of the amount which has resulted in the recovery of Rs. 3.75 million during the year.

#### 16 SHORT-TERM INVESTMENTS

	Note	2024 ----- (Rupees in '000) -----	2023
<b>At fair value through profit or loss</b>			
Mutual funds - conventional	16.1	1,539,454	1,001,037
<b>At amortized cost</b>			
Term deposit receipts - Islamic	16.2	2,380,000	8,567,900
		<u>3,919,454</u>	<u>9,568,937</u>

16.1 This comprises of investments in units of HBL Financial Sector Income Fund Plan I and JS Fixed Term Munafa Plan-2 amounting to Rs. 1,162.51 million (June 30, 2023: Rs. 1,001.04 million – HBL Cash Fund) and Rs. 376.94 million (June 30, 2023: NIL) respectively at the closing price of previous day Net Asset Value. As at June 30, 2024, Rs. 1,162.29 million (June 30, 2023: Rs. 1,001.04 million) from HBL Financial Sector Income Fund Plan I and Rs. 347.584 million (June 30, 2023: NIL) from JS Fixed term Munafa Plan-2 out of the total investments were pledged as security for facility of equivalent amounts from HBL and JSBL respectively as per note 28.2.3.

##### 16.1.1 The details of investment in mutual fund are as follows:

###### As on June 30, 2024

	Number of Units	Rate / unit (Rupees)
HBL Financial Sector Fund	11,383,411	102.1232
JS Fixed Term Munafa Plan-2	3,749,565	100.5300
	<u>15,132,976</u>	

###### As on June 30, 2023

HBL Cash Fund	9,798,256	102.1648
HBL Financial Sector Fund	-	-
JS Fixed Term Munafa Plan-2	-	-
	<u>-</u>	<u>-</u>

**16 Short Term Investments (Continued)**

**16.2** This carries markup at 6.50% to 20.50% per annum (June 30, 2023: 6.50% to 19.50% per annum) having maturity upto one year.

		2024	2023
		----- (Rupees in '000) -----	
<b>17 CASH AND BANK BALANCES</b>	Note		
<b>Bank balances - Islamic banking</b>			
Saving accounts	17.1	2,544,079	53,211
Current accounts		2,461,752	431,228
		<b>5,005,831</b>	484,439
<b>Bank balances - conventional banking</b>			
Saving accounts	17.1	88,871	212,085
Current accounts		161,899	506,193
		<b>250,770</b>	718,278
<b>Cash in hand</b>		15,753	7,402
		<b>5,272,354</b>	1,210,119

**17.1** Profit on saving accounts ranges from 6.50% - 18% against Islamic and from 18% to 20.51% against conventional (June 30, 2023: from 5.75% - 10.14% against Islamic and 8.75% to 20.50% against conventional) per annum.

		2024	2023
		----- (Rupees in '000) -----	
<b>18 SHARE CAPITAL</b>	Note		
<b>Authorized share capital</b>			
1,200,000,000 (June 30, 2023: 1,200,000,000) ordinary shares of Rs. 10/- each		<b>12,000,000</b>	12,000,000
<b>Issued, subscribed and paid-up capital</b>			
1,194,050,000 (June 30, 2023: 1,194,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	18.1	<b>11,940,500</b>	11,940,500

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

**18.2** During the financial year ended June 30, 2019 the Company issued 375 million right shares at Rs. 10 per share. The purpose of right issue was to utilize the proceeds in capacity expansion.

**18.2.1 The status of utilization of right share proceeds are as follows:**

<u>Purpose of utilization of right proceeds</u>	<u>Breakup of right issue proceeds (Rupees in '000)</u>	<u>% of allocation</u>	<u>% of utilization</u>
Acquisition of Port Qasim Refinery	850,000	23%	100%
Additions to Port Qasim Refinery	2,000,000	53%	100%
Establishment of Oil Terminal	900,000	24%	0%
	<b>3,750,000</b>		

		2024	2023
		----- (Rupees in '000) -----	
<b>19 LONG-TERM FINANCING</b>	Note		
Financing under ITERF Scheme - shariah arrangement	19.1	651,366	594,127
Less: current portion shown under current liabilities		(134,558)	(71,141)
		<b>516,808</b>	522,986

**19.1** The Holding Company has obtained long term financing from Al baraka Bank (Pakistan) Limited and Dubai Islamic Bank under the expansion projects with 25% margin and lien over bank account under ITERF. During the year, additional tranche of Rs. 71.888 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate used to recognize the same at present value ranged between 9.75% to 21.41% per annum. The sanctioned facility amounts to Rs. 920 million. These are repayable in quarterly installments of Rs. 34.8 million commencing from September 2024.

		2024	2023
		----- (Rupees in '000) -----	
<b>20 DIMINISHING MUSHARIKA ARRANGEMENT</b>	Note		
Diminishing musharika	20.1	1,735	1,987
Less: current portion shown under current liabilities		(300)	(252)
Non-current portion		<b>1,435</b>	1,735

**20 Diminishing Musharika Arrangement (Continued)**

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

	Note	2024	2022
------(Rupees in '000)-----			
<b>21 LEASE LIABILITIES</b>			
Balance at the beginning of the year		39,171	84,773
Impact of lease re-measurement		-	3,323
Disposals during the year - net		-	(2,355)
Lease rentals paid		(38,146)	(54,167)
Accretion of interest charged in statement of profit or loss	36	1,776	7,597
Balance at the end of the year		2,801	39,171
Less: current portion shown under current liabilities		(2,801)	(36,370)
Non current portion		-	2,801

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

	2024		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
------(Rupees in '000)-----			
<b>Not later than one year</b>	2,869	(68)	2,801
<b>Later than one year but not later than five years</b>	-	-	-
<b>Total future minimum lease payments</b>	<u>2,869</u>	<u>(68)</u>	<u>2,801</u>
	2023		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
------(Rupees in '000)-----			
Not later than one year	38,145	(1,776)	36,369
Later than one year but not later than five years	2,870	(68)	2,802
<b>Total future minimum lease payments</b>	<u>41,015</u>	<u>(1,844)</u>	<u>39,171</u>

	Note	2024	2023
------(Rupees in '000)-----			
<b>22. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC)</b>			
Balance at the beginning of the year		27,992	26,132
Unwinding of (GIDC)		4,311	1,860
(Gain) on remeasurement		(2,250)	-
		30,053	27,992
Less: Current portion of GIDC	25	(30,053)	(27,992)
Balance at end of the year		-	-

	Note	2024	2023
------(Rupees in '000)-----			
<b>23. DEFERRED GOVERNMENT GRANT</b>			
Balance at the beginning of the year		248,368	69,598
Acquired under business combination	35	-	8,574
Recognized during the year		36,945	198,087
Amortized during the year		(53,006)	(22,127)
Less: early retirement		-	(5,764)
Balance at the end of the year		232,307	248,368
Less: current portion shown under current liabilities		(57,699)	(49,805)
Non-current portion		174,608	198,563

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

## 23 Deferred Government Grant(Continued)

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

		2024	2023
		----- (Rupees in '000) -----	
<b>24 STAFF RETIREMENT BENEFITS</b>			
Gratuity		17,296	15,203
Compensated absences		2,541	8,197
		<u>19,837</u>	<u>23,400</u>

24.1 From January 01, 2023 gratuity scheme was discontinued and replaced with provident fund scheme.

		2024	2023
		----- (Rupees in '000) -----	
<b>25 TRADE AND OTHER PAYABLES</b>	Note		
Trade creditors	25.1	23,835,164	21,560,267
Accrued liabilities		264,296	423,081
Provision for SDIC	25.2	1,881,318	1,693,352
Provision for GIDC	25.3	30,053	27,992
Sales tax payable		80,615	260,495
Withholding sales tax payable		20,273	5,399
Withholding income tax payable		82,273	88,920
Provident fund	25.4	24,815	12,219
Worker's welfare fund		8,736	8,577
Worker's profit participation fund	25.6	1,790	37,394
Advance from customers	25.7	384,521	44,831
Others		1,583	9,266
		<u>26,615,437</u>	<u>24,171,793</u>

25.1 This amount includes the following balance with a related party:

Wilmar Trading Pte. Limited	<u>19,021,562</u>	<u>17,275,155</u>
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25.2 This represents a provision of Sindh Development and Infrastructure Cess (SDIC) levied by the Excise and Taxation Department of the Government of Sindh on goods entering or leaving the province through air or sea at the prescribed rate under Sindh Finance Ordinance 2001. Earlier, a Constitutional Petition C.P No. 4090/2020 was filed in the Sindh High Court (SHC) by the Holding Company on September 02, 2020, to challenge the levy of SDIC. An interim relief was granted by the SHC on condition to furnish of 50% bank guarantee and 50% should be paid in cash of the value of infrastructure cess. On June 04, 2021, the SHC in its judgement decided to encash the bank guarantee submitted and pay it to Collectorate. The Holding Company filed an appeal in the Honorable Supreme Court of Pakistan (SCP). The SCP vide Judgment dated September 01, 2021, has suspended SHC's Judgment dated June 04, 2021 (Impugned Judgment) granting interim relief to the appellants on the condition that all future consignments be released on furnishing 100% bank guarantee to the satisfaction of Excise and Taxation Department.

25.3 This represents provision of gas infrastructure development cess (GIDC). In respect of this matter, the Supreme Court of Pakistan (SCP) in its judgment dated November 03, 2020, while dismissing all review petitions filed against its earlier judgement dated August 13, 2020, clearly stated that as the SCP held the Act to be intra-vires therefore all the sections are to be applied and that the question pertaining to the applicability of Section 8(2) and its proviso has not been agitated and its relief lies elsewhere and that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. Further, SCP has permitted the Government to collect arrears of GIDC that have become due up to July 31, 2020 in 48 equal installments. Meanwhile, during the year 2021, the Company had filed petition in the Honorable High Court of Sindh (SHC) whereby challenging the recovery of installements of GIDC arrears initiated by SSGCL through separate GIDC bills. The SHC in its order allowed a stay order restraining SSGCL from collection of GIDC and any adverse action against the Holding Company. The management maintains that since the Holding Company has not passed on the burden to its consumers / clients, it is not liable to pay GIDC, by whatever name charged as it clearly falls within the ambit of the exemption in line with Section 8(2) of the GIDC Act, 2015

25.4 All investment out of provident fund have been made in accordance with the provision of section 218 of the Companies Act 2017 and the conditions specified thereunder, except as mentioned in note 25.5 below.

25.5 As per the provisions of section 218 of the Companies Act 2017, a company is required to deposit within fifteen days from the date of receipt of contributions collected in a special account to be opened for that purpose. The contribution received by Sunridge Confectionery Limited, the subsidiary, has not been deposited as per the said requirement. The Subsidiary has registered its provident fund and is in process of registering it with provincial government under the Trust Act 2020 which is required for opening a separate bank account.

	Note	2024 ----- (Rupees in '000) -----	2023
<b>25.6 Worker's profit participation fund</b>			
Balance at the beginning of the year	25.6.1	37,394	131,798
Interest	36	3,810	14,823
Allocation for the year	33	-	22,571
Paid during the year		(39,414)	(131,798)
Balance at the end of the year		<u>1,790</u>	<u>37,394</u>

25.6.1 Interest on the workers profit participation fund has been accrued at the rate of 25.40% (June 30, 2023: 17.82%) per annum.

25.7 This amount includes the following balance with a related party:

	2024 ----- (Rupees in '000) -----	2023
Unity Resources Food Products L.L.C	<u>116,749</u>	-

	Note	2024 ----- (Rupees in '000) -----	2023
<b>26 ACCRUED MARK-UP</b>			
Markup accrued on running finance and short term loans	26.1	<u>1,211,279</u>	<u>579,950</u>

26.1 This includes mark-up accrued amounting to Rs. 351 million (June 30, 2023: Rs. 254.81 million) on shariah arrangements.

	Note	2024 ----- (Rupees in '000) -----	2023
<b>27 SHORT-TERM BORROWINGS - SECURED</b>			
<b>Under conventional arrangements</b>			
Arrangement for FIM / FATR/ Money Market	27.1	23,367,826	19,895,626
Short term running finance	27.2	7,610,044	408,943
Foreign currency loan	27.5	-	420,623
Cash finance	27.8	731,250	-
<b>Under Islamic arrangements</b>			
Short term finance	27.3, 27.4, 27.7 & 27.9	8,988,982	9,164,697
Foreign currency loan		-	692,007
	27.5	<u>40,698,102</u>	<u>30,581,896</u>

#### Holding Company

27.1 Post import facilities (i.e. finance against imported merchandise (FIM), finance against trust receipt (FATR) and short term money market loan) available from various commercial banks under mark-up arrangements amounted to Rs. 24,500 million (June 30, 2023: Rs. 24,500 million) out of which Rs. 23,238 million (June 30, 2023: Rs. 19,896 million) was outstanding. At year end, the applicable mark-up rates ranged between 21.54% to 24.31% (June 30, 2023: 16.16% to 23.57%) per annum. These facilities are valid upto April 30 2025 and are from 3 months to 6 months.

27.2 Short term running finance facility limits available from various commercial banks under mark-up arrangements amounted to Rs. 7,629 million (June 30, 2023: Rs. 1,200 million) out of which Rs. 7,610 million was outstanding. At year-end, the applicable mark-up rates ranged between 21.49% to 24.16% (June 30, 2023: 16.41% to 24.16%) per annum.

27.3 Short term finance facilities (isitinsa, wakala and murabaha) from Islamic banks amounted to Rs. 2,500 million (June 30, 2023: Rs. 2,200 million), out of which Rs. 2,499 million (June 30, 2023: Rs. 1,545 million) was outstanding. At year end, the applicable mark-up rates ranged between 21.14% to 23.97% (June 30, 2023: 16.35% to 23.97%) per annum. These facilities are valid upto October 31, 2024..

27.4 Short term running musharakah available from Al Baraka Bank Limited under mark-up arrangements amounted to Rs. 500 million (June 30, 2023: Rs. 2,000 million) out of which Rs. 499 million was outstanding. Mark-up on these arrangements is three month KIBOR plus 1% (June 30, 2023: three month KIBOR plus 1%). At year end, the applicable mark-up rate was 21.24% (June 30, 2023: 23.91%) .

- 27.5** At the year-end, the Company had no foreign currency borrowing (June 30, 2023: USD 2.42 million) from commercial and no from Islamic bank (June 30, 2023: USD 1.47 million).
- 27.6** Above facilities are secured by way of joint pari passu charge over current and fixed assets of the Holding Company amounting to Rs. 13,200 million and pledge of imported goods of the Holding Company amounting to Rs. 650 million (June 30, 2023: Rs. 650 million), Corporate Guarantee amounting to Rs. 20,000 million by our Associated Company Wilmar International Limited in Standard Chartered Bank Limited (June 30, 2023: Rs. 20,000 million), Bank Guarantee / SBLC from our Associated Company Wilmar International Limited's bank amounting to USD 30 million in Habib Bank Limited (June 30, 2023: nil).

#### **Subsidiaries**

- 27.7** This includes Istisna finance obtained by Sunridge Foods (Private) Limited from Al Baraka Bank Limited, having a limit of Rs. 2,000 million (2023: Rs. 2,000 million) out of which Rs. 10 million (2023: Rs. 21.42 million) remains unutilised at the reporting date. The rate of profit is relevant KIBOR + spread range of (+1% to -1%) effectively 0.75%. These arrangements are secured against lien over cash amounting to Rs. 60 million and TDR of the Holding Company upto Rs. 1.930 billion.
- 27.8** This represents cash finance obtained by Sunridge Foods (Private) Limited from Habib Bank Limited, having a limit of Rs. 1,500 million (2023: Rs. Nil million) out of which Rs. 769 million (2023: Rs. Nil million) remains unutilised at the reporting date. The rate of profit is relevant KIBOR + spread 0.50%. These arrangements are secured against pledge over Subsidiary's stocks.
- 27.9** This also includes facility obtained by Sunridge Confectionery Limited, the subsidiary, during the year from Al Baraka Bank (Pakistan) Limited carrying markup at matching KIBOR plus 0.75% (June 30, 2023 : matching KIBOR plus 0.75%) per annum. The tenure of financing is 180 days inclusive of agency period and the facility is payable through cash flows of the subsidiary. The facility is secured against 100% cash collateral.

## **28 CONTINGENCIES AND COMMITMENTS**

### **Contingencies**

#### **Holding Company**

- 28.1.1** The increase in Gas Tariff through Notification dated October 23, 2020 was challenged by the Holding Company whereby the Honorable Sindh High Court (HC) has granted interim relief through its order dated 30 November 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the Sindh High Court till further orders. The Holding Company has deposited security cheques of the disputed amount of Rs. 18.977 accumulated till March 28, 2024. On March 28, 2024, the Honorable Sindh High Court through its judgement upheld the order of the single judge and ordered for encashment of security cheques deposited with Nazir of the Sindh High Court. The Holding Company has filed an appeal before the Honorable Supreme Court of Pakistan against the said order.
- 28.1.2** The Securities & Exchange Commission of Pakistan (SECP) issued an Order dated December 27, 2019, appointing inspectors to conduct inspection without limiting the scope of inspection, on all aspects of Unity Foods Limited (the Holding Company). Being aggrieved therefore, the Holding Company filed a Constitutional Petition in the High Court of Sindh. The High Court of Sindh at Karachi ("Court") has passed an Order in the matter limiting the applicability of SECP's Order to the extent of frame provided under section 221 of Companies Act, 2017. The Court also clarified that this Order shall not be construed as curtailment of any rights of SECP insofar as contemplated actions under other provisions of the Companies Act, 2017, if the situation demands.

## Subsidiaries

With regards to subsidiaries, there are no contingencies to report in these annual audited consolidated financial statements as of reporting date.

### 28.2 Commitments

**28.2.1** Commitments under letter of credit for raw materials as at June 30, 2024 amounted to Rs. 2,920 million (June 30, 2023: Rs. 5,406 million).

**28.2.2** Capital expenditure commitments outstanding as at June 30, 2024 amounted to Rs. 467.04 million (June 30, 2023: 10.170 million).

**28.2.3** Guarantee issued at the year end on behalf of the Holding Company amounted to Rs. 2,204 million (June 30, 2023: Rs. 1,670 million). Above facility is the part of the borrowing limits and is secured by way of pledge on the Holding Company's mutual funds amounting to Rs. 1,510 million, Term Deposits amounting to Rs.450 million and under saving accounts Rs. 294.5 million.

29 SALES - NET	Note	2024	2023
		----- (Rupees in '000) -----	
Local	29.2	83,296,653	113,703,167
Export		7,860,013	864,730
		91,156,666	114,567,897
Sales tax		(7,618,738)	(13,392,081)
Trade discount		(535,143)	(305,465)
		(8,153,881)	(13,697,546)
		83,002,785	100,870,351

**29.1** The Group deals in products that are generic in nature and carry a long shelf life and does not carry the element of obsolescence. Customers at the time of accepting the delivery perform their quality check that eliminates the probability of sales return.

The Group does not have a policy to make sales to its customers with explicit contractual terms for giving them rights to return the products sold which may involve any refund liability as such liability arises only when customers have been given a control over sales and right to return the products and sales are expected to return.

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

#### Primarily geographical markets:

	2024	2023
	----- (Rupees in '000) -----	
Local	83,296,653	113,703,167
Sri Lanka	3,450,748	379,759
Malaysia	3,801,577	432,123
Vietnam	322,706	52,848
Thailand	42,979	-
Bangladesh	206,396	-
UAE	20,636	-
China	10,566	-
EPZ - Pakistan	3,443	-
Singapore	962	-
	91,156,666	114,567,897

30	<b>COST OF SALES</b>	Note	2024 ----- <b>(Rupees in '000)</b> -----	2023
	Raw material consumed		<b>71,850,568</b>	85,054,244
	Salaries, wages and benefits	30.1	<b>915,029</b>	850,640
	Rent, rates and taxes		<b>22,883</b>	10,722
	Fuel, power and electricity		<b>804,149</b>	810,481
	Insurance		<b>125,241</b>	110,410
	Security and janitorial		<b>38,885</b>	21,667
	Postage, telephone and internet		<b>8,428</b>	4,821
	Printing, stationary and office supplies		<b>34,527</b>	3,258
	Vehicle, travelling and conveyance		<b>35,705</b>	24,402
	Transport - freight		<b>483,161</b>	331,242
	Depreciation on operating fixed assets	5.2	<b>471,263</b>	414,173
	Depreciation on right-of-use assets	6.3	<b>25,954</b>	39,872
	Amortization on intangible assets	7.3	<b>5,934</b>	7,444
	Repair and maintenance		<b>204,677</b>	142,292
	Factory canteen expenses		<b>19,917</b>	17,156
	Cleaning expense		<b>1,430</b>	2,915
	Others		<b>46,452</b>	44,821
			<b>75,094,203</b>	87,890,560
	Add: opening stock of work-in-process		-	-
	Less: closing stock of work-in-process		-	-
	Cost of goods manufactured		<b>75,094,203</b>	87,890,560
	Add: opening stock of finished goods		<b>2,700,486</b>	1,869,043
	Less: closing stock of finished goods	12	<b>(2,040,201)</b>	(2,700,486)
			<b>75,754,488</b>	87,059,117

**30.1** Salaries, wages and benefits include Rs. 15.56 million for the year ended June 30, 2024 (June 30, 2023: Rs. 13.988 million) in respect of staff retirement benefits.

31	<b>SELLING AND DISTRIBUTION EXPENSES</b>	Note	2024 ----- <b>(Rupees in '000)</b> -----	2023
	Salaries, wages and benefits	31.1	<b>526,116</b>	302,380
	Security and janitorial		<b>8,414</b>	9,214
	Freight and forwarding		<b>1,354,605</b>	940,724
	Travelling, conveyance and entertainment		<b>36,994</b>	30,977
	Depreciation on operating fixed assets	5.2	<b>32,764</b>	28,237
	Depreciation on right-of-use assets	6.3	<b>3,639</b>	2,734
	Amortization on intangible assets	7.3	<b>3,696</b>	4,873
	Electricity, gas and water		<b>4,532</b>	3,357
	Printing, stationary and office supplies		<b>12,901</b>	1,037
	Repair and maintenance		<b>23,433</b>	8,512
	Distributor expenses		<b>149,014</b>	279,874
	Rent, rates and taxes		<b>21,929</b>	13,990
	Insurance		<b>2,924</b>	6,343
	Fees and subscription		<b>31,581</b>	17,375
	Postage, telephone and internet		<b>1,969</b>	931
	Marketing and research cost		<b>3,282</b>	-
	Advertising and sales promotion		<b>254,460</b>	197,017
	Others		<b>5,466</b>	5,279
			<b>2,477,719</b>	1,852,854

**31.1** Salaries, wages and benefits include Rs. 11.72 million for the year ended June 30, 2024 (June 30, 2023: Rs. 10.030 million) in respect of staff retirement benefits.

		2024	2023
		----- (Rupees in '000) -----	
<b>32 ADMINISTRATIVE EXPENSES</b>	Note		
Salaries, wages and benefits	32.1	512,661	376,459
Directors' remuneration		190,329	183,262
Rent, rates and taxes		55,352	25,758
Travelling, conveyance and entertainment		102,492	68,104
Electricity, gas and water		29,427	11,208
Postage, telephone and internet		42,995	31,394
Insurance		24,880	10,662
Repair and maintenance		20,469	23,516
Advertising expense		-	109
Auditor's remuneration	32.2	16,468	16,929
Legal and professional		46,433	50,969
Consultancy services		27,053	64,188
Fees and subscription		145,071	162,654
Security and janitorial		15,425	9,095
Donations	32.3	146,640	113,086
Depreciation on operating fixed assets	5.2	78,051	35,680
Amortization on intangible assets	7.3	22,801	12,296
Printing, stationary and office supplies		10,375	6,440
Others		38,939	6,852
		<u>1,525,861</u>	<u>1,208,661</u>

**32.1** Salaries, wages and benefits include Rs. 19.52 million for the year ended June 30, 2024 (June 30, 2023: Rs. 24.900 million) in respect of staff retirement benefits.

		2024	2023
		----- (Rupees in '000) -----	
<b>32.2 Auditor's remuneration</b>			
Audit fee		12,668	10,049
Half yearly review		2,100	1,750
Consolidation of financial statements subsidiaries		900	750
Review of code of corporate governance		240	200
Out of pocket expenses		200	200
		<u>16,108</u>	<u>12,949</u>
Certifications for regulatory purposes		360	3,980
		<u>16,468</u>	<u>16,929</u>

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

	2024	2023
	----- (Rupees in '000) -----	
<b>Name of Donee</b>		
Saylani Welfare Trust	<u>48,188</u>	<u>76,882</u>

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

		2024	2023
		----- (Rupees in '000) -----	
<b>33 OTHER EXPENSES</b>	Note		
Worker's welfare fund		9,040	8,577
Worker's profit participation fund	25.6	-	22,571
Provision against inventory	12.2	15,928	2,001
Others		528	-
		<u>25,496</u>	<u>33,149</u>

		2024	2023
	Note	----- (Rupees in '000) -----	
<b>34</b>	<b>EXCHANGE GAIN / (LOSS) - NET</b>		
		1,296,975	(5,036,769)
		<u>(629,731)</u>	<u>(2,451,281)</u>
		<u>667,244</u>	<u>(7,488,050)</u>
<b>35</b>	<b>OTHER INCOME</b>		
	<b>Income / return on financial assets</b>		
	Income on bank deposits	89,437	80,304
	Income on TDRs	506,392	255,545
	Interest income on loan to related party	-	78,302
	Re-measurement gain on investment in mutual fund units	3,529	13,648
	Profit realized on redemption of mutual fund units	11,536	243
	Dividend income from mutual fund units	283,627	188,763
	Profit on bank deposits - under islamic banking	<u>2,869</u>	<u>697</u>
		897,390	617,502
	<b>Income from non-financial assets</b>		
	Amortization of deferred government grant	23 53,006	22,127
	Scrap sales	16,141	7,639
	Gain/(Loss) on disposal of fixed assets	125,951	24,802
	Gain on re-assessment of right-of-use-assets	-	1,201
	Others	<u>1,500</u>	<u>-</u>
		196,598	55,769
		<u>1,093,988</u>	<u>673,271</u>
<b>36</b>	<b>FINANCE COST</b>		
	Interest on non-shariah arrangements	6,096,653	2,679,146
	Interest on long term financing	-	73
	Profit on shariah arrangements	1,286,533	851,707
	Interest on worker's profit participation fund	25.6 3,810	14,823
	Finance charge of lease liabilities	21 1,776	7,597
	Interest cost on staff retirement benefits	3,489	935
	Bank charges	43,711	6,443
	Transaction cost on debt financing	<u>4,155</u>	<u>3,390</u>
		7,440,127	3,564,114
<b>37</b>	<b>LEVIES</b>		
	Final tax	37.1 840,859	556,206
<b>37.1</b>	These represent taxes under section 113, 150, 154(1) and 37A under Income Tax Ordinance, 2001, being treated as levies as per requirements of IFRIC 21 and IAS 37.		
<b>38</b>	<b>TAXATION</b>	Note	2024 ----- (Rupees in '000) ----- 2023
	Current		41,623
	Prior		-
	Deferred	10.1	143,689
			<u>(108,194)</u>
			<u>(916,425)</u>
<b>38.1</b>	The income tax assessment of the Group is deemed to be finalized upto tax year 2023.		

### 38.2 Relationship between tax expense and accounting profit:

	2024	2023
	------(Rupees in '000)-----	
(Loss) / profit before levies and income tax	(2,634,640)	314,872
Tax at the enacted tax rate	-	91,313
Effect of final tax regime	109,575	(36,796)
Effect of minimum tax	731,284	(63,776)
Prior	-	(143,689)
Effect of tax credit, temporary differences and unused tax losses	(68,073)	(203,343)
Effects due to different rate applicable to capital gains	1,442	(3,928)
	<u>774,228</u>	<u>(360,219)</u>

38.3 Provision for current tax is calculated on the taxable income after adjusting the income eligible for tax credit under section 65 (E) of the Income tax ordinance 2001.

	2024	2023
	------(Rupees in '000)-----	
39 (LOSS) / EARNING PER SHARE		
(Loss) / profit after taxation	<u>(3,408,928)</u>	<u>675,091</u>
	2024	2023
	-----(Number of share)----	
Weighted average number of outstanding ordinary shares	<u>1,194,050,000</u>	<u>1,194,050,000</u>
	2024	2023
	------(Rupees)-----	
(Loss) / earning per share - basic and diluted	<u>(2.85)</u>	<u>0.57</u>

	2024	2023
	------(Rupees in '000)-----	
40 CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before levies and income tax	(2,634,640)	314,872
<b>Adjustments for non-cash and other items:</b>		
Depreciation on operating fixed assets	5.2 582,078	478,090
Depreciation on right-of-use assets	6.3 29,593	42,606
Amortization on intangible assets	7.3 32,431	24,613
Amortization on deferred government grant	23 (53,006)	(22,127)
Exchange (gain) / loss - unrealized	34 (1,296,975)	5,036,769
Gain on re-measurement of mutual fund units	35 (3,529)	(13,648)
Provision for staff retirement benefit	-	9,275
Provision against inventory	33 (2,001)	2,001
Allowance for impairment of financial assets	13.2 (174,966)	(22,805)
Gain on disposal of property, plant and equipment	35 (125,951)	(24,802)
Gain on remeasurement of right-of-use asset	-	(1,201)
Dividend income	35 (283,627)	(188,763)
Profit on short term investment	35 (506,392)	(255,545)
Finance cost	7,440,127	3,539,458
	<u>3,003,142</u>	<u>8,918,793</u>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets:</b>		
Stock-in-trade	(1,831,794)	974,523
Stores and spares	(10,639)	(27,096)
Trade debts	(470,901)	(2,195,380)
Advances, deposits and prepayments	(6,550,695)	(5,394,310)
Sales tax receivable	22,238	248,256
	<u>(8,841,791)</u>	<u>(6,394,007)</u>
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	3,740,619	(4,712,566)
	<u>(2,098,030)</u>	<u>(2,187,780)</u>

#### 40.1 Cash and cash equivalents comprise of:

Cash and bank balances	17	5,272,354	1,210,119
Short term borrowings - running finance (secured)	27	(7,610,044)	(408,943)
		<u>(2,337,690)</u>	<u>801,176</u>

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

Description	Long term financing	Lease liabilities	Diminishing musharika	Short term borrowings excluding running finance	Accrued markup	Unclaimed dividend	Total
------(Rupees in '000)-----							
Balance as at July 1, 2023	594,127	39,170	1,987	30,172,953	579,950	540	31,388,727
<b>Changes from financing cash flows</b>							
Long term financing received - net	71,888	-	-	-	-	-	71,888
Proceeds from short term finance facilities	-	-	-	2,915,105	-	-	2,915,105
Rentals paid against right of use asset / diminishing musharika	-	(36,369)	(252)	-	-	-	(36,621)
Finance cost paid	(71,141)	-	-	-	(6,715,361)	-	(6,786,502)
	747	(36,369)	(252)	2,915,105	(6,715,361)	-	(3,836,130)
<b>Other changes</b>							
Interest expense	93,437	-	-	-	7,346,690	-	7,440,127
Government grant	(36,945)	-	-	-	-	-	(36,945)
Interest on un-claimed Dividend	-	-	-	-	-	32	32
	56,492	-	-	-	7,346,690	32	7,403,214
Balance as at June 30, 2024	651,366	2,801	1,735	33,088,058	1,211,279	572	34,955,811

#### 41 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

##### Risk management framework

The Board of Direction of the Group has overall responsibility for the establishment and oversight of the company's risk management framework. The Company has exposure to the following risks from its use of financial instruments.

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 Group.

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

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

#### 41.1 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	2024 ----- <b>(Rupees in '000)</b> -----	2023
Long term deposits	8	91,829	87,143
Long term loans	9	55,803	26,895
Trade debts	13	25,816,165	24,931,331
Advances and deposits	14	12,362,025	5,818,575
Other receivables	15	87,353	90,889
Short term investments	16	3,919,454	9,568,937
Bank balances	17	5,256,601	1,202,717
		<u>47,589,230</u>	<u>41,726,487</u>

##### Long term deposits

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

##### Long term loans

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

##### Trade debts

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

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

	2024 ----- <b>(Rupees in '000)</b> -----	2023
Domestic	25,719,550	24,931,331
Export	96,615	-
	<u>25,816,165</u>	<u>24,931,331</u>
The ageing of trade debts as at the date of the statement of financial position is:		
Not past due	6,553,934	10,522,611
Past due 1 - 90 days	8,943,651	10,867,913
Past due 91 - 180 days	6,609,099	2,840,441
Past due 181 - 270 days	3,231,179	633,812
Past due 271 - 360 days	313,323	35,574
Past due above 360 days	164,979	30,980
	<u>25,816,165</u>	<u>24,931,331</u>

##### Advances and deposits

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

##### Others receivables

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

### Short term investments

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

### Bank balances

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

### Concentration of credit risk

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

## 41.2 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 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 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 reputation. The Group ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available.

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

<u>As at June 30, 2024</u>	<b>Carrying amount</b>	<b>Contractual maturities</b>	<b>Maturity up to one year</b>	<b>Maturity after one year</b>
	------(Rupees in '000)-----			
<b>Non-derivative financial liabilities</b>				
Long term financing	651,366	1,047,595	134,558	913,037
Diminishing musharika arrangement	1,735	2,596	621	1,975
Lease liabilities	2,801	24,470	17,045	7,425
Trade and other payables	26,502,365	26,502,365	26,502,365	-
Accrued mark-up	1,211,279	1,211,279	1,211,279	-
Short term borrowings	40,698,102	40,698,102	40,698,102	-
Unclaimed dividend	572	572	572	-
	<u>69,068,220</u>	<u>69,486,979</u>	<u>68,564,542</u>	<u>922,437</u>
<u>As at June 30, 2023</u>	<b>Carrying amount</b>	<b>Contractual maturities</b>	<b>Maturity up to one year</b>	<b>Maturity after one year</b>
	------(Rupees in '000)-----			
<b>Non-derivative financial liabilities</b>				
Long term financing	594,127	1,031,530	71,141	960,389
Diminishing musharika arrangement	1,987	3,222	626	2,596
Lease liabilities	39,171	41,015	38,145	2,870
Trade and other payables	23,653,838	23,653,838	23,653,838	-
Accrued mark-up	553,450	553,450	553,450	-
Short term borrowings	24,603,316	24,603,316	24,603,316	-
Unclaimed dividend	540	540	540	-
	<u>49,446,429</u>	<u>49,886,911</u>	<u>48,921,056</u>	<u>965,855</u>

## 41.3 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 income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group is exposed to currency risk and interest rate risk only.

### 41.3.1 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 Company, primarily U.S. Dollar. The Group's exposure to foreign currency risk is as follows:

	2024		2023	
	Rupees	US Dollars	Rupees	US Dollars
Financial liabilities	----- (Amounts in '000) -----		----- (Amounts in '000) -----	
Trade creditors - foreign	19,286,818	69,292	19,461,169	68,048

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

	2024	2023
US Dollars (USD) to Pakistani Rupees	278.34	285.99

#### Sensitivity analysis

A 10 percent strengthening / weakening of the Pakistani Rupee against the US Dollar at June 30, 2024 would have decreased / increased the equity / profit after tax by Rs. 1,928.68 million (June 30, 2023: 1,946.12 million).

### 41.3.2 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. 5,012.95 million (June 30, 2023: Rs 8,833.20 million) and Rs. 41,354 million (June 30, 2023: 31,217.18 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, 2024, if interest rates had been 100 basis points higher / lower with all other variables held constant, profit after tax for the year would have been Rs. 363.41 million (June 30, 2023: Rs. 223.84 million) lower/ higher, mainly as a result of lower / higher interest expense / income from these financial liabilities and assets.

### 41.3.3 Price risk

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

### 41.3.4 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.

#### 41.3.5 Financial instruments by categories

##### Financial assets

##### Held at amortized cost

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Long term security deposits	8	91,829	87,143
Long term loans	9	55,803	26,895
Trade debts	13	25,581,861	24,830,944
Advances and deposits	14	12,362,025	5,818,575
Other receivables	15	188,957	90,889
Short term investments	16	2,380,000	8,567,900
Bank balances	17	5,120,302	1,202,717
		<u>45,780,777</u>	<u>40,625,063</u>

##### Held at fair value

Long-term investment		557,353	230,938
Short-term investments	16	1,539,454	1,001,037
		<u>2,096,807</u>	<u>1,231,975</u>

##### Financial liabilities

##### Held at amortized cost

		2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Long term financing	19	651,366	594,127
Diminishing musharika arrangement	20	1,735	1,987
Lease liabilities	21	2,801	39,171
Trade and other payables	25	26,502,365	23,726,177
Accrued mark-up	26	1,037,908	579,950
Short term borrowings	27	40,698,102	30,581,896
Unclaimed dividend		572	540
		<u>68,894,849</u>	<u>55,523,848</u>

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

	2024				
	Non Executive Directors	Executive Directors	Chief Executive	Executives	Total
	----- (Rupees in '000) -----				
Managerial remuneration	-	78,394	38,700	357,912	475,006
House rent	-	35,308	17,430	161,199	213,937
Medical	-	7,840	3,870	35,791	47,501
Retirement benefits	-	5,563	3,224	21,304	30,091
Director's meeting fee	7,700	-	-	-	7,700
	<u>7,700</u>	<u>127,105</u>	<u>63,224</u>	<u>576,205</u>	<u>774,234</u>
Number of persons	<u>5</u>	<u>3</u>		<u>178</u>	<u>187</u>

	2023				
	Non Executive Directors	Executive Directors	Chief Executive	Executives	Total
	----- (Rupees in '000) -----				
Managerial remuneration	-	67,591	46,438	171,260	285,289
House rent	-	30,440	20,918	66,397	117,755
Medical	-	6,759	4,643	14,743	26,145
Retirement benefits	-	3,306	3,116	7,795	14,217
Director's meeting fee	9,900	-	-	-	9,900
	<u>9,900</u>	<u>108,096</u>	<u>75,115</u>	<u>260,195</u>	<u>453,306</u>
Number of persons	<u>5</u>	<u>3</u>		<u>64</u>	<u>73</u>

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

### 43 TRANSACTIONS WITH RELATED PARTIES

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

43.1 Name of the related party	Relationship and percentage of shareholding
Wilmar Pakistan Holdings Pte Limited	Associated Company incorporated in Singapore (holds 21.74% shares of the Company)
Wilmar Trading Pte Limited	Associated Company incorporated in Singapore (Member of same group in which Wilmar Pakistan Holdings Pte is a member)
Sunridge Foods (Private) Limited	Wholly owned subsidiary by nature of hundred percent shareholding
Sunridge Confectionery Limited	Associated Company & wholly owned subsidiary of Sunridge Foods (Private) Limited
Sunridge Mart (Private) Limited	Associated Company & wholly owned subsidiary of Unity Technologies (Private) Limited
Sunridge Global (Private) Limited	Associated Company & wholly owned subsidiary of Sunridge Foods (Private) Limited
Unity Technologies (Private) Limited	Associated Company & wholly owned subsidiary of Sunridge Foods (Private) Limited
Unity Plantations (Private) Limited	Associated Company & wholly owned subsidiary of Sunridge Foods (Private) Limited
Unity Feeds (Private) Limited	Associated Company by nature of common directorship
Unity Packages (Pvt) Limited	Associated Company by nature of common directorship
Unity Enterprises (Pvt) Limited	Associated Company by nature of common directorship
Unity Wilmar Foods (Pvt) Limited	Associated Company by nature of common directorship
Unity Wilmar Packages (Pvt) Limited	Associated Company by nature of common directorship
Unity Wilmar Agro (Pvt) Limited	Associated Company by nature of common directorship
Kairos Resources (Pvt) Limited	Associated Company by nature of common directorship
Emerald Oil and Fats (Pvt) Limited	Associated Company by nature of common directorship
Agro Allianz Limited	Associated Company by nature of common directorship
Aloia (Private) Limited	Associated Company by nature of common directorship
Artciti (Pvt.) Limited	Associated Company by nature of common directorship
Lets Wrap (Pvt.) Limited	Associated Company by nature of common directorship
SSG Traders (Pvt.) Limited	Associated Company by nature of common directorship
Pakistan Humanitarian Forum	Associated Company by nature of common directorship
Ujala Education Foundation	Associated Company by nature of common directorship
MMG Engineering Associates (Pvt.) Limited	Associated Company by nature of common directorship
Pak Agro Packaging Limited	Associated Company by nature of common directorship
High Tech Lubricants Limited	Associated Company by nature of common directorship
Unity Foods Limited - Staff Provident Fund	Post employment benefit fund
Unity Commodities	Associated person
Let. Gen. Omar Mahmood Hayat (Retd)	Director
Mr. Muhammad Farrukh	Director
Mr. Abdul Majeed Ghaziani	Director
Mr. Muneer S. Godil	Director
Ms. Lie Hong Hwa	Director
Dr. Safdar Ali Butt	Director
Mr. Amir Shehzad	Director
Mr. Jalees Edhi	Key management personnel
Mr. Umar Shahzad	Key management personnel
Mr. Rashad Mehmood Anjum	Key management personnel
Mr. Syed Faiq Ahmed Jilane	Key management personnel

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

#### 43.2 Transactions with related parties

Name	Nature of relationship	Nature of transaction	For the year ended	
			2024	2023
			----- (Rupees in '000) -----	
Unity Resource Food Products LLC	Associated Company	Advance received against sale of goods	137,769	-
		Sales	20,535	-
Wilmar Trading Pte Limited	Associated Company	Purchases	33,740,255	44,065,186
		Sales	962	-
		Payments	30,771,439	45,726,354
Unity Feeds (Private) Limited	Associated Company	Purchase of Vehicle	-	3,429
		Payment made against vehicle	-	3,429
Unity Commodities	Associated person	Purchase of Vehicle	-	76,800
		Payment made against vehicle	-	76,800
Ms. Fehmida Amin	Associated person	Purchase of Vehicle	-	3,250
		Payment made against vehicle	-	3,250
Provident fund	Staff retirement benefit fund	Contribution paid	72,990	61,375
Directors and executives	Key management personnel	Remuneration paid	357,052	226,745
		Purchase of Vehicle	7,200	-

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

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

	Note	2024	2023
		----- (Rupees in '000) -----	
The gearing ratio is as follows;			
Long term financing	19	651,366	594,127
Diminishing musharika arrangement	20	1,735	1,987
Short term borrowings	27	40,698,102	30,581,896
<b>Total debt</b>		<b>41,351,203</b>	<b>31,178,010</b>
Cash and bank balances	17	(5,272,354)	(1,210,119)
<b>Net debt</b>		<b>36,078,849</b>	<b>29,967,891</b>
Share capital	18	11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		2,472,649	5,967,332
<b>Share capital and reserves</b>		<b>17,813,149</b>	<b>21,307,832</b>
<b>Gearing ratio (net debt/(net debt + share capital and reserves))</b>		<b>66.95%</b>	<b>58.44%</b>

## 45 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, 2024, all financial assets and financial liabilities are carried at amortized cost which is approximate to their fair value, except long-term and short-term investments which is carried at fair value.

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

For assets and liabilities that are recognized in the 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.

	Note	2024	2023
		----- (Metric Tonnes) -----	
<b>46. ANNUAL PRODUCTION CAPACITY</b>			
<b>46.1 Production capacity as at year end was as follows:</b>			
Edible oil refinery	46.1.1	<b>372,600</b>	264,600
Feed mill		<b>302,400</b>	302,400
Solvent extraction plant		<b>162,000</b>	162,000
Soap plant		<b>15,600</b>	15,600
Flour plant		<b>197,100</b>	167,100
Rice plant		<b>61,320</b>	39,420
Confectionary plant		<b>6,938</b>	280
<b>46.1.1</b> During the year, a new edible oil refinery was capitalized by the Holding Company which expanded the annual production capacity of the oil refinery unit by 108,000 metric tons.			
<b>The actual production for the year was:</b>			
Edible oil refinery		<b>126,406</b>	214,775
Feed Mill		<b>96,400</b>	166,401
Solvent extraction plant		<b>15,515</b>	22,445
Soap plant		<b>1,698</b>	2,144
Flour plant		<b>86,378</b>	101,201
Rice plant		<b>7,439</b>	3,103
Confectionary plant		<b>494</b>	-

The above production is carried out as per sales demand.

**47 CORRESPONDING FIGURES**

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

Nature	Financial statements line item		Amount '000'
	2023	2024	
Contract liabilities	Contract liabilities	Advance form customers	44,831

**48. NUMBER OF EMPLOYEES**

	2024	2023
Total number of employees as at year end	940	786
Average number of employees during the year	992	759

**49. DATE OF AUTHORIZATION FOR ISSUE**

These annual audited consolidated financial statements were authorized for issue in the Board of Directors meeting held on October 3, 2024.

  
Director

  
Chief Executive

  
Chief Financial Officer

# UNITY FOODS LIMITED Pattern of Shareholding Shareholders Statistics

As on June 30, 2024

Serial Number	Shareholding		Number of Shareholders	Total Shares Held
	From	To		
1	1	100	1162	43,884
2	101	500	1210	443,338
3	501	1000	932	852,733
4	1001	5000	1682	4,604,696
5	5001	10000	547	4,313,706
6	10001	15000	158	2,024,621
7	15001	20000	129	2,365,422
8	20001	25000	66	1,561,776
9	25001	30000	49	1,396,724
10	30001	35000	39	1,298,555
11	35001	40000	28	1,064,885
12	40001	45000	22	946,288
13	45001	50000	38	1,882,616
14	50001	55000	13	690,290
15	55001	60000	17	998,502
16	60001	65000	11	692,217
17	65001	70000	10	686,300
18	70001	75000	9	662,618
19	75001	80000	7	548,323
20	80001	85000	4	324,056
21	85001	90000	6	531,234
22	90001	95000	4	368,475
23	95001	100000	31	3,087,821
24	100001	105000	7	711,481
25	105001	110000	3	323,055
26	110001	115000	4	457,000
27	115001	120000	7	814,849
28	120001	125000	4	496,356
29	125001	130000	4	513,856
30	130001	135000	2	264,902
31	135001	140000	6	827,313
32	140001	145000	1	140,500
33	145001	150000	4	600,000
34	150001	155000	3	457,800
35	160001	165000	1	160,500
36	165001	170000	3	504,000
37	170001	175000	5	868,505
38	175001	180000	2	355,810
39	180001	185000	2	368,001
40	185001	190000	2	378,137
41	195001	200000	6	1,200,000
42	200001	205000	1	204,000

Serial Number	Shareholding		Number of Shareholders	Total Shares Held
	From	To		
43	205001	210000	1	210,000
44	210001	215000	1	210,850
45	215001	220000	2	433,715
46	220001	225000	3	675,000
47	230001	235000	2	465,404
48	245001	250000	2	497,000
49	255001	260000	2	516,473
50	260001	265000	1	265,000
51	275001	280000	1	277,301
52	285001	290000	2	573,279
53	290001	295000	1	294,654
54	295001	300000	2	600,000
55	300001	305000	1	300,415
56	310001	315000	1	310,094
57	315001	320000	1	320,000
58	325001	330000	1	330,000
59	330001	335000	1	333,000
60	360001	365000	1	362,000
61	370001	375000	2	746,500
62	380001	385000	1	385,000
63	395001	400000	1	400,000
64	415001	420000	1	415,300
65	420001	425000	1	425,000
66	460001	465000	1	465,000
67	465001	470000	1	467,000
68	470001	475000	1	473,167
69	495001	500000	3	1,500,000
70	520001	525000	1	521,500
71	545001	550000	1	550,000
72	595001	600000	3	1,800,000
73	600001	605000	1	604,773
74	625001	630000	1	629,500
75	695001	700000	2	1,400,000
76	710001	715000	1	713,627
77	740001	745000	1	741,649
78	745001	750000	1	750,000
79	750001	755000	1	753,500
80	760001	765000	1	763,338
81	820001	825000	1	825,000
82	845001	850000	1	850,000
83	870001	875000	2	1,746,327
84	995001	1000000	2	2,000,000
85	1040001	1045000	1	1,041,684
86	1045001	1050000	1	1,050,000
87	1070001	1075000	1	1,075,000
88	1090001	1095000	1	1,094,429
89	1145001	1150000	1	1,150,000
90	1150001	1155000	1	1,153,125
91	1195001	1200000	1	1,198,738
92	1210001	1215000	1	1,211,500
93	1260001	1265000	1	1,261,429
94	1305001	1310000	1	1,307,661
95	1395001	1400000	1	1,400,000

Serial Number	Shareholding		Number of Shareholders	Total Shares Held
	From	To		
96	1495001	1500000	1	1,500,000
97	1565001	1570000	1	1,566,238
98	1570001	1575000	1	1,572,000
99	1585001	1590000	1	1,588,000
100	1695001	1700000	1	1,700,000
101	1980001	1985000	1	1,981,204
102	1995001	2000000	2	4,000,000
103	2095001	2100000	1	2,096,569
104	2475001	2480000	1	2,480,000
105	2985001	2990000	1	2,987,208
106	3380001	3385000	1	3,380,670
107	3620001	3625000	1	3,620,642
108	4040001	4045000	1	4,044,735
109	4425001	4430000	1	4,425,626
110	4975001	4980000	1	4,978,071
111	4995001	5000000	1	5,000,000
112	5295001	5300000	1	5,300,000
113	6615001	6620000	1	6,617,500
114	6995001	7000000	1	7,000,000
115	8995001	9000000	1	9,000,000
116	9555001	9560000	1	9,558,012
117	9840001	9845000	1	9,844,330
118	9995001	10000000	1	10,000,000
119	12555001	12560000	1	12,556,832
120	14545001	14550000	1	14,550,000
121	15595001	15600000	1	15,596,557
122	15800001	15805000	1	15,804,228
123	22745001	22750000	1	22,745,826
124	24255001	24260000	1	24,258,979
125	43995001	44000000	1	44,000,000
126	45830001	45835000	1	45,830,526
127	73265001	73270000	1	73,267,889
128	75525001	75530000	1	75,525,926
129	83595001	83600000	1	83,595,176
130	165145001	165150000	1	165,147,081
131	416050001	416055000	1	416,051,098
			<b>6,347</b>	<b>1,194,050,000</b>

# UNITY FOODS LIMITED

## Details of Pattern of Shareholding

### As on June 30, 2024

Shareholder's Name	Holding	Total
<b>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>		
WILMAR PAKISTAN HOLDINGS PTE. LTD.	416,051,098	
UNITY WILMAR AGRO (PRIVATE) LIMITED	168,134,289	584,185,387
<b>DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN</b>		
MR. MUHAMMAD FARRUKH	158,200,913	
MR. AMIR SHEHZAD	1,050,100	
MR. ABDUL MAJEED GHAZIANI	-	
MR. MUNEEB	3,530	
MR. OMAR MAHMOOD HAYAT	101	
MR. SAFDAR ALI BUTT	200	159,254,844
<b>FOREIGN COMPANIES</b>		
ABDOOLALLY EBRAHIM & CO. (HK) LTD	150,300	150,300
<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS AND NON BANKING FINANCIAL INSTITUTIONS</b>		
AHSAM SECURITIES (PRIVATE) LIMITED	40,961	
FAIR EDGE SECURITIES (PVT.) LIMITED	25,000	
LSE FINANCIAL SERVICES LIMITED - MT	37,500	
SAYA SECURITIES (PRIVATE) LIMITED	287,086	390,547
<b>INSURANCE COMPANIES AND TAKAFUL</b>		
ASKARI GENERAL INSURANCE COMPANY	65,000	
DAWOOD FAMILY TAKAFUL LIMITED	32,000	
J.P. MORGAN SECURITIES PLC	1,198,738	
PAK QATAR FAMILY TAKAFUL LIMITED	5,300,000	
PAK QATAR FAMILY TAKAFUL LIMITED	4,978,071	
PAK QATAR FAMILY TAKAFUL LIMITED	14,550,000	
PREMIER INSURANCE LIMITED	20,000	26,143,809

# UNITY FOODS LIMITED

## Details of Pattern of Shareholding

As on June 30, 2024

### MODARABA AND MUTUAL FUNDS

CDC - TRUSTEE AKD INDEX TRACKER FUND	132,771	
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	60,640	
CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	2,096,569	
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1,566,238	
CDC - TRUSTEE MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND	22,050	
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	138,000	
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	103,500	
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	467,000	
CDC - TRUSTEE NBP STOCK FUND	875,000	
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	50,000	
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	871,327	
CDC-TRUSTEE NITPF EQUITY SUB-FUND	57,131	
CDC-TRUSTEE NITPF EQUITY SUB-FUND	95,119	
FIRST ELITE CAPITAL MODARABA	10,550	
FIRST EQUITY MODARABA	115,675	
HAMDARD LABORATORIES (WAQF) PAKISTAN	2,000,000	
HILAL GROUP EMPLOYEES PROVIDENT FUND	240	
TRUST MODARABA	10,000	
TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	10,000	
TRUSTEE AVARI HOTELS LIMITED EMPLOYEES PROVIDENT FUND	5	
TRUSTEES ARVABAI&FAKHRUDDIN MEMORIAL FDN	5,000	
TRUSTEES OF HAMDARD LABORATORIES (WAQF) PAKISTAN.	4,044,735	12,731,550

### JOINT STOCK COMPANIES

ABA ALI HABIB SECURITIES (PVT) LIMITED	763,338	
ABA ALI HABIB SECURITIES (PVT) LIMITED - MT	1,153,125	
ABBASI & COMPANY (PRIVATE) LIMITED - MT	116,000	
ADAM SECURITIES LIMITED	604,773	
ADAM USMAN SECURITIES (PRIVATE) LIMITED	1,211,500	
AL HABIB CAPITAL MARKETS (PRIVATE) LIMITED - MT	31	
ALTAFA ADAM SECURITIES (PVT) LTD.	45,000	
AMER COTTON MILLS (PVT) LTD	10,000	
AMER SECURITIES (PVT.) LIMITED	20,750	
ASDA SECURITIES (PVT.) LTD.	167,000	
BHAYANI SECURITIES (PVT) LTD.	75,205	
BMA CAPITAL MANAGEMENT LTD. - MT	310,094	
BULK MANAGEMENT PAKISTAN (PVT.) LTD.	9,844,330	
CONCORDIA ENTERPRISES (PRIVATE) LIMITED	200,000	
DARSON SECURITIES (PRIVATE) LIMITED	13,000	
DJM SECURITIES LIMITED	10,000,000	
DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED	2,200	
DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED - MT	217,500	
FRANCISCANS OF ST JOHN THE BAPTIST PAKISTAN	5,000	
GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED	138,500	
GHANI HALAL FEED MILL (PRIVATE) LIMITED	375,000	
GPH SECURITIES (PRIVATE) LIMITED	50,000	
GROWTH SECURITIES (PVT) LTD.	44,500	
INTERMARKET SECURITIES LIMITED - MF	20,000	
JS GLOBAL CAPITAL LIMITED	128,500	
JS GLOBAL CAPITAL LIMITED-MARKET MAKER-MIIETF	7	
JS GLOBAL CAPITAL LIMITED-MM-ALFALAH-ETF	4,250	
KTRADE SECURITIES LIMITED	1	

# UNITY FOODS LIMITED

## Details of Pattern of Shareholding

### As on June 30, 2024

M. F. STOCKS (PRIVATE) LIMITED	8,000	
MAPLE LEAF CAPITAL LIMITED	1	
MEMON SECURITIES (PVT.) LIMITED	385,000	
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	425,000	
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	140,000	
MRA SECURITIES LIMITED	1,572,000	
MRA SECURITIES LIMITED - MF	101,900	
MULTILINE SECURITIES LIMITED - MF	5,000	
NATIONAL EXPORT CORPORATION (PVT) LTD	2,939	
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	22,745,826	
ORBIT SECURITIES (PRIVATE) LIMITED - MF	1	
PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED - MT	375	
RAFI SECURITIES (PRIVATE) LIMITED	15,509	
RAYAAN COMMODITIES (PRIVATE) LIMITED	5,000	
SEVEN STAR SECURITIES (PVT.) LTD.	629,500	
SEVEN STAR SECURITIES (PVT.) LTD.	10,000	
SHAFFI SECURITIES (PVT) LIMITED	3,595	
SHAKOO (PVT) LTD.	300,000	
SIDDIQ LEATHER WORKS (PVT) LIMITED	15,000	
SIDDIQ LEATHER WORKS (PVT) LIMITED	67,800	
SIDDIQ LEATHER WORKS (PVT) LTD	320,000	
SIGN SOURCE LIMITED	1,400,000	
SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED	3,380,670	
SULTANABAD MODEL GINNING FACTORY (PVT) LTD	2,500	
SUMMIT CAPITAL (PRIVATE) LIMITED	600,000	
TOPLINE SECURITIES LIMITED - MF	50,000	
TPS PAKISTAN (PRIVATE) LIMITED	27	
TRADE SMART SECURITIES (PRIVATE) LIMITED	6,297	
TRADING ENTERPRISES (PVT) LTD	825,000	
TRUST SECURITIES & BROKERAGE LIMITED - MF	64,500	
UNITED TOWEL EXPORTERS (PVT.) LIMITED	35,000	
VENUS ENTERTAINMENT COMPANY (PVT.) LIMITED	7,500	
ZAHID LATIF KHAN SECURITIES (PVT) LTD.	1,000	58,644,544

#### OTHERS

ALPHA BETA CORE SOLUTIONS (PRIVATE) LIMITED	16,000	
HONEYCOMB (PRIVATE) LIMITED	100,000	
IHSAN SONS (PRIVATE) LIMITED	48,047	
JAHANGIR SIDDIQUI & COMPANY LIMITED	750,000	
QAISER-LG PETROCHEMICALS (PVT) LTD	175,000	
SEA WORLD (SMC-PVT.) LIMITED	1,150,000	
SITARA CHEMICAL INDUSTRIES LIMITED	45,000	
SUMYA BUILDERS & DEVELOPERS	44,000,000	46,284,047

#### GENERAL PUBLIC (INDIVIDUALS)

1) LOCAL	305,075,997	
2) FOREIGN	1,188,975	306,264,972
		<b>1,194,050,000</b>

# UNITY FOODS LIMITED

## CATEGORIES OF SHARE HOLDERS

As on June 30, 2024

S.No.	Categories of Shareholders	No of Shareholders	Shares Held	Percentage
1	Associated Companies, undertakings and related parties.	2	584,185,387	48.92%
2	Directors, Chief Executive Officer, and their spouse and minor children.	5	159,254,844	13.34%
3	Foreign Companies	1	150,300	0.01%
4	"Banks Development Financial Institutions, Non Banking Financial Institutions	4	390,547	0.03%
5	Insurance Companies and Takaful	7	26,143,809	2.19%
6	Modarabas and Mutual Funds	22	12,731,550	1.07%
7	Joint Stock Companies	61	58,644,544	4.91%
8	Others	8	46,284,047	3.88%
9	General Public (Individuals)			
	Local	6223	305,075,997	25.55%
	Foreign	8	1,188,975	0.10%
	<b>Grand Total:</b>	<b>6,341</b>	<b>1,194,050,000</b>	<b>100.00%</b>

### Shareholders holding 10% Shares or more Voting Rights

	Holding	%
WILMAR PAKISTAN HOLDINGS PTE. LTD.	416,051,098	34.84
UNITY WILMAR AGRO (PRIVATE) LIMITED	168,134,289	14.08
MR. MUHAMMAD FARRUKH (Director & CEO)	158,200,913	13.25

**Note:** The Chief Executive Officer, Executive Director, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and employees of the Company having designation of Executive Director are included in threshold of "Executive", for the purpose of compliance with clause 5.6.1 and 5.6.4 of PSX Rule Book.

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# STANDARD REQUEST FORM FOR TRANSMISSION OF ANNUAL AUDITED ACCOUNTS AND NOTICES OF GENERAL MEETINGS AND OTHERS THROUGH EMAIL

Digital Custodian Company Limited (DCCL)  
(Share Registrar of Unity Foods Limited)  
4th Floor, Pardesi House,  
Old Queens Road, Karachi  
Email: share.registrar@digitalcustodian.co  
Phone No. +92 21 32419770 & 32430485  
Fax No. +92 21 32416371  
Website: <https://digitalcustodian.co>

Dear Sir,

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan (SECP) through its SRO 787(I)/2014 dated September 08, 2014, SRO 470(I)/2016 dated May 31, 2016 and S.R.O. 389(I)/2023 dated March 21, 2023, I/We, Mr. / Ms. / Mrs. \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_ being shareholder of Unity Foods Limited, desires and hereby consent to electronically receive the Annual Audited Accounts and Notices of the General Meetings and others, of Unity Foods Limited through e-mail on my following e-mail ID:

Name of Shareholder	
Folio / CDC Account Number of shareholder	
CNIC /Passport Number of shareholder	
E-mail Address	

I hereby confirm that the above-mentioned information is correct and in case of any change therein, I undertake to immediately intimate to the Company through revised Request Form.

\_\_\_\_\_  
Shareholder's Signature  
Authorised Signature in case of Shareholder  
Other Than Individual  
(Please affix company stamp in case of corporate entity)

Date : \_\_\_\_\_

# FORM OF PROXY

## 34th ANNUAL GENERAL MEETING

The Company Secretary,  
**Unity Foods Limited,**  
Ground Floor, TAMC Building  
Plot No. 27-C-3, M.M. Alam Road  
Gulberg-III, Lahore, Pakistan.

I/We \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_ shareholder(s) of Unity Foods Limited (the Company) holding \_\_\_\_\_ ordinary shares, as per Share Register Folio No. \_\_\_\_\_ and /or CDC Participant ID No. \_\_\_\_\_ and A/c No. \_\_\_\_\_ (for members who have shares in CDS) hereby appoint Mr./Ms. \_\_\_\_\_ Folio # \_\_\_\_\_ of \_\_\_\_\_, who is also a member of the Company, as my /our proxy in my /our absence to attend, act and vote for me / us and on my /our behalf at the Annual General Meeting of the Company to be held on Monday, October 28, 2024, at 11:30 a.m. and /or any adjournment thereof.

Signature across  
Fifty Rupees  
Revenue Stamp

(Signature should agree with the specimen signature registered with the Registrar).

As a witness my/our hand/seal this \_\_\_\_\_ day of October, 2024.

1. Witness Signature _____	2. Witness Signature _____
Name _____	Name _____
CNIC No. _____	CNIC No. _____
Address _____	Address _____

### NOTE:

1. A member of the Company entitled to attend, and vote may appoint another member as his/her/ its/their proxy to attend and vote instead of him/her/them. To be appointed as proxy, a person has to be a member of the Company.
2. In the case of corporate entities, the proxy form must be executed under its stamp and signed by its authorized person. The certified copy of the Board's resolution/ power of attorney with specimen signature shall be furnished along with proxy form to the Company. Corporate entities can also attend the meeting through their representatives appointed through board resolutions.
3. Proxy form duly completed and signed, must be received at the registered office of the Company at Ground Floor, TAMC Building, Plot No. 27-C-3, M.M. Alam Road, Gulberg-III, Lahore at least 48 hours before the time of holding the meeting.
4. In case of CDC account holders:
  - i) Attested Copies of CNIC or Passport of the Beneficial Owners and the Proxy shall be furnished with the proxy form.
  - ii) The Proxy shall produce his/her original CNIC or original Passport at the time of meeting.

# یونٹی فوڈز لمیٹڈ

## پراکسی فارم

34 واں سالانہ اجلاس عام

کمپنی بیکری

یونٹی فوڈز لمیٹڈ

گراؤنڈ فلور، ٹی اے ایم سی بلڈنگ

27-C-3، ایم-ایم۔ عالم روڈ

گلبرگ-III، لاہور، پاکستان

میں/ہم \_\_\_\_\_ بیٹا/بیوی/بیٹی \_\_\_\_\_ یونٹی فوڈز لمیٹڈ (کمپنی) کے شیئر ہولڈر/شیئر ہولڈرز جو کہ شیئر رجسٹر میں فوئیو نمبر \_\_\_\_\_ اور ایسی ڈی سی پارٹیشن آئی ڈی نمبر \_\_\_\_\_ اور اکاؤنٹ نمبر \_\_\_\_\_ (ان ممبران کے لیے جن کے شیئرز ڈی ایس میں ہیں) کے مطابق \_\_\_\_\_ عام شیئرز کے مالک ہیں، اپنی عدم موجودگی میں جناب/محترمہ \_\_\_\_\_ فوئیو نمبر \_\_\_\_\_ سکنہ \_\_\_\_\_ جو کہ کمپنی کے ممبر بھی ہیں، کو سالانہ اجلاس عام جو کہ بروز پیر 28 اکتوبر 2024 کو دن 11:30 بجے منعقد ہوگا، اور ایسا کسی التواء شدہ اجلاس میں میری/ہماری طرف سے شرکت کرنے، عمل کرنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا ہوں/کرتی ہوں کرتے ہیں۔

پچاس روپے کے رسیدی ٹکٹ چسپاں کریں

دستخط

(دستخط رجسٹرار کے پاس جمع شدہ نمونہ دستخط کے مطابق ہونے چاہئیں)

بطور گواہ میرے/ہمارے دستخط/مہر بتاریخ \_\_\_\_\_ اکتوبر 2024

2 گواہ کے دستخط \_\_\_\_\_

نام

نمبر CNIC

پتہ

1 گواہ کے دستخط \_\_\_\_\_

نام

نمبر CNIC

پتہ

نوٹ:

1- کمپنی کا کوئی ممبر جو اجلاس میں شرکت اور ووٹ دینے کا حق رکھتا ہو، وہ کسی دوسرے رکن کو اپنا نمائندہ مقرر کر سکتا ہے تاکہ وہ اسکی/انکی جگہ شرکت اور ووٹ دے سکے۔ نمائندہ مقرر ہونے کے لیے شخص کو کمپنی کارکن ہونا ضروری ہے۔

2- کارپوریٹ اداروں کی صورت میں، پراکسی فارم پر اس ادارے کے مہر اور مجاز شخص کے دستخط ہونا لازمی ہیں۔ کمپنی کو پراکسی فارم کے ساتھ پاؤرف آف اتارنی کی تصدیق شدہ کاپی بھی نمونے کے دستخط کے ہمراہ مہیا کرنی ہوگی۔

3- مکمل پُر شدہ اور دستخط کردہ پراکسی فارم کمپنی کے رجسٹرار آفس واقع گراؤنڈ فلور، ٹی اے ایم سی بلڈنگ، گلبرگ-III، لاہور، پاکستان کو اجلاس کے انعقاد کی تاریخ سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہئے۔

4- سی ڈی سی اکاؤنٹ ہولڈرز ہونے کی صورت میں:

(i) پراکسی فارم کے ساتھ پراکسی اور بنیفیشل اونرز کے شناختی کارڈ یا پاسپورٹ کی کاپی مہیا کرنا ہوگی۔

(ii) پراکسی کے لیے لازمی ہے کہ وہ اپنا اصلی شناختی کارڈ یا پاسپورٹ اجلاس کے وقت مہیا کرے۔




Unity Tower, 8 C, Block-6,  
P.E.C.H.S., Karachi-75400, Pakistan.

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**REGISTERED OFFICE**

Ground Floor, TAMC Building, Plot No. 27-C-3,  
M.M. Alam Road, Gulberg-III, Lahore.

 +92-42-35772837-40