UNITY FOODS LIMITED

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WIRED FOR GROWTH

ANNUAL REPORT 2020

UNITY FOODS LIMITED

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ANNUAL REPORT
2020

UNITY FOODS LIMITED

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SPECIALTY FATS BUSINESS SEGMENT

CELEBRATING THE SWEET LIFE

SPECIALTY FATS

OUR VISION

To become a leading integrated business delivering exceptional growth by continuously striving to lead change and innovate

OUR MISSION

Create value for our stakeholders by applying best manufacturing practices using seamless integrated business processes and technology, whilst being sensitive to environmental and social responsibility obligations.

UNITY FOODS LIMITED

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EHTIMAM

A Perfect Blend of Health & Taste

Company Information

Board of Directors	Mr. Abdul Majeed Ghaziani	Chairman- Non Executive
	Mr. Muhammad Farrukh	Chief Executive
	Ms.Hina Safdar	Non- Executive
	Mr. Muneer S. Godil	Independent
	Ms. Maria Abdul Hafeez	Non-Executive
	Mr. Sheikh Ali Baakza	Non-Executive
	Ms. Tayyaba Rasheed	Independent
Audit Committee	Mr. Muneer S. Godil	Chairman
	Mr. Abdul Majeed Ghaziani	
	Ms. Maria Abdul Hafeez	
Human Resource & Remuneration Committee	Mr. Muneer S. Godil	Chairman
	Mr. Muhammad Farrukh	
	Ms. Hina Safdar	
Chief Financial Officer	Mr. Jalees Edhi	
Company Secretary	Syed Muhammad Tariq Nabeel Jafri	
External Auditor	Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants 1st Floor, Modern Motors House Beaumont Road Karachi	
Internal Auditor	Mr. Imran Ahmed Khan	
Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited Habib Bank Limited Bank Al -Habib Limited MCB Bank Limited Meezan Bank Limited Bank Al Falah Limited Dubai Islamic Bank Limited Askari Bank Limited United Bank Limited Bank Islami Pakistan Limited Bank of Punjab Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited JS Bank Limited	

Legal Advisor	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9 Kehkashan, Clifton, Karachi -75500 Phone # +92-21-111-682-529
Share Registrar	F.D. Share Registrar (Pvt) Ltd 17th Floor, Saima Trade Tower A, I.I Chundrigar Road, Karachi. Phone # +92-21-32271905-6
Registered Office	Unity Tower, 8-C, PECHS Block-6, Karachi 75400.
Phone No.	+92 21 34373605-607, 34388666, 34387666
Fax No.	+92 21 34373608
Email	info@unityfoods.pk
Website	www.unityfoods.pk
Business	Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and processing of ancillary and by-products.
Status of Company	Public Listed Company (PLC)
Company Registration number	K-0023133
National Tax Number	0698412-6
Contact Person	Syed Muhammad Tariq Nabeel Jafri
Phone No.	+92-21-34373605-607
Email	info@untiyfoods.pk
Factories	Solvent Extraction Plant and Pellitising Mills N-27 /B Site Area, Kotri District Hyderabad. Oil Refinery Plot # E-32 SITE Area, Karachi. Crude Palm Oil Refinery A-48, (Chemical Area), Eastern Industrial Zone, Port Qasim Authority, Karachi.

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ZAUQEEN

Taste the Healthier Side of Life

www.unityfoods.pk

PROFILE OF THE BOARD OF DIRECTORS OF UNITY FOODS LIMITED

Mr. Abdul Majeed Ghaziani - Chairman / Director

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

Mr. Muhammad Farrukh - CEO / Director

Mr. Farrukh has over 18 years' local and international business experience in the fields of commodities trading, FMCG, animal feeds, import and export, joint venture and overall business management. Mr. Muhammad Farrukh is a seasoned businessman. He also has extensive experience in establishing, expanding and acquiring businesses and consolidating them into integrated business unit bringing synergy. Furthermore, he has established joint ventures with foreign collaboration channeling foreign investment in the country.

Mr. Sheikh Ali Baakza - Non Executive Director

Mr. Sheikh Ali Baakza studied at Wharton Business School, USA for two and half years and successfully completed several courses with Grain and Food Trading Organizations in London. He has over 17 years of experience in the shipping & trading industry and has worked for and remained associated with renowned organizations like Ameropa, Cargill and Louis Dreyfus. His core expertise revolves around solvent extraction, shipping and trading commodities that enables the group to discover new opportunities and expand its horizons.

Mr. Muneer S. Godil - Independent Director

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

Ms. Tayyaba Rasheed - Independent Director

Tayyaba Rasheed is highly qualified with a successful career in corporate and investment banking with more than 18 years of diversified experience. She has profound skills in Structured Financing, Infrastructure financing, Sukuk Issuance, Syndication, Credit Analysis, Capital Markets, Credit Risk, and Islamic finance. She is an experienced investment banker with a demonstrated history of working in the banking industry with focus on delivering results across the board. Being an investment banker, she has closed numerous key mandates for approximately running in USD 1500 MN. She holds an MBA from IBA and is a CFA, FRM and NIBAF. She has been instrumental in driving some of the Landmark Project Finance and Syndication deals to closure from the platform of National Bank of Pakistan and Faysal Bank Limited. She has worked in Senior Positions at CIBG

NBP and Bank Alfalah where she started her career as Management Trainee officer. Her areas of expertise include IPPs, infrastructure Financing, Port Infrastructure Development Projects and other green field and brown field projects. In her role as Head PF and Structured Finance she has closed KEY Mandates of Sukuk, Commercial Papers and TFCs for reputable and diversified base of various corporate clients. She has also served as visiting faculty in KASBIT, SZABIST and CBM.

Ms. Hina Safdar - Director

Ms. Hina Safdar has over six years of experience in information technology, systems implementation and data planning. She has been associated with Unity Group since 2014.

Ms. Maria Abdul Hafeez - Director

Ms. Maria Abdul Hafeez has over seven years of experience in imports, exports and procurement management and accounting systems & control. She has been associated with Unity Group since 2013.

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UNITY FOODS LIMITED

KEY OPERATING & FINANCIALS RESULTS

SIX YEARS AT GLANCE

OPERATING DATA	2020	2019	2018	2017	2016	2015
			------------------------------ RUPEES ------------------------------			
Sales	29,872,020,642	14,097,237,284	2,782,172,064	-	-	-
Cost of goods sold	(27,842,732,989)	(12,820,034,063)	(2,534,098,638)	-	-	-
Gross profit	2,029,287,653	1,277,203,221	248,072,426	-	-	-
Operating profit / (loss)	739,539,011	562,929,180	149,637,697	(4,343,650)	(3,001,104)	(3,298,642)
Profit / (loss) before taxation	194,550,290	274,721,618	97,797,326	(4,343,650)	(3,001,104)	(3,298,642)
Profit / (loss) after taxation	209,628,796	255,074,520	121,516,425	(4,343,650)	(3,001,104)	(3,241,359)
FINANCIAL DATA						
Paid up capital	5,440,500,000	5,440,500,000	1,690,500,000	40,500,000	40,500,000	40,500,000
Equity balance	5,849,690,974	5,694,467,178	1,773,917,658	2,401,233	6,744,883	9,745,987
Fixed assets	3,341,837,947	3,090,175,592	1,527,524,826	-	-	-
Current assets	15,127,051,851	7,371,378,588	3,015,913,659	2,984,752	6,787,283	9,798,987
Current liabilities	12,877,046,393	4,771,159,003	2,793,264,926	608,519	67,400	78,000
KEY RATIOS						
Gross margin (%)	6.79	9.06	8.92	-	-	-
Operating margin (%)	2.48	3.99	5.38	-	-	-
Net profit (%)	0.70	1.81	4.37	-	-	-
Return on Capital (%)	3.58	4.48	6.85	(180.89)	(44.49)	(33.26)
Current ratio (%)	1.17	1.54	1.08	0.20	0.01	0.01
Earning per share (Rs.)	0.39	1.03	1.18	(1.07)	(0.74)	(0.80)
Cash Dividend (%)	-	1.00	5.00			
PRODUCTION CAPACITY Metric Tonnes						
Edible Oil Refinery - SITE	54,000	54,000	54,000	-	-	-
Edible Oil Refinery - PQ	180,000	180,000	-	-	-	-
Solvent Extraction Plant	162,000	162,000	162,000	-	-	-
Feed Mill	302,400	-	-	-	-	-

CHAIRMAN'S REVIEW REPORT

I am pleased to submit the Chairman's Report on the overall performance of the Board of Directors of Unity Foods Limited and effectiveness of the role played by the Board in achieving the Company's objectives.

For the year ended June 30, 2020, I am pleased to report that the Board of Directors has ensured compliance of the various requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other laws as applicable to Unity Foods.

The Composition of the Board in respect of independent directors, executive directors and non-executive directors were duly complied with. The meetings of the Board and the committees were duly held as required and other matters of the Code and various legal and regulatory requirements were complied with.

The Board announced its third right issue in June this year. Subsequent to the close of the financial year of the Company the right issue was successfully completed as per the various requirements of SECP, PSX and CDC. Following issuance of right shares the paid up capital of the Company rose to PKR 9,940.5 million. The right issue was made primarily to fund the working capital requirements of the Company. The balance sheet footing of the Company as on June 30, 2020 has risen to PKR 18,933 million while the sales have witnessed over 100% increase to over PKR 29 billion.

During the year the Company acquired 36,654,176 shares of Sunridge Foods (Pvt.) Limited comprising 69% equity stake in this Company. It is pertinent to note that Unity Enterprises (Pvt.) Limtied, an associated company of Unity Foods already holds 5% shares of Sunridge Foods (Pvt.) Limited.
Sunridge Foods is an upcoming brand name in the flour in Pakistan. In fact it is now the only nationally available flour brand in the country. It has a 36,000 tons per annum capacity plant employing PESA Mill technology. The flour produced by the Company commands premium due to cleanliness, long shelf life and durability of the final consumable products. Besides, the technology also eliminates the risk of residual stones that are part of conventional "chakki atta".

The Board has ensured that all legal and other compliances relating to this acquisition including consolidation of financial statements are duly fulfilled.

The Composition of the Board and the Audit Committee and the Human Resources & Remuneration Committee did not change during the year.

Following are the details of the Board and the Committees

1	Mr. Muhammad Farrukh	Chief Executive Officer
2	Mr. A. Majeed Ghaziani	Chairman
3	Ms. Hina Safdar	Non Executive Director
4	Ms. Maria Abdul Hafeez	Non Executive Director
5	Mr. Sheikh Ali Baakza	Non Executive Director
6	Mr. Muneer S. Godil	Independent Director
7	Ms. Tayyaba Rasheed	Independent Director

The details of Committees constituted by the Board are provided below:

Board Audit Committee

	Name	Designation
1	Mr. Muneer S. Godil	Chairman
2	Mr. Abdul Majeed Ghaziani	Member
3	Ms. Maria Hafeez	Member

Board Human Resources & Remuneration Committee

	Name	Designation
1	Mr. Muneer S. Godil	Chairman
2	Mr. Muhammad Farrukh	Member
3	Ms. Hina Safdar	Member

The Audit Committee comprises of three members and its Chairman is an independent director while the other two members are non-executive directors.

The Human Resources & Remuneration Committee comprises of three members and its Chairman is an independent director while the other two members include a non-executive director and the CEO.

The Board realizes the importance of orientation and training of its members and six out of seven directors have completed the Directors' Training Program.

The Human Resources and Remuneration has been assigned the task of evaluating performance of the Board and of the Committee. The Committee has submitted its report and I am pleased to report that the Board and Committee have satisfactorily performed their duties and functions and have effectively discharged the respective roles.

The Board realizes the importance of internal audit and control functions and has taken several measures to ensure that the management follows high standards of related controls. In this regard, some of the key steps included the following:

The Internal Financial Controls of the Company are managed under SAP implemented by Abacus Consulting. The management had also engaged EY Ford Rhodes for developing SOPs of the Company.

EY Ford Rhodes carried out the Gap Analysis and recommend changes for improvement in various systems and processes including Accounting and Internal Control.

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

Currently, one of the top Audit Firms is engaged in revamping the SOPs of the Company.

I thank the Board members for their support extended to the management both as Board members and as members of the Committees of the Board, that helped realize the key milestones the Company has achieved during the year.

Abdul Majeed Ghaziani
Chairman
September 30, 2020

کمپنی کے انٹرل مالیاتی کنٹرول کا انتظام SAP سسٹم کے تحت کیا جاتا ہے، جس کا نفاذ Abacus کنسلٹنگ کی جانب سے کیا گیا ہے۔ انتظامیہ نے کمپنی کی ایس او پیز تیار کرنے کے لیے ای وائی فورڈ رہوڈز کو بھی ساتھ شامل کیا ہے۔

ای وائی فورڈ رہوڈز نے Gap Analysis کیا اور اکاؤنٹنگ اور انٹرنل کنٹرول سمیت مختلف سسٹمز اور عمل میں بہتری لانے کی تجویز پیش کی۔

انٹرل آڈٹ کے دوسرے کام انجام دینے کے لیے ایک انٹرل آڈٹ کا ڈپارٹمنٹ تجربہ کار فرد کی سربراہی میں موجود ہے۔

میں اس موقع پر بورڈ اراکین کا اُن کی انتظامیہ کے لیے حمایت وراہنمائی پر شکریہ ادا کرتا ہوں، جس کی مدد سے کمپنی کو اس سال کے دوران اہم سنگِ میل کو سمجھنے اور حاصل کرنے میں معاونت ملی۔

عبدالمجید غازیانی

چیئرمین

30 ستمبر 2020

نام	عہدہ
جناب منیر ایس گوڈل	چیئر مین
جناب عبدالمجید غازیانی	رکن
محترمہ ماریہ حفیظ	رکن

بورڈ کی انسانی وسائل اور مشاہرے کی کمیٹی

نام	عہدہ
جناب منیر ایس گودل	چیئر مین
جناب محمد فرخ	رکن
محترمہ حنا صفدر	رکن

آڈٹ کمیٹی تین اراکین پر مشتمل ہے اوراس کے چیئر مین خودمختار ڈائریکٹر جبکہ باقی دواراکین نان ایگزیکٹوڈائریکٹرز ہیں۔

انسانی وسائل اور مشاہرے کی کمیٹی تین اراکین پر مشتمل ہے اوراس کے چیئر مین خودمختار ڈائریکٹر ہیں جبکہ باقی دواراکین نان ایگزیکٹوڈائریکٹر اور سی ای او پر مشتمل ہیں۔

جیسا کہ کمپنی نے اپنے آپریشنز کا پہلا کامیاب سال مکمل کرلیا ہے اوراس مدت کے دوران بورڈ نے کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کوحقیقی جذبے اورعزم کے ساتھ یقینی بنایا ہے۔

بورڈ کواپنے اراکین کی ٹریننگ اوراورینٹیشن کی اہمیت کا بھرپور احساس ہے، اسی لیے کمپنی کے سات میں سے چھ ڈائریکٹرز نے ڈائریکٹرز کا ٹریننگ پروگرام کامیابی سے مکمل کرلیا ہے۔

انسانی وسائل اور مشاہرے کی کمیٹی کو بورڈ اور کمپنی کی کارکردگی کا جائزہ لینے کی ذمہ داری سونپی گئی ہے۔کمیٹی نے اپنی رپورٹ جمع کروادی ہے اور مجھے نہایت خوشی ہے کہ بورڈ اور کمیٹی نے اپنی متعلقہ ذمہ داریوں کواحسن طریقے سے نبھاتے ہوئے اطمینان بخش انداز میں اپنے فرائض سرانجام دیئے ہیں۔

بورڈ کوانٹرنل آڈٹ اور کنٹرول کے افعال کی اہمیت کا بھرپور اندازہ ہے اوراس نے یہ یقینی بنانے کے لیے بہت سے اقدامات کیے ہیں کہ انتظامیہ متعلقہ کنٹرولز کے اعلیٰ معیارات پر عمل پیرا ہے۔اس میں کچھ اقدامات مندرجہ ذیل میں شامل ہیں؛

چیئرمین کی جانب سے جائزہ رپورٹ

میں نہایت مسرت کے ساتھ یونٹی فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کی رپورٹ اور بورڈ کی جانب سے کمپنی کے مقاصد کے حصول کی غرض سے ادا کیے جانے والے کردار کے بارے میں چیئرمین کی جائزہ رپورٹ پیش کر رہا ہوں۔

30 جون 2020 کو ختم ہونے والے سال، میں نہایت مسرت کے ساتھ مطلع کر رہا ہوں کہ بورڈ آف ڈائریکٹرز نے یونٹی فوڈز لمیٹڈ کے لیے قابل اطلاق متعدد لسٹڈ کمپنیز کی ضروریات (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل کو یقینی بنایا ہے۔ بورڈ کی تشکیل و ترتیب قانونی تقاضوں کے مطابق ڈائریکٹرز، ایگزیکٹو ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ بورڈ اور اس کی کمیٹیوں کے اجلاس کو ضرورت کے مطابق مناسب طریقے سے منعقد کیا گیا تھا اور ضابطہ اخلاق کے دیگر امور اور مختلف قانونی اور ضابطہ تقاضوں کی تعمیل کی گئی تھی۔

بورڈ کمپنی کے تمام اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے ہمیشہ کوشاں ہے۔

بورڈ نے اس سال جون میں اپنے تیسرے رائٹ ایشو کا اعلان کیا تھا۔ کمپنی کے مالی سال کے اختتام کے بعد سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور سینٹرل ڈپازٹری کمپنی پاکستان کی مختلف درکار ضروریات کے مطابق معاملات درست انداز میں انجام پائے۔ رائٹ شیئرز کے اجراء کے بعد کمپنی کا پیڈ اپ کیپٹل بڑھ کر 9,940.5 ملین روپے ہو گیا۔ رائٹ ایشو بنیادی طور پر کمپنی کی ورکنگ کیپٹل کی بڑھتی ہوئی ضروریات کو فنڈ کرنے کے لیے کیا گیا تھا۔
30 جون 2020 تک کمپنی کے بیلنس شیٹ کی بنیاد بڑھ کر xxx ملین روپے ہو گئی تھی۔
اس سال کے دوران بورڈ اور آڈٹ کمیٹی اور انسانی وسائل و مشاہرے کی کمیٹیوں میں کوئی تبدیلی نہیں کی گئی ہے۔

مندرجہ ذیل میں بورڈ اور کمیٹیوں کی تفصیلات مہیا کر گئی ہیں۔

1	جناب محمد فرخ	چیف ایگزیکٹو آفیسر
2	جناب اے مجید غازیانی	چیئرمین
3	محترمہ حنا صفدر	نان ایگزیکٹو ڈائریکٹر
4	محترمہ ماریہ عبدالعزیز	نان ایگزیکٹو ڈائیریکٹر
5	جناب شیخ علی بازکا	نان ایگزیکٹو ڈائریکٹر
6	جناب منیر ایس گوڈل	خودمختار ڈائریکٹر
7	محترمہ طیبہ رشید	خودمختار ڈائریکٹر

بورڈ کی جانب سے تشکیل کردہ کمیٹی کی تفصیلات مندرجہ ذیل مین درج ہیں؛

بورڈ آڈٹ کمیٹی

Directors’ Report

On behalf of the Board of Directors we are pleased to present the Directors' Report for the year ended June 30, 2020.

Alhamdulillah, we are pleased to report that during the year your Company has made significant progress in all areas including expansion and diversification of operations and, sales and asset acquisition including a 69% stake in Sunridge Foods (Pvt.) Limited as detailed below.

It is heartening to report that despite expansion in all major areas, the Company has not taken on any major long term debt which has facilitated better cash management in the absence of principal repayments of long term debt.

Overview

Financial year 2019 was challenging for your Company is so many ways. Policy rate, as set by State Bank of Pakistan peaked at 13.25% in the month of July, 2019 which is the first month Company's financial year, and it remained at this level till March of 2020.

This resulted in increased financing cost for the Company, which resulted in increased cost of business and squeezed net margins.

Second half of the financial year was marred by business disruptions caused by the global spread of COVID-19. Crude Oil prices crashed to their lowest levels as business activity came to a halt. Edible Oil prices (Edible Oil, RBD Palm Oil, Seed Oils), that closely track crude oil prices, also crashed which further dampened the margins.

Even in these testing times, your Company was able to increase its topline sales to a record level of over PKR 28 billion, which is more than 100% increase as compared with last year. Company continued its penetration in the retail market and have also improved its sales mix in favor of retail/branded sales. This improving mix in favor of consumer retail will further help the Company to improve its margins.

With sales expected to continue to increase as Company moves into its next financial year, working capital requirements are expected to increase accordingly. This compelled the Company to evaluate in detail its capital requirements and in continuation of this effort and as per the upcoming requirements capital requires, Unity Foods board decided to raise additional equity capital.

In June of 2020, the Board announced an 82.71% right issue at par to raise PKR 4,500 million to fulfill its growing working capital needs as explained above. The proceeds were realized during the month of September. As a result the paid up capital of the Company has now risen from PKR 5,440,500,000 to PKR 9,940,500,000 constituting 994,050,000 shares of PKR 10 each.

This was the third rights issue since inception of operations of the Company. As on June 30, 2020, the total assets of the Company stood at PKR 18,933,330,251.

With the reduction in COVID-19 cases in Pakistan in the last quarter of financial year, Federal Government has brought its focus onto reviving the economy. Since end of March 2020, SBP has been very pro-active in managing the monetary policy and the policy rate has been reduced by a healthy 625 basis points, which has added new impetus to the economy.

This reduction in financing cost will help the Company in improving its margins.

Improving sales have also increased Company's marketing and advertising expense. Unity Foods participated in Pakistan Super League 5 (PSL) this year both as event sponsor and main sponsor of Islamabad United team. Your Company used this opportunity to market and establish "Dastak" as its main brand in edible oil. Unfortunately, again due to COVID-19 PSL 5 was suspended half way and this sponsorship program also got halted. However, your Company, in support of its growth plans, will continue to create awareness through a planned marketing and advertising campaigns in the current financial year as well.

This financial year, in line with its diversification strategy, UFL started extensive cattle feed sales where it is now imports, processes and sells Palm Kernel Expeller (PKE) as cattle feed ingredient.

Other Investments

During the year the Company acquired 36,654,176 shares of Sunridge Foods (Pvt.) Limited comprising 69% equity stake in this Company.

Sunridge Foods is an upcoming brand name in the flour in Pakistan. In fact it is now the only nationally available flour brand in the country. It has a 36,000 tons per annum capacity plant employing PESA Mill technology. The flour produced by the Company commands premium due to cleanliness, long shelf life and durability of the final consumable products. Besides, the technology also eliminates the risk of residual stones that are part of conventional "chakki atta".

Following the closure of financial year the Sunridge Foods has committed capital expenditure to increase the flour milling capacity of the Company and has provided the needed working capital to maintain optimal wheat inventory levels to allow for smooth operations of the Company and regular flow of product to the market.

State of the Company's Affairs and a Fair Review of its Business Operations

Owing to spread of Covid-19 the expansion program of the Company slowed down during January-June. However, with decline in disease during recent period the economic activity has picked up and the Company expects to deploy substantial funding into Capital Expenditure. It is heartening to note that despite severe lockdown and economic slowdown the operations of the Company remained largely vibrant and the sales continued to grow quarter on quarter.

Edible Oil Expansion Plan:

Acquisition of Edible Oil Refinery has paved the way for UFL's strategy to expand its horizon into branded division of edible oils allowing UFL to cater to all business segments including General Trade, Industrial and Bulk. The Refinery project is spread over an area of 5.0 acres of land along with 104,000 square feet constructed area and a storage capacity of 6,000 metric tons of Oil. The state-of-the-art project includes Oil Tek Refinery capable to process 500 MT tons per day of edible oil refinery and a packaging capacity of 500 MT per day.

Your Company has progressed well on the expansion plan announced last year. We are happy to inform you that our Ghee plant has been set up and is fully operational. With this, we are endeavoring to provide our customers full range of products, which will eventually help us to penetrate the market much more effectively. Its market rests both with consumer packs as well as with Industrial consumers including Bakery, HORECA (Hotels, Restaurants & Caterers), Confectionary manufacturers, etc. This business unit will also produce essential raw inputs for Margarine & Shortening Segment.

This will allow your Company to realize its long-term vision of integrating the business value chain. As part of the Company's planned embellishments into UFL's edible oil division, it intends to add the following Plant & Machinery units in addition to existing refineries:

Hydrogenation Plant

Hydrogenation Plant is used in processing and manufacturing of Ghee (Banaspati). Outputs of Ghee unit have a strong market in Pakistan. To be able to cater to a larger market within edible oils segment, UFL's planned state of the Art and fully Automatic imported Ghee unit will form a blend of oils and will convert it into pasty and grainy textured ghee, which can be sold in consumer packs.

Imported latest inter-esterification technology will be able to produce Trans-fat free product which will play key role in targeting premium B2C & B2B market and provide Healthy, Hygienic & Trans Fat Free product to consumers and Industrial segments. This business unit will also produce important inputs for Margarine & Shortening segment.

Chemical Refinery

This unit is integrated with Seed Crushing Plant to achieve competitive advantage of optimum refining cost, better oil yield recovery, efficient supply chain and access to Sindh and Punjab. The oil extracted from soybean seed and canola seed from the Company's Kotri Solvent Plant will be utilized for this Neutralization unit. The capacity of this plant will be 200 Metric tons per day.

This state of the art fully automatic plant with German Technology Separators will refine Crude Soft Oils (namely Soybean Oil, Canola Oil, Cotton Seed Oil) to produce Neutralized products. These Neutralized Oil after Physical Refining will be part of UFL's branded consumer packs for cooking oil and canola oil and added varieties of local oils including Sunflower Oil and Cottonseed Oil.

Fractionation Plant

UFL intends to be prepared to launch a "Trans Fat Free" product in line with its core competence to provide healthy products. Company intends to acquire State of the Art Fully Automatic fractionation plant with capacity of 200 Metric Tons per Day for ROL IV 60. It covers portfolio of Ghee, Margarine and Shortening Segment and Virtual Trans Fat Free (VTF) products for branded and industrial consumers.

Margarine and Shortening

Margarine and Shortening are part of specialty fats including complete range of Lauric and Non Lauric products. These products are used by Confectionary Industry, biscuit and bakery manufacturers. UFL is already developing the local market (by virtue of importing consistent quality specialty fats, and its accessibility to the raw material products already being produced in Edible Oils segment makes it strategically possible to invest in local manufacturing of Specialty fats.

UFL will be investing in an imported state-of-the-art fully Automatic plant for producing high quality and fully hygienic Margarine, Shortening and Specialty Fats products with capacity of 5 Tons Per hour. This plant will have flexibility to produce customized products according to each customer's individual requirement. The shift from imported to local market will be in place once UFL's plant is operational, thus creating import substitution. There is progress in negotiations with the supplier, for the Margarine and Shortening plant. The management is confident that it will meet the timeline mentioned at the time of rights issue, with respect to commencement of operations of this plant.

Establishment of Oil Terminal

UFL intends to establish an edible oil terminal. The terminal will be located at Port Qasim, which is an ideal location to establish a storage unit for import of Palm Oil. The terminal is expected to have approximately 45,000 metric tons capacity, which will allow UFL to hold inventory and thereby control costs. Once established, UFL will be able to hedge its overall risk profile associated with international market prices and foreign exchange rate fluctuations to a greater extent.

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

The Environment

We are happy to inform you that your Company is now RSPO certified. The Company's operations in edible oil extraction and refining have minimal adverse impact on environment. Further, the management has taken steps that will facilitate operations under highest standards of environmental protection.

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

Changes on the Board and the Committees of the Board

During the period from July 1, 2019 to June 30, 2020 following persons held the position of directors.

Following are the details of the Board and the Committees

1	Mr. Muhammad Farrukh
2	Mr. A. Majeed Ghaziani
3	Ms. Hina Safdar
4	Ms. Maria Abdul Hafeez
5	Mr. Sheikh Ali Baakza
6	Mr. Muneer S. Godil
7	Ms. Tayyaba Rasheed

The directors' elections were held on April 1, 2019.
The details of Committees constituted by the Board are provided below:

Board Audit Committee

	Name	Designation
1	Mr. Muneer S. Godil	Chairman
2	Mr. Abdul Majeed Ghaziani	Member
3	Ms. Maria Hafeez	Member

Board Human Resources & Remuneration Committee

	Name	Designation
1	Mr. Muneer S. Godil	Chairman
2	Mr. Muhammad Farrukh	Member
3	Ms. Hina Safdar	Member

There has been no change on the Board or the committees of the Board between June 30, 2020 and the date of this report.

There are seven directors on the Board including the Chief Executive Officer. As per the Code, one third (2.33) of the directors are required to be independent. The Code also require that not more than one third of the total directors shall be executive. Since there is only executive director and four non-executive directors on Board, the independent directors are kept at two.

Summary of attendance of the Board and the Committee meetings, during July 2019 to June 2020.

S.	Name	Designation	Board Meetings Attended	Audit Committee Attended	HR Committee Attended
			Total 5 Meetings	Total 4 Meetings	Total 1 Meetings
1	Muhammad Farrukh	CEO / Director	5	Not Applicable	1
2	Abdul Majeed Ghaziani	Non Executive Director	5	4	Not Applicable
3	Tayyaba Rasheed	Independent Director	5	Not Applicable	Not Applicable
4	Maria Abdul Hafeez	Non Executive Director	1	4	Not Applicable
5	Hina Safdar	Non Executive Director	1	Not Applicable	1
6	Sheikh Ali Baakza	Non Executive Director	5	Not Applicable	Not Applicable
7	Muneer S. Godil	Independent Director	5	4	1

Risks and Uncertainties

The Company faces risks or uncertainty in primarily currency exchange rate as Company's operations are dependent upon import of seeds and some other materials. However, the Company also derives some of its revenue from exports that hedges the import risk arising out of rupee devaluation. The management takes all possible measures to contain and control the risk and has been successful in keeping the impact of currency movement risk on Company's profitability to minimal.

Credit Rating

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

The rating was assigned in October 2019. Although the period following the assignment of rating saw COVID-19 and its impact on the economy, however, firstly your Company remained largely immune to the economic downturn that ensued and secondly, the interest rates have come down significantly since then and KSE-100

Index has also risen over 30% indicating overall improvement in the macroeconomic situation of the country. Also, the Company's fundamentals have improved significantly including over 100% year on year increase in sales.

Appointment of Auditors

The external auditors of the Company Naveed Zafar Ashfaq Jaffery, Chartered Accountants shall stand retired at the conclusion of Annual General Meeting scheduled for October 24, 2020 and being eligible for reappointment, have their services for the financial year ending June 30, 2021. Their remuneration shall be decided in light of the guidelines provided by the Institute of Chartered Accountants of Pakistan. The appointment and remuneration of the external auditor has been recommended by the Board Audit Committee to the Board of Directors.

Pattern of Shareholding

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

Internal Control

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

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

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

The Company engaged EY Ford Rhodes for developing SOPs of the Company and the Procedures have been finalized and implemented.

EY Ford Rhodes, Chartered Accountants firm was also hired to carryout Gap Analysis and recommend changes for improvement in various systems including Accounting and Internal Control.

Currently, one of the top Audit Firms is engaged in revamping the SOPs of the Company.

Commitments and Contingencies

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

Financial Results

During the year, the Company posted earnings of PKR 210 million (an EPS of PKR 0.39).
Summary of financial operations of the Company for financial year ended June 30, 2020 is provided below:

PKR	Consolidated	Unconsolidated
Net Sales	30,479,501,918	29,872,020,642
Cost of Sales	(28,379,061,793)	(27,842,732,989)
Gross Profit	2,100,440,125	2,029,287,653
Selling and Distribution Expenses	(751,014,096)	(690,610,361)
Administrative Expenses	(227,668,412)	(219,231,575)
Other Operating Expenses	(387,940,582)	(387,973,728)
Total Distribution, Selling, Administrative and	(1,366623,090)	(1,297,815,664)
Other Operating Expenses		
Other Income	13,477,049	8,533,876
Profit Before Interest and Taxation	747,294,084	740,005,865
Finance Cost	(548,148,934)	(544,988,721)
Profit Before Taxation	199,148,150	195,017,144
Taxation	15,132,017	15,078,506
Profit After Taxation	214,280,167	210,095,650
Profit attributable to:		
Owners of the holding company	212,838,242	
Non-controlling interest	1,441,925	
	214,280,167	
EPS (Basic and Diluted)	0.39	0.39

The Company has not declared any dividend for the financial year ended June 30, 2020. The dividend has been omitted due to little after tax profits and the fact that the Company is in its growth phase and require consolidation of resources to establish a large capital and assets base.

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

Other Disclosures

The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

Proper books of accounts of the Company have been maintained.

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Compliance & Certifications

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

	Oil Refinery (SITE, Karachi)	Solvent Plant (Kotri)	Oil Refinery (Port Qasim Plant)	Sunridge Foods
Standards	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)	
	HACCP	HACCP	HACCP	
	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)
			ISO 45001:2018 Occupational Health & Safety Management System	

Remuneration package of the directors and the Chief Executive

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

Corporate Social Responsibility

The Company is fully cognizant of its role as responsible corporate citizen.
During the year, the Company distributed food package among 8,000 needy families in Balochistan who were facing hardship due to lockdown imposed following spread of COVID-19.

Acknowledgements

Alhamdulillah, we thank our various stakeholders including the shareholders, bankers and others in the faith imposed in the Company that helped growth over last three years with Company expanding its business beyond edible oil and into flour. Without their support, it was not possible to achieve these successes in such a short span of time. We look forward to this unwavering support and confidence from these stakeholders to help the Company grow further and expand its product portfolio.

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

We also acknowledge the efforts of our dedicated and talented human resource for the hard work they put in to help realize the outstanding operational growth. We expect continued efforts from our employees to attain higher goals going forward.

For and on behalf of the Board,

Muhammad Farrukh	Abdul Majeed Ghaziani
Chief Executive	Chairman

Karachi
September 30, 2020

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 (the Company) for the year ended June, 30 2020 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 re?ects 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 e?ective 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 e?ectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2020.

Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra- FCA

Karachi :
Dated :

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

Name of Company : UNITY FOODS LIMITED

Year Ending : JUNE 30, 2020

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 : Four
   b. Female : Three

2. The Composition of the Board is as follows:

	CATEGORY	NAMES
a)	Independent Directors	Mr. Muneer S. Godil Ms. Tayyaba Rasheed
b)	Other Non-Executive Directors	Mr. Sheikh Ali Baakza Ms. Hina Safdar Mr. Abdul Majeed Ghaziani Ms. Maria Abdul Hafeez
c)	Executive Director	Mr. Muhammad Farrukh

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

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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

7. The meetings of the board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

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

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

   *Only one remaining Director namely Mr. Sheikh Ali Baakza will have to complete the Directors Training Programme (DTP) within the Time limit under the said Regulation.

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

   * Mr. Imran Ahmed Khan was appointed as Head of Internal Audit on February 26, 2020 in place of Mr. Muhammad Farhan.

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

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

Name of Committee	Name of Members and Chairman
Audit Committee	a) Mr. Muneer S. Godil (Independent Director) - Chairman b) Mr. Abdul Majeed Ghaziani - Member c) Ms. Maria Abdul Hafeez -Member
Human Resource and Remuneration Committee	a) Mr. Muneer S. Godil (Independent Director) - Chairman b) Mr. Muhammad Farrukh - Member c) Ms. Hina Safdar -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 — One Meetings during the year

There has been no change on the Board or the committees of the Board between June 30, 2020 and the date of this report

15. The Board has set up an effective internal audit function.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 28, 33, 34 of the Regulations have been complied with.

Abdul Majeed Ghaziani	Muhammad Farrukh
Chairman	Chief Executive

Karachi :
Dated : 30 September 2020

Independent Auditors' Rewiew Report to the Members of Unity Foods Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Unity Foods Limited (the Company) for the year ended June, 30 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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

Further, we highlight the status of compliance as mentioned in the paragraph 10 of the Statement of Compliance, which has been complied with subsequent to the year end.

Chartered Accountants
Engagement Partner: Tanveer Afzal Khan
Karachi :
Dated : September 19, 2018

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 statement of financial position as at June 30, 2020, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 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, 2020 and of the profit and other comprehensive income, the changes in equity, and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter(s)

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

Following are the key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	First time adoption of IFRS - 16 As referred in note 5.3 to the unconsolidated financial statements, the Company has adopted IFRS 16, 'Leases' with effect from July 1, 2019 The standard has introduced a new accounting model for operating lease contracts from the standpoint of a lessee, as per the new requirements, the Company is required to recognise right-of-use assets for leased assets and liabilities for the lease payments over the lease term. The application of new standard requires management to make significant estimates and judgements such as determination of lease term and appropriate discount rate for measurement of lease liabilities. We considered the adoption of the standard as a key audit matter due to the significant management judgements involved in respect of the application of the new standard.	Our audit procedures to review the application of IFRS 16, amongst others, include the following: • We evaluated the appropriateness of the new accounting policies for recognition, measurement, presentation, and disclosures of lease contracts in the unconsolidated financial statements ; • We obtained an understanding of the process and control in place for identification of in-scope lease contracts (considering recognition exemption available under the standard i.e. short term leases and leases of low value assets); • We corroborated the completeness of leases identified by the management by reviewing and analysing the existing lease arrangements as of the date of the initial application and reviewing the rent expense ledgers for the year; • We performed independent checks of lease accounting computations for a sample of lease contracts through re-performance of such computations and tracing the terms with the relevant contracts; • We evaluated the appropriateness of the assumptions used by the management in measuring lease liabilities such as discount rate, lease term etc; and • We assessed the adequacy and appropriateness of disclosures in the unconsolidated financial statement as required under the standard and applicable financial reporting framework.
2.	IMPACT OF COVID-19 (Refer note 1.3) As part of the preparation of the unconsolidated financial statements, management is responsible to assess the possible effects of COVID-19 on the Company's liquidity and related ability to continue as a going concern and appropriately disclose the results of its assessment in the unconsolidated financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity	We considered the uncertainties arising from COVID-19 in planning and performing our audit. Our procedures include: • evaluation of the Company's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and testing of the integrity of the forecasts, including mathematical accuracy; • assessment of the reliability of the forecasted cash flows by comparing with the

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	and for the economy globally, and at the date of the unconsolidated financial statements its effects are subject to uncertainties. Management prepared a financial and liquidity risk analysis addressing amongst others future compliances with financing conditions as well as financing and cash requirements to ensure continuation of the Company's operations.	historical performance and market expectations; • discussion of the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19, on the Company; • evaluation of the assumptions in respect of projected available future cash flows from operating, financing and investing activities and projected key ratios for covenant calculations; • inspection of supporting documentation such as contracts and underlying calculations and correspondence with financing and other relevant parties; • evaluation of the Company's assessment of other accounting estimates within the unconsolidated financial statements which could be impacted by the challenging economic environment resulting from COVID-19, including trade receivables and inventory provisioning; and • consideration of the appropriateness of the disclosures made in the unconsolidated financial statements in respect of the potential impact of COVID-19.
3	Property, Plant and Equipment As disclosed in note 6.1 and 6.4 to the unconsolidated financial statements, the Company has incurred substantial amount of capital expenditure of Rs. 552.03 million and Rs. 303.58 million in CWIP during the year for enhancement of production and operating capacity. We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.	Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following: • understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system and impaling policies consistently • testing, on sample basis, the costs incurred on various items with supporting documentation and contracts; • assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and • physical verification of the Additions in fixed assets on sample basis and reviewed the relevant contracts and

S. No.		
		documents supporting various components of the capitalised cost. • 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.
4.	Long term investment: Refer to note 9 of the unconsolidated financial statements, the Company has acquired 69% ownership in Sunridge Foods (Private) Limited, We focused on the investment made during the year as this represents a significant event occurred during the year.	Our audit procedures included the following: • understanding the design and implementation of management controls and testing control over investment made and accuracy of its recording in the system and impaling policies consistently; • verifying the consideration paid and inspecting supporting documents and contracts and approval at appropriate level; and • assessing the adequacy of the disclosures made in respect of the details of investments held by the Company at the year end.
5.	Stock in trade As disclosed in note 11 to the accompanying unconsolidated financial statements, the stock in trade balance has been substantially increased and constitutes 27 % of total assetsof the Company. The cost of raw material, work in process, and finished goods is determined at weighted average cost including a proportion of production overheads. We focused on stock in trade as it is a significant portion of Company's total assets and it requires management judgement in determining an appropriate costing basis and assessing its total cost.	We performed a range of audit procedures with respect to inventory items including: • physical observation of inventory counts; • testing valuation methods and their appropriateness in accordance with the applicable accounting standards; • testing the calculations of per unit cost of finished goods, and work in process and assessing the appropriateness of management's basis for the allocation of cost and production overheads; and • assessment of the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.
6.	Trade Debts Refer to note 12 to the unconsolidated financial statements. As at 30 June 2020, the Company's gross trade debtors were Rs. 7,781.857 million We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the recoverable amount of trade debts.	Our audit procedures to assess the valuation of trade debts, amongst others, included the following: • 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

S. No.		individual balances in the report with underlying documentation to ensure the balances appearing in the ageing report were classified within appropriate ageing bracket; • circularizing direct confirmation to debtors on sample basis • 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.
7.	Sales Refer to note 5.19 and 24 to the unconsolidated financial statements which shows that revenue of the company substantially increased. The Company recognized revenue of Rs. 29,872.020 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2020 as compared to Rs. 14,097.237 million previous year. We identified recognition of sales as a key audit matter because sales is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the risk and rewards	Our audit procedures to assess recognition of sales, amongst others, included the following: • 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; • assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards; • comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents; • 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; • comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • 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
8.	Borrowings and finance costs Refer notes 21 and 30 to the unconsolidated financial statements. The Company has obtained a range of financing facilities from different financial institutions with varying terms and tenure	Our audit procedures included the following: • 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

S. No.	Key audit matter	How the matter was addressed in our audit
	and incurred substantial cost. 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	costs; • obtaining confirmations of borrowings as at 30 June 2020 directly from the financial institutions; • testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan and • assessing the adequacy of the Company's compliance with the loan covenants and the disclosure in the unconsolidated financial statements.
7.	The Company's exposure to litigation risk On 24 May 2018 the Company and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on Loan write off pertaining to the period 2007. The former management on their own behalf and on behalf of the Company have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that the due amounts were paid by the then management to National bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Company. Accordingly, no provisioning has been provided in these unconsolidated financial statements. Due to the uncertainty involved in the outcome of this case we have identified this as key audit matter.	Our procedures in relation to this matter included: • Obtaining and reviewing details of the significant pending legal case and discussed the same with Company's management; • Circulation of confirmations to the company's external legal counsel for their views on open legal/tax matters ; • Reviewing correspondence of the company with the relevant authorities ; • Evaluation of rationale provided by the company and opinion of the external legal counsel • Reviewing the disclosures made in the unconsolidated financial statements in respect of such contingencies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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;

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

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

Chartered Accountants

Karachi :
Date :

Unity Foods Limited
Unconsolidated Statement of Financial Position
As at June 30, 2020

	Note	2020	2019
		-------------(Rupees)------------	
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,330,924,966	3,081,521,152
Right-of-use assets	7	88,807,491	-
Intangible assets	8	10,912,981	8,654,440
Long term investment	9	366,541,770	-
Deferred tax asset	10	19,150,507	4,072,001
		3,816,337,715	3,094,247,593
Current assets			
Stock-in-trade	11	5,048,540,001	3,201,229,920
Stores and spares		64,470,283	30,913,536
Trade debts	12	7,765,666,856	3,063,574,186
Advances, deposits and prepayments	13	91,306,367	30,920,000
Other receivables		9,753,965	1,050,000
Sales tax receivable		-	292,485,386
Taxation - net of provision		1,983,954,200	711,161,726
Cash and bank balances	14	163,360,179	40,043,834
		15,127,051,851	7,371,378,588
Total assets		18,943,389,566	10,465,626,181
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	15	5,440,500,000	5,440,500,000
Unappropriated profit		409,190,974	253,967,178
		5,849,690,974	5,694,467,178
Non-current liabilities			
Long term loan	16	127,888,256	-
Lease liabilities	17	82,789,524	-
Deferred government grant	18	5,974,419	-
		216,652,199	-
Current liabilities			
Current portion of long term loan	16	51,023,399	-
Current portion of lease liabilities	17	16,765,785	-
Current portion of deferred government grant	18	11,136,710	-
Trade and other payables	19	8,838,121,773	1,983,666,956
Accrued mark-up	20	65,799,695	39,065,955
Short term borrowings	21	3,892,256,023	2,567,371,277
Unclaimed dividend		747,612	1,188,311
Sales tax payable		1,195,396	-
Loan from related party	22	-	179,866,504
		12,877,046,393	4,771,159,003
Contingencies and commitments	23		
Total equity and liabilities		18,943,389,566	10,465,626,181

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

Chairman	Chief Executive	Chief Financial Officer
Abdul Majeed Ghaziani	Muhammad Farrukh	Jalees Edhi

Unity Foods Limited
Unconsolidated Statement of Profit or Loss
For the year ended June 30, 2020

	Note	2020	2019
		-------------(Rupees)------------	
Net sales	24	29,872,020,642	14,097,237,284
Cost of sales	25	(27,842,732,989)	(12,820,034,064)
Gross profit		2,029,287,653	1,277,203,220
Selling and distribution expenses	26	(690,610,361)	(356,770,812)
Administrative expenses	27	(219,731,575)	(180,660,926)
Other operating expenses	28	(387,940,582)	(177,992,759)
		(1,298,282,518)	(715,424,497)
Other income	29	8,533,876	1,150,457
Profit before interest and taxation		739,539,011	562,929,180
Finance cost	30	(544,988,721)	(288,207,562)
Profit before taxation		194,550,290	274,721,618
Taxation			
Current	31	-	-
Deferred		15,078,506	(19,647,098)
		15,078,506	(19,647,098)
Profit after taxation		209,628,796	255,074,520
Basic and diluted earning per share	32	0.39	1.03

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

Chairman	Chief Executive	Chief Financial Officer
Abdul Majeed Ghaziani	Muhammad Farrukh	Jalees Edhi

Unity Foods Limited
Unconsolidated Statement of Comprehensive Income
For the year ended June 30, 2020

	2020	2019
	-------------(Rupees)------------	
Profit after taxation	209,628,796	255,074,520
Other comprehensive income	-	-
Total comprehensive income for the year	209,628,796	255,074,520

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

Chairman Abdul Majeed Ghaziani	Chief Executive Muhammad Farrukh	Chief Financial Officer Jalees Edhi

Unity Foods Limited
Unconsolidated Statement of Changes in Equity
For the year ended June 30, 2020

	Share capital	Unappropriated profit	Total
	------------------------------ (Rupees) ------------------------------		
Balance as at July 01, 2018	1,690,500,000	83,417,658	1,773,917,658
Final dividend at 5% for the year ended June 30, 2018	-	(84,525,000)	(84,525,000)
Transactions with owners Issuance of right shares	3,750,000,000	-	3,750,000,000
Profit after taxation	-	255,074,520	255,074,520
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	255,074,520	255,074,520
Balance as at June 30, 2019	5,440,500,000	253,967,178	5,694,467,178
Final dividend at 1% for the year ended June 30, 2019	-	(54,405,000)	(54,405,000)
Profit after taxation	-	209,628,796	209,628,796
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	209,628,796	209,628,796
Balance as at Jun 30, 2020	5,440,500,000	409,190,974	5,849,690,974

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

Chairman Abdul Majeed Ghaziani	Chief Executive Muhammad Farrukh	Chief Financial Officer Jalees Edhi

Unity Foods Limited
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2020

	Note	2020	2019
		-------------(Rupees)------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operating activities	33	1,866,883,216	(1,964,455,805)
Taxes paid		(1,272,792,474)	(614,518,215)
Net cash generated from/ (used in) operating activities		594,090,742	(2,578,974,020)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(855,606,536)	(2,501,687,557)
Purchase of intangible assets		(4,505,008)	(4,375,763)
Investment in subsidiary		(366,541,770)	-
(Payment)/ recovery of long term deposits		-	25,000
Net cash used in investing activities		(1,226,653,314)	(2,506,038,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings - net		1,250,974,520	1,616,731,099
Proceeds from long term loan		196,022,784	-
Rental paid against right-of-use assets		(27,237,381)	-
Loan returned to related party - net		(179,866,504)	-
Dividend paid		(54,405,000)	(84,525,000)
Finance cost paid		(503,519,728)	(258,691,294)
Proceeds from issue of right shares		-	3,750,000,000
Net cash generated from financing activities		681,968,691	5,023,514,805
Net increase/ (decrease) in cash and cash equivalents		49,406,119	(61,497,535)
Cash and cash equivalents at the beginning of the year		(151,539,093)	(90,041,558)
Cash and cash equivalents at the end of the year	33.1	(102,132,974)	(151,539,093)

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2020

1. LEGAL STATUS AND OPERATIONS

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

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

Address	Purpose
Karachi	
- Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.	Registered Office of the company
- Plot No. E-32, SITE Area.	Oil Refinery
- Plot No. A-48, Eastern Industrial Zone, Port Qasim	Oil Refinery
- Plot No. A-55 and A-56, Eastern Industrial Zone, Port Qasim	Feed Mill
Kotri, District Hyderabad	
Plot No. N-27-B, SITE Area.	Edible Oil Extraction Plant and Pellitising Mills

1.3 Impact of COVID-19

The rapid spread of COVID-19 pandemic all across the world, has not only endangered human lives but has also adversely impacted the global economy. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan. On March 20, 2020, the Government of Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19 however this excluded the companies involved in the business of necessary consumer supplies in which the Company operates.

In line with the directives of the Government and after implementing all necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued its operations during the lock down and took all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lock down has caused disruptions in supply chain including supply of goods to the customers. The management of the Company has assessed the accounting implications of these developments on unconsolidated financial statements, including but not limited to the following areas:

- Expected credit losses under IFRS 9, "Financial Instruments;"
- Impairment of tangible and intangible assets under IAS 36, "Impairment of non-financial assets;"
- Net realisable value of inventory under IAS 2, "Inventories;"
- Deferred tax assets in accordance with IAS 12, "Income taxes;"
- Provisions and contigent liabilities under IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" including onerous contracts; and
- Going concern assumption used for the preparation of these unconsolidated financial statements under IAS 1, "Presentation of financial statements".

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these unconsolidated financial statements.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURRED DURING THE YEAR

During the period, the Company has acquired 69% ownership in Sunridge Foods (Private) Limited ("the Subsidiary") which was incorporated in Pakistan as a private limited company on March 16, 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office located at 4th Floor, 73-C, Jami Commercial, Street No. 8 DHA Phase VII, Karachi. The principle activity of the Subsidary is processing of food items.

3 STATEMENT OF COMPLIANCE

These 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.

4 ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

- Property, plant and equipment and depreciation (refer note 5.4)
- Right-of-use assets (refer note 5.6)
- Intangible assets and amortization (refer note 5.7)
- Stock-in-trade (refer note 5.9)
- Lease liabilities (refer note 5.15)
- Government grant (refer note 5.17)
- Provisions (refer note 5.18)
- Taxation (refer note 5.21)
- Contingent liabilities (refer note 5.22)
- Impairment (refer note 5.25)

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented except as disclosed in note 5.6, 5.15, 5.16 and 5.17 to these unconsolidated financial statements.

5.1 Accounting convention

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

5.2 Basis of preparation

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.3 Change in accounting standards, interpretations and amendments to accounting and reporting standards

5.3.1 New standards, amendments and interpretations to accounting and reporting standard which were effective during the year:

5.3.1.1 IFRS 16 - Leases

During the year, the Company has adopted IFRS 16 "Leases" which became applicable on July 1, 2019. IFRS 16 superseded IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases in the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

The Company has adopted IFRS 16 from July 1, 2019 using the modified retrospective restatement approach and has not restated comparative amounts for the year ended June 30, 2019, as permitted under the specific transitional provisions in the standard.

In applying the standard, the Company has recognized lease liability at the date of initial application as present value of remaining lease payments and a right-of-use asset equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments previously recognized. The present value has been determined using a single discount rate for portfolio of leases exhibiting similar characteristics based on practical expedient provided in the standard.

The impact of adoption of IFRS 16 as at July 01, 2019 is summarised below:

	-----(Rupees)-----
Assets	114,849,434
Right-of-use assets	(2,792,000)
Prepayment	112,057,434
Liabilities	112,057,434
Lease liabilities	

The impact of adoption of IFRS 16 on the unconsolidated statement of profit or loss for the year ended June 30, 2020 is summarized below:

	-----(Rupees)-----
Decrease in rent, rate and taxes	27,237,381
Increase in depreciation expense	(23,249,943)
Increase in finance costs	(14,735,253)
	(10,747,815)

Reconciliation of operating lease commitment to lease obligation as on July 01, 2019 is summarised as below:

	-----(Rupees)-----
Operating lease commitments as at June 30, 2019	96,883,235
Impact of discounting	15,174,199
Total lease liability at July 01, 2019	112,057,434
Incremental borrowing rate as at July 01, 2019	14.13%

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.3 Change in accounting standards, interpretations and amendments to accounting and reporting standards (continued)

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2020:

Standard or Interpretation		Effective Date
IFRS 3	Definition of a Business (Amendments)	January 1, 2020
IFRS 10 and IAS 28	Consolidated Financial Statements and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 4	Insurance Contracts – Applying IFRS 9 Financial Instruments (Amendment)	January 1, 2021
IFRS 17	Insurance Contracts	January 1, 2021
IAS 1 and IAS 8	Definition of Material (Amendments)	January 1, 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments)	January 1, 2020
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments)	January 1, 2020

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

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

5.3.3 Annual Improvements to IFRS 2019-2020:

Standard or Interpretation		Effective Date
IFRS 9	Financial Instruments - Fees in the '10 percent' test for the derecognition of financial liabilities	January 1, 2022
IAS 41	Agriculture – Taxation in the fair value measurement	January 1, 2022

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective Date
IFRS 1	First time adoption of IFRS	January 1, 2004
IFRS 17	Insurance contracts	January 1, 2023

5.4 Property, plant and equipment and depreciation

Initial recognition

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

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

Measurement

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

a) Its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates; and
b) Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
c) Borrowing costs, if any.
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

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

Depreciation

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

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each financial year end.

Gain or loss on disposal

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

5.5 Capital work-in-progress

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

5.6 Right-of-use assets

Effective from July 01, 2019, the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date, the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

5.6 Right-of-use assets (continued)

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as disclosed in note 7 to these unconsolidated financial statements.

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

5.7 Intangible assets and amortization

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

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

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

5.8 Trade debts, advances and other receivables

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

5.9 Stock-in-trade

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

5.10 Stores and spares

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

5.11 Cash and cash equivalents

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

5.12 Trade and other payables

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

5.13 Off-setting of financial assets and financial liabilities

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

5.14 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 gain or loss are charged in the unconsolidated statement of profit and loss.

5.15 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 recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

5.16 Short-term leases and leases of low-value assets

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

5.17 Government grant

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

5.18 Provisions

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

5.19 Revenue recognition

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

5.20 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.

5.21 Taxation

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

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.

Deferred

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

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

5.22 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.

5.23 Financial Instruments

(a) Classification and initial measurement

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

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amoritzed cost.
  The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

5.23 Financial Instruments (continued)

Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

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

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

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:
- It is held within business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

(b) Subsequent measurement

Financial assets at FVOCI

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

Financial assets at FVTPL

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

Financial assets measured at amortized cost

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

5.23 Financial Instruments (continued)

(c) Financial liabilities

Financial liabilities are classified as "measured at amortized cost" or "measured at fair value through profit or loss". A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or loss, including any interest expense, are recognized in the unconsolidated statement of profit or loss. Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been subsequently modified.

5.24 Off-setting

Financial assets and liabilities are off-set and the net amount is reported in the unconsolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

5.25 Impairment

(a) Financial assets

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

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

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

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

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

(b) Impairment of non-financial assets

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

5.26 Proposed dividend and transfer between reserves

Dividend distributions to the Company's shareholders are recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the reporting date is considered as a non-adjusting event and is recognized in the period in which such transfers are made.

5.27 Functional and presentation currency

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

5.28 Earning 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.

Chairman Abdul Majeed Ghaziani	Chief Executive Muhammad Farrukh	Chief Financial Officer Jalees Edhi

6. PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
		-------------(Rupees)------------	
Operating fixed assets	6.1	2,733,661,828	2,302,995,148
Capital work-in-progress (CWIP)	6.4	597,263,138	778,526,004
		3,330,924,966	3,081,521,152

6.1 Operating fixed assets

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

	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2018	Additions/ transfers	As at June 30, 2019	Depreciation Rate	As at July 01, 2018	Depreciation' for the year	As at June 30, 2019	As at June 30, 2019
	--------------------(Rupees)-------------------			(%)	--------------------(Rupees)-------------------			
Owned								
Free hold land	20,815,016	-	20,815,016	-	-	-	-	20,815,016
Building on lease/ free hold land	226,427,683	130,307,228	356,734,911	4%	(3,929,609)	(9,569,198)	(13,498,807)	343,236,104
Plant and machinery	733,087,428	532,832,609	1,265,920,037	5%	(15,215,616)	(39,626,657)	(54,842,273)	1,211,077,764
Furniture, fixtures and office								
equipment	9,036,877	13,111,923	22,148,800	10% - 20%	(295,532)	(3,105,519)	(3,401,051)	18,747,749
Computer and auxilliary equipment	3,870,847	5,305,398	9,176,245	25%	(292,970)	(1,833,392)	(2,126,362)	7,049,883
Vehicles	3,527,907	6,058,202	9,586,109	20%	(214,135)	(810,510)	(1,024,645)	8,561,464
Leased								
Lease hold land	424,591,053	278,000,000	702,591,053	1.12% - 1.14%	(2,773,806)	(6,310,079)	(9,083,885)	693,507,168
	1,421,356,811	965,615,360	2,386,972,171		(22,721,668)	(61,255,355)	(83,977,023)	2,302,995,148

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Note	2020	2019
		-------------(Rupees)------------	
Cost of sales	25	113,186,239	55,099,967
Selling and distribution expenses	26	1,453,659	345,130
Administrative expenses	27	6,722,141	5,810,258
		121,362,039	61,255,355

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

Particulars	Location	Total Area
Lease hold land (Manufacturing plant)	Plot # N27/B, N27/C & N-37/A, Site Area, Kotri, District Hyderabad.	38,429.60 Sq. Yd
Lease hold land (Under Construction)	Plot # N-25, Site Area, Kotri, District Hyderabad.	148,733.20 Sq. Yd
Lease hold land (Manufacturing plant)	Plot # A-48, Eastern Industrial Zone, Port Muhammad Bin Qasim, Karachi.	24,200.00 Sq. Yd
Office premises	Unity Tower Tower, 8-C, Shahrah-e-Faisal, P.E.C.H.S., Block-6, Karachi-75400 Pakistan.	600 Sq. Yd

6.4 Capital work-in-progress - at cost

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

	As at 1 July, 2018	Additions / Adjustments	Additions / Adjustments	As at 1 July, 2019
	---------------------------(Rupees)--------------------------			
Lease hold land	500,000	278,000,000	(278,000,000)	500,000
Building on lease/ free hold land	20,128,266	326,780,249	(117,392,129)	229,516,386
Plant and machinery	102,557,438	917,267,642	(485,339,768)	534,485,312
Furniture, fixtures and office equipment	-	4,305,917	-	4,305,917
Vehicles	-	9,718,389	-	9,718,389
	123,185,704	1,536,072,197	(880,731,897)	778,526,004

		Note	2020	2019
7	RIGHT-OF-USE ASSETS		------------(Rupees)------------	
	Balance as at July 01 - (i.e. as at initial application)		-	-
	Impact of initial application of IFRS-16		112,057,434	-
	Depreciation charged for the year	7.1	(23,249,943)	-
	Right-of-use assets (ROUA) as at June 30		88,807,491	-
7.1	Depreciation for the year has been charged to:			
	Cost of sales	25	17,529,046	-
	Selling and distribution expenses	26	5,720,897	-
			23,249,943	-
8	INTANGIBLE ASSETS			
	Cost			
	As at July, 01		10,276,432	5,900,669
	Additions during the year		4,505,008	4,375,763
	As at June, 30		14,781,440	10,276,432
	Accumulated amortization			
	As at July, 01		(1,621,992)	(196,689)
	Amortization charged during the year		(2,246,467)	(1,425,303)
	As at June, 30		(3,868,459)	(1,621,992)
	Written down value as at June, 30		10,912,981	8,654,440
	Amortization rate (%)		20%	20%
9	LONG TERM INVESTMENT			
	Unquoted - at cost Subsidiary			
	Sunridge Foods (Private) Limited (69% holding) 36,654,177 ordinary shares (June 30, 2019: Nil) of Rs. 10 each	9.1	366,541,770	-

9.1 On January 28, 2020, the Company acquired 69% voting shares in Sunridge Foods (Private) Limited which is a private limited company incorporated in Pakistan and is involved in manufacturing and sale of food items.

		2020	2019
10	DEFERRED TAX	------------(Rupees)------------	
	Deferred tax asset in respect of:		
	Brought forward losses	93,068,335	93,068,335
	Exchange loss - unrealized	49,584,128	-
	Expected credit loss	4,695,233	-
	Lease liabilities	3,116,867	-
	Deferred tax liability in respect of:		
	Accelerated tax depreciation	(131,314,056)	(88,996,334)
	Deferred tax (liability)/ asset	19,150,507	4,072,001

11 STOCK-IN-TRADE

	2020	2019
	-------------(Rupees)------------	
Raw and packing materials		
In hand	531,096,144	1,027,341,898
In transit	3,443,996,938	403,477,410
	3,975,093,082	1,430,819,308
Traded / semi-finished goods		
In hand	68,794,256	366,646,673
In transit	-	50,243,144
	68,794,256	416,889,817
Work-in-process	54,250,306	132,382,894
Finished goods	950,402,357	1,221,137,901
	5,048,540,001	3,201,229,920

11.1 Pledged as security

As at June 30, 2020, Rs.1,075.37 million (2019: Rs.603.32 million) of the Company's raw material was pledged as security for a Rs.1,425.37 million (2019: Rs.603.32 million) loan from various banks.

12 TRADE DEBTS

	Note	2020	2019
		-------------(Rupees)------------	
Unsecured			
Considered good		7,765,666,856	3,063,574,186
Considered doubtful		16,190,457	-
		7,781,857,313	3,063,574,186
Allowance for expected credit loss		(16,190,457)	-
		7,765,666,856	3,063,574,186

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

	Note	2020	2019
Unity Feeds (Private) Limited	12.2 & 12.3	41,200,406	264,939,935

12.2 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 188.54 million (2019: Rs. 264.94 million).

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

	Note	2020	2019
		-------------(Rupees)------------	
Not yet due		16,486,774	148,366,364
Past due 1- 60 days		24,713,632	116,573,571
Total		41,200,406	264,939,935

13 ADVANCES, DEPOSITS AND PREPAYMENTS

	Note	2020	2019
Advances - considered good			
To suppliers	13.1	62,312,380	3,143,458
To employees		2,426,979	4,112,358
Security deposits	13.2	9,603,752	14,820,089
Prepayments		16,963,256	8,844,095
		91,306,367	30,920,000

13.1 These advances are non interest bearing.

13.2 These security deposits pertain to utility connections and right-of-use assets.

		Note	2020	2019
14	CASH AND BANK BALANCES		-------------(Rupees)------------	
	Bank balances - conventional banking			
	- In saving accounts	14.1	8,796,304	186,560
	- In current accounts		104,274,079	18,461,332
			113,070,383	18,647,892
	Bank balances - islamic banking			
	- In current accounts		48,717,508	20,655,225
	Cash in hand		1,572,288	740,717
			163,360,179	40,043,834

14.1 Rate of return on saving accounts

Profit on saving accounts ranges from 6.50% to 11.50% (2019: from 4.50% to 10.25%) per annum.

		Note	2020	2019
15	SHARE CAPITAL			
			-------------(Rupees)------------	
	Authorized share capital 1,000,000,000 (2019: 1,000,000,000) ordinary shares of Rs. 10/- each		10,000,000,000	10,000,000,000
	Issued, subscribed and paid-up capital 544,050,000 (2019: 544,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	15.1	5,440,500,000	5,440,500,000

15.1 As at June 30, 2020, Associated Company Unity Wilmar Agro (Private) Limited held 11.01% (2019: 11.01%), modarabas and mutual funds held 5.17% (2019: 3.22%), Directors, CEO, their spouse and minor children held 28.37% (2019: 53.51%) while institutions held 8.59% (2019: 3.61%), others held 0.37% (2019: 1.05%) and individuals held 46.48% (2019: 27.60%). Voting rights, board selection and other shareholders rights are in proportion to their shareholding.

		Note	2020	2019
16	LONG TERM LOAN			
			-------------(Rupees)------------	
	Interest based arrangement			
	Long term financing facility	16.1	178,911,655	-
	Current portion shown under current liabilities		(51,023,399)	-
			127,888,256	-

16.1 The Company has obtained long term financing from JS Bank under a refinance scheme for payment of salaries and wages by the State Bank of Pakistan. It carries a flat mark-up at the rate of 3% per annum. However, the effective interest rate is calculated as 10.40% per annum and the loan has been recognised at the present value. The loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at the effective rate of interest. The differential mark-up has been recognised as government grant (as mentioned in note 18) which will be amortised to other income over the period of the facility. The financing is secured against plant and machinery of the Company amounting to Rs. 262.93 million (inclusive of 25% margin).

		2020	2019
17	LEASE LIABILITIES		
		-------------(Rupees)------------	
	Present value of future minimum lease payments	99,555,309	-
	Less: current portion shown under current liabilities	(16,765,785)	-
	Non current portion	82,789,524	-

17 LEASE LIABILITIES (CONTINUED)

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

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

	Note	2020	2019
		-------------(Rupees)------------	
17.2 Amount charged in the unconsolidated statement of profit or loss.	30	14,735,253	-

18 DEFERRED GOVERNMENT GRANT

	Note	2020	2019
As at July 01		-	
Recognized during the year	18.2	17,111,129	-
Amortized during the year		-	-
As at June 30		17,111,129	-
			-
18.1 Non-current portion		5,974,419	-
Current portion		11,136,710	-
		17,111,129	-

18.2 As aforementioned in note 16.1, the purpose of the government grant is to facilitate the Company in making timely payments of salaries and wages to its employees in light of the COVID-19 pandemic. The grant is conditional upon the fact that the Company would not terminate any employee, due/ owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche. The grant will be amortized at the rate of 10.40% per annum (refer note 16.1). The grant has not been amortized in the current period as it has been received in the month of June 2020.

19 TRADE AND OTHER PAYABLES

	Note	2020	2019
		-------------(Rupees)------------	
Trade creditors		8,753,132,930	1,775,348,319
Advances from customers		6,896,314	-
Accrued liabilities		51,113,746	41,137,567
Withholding sales tax payable		1,050,702	118,087,122
Withholding income tax payable		9,636,643	15,621,225
Provident fund	19.2	1,711,218	13,149,978
Worker's welfare fund		3,891,006	5,494,432
Worker's profit participation fund	19.3	10,615,247	14,667,337
Others		73,967	160,976
		8,838,121,773	1,983,666,956

19.1 Provident fund	(Unaudited)	(Audited)
Size of the trust	33,515,194	14,150,978
Cost of investments	31,803,976	-
Fair value of investments	31,803,976	-

19.2 This amount of Rs. 1.71 million is held with Unity Foods Limited as on June 30, 2020 (2019: Rs. 13.15 million) and investment from provident fund has been made as per section 218 of the Companies Act, 2017.

19 TRADE AND OTHER PAYABLES (CONTINUED

19.3 Worker's profit participation fund

	Note	2020	2019
		-------------(Rupees)------------	
As at July 01	19.3.1	14,667,337	5,252,273
Interest on fund utilized in Company's business		693,182	656,534
Allocation for the year		9,922,065	14,010,803
Paid during the year		(14,667,337)	(5,252,273)
As at June 30		10,615,247	14,667,337

19.3.1 Interest on the workers profit participation fund has been accrued at the rate 15% (2019: 15%) per annum.

20 ACCRUED MARK-UP

	Note	2020	2019
		-------------(Rupees)------------	
Mark-up accrued on:			
- Loan from related party	20.1	-	1,334,650
- Running finance and short term loans	20.2	65,799,695	37,731,305
		65,799,695	39,065,955

20.1 This amount represented interest on loan from related party - Fehmida Amin as disclosed in note 36.

20.2 This includes mark-up accrued amounting to Rs. 21.74 million (2019: Rs. 12.65 million) on shariah arrangements.

21 SHORT TERM BORROWINGS - SECURED

	Note	2020	2019
		-------------(Rupees)------------	
Under conventional arrangements			
Finance against imported merchandise	21.1	1,524,331,650	1,258,795,560
Short term running finance	21.2	265,493,153	191,582,927
Under Islamic arrangements			
Short term running finance	21.3	2,102,431,220	1,116,992,790
		3,892,256,023	2,567,371,277

21.1 Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from conventional window of commercial banks under mark-up arrangements amounted to Rs. 1,524.33 million (June 30, 2019: Rs. 1,258.79 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1% - 2% (June 30, 2019: 0.50% - 2%) per annum for financing in local currency only and 3 months LIBOR plus 3% - 4% per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

21.2 Short term running finance available from conventional window of various commercial banks under mark-up arrangements amounted to Rs. 265.49 million (June 30, 2019: Rs. 191.58 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1% - 2% (June 30, 2019: 1% - 2%) per annum.

21.3 Funded facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 2,102.43 million (June 30, 2019: Rs. 1,116.99 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.25% - 1.70% (June 30, 2019: 0.80% - 1.70%) per annum for financing in local currency only and 3 months LIBOR plus 3% - 4% flat per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

21.4 Post import funded facilities, running finance and funded facilities under Islamic mode are secured by way of pledge over import goods (refer note 11.1) and hypothecation charge over current and fixed assets of the Company.

22 LOAN FROM RELATED PARTY

During the year the Company has repaid the loan obtained from a related party for meeting the working capital requirements. This loan carried interest at the rate of 3 months KIBOR plus 0.50%. However, after March 31, 2018, the mark-up was waived by the lender and it was payable on demand (Refer note 20.1) . The name and relationship with the related party has been disclosed in note 36 of these unconsolidated financial statements.

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

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

23.2 Commitments

Commitments under letter of credit for raw materials as at June 30, 2020 amounted to Rs. 1,443.40 million (2019: Rs. 592 million).

24 NET SALES

	Note	2020	2019
		-------------(Rupees)------------	
Local		32,659,472,573	13,182,493,089
Export		1,435,000,796	1,024,810,374
		34,094,473,369	14,207,303,463
Sales tax		(4,103,975,937)	(96,534,322)
Trade discount		(151,801,737)	(32,945,055)
		(4,255,777,674)	(129,479,377)
Toll manufacturing		33,324,947	19,413,198
		29,872,020,642	14,097,237,284

25 COST OF SALES

	Note	2020	2019
Raw material consumed		26,043,270,747	13,721,084,560
Salaries, wages and benefits	25.1	364,615,898	91,298,338
Rent, rates and taxes		21,474,969	28,866,352
Fuel, power and electricity		288,259,056	202,243,810
Insurance		50,989,923	24,811,378
Security and janitorial		12,531,752	4,528,639
Postage, telephone and internet		2,029,902	1,013,331
Printing, stationary and office supplies		254,011	322,298
Vehicle, travelling and conveyance		5,612,334	731,700
Transport - freight		152,235,114	34,801,106
Toll manufacturing expenses		27,150,954	14,545,304
Depreciation on operating fixed assets	6.2	113,186,239	55,099,967
Depreciation on right-of-use assets	7.1	17,529,046	-
Amortization		673,940	-
Repair and maintenance		34,554,542	15,887,878
Others		11,400,869	12,164,583
		27,145,769,296	14,207,399,244
Add: opening stock of work-in-process		132,382,894	141,530,436
Less: closing stock of work-in-process		(54,250,306)	(132,382,894)
Cost of goods manufactured		27,223,901,884	14,216,546,786
Add: opening stock of finished goods		1,638,027,718	241,514,996
Less: closing stock of finished goods		(1,019,196,613)	(1,638,027,718)
Cost of sales		27,842,732,989	12,820,034,064

25.1 Salaries, wages and benefits include Rs. 3.90 million for the year ended June 30, 2020 (2019: Rs. 4.90 million) in respect of staff retirement benefits.

26 SELLING AND DISTRIBUTION EXPENSES

	Note	2020	2019
		(Rupees)	
Salaries, wages and benefits	26.1	78,374,057	73,376,650
Security and janitorial		7,068,159	-
Freight and forwarding		371,347,718	151,333,939
Travelling, conveyance and entertainment		14,849,592	16,186,725
Depreciation on operating fixed assets	6.2	1,453,659	345,130
Depreciation on right-of-use assets	7.1	5,720,897	-
Amortization		449,293	285,061
Expected credit loss		16,190,457	-
Electricity, gas and water		1,250,182	523,917
Printing, stationary and office supplies		1,685,190	1,080,669
Repair and maintenance		1,535,786	213,955
Distributor expenses		119,567,481	35,521,766
Rent, rates and taxes		14,850,585	10,671,255
Insurance		416,002	2,238,563
Fees and subscription		2,774,968	-
Postage, telephone and internet		1,145,101	1,031,887
Advertising and sales promotion		50,415,746	59,142,516
Others		1,515,488	4,818,779
		690,610,361	356,770,812

26.1 Salaries, wages and benefits include Rs. 3.31 million for the year ended June 30, 2020 (2019: Rs. 3.40 million) in respect of staff retirement benefits.

27 ADMINISTRATIVE EXPENSES

	Note	2020	2019
		(Rupees)	
Salaries, wages and benefits	27.1	109,980,685	91,759,266
Rent, rates and taxes		398,832	224,686
Travelling, conveyance and entertainment		31,650,922	20,162,331
Electricity, gas and water		2,623,000	8,825,021
Postage, telephone and internet		4,830,537	1,847,440
Insurance		855,425	1,541,521
Repair and maintenance		2,988,262	1,794,362
Advertising and sales promotion		1,948,532	2,251,033
Auditor's remuneration	27.2	3,610,000	1,450,000
Legal and professional		10,299,223	8,560,852
Consultancy services		12,460,955	8,123,394
Fees and subscription		15,136,050	13,424,712
Security and janitorial		4,224,115	3,367,800
Donations		-	400,000
Depreciation on operating fixed assets	6.2	6,722,141	5,810,258
Amortization		1,123,234	1,140,242
Printing, stationary and office supplies		2,558,911	3,007,034
Others		8,320,751	6,970,974
		219,731,575	180,660,926

27.1 Salaries, wages and benefits include Rs. 4.75 million for the year ended June 30, 2020 (2019: Rs. 5.86 million) in respect of staff retirement benefits.

27.2 Auditor's remuneration

	2020	2019
	(Rupees)	
Audit services		
Audit fee	2,200,000	1,000,000
Half yearly review	810,000	250,000
Consolidation of Financial Statements with the Subsidiary	300,000	-
Review of Code of Corporate Governance	100,000	100,000
Out of pocket expenses	100,000	50,000
	3,510,000	1,400,000
Certifications for regulatory purposes	100,000	50,000
	3,610,000	1,450,000

		Note	2020	2019
28	OTHER OPERATING EXPENSES		-------------(Rupees)------------	
	Exchange loss		374,127,511	157,830,990
	Worker's welfare fund		3,891,006	5,494,432
	Worker's profit participation fund		9,922,065	14,667,337
			387,940,582	177,992,759
29	OTHER INCOME			
	Income/ return on financial assets			
	Income on bank deposits - under conventional banking		621,098	81,460
	Income/ (loss) from non-financial assets			
	Scrap sales		590,200	3,689,354
	Others		7,322,578	(2,620,357)
			8,533,876	1,150,457
30	FINANCE COST			
	Interest on short term loans/ running finance under non-shariah arrangements		249,761,581	87,366,925
	Profit on short term loans under shariah arrangements		237,734,939	105,881,252
	Interest on worker's profit participation fund		693,182	656,534
	Finance charge of lease liabilities		14,735,253	-
	Bank charges		42,063,766	27,447,152
	Right issue expenses		-	66,855,699
			544,988,721	288,207,562
31	TAXATION			
	Current year	31.1	-	-
	Prior years		-	-
			-	-
	Deferred		15,078,506	(19,647,098)
	Net tax charged		15,078,506	(19,647,098)

31.1 There is no current tax expense due to the application of section 65E of the Income Tax Ordinance, 2001 therefore relationship between income tax expense and profit before taxation has not been presented.

		2020	2019
32	BASIC AND DILUTED EARNING PER SHARE		
	Profit after taxation	209,628,796	255,074,520
		(Number of shares)	
	Weighted average number of ordinary shares outstanding during the year	544,050,000	248,518,408
		-------------(Rupees)------------	
	Basic and diluted earning per share	0.39	1.03

		Note	2020	2019
33	CASH FLOWS FROM OPERATING ACTIVITIES		-------------(Rupees)------------	
	Profit before taxation		194,550,290	274,721,618
	Adjustments for non-cash items:			
	Depreciation on operating fixed assets		121,362,039	61,255,356
	Depreciation on right-of-use assets		23,249,943	-
	Amortization on intangible assets		2,246,467	1,425,303
	Amortization on government grant		-	-
	Expected credit loss		16,190,457	-
	Capitalization of CWIP to operating fixed assets		484,840,683	880,731,897
	Unrealized exchange loss		170,979,754	14,742,983
	Finance cost		544,988,721	288,207,562
			1,558,408,354	1,521,084,719
	Changes in working capital			
	(Increase)/ decrease in current assets:			
	Stock-in-trade		(1,847,310,081)	(1,721,972,811)
	Stores and spares		(33,556,747)	(30,913,536)
	Trade debts		(4,718,283,127)	(1,915,363,087)
	Advances, deposits and prepayments		(60,386,367)	76,178,427
	Other receivables		(8,703,965)	29,945,650
			(6,668,240,287)	(3,562,125,357)
	Increase/ (decrease) in current liabilities:			
	Trade and other payables		6,683,475,066	224,132,491
	Sales tax payable		293,680,782	(148,735,969)
	Unclaimed dividend		(440,699)	1,188,311
			6,976,715,149	76,584,833
	Cash generated from/ (used in) operating activities		1,866,883,216	(1,964,455,805)
33.1	Cash and cash equivalents			
	Cash and cash equivalents comprise of:			
	Cash and bank balances	14	163,360,179	40,043,834
	Short term borrowings from bank - running finance (secured)	21	(265,493,153)	(191,582,927)
			(102,132,974)	(151,539,093)

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

Risk management framework

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

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

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

- Credit risk
- Liquidity risk
- Market risk

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTINUED)

34.1 Credit risk

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

Exposure to credit risk

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

	Note	2020	2019
		-------------(Rupees)------------	
Deposits	13	9,603,752	14,820,089
Trade debts	12	7,765,666,856	3,063,574,186
Bank balances	14	161,787,891	39,303,117
		7,937,058,499	3,117,697,392

Deposits

The Company has provided security deposits and retention money as per the contractual terms with counter parties as security and does not expect material loss against those deposits and retention money.

Trade debts

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

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

	2020	2019
	-------------(Rupees)------------	
Domestic	7,781,857,313	3,063,574,186
Export	-	-
	7,781,857,313	3,063,574,186

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

Not past due	1,884,850,709	1,502,285,318
Past due 1 - 30 days	4,524,740,010	933,599,434
Past due 31 - 90 days	1,316,289,187	627,689,434
Past due above 90 days	55,977,406	-
	7,781,857,313	3,063,574,186

Bank balances

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

Concentration of credit risk

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

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTINUED)

34.2 Liquidity risk

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

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

As at June 30, 2019	Carrying amount	Contractual maturities	Maturity up to one year	Maturity up to two to five years
	----(Rupees)----			
Non-derivative financial liabilities				
Trade and other payables	1,983,666,956	1,983,666,956	1,983,666,956	-
Accrued mark-up	39,065,955	39,065,955	39,065,955	-
Short term borrowings	2,567,371,277	2,567,371,277	2,567,371,277	-
Unclaimed dividend	1,188,311	1,188,311	1,188,311	-
Loan from related party	179,866,504	179,866,504	179,866,504	-
	4,771,159,003	4,771,159,003	4,771,159,003	-
Derivative financial liabilities	-	-	-	-
	4,771,159,003	4,771,159,003	4,771,159,003	-

34.3 Market risk

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

34.3.1 Currency risk

Currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The foreign currency risk of the Company is minimal as the export bills are immediately realized via sale to bank.

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTINUED)

34.3 Market risk (continued)

34.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets and liabilities include balance of Rs. 8.80 million (2019: Rs 0.19 million) and Rs. 3,892.26 million (2019: 2,834 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, 2020, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs. 38.83 million (2019: Rs. 20.12 million) lower/ higher, mainly as a result of lower/ higher interest expense/ income from these financial liabilities and assets.

34.3.3 Other price risk

The Company is not exposed to any price risk due to the fact that the Company does not hold any investments in financial instruments.

35 REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive	Directors	Executives	Total
	2019			
	----(Rupees)----			
Managerial remuneration	-	-	66,503,699	66,503,699
House rent	-	-	29,926,870	29,926,870
Medical	-	-	6,650,369	6,650,369
Retirement benefits	-	-	4,388,187	4,388,187
Director meeting fee	-	-	-	-
	-	-	107,469,125	107,469,125
Number of persons	1	7	30	38

Last year, the chief executive officer and directors waived their remuneration and meeting fee for the year.

36 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

Transactions with related parties			2020	2019
			------------(Rupees)	------------
Related parties	Nature of relationship	Nature of transaction		
Sunridge Foods (Private) Limited	Subsidiary	Sales	982,360	-
Unity Feeds (Private) Limited	Associated company	Sales	410,337,472	1,017,133,846
		Purchases	-	500,122,351
Fehmida Amin - Mother of director	Lender	Loan received	663,724,884	4,792,740,300
		Loan repaid	843,591,388	5,035,599,444
Providend fund	Staff retirement benefit fund	Contribution paid	20,595,680	8,111,758
Directors and executives	Key management personnel	Remuneration paid	49,012,655	38,100,000

Balances with related parties

Related parties	Nature of relationship	Balance as at June, 30	2020	2019
Sunridge Foods (Private) Limited	Subsidiary	Against sale of goods	982,360	-
Unity Feeds (Private) Limited	Associated company	Against sale of goods	41,200,406	264,939,935
Fehmida Amin - Mother of director	Lender	Against loan	-	179,866,504
		Against loan markup	-	1,334,650
Providend fund	Staff retirement benefit fund	Against contribution payable	1,711,218	13,149,978

36.1

Name of the related party	Relationship and percentage of shareholding
Sunridge Foods (Private) Limited	Subsidiary company by nature of more than fifty percent shareholding
Unity Feeds (Private) Limited	Associated company by nature of common directorship
Unity Packages (Pvt) Ltd. (formerly Reliance Exim (Pvt) Ltd.)	Associated company by nature of common directorship
Agro Allianz Limited	Associated company by nature of common directorship
Unity Enterprises (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Foods (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Packages (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Agro (Pvt) Ltd.	Associated company by nature of common directorship
Kairos Resources (Pvt) Ltd.	Associated company by nature of common directorship
Ace International (Pvt) Ltd.	Associated company by nature of common directorship
Karachi Steel Industries (Pvt) Ltd.	Associated company by nature of common directorship
North Star International (Pvt) Ltd.	Associated company by nature of common directorship
Portstar Services (Pvt) Ltd.	Associated company by nature of common directorship

37 CAPITAL RISK MANAGEMENT

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

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

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

The gearing ratio is as follows;	2020	2019
	-------------(Rupees)------------	
Long term loan	178,911,655	-
Short term borrowings	3,892,256,023	2,567,371,277
Total debt	4,071,167,678	2,567,371,277
Cash and bank balances	(163,360,179)	(40,043,834)
Net debt	3,907,807,499	2,527,327,443
Share capital	5,440,500,000	5,440,500,000
Unappropriated profit	409,190,974	253,967,178
Share capital and reserves	5,849,690,974	5,694,467,178
Gearing ratio (Net debt/(Net debt + share capital and reserves))	40.05%	30.74%

38 MEASUREMENT OF FAIR VALUES

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

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 the reporting date, the Company does not have any financial assets at fair value that would have required categorization in Level 1, Level 2 and Level 3.

39 ANNUAL PRODUCTION CAPACITY

	2020	2019
	Metric Tonnes	
Production capacity as at year end was as follows:		
Edible oil refinery	234,000	234,000
Solvent extraction plant	162,000	162,000
Feed mill	302,400	-
The actual production for the year was:		
Edible oil refinery	176,553	48,935
Solvent extraction plant	9,795	76,410
Feed mill	170,728	-

40 OPERATING SEGMENT

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

41 NON ADJUSTING EVENT AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

41.1 Right issue of shares

The Board of Directors in its meeting held on June 18, 2020, has passed a resolution for issuance of further 450,000,000/- (Four Hundred Fifty Million) ordinary shares of the Company of Rs. 10/- per share, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 10/- per share (i.e. at par), in the ratio of approximately 82.71 right shares for every 100 existing ordinary share of PKR 10/- each, against payment to the Company of the price of the share subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company (the “Right Issue”).

The purpose of the Right Issue is to meet the increased working capital requirements of the Company in order to, inter alia, enhance profitability of the Company and, consequentially, the returns to the shareholders.

The proceeds from the Right Issue will be primarily utilized for meeting the increased working capital requirements of the Company. This is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders.

42 CORRESPONDING FIGURES

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

In addition, certain corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions, the effect of which is immaterial.

43 GENERAL

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

43.2 Number of employees	2020	2019
Total number of employees at the June 30	123	122
Average number of employees during the year	123	81
Total number of factory employees as at June 30	249	263
Average number of factory employees during the year	256	217

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors meeting held on September 30, 2020.

Chairman Abdul Majeed Ghaziani	Chief Executive Muhammad Farrukh	Chief Financial Officer Jalees Edhi

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF UNITY FOODS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Unity Foods Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2020, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, 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 consolidated statement of financial position, 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 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 Group's affairs as at June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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
1.	First time adoption of IFRS - 16 As referred in note 7.3.1.1 to the consolidated financial statements, the Group has adopted IFRS 16, 'Leases' with effect from July 1, 2019 The standard has introduced a new accounting model for operating lease contracts from the standpoint of a lessee, as per the new requirements, the group is required to recognise right-of-use assets for leased assets and liabilities for the lease payments over the lease term. The application of new standard requires management to make significant estimates and judgements such as determination of lease term and appropriate discount rate for measurement lease liabilities. We considered the adoption of the standard as a key audit matters due to the significant management judgements involved in respect of the application of the new standard.	Our audit procedures to review the application of IFRS 16, amongst others, include the following: • We evaluated the appropriateness of the new accounting policies for recognition, measurement, presentation, and disclosures of lease contracts in the consolidated financial statements ; • We obtained an understanding of the process and control in place for identification of in-scope lease contracts (considering recognition exemption available under the standard i.e short term leases and leases of low value assets); • We corroborated the completeness of leases identified by the management by reviewing and analysing the existing lease arrangements as of the date of the initial application and reviewing the rent expense ledgers for the year; • We performed independent checks of lease accounting computations for a sample of lease contracts through re-performance of such computations and tracing the terms with the relevant contracts; • We evaluated the appropriateness of the assumptions used by the management in measuring lease liabilities such as discount rate, lease term etc; and • We assessed the adequacy and appropriateness of disclosures in the unconsolidated financial statement as required under the standard and applicable financial reporting framework.
2.	IMPACT OF COVID-19 (Refer note 1.4) As part of the preparation of the consolidated financial statements, management is responsible to assess the possible effects of COVID-19 on the Group's liquidity and related ability to continue as a going concern and appropriately disclose the results of its assessment in the financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial	We considered the uncertainties arising from COVID-19 in planning and performing our audit. Our procedures include: • Evaluation of the Group's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and testing the integrity of the forecasts, including mathematical accuracy; • Assessment of the reliability of the forecasted cash flows by comparing with the historical performance and market

S. No.		
	statements its effects are subject to uncertainties Management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as financing and cash requirements to ensure continuation of the group's operations.	expectations; • Discussion of the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19, on the Group; • Evaluation of the assumptions in respect of projected available future cash flows from operating, financing and investing activities and projected key ratios for covenant calculations; • Inspection of the supporting documentation such as contracts and underlying calculations and correspondence with financing and other relevant parties; • evaluation the Group's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19, including trade receivables and inventory provisioning; and • consideration of the appropriateness of the disclosures made in the financial statements in respect of the potential impact of COVID-19.
3	Property, Plant and Equipment As disclosed in note 8.1 and 8.4 to the consolidated financial statements, the Group has incurred substantial amount of capital expenditure of Rs. 553.82 million and Rs. 316.35 million in CWIP during the year for enhancement of production and operating capacity. We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.	Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following: • understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system and impaling policies consistently • testing, on sample basis, the costs incurred on various items with supporting documentation and contracts; • assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and • inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further

S. No.		
		capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.
4.	Existence and valuation of stock in trade: As disclosed in note 12 to the accompanying consolidated financial statements, the stock in trade balance has been substantially increased and constitutes 27 % of total assets of the Group. The cost of Raw material, work in process, and finished goods is determined at average manufacturing cost including a proportion of production overheads. We focused on stock in trade as it is a significant portion of Group's total assets and it requires management judgement in determining an appropriate costing basis and assessing its total cost.	We performed a range of audit procedures with respect to inventory items including: " physical observation of inventory counts; " testing valuation methods and their appropriateness in accordance with the applicable accounting standards; " testing the calculations of per unit cost of finished goods, and work in process; and " assessment of the appropriateness of management's basis for the allocation of cost and production overheads. We also assessed the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Group at the year end.
5.	Trade Debts Refer to note 13 to the consolidated financial statements. As at 30 June 2020, the Group's gross trade debtors were Rs. 7,823.096 million We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the recoverable amount of trade debts.	Our audit procedures to assess the valuation of trade debts, amongst others, included the following: o 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.; o 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; " circularizing direct confirmation to debtors on sample basis; o 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.
6.	Sales Refer to note 26 to the consolidated financial statements which shows that revenue of the group substantially increased. The Group recognized revenue of Rs. 30,479 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2020 as compared to Rs. 14,097 million previous year. We identified recognition of sales as a key audit matter because sales is 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 Borrowings and finance costs Refer notes 23 and 32 to the financial statements. The Group has obtained a range of financing	

S. No.		
	facilities from different financial institutions with varying terms and tenure and incurred substantial cost. 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. The Group's exposure to litigation risk	Our audit procedures included the following: • 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; • obtaining confirmations of borrowings as at 30 June 2020 directly from the financial institutions; • testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan and • assessing the adequacy of the Group's compliance with the loan covenants and the disclosure in the financial statements.
7.	On 24 May 2018 the Group and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on Loan write off pertaining to the period 2007. The former management on their own behalf and on behalf of the Group have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that the due amounts were paid by the then management to National bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Group. Accordingly, no provisioning has been provided in these financial statements. Due to the uncertainty involved in the outcome of this case we have identified this as key audit matter.	Our procedures in relation to this matter included: • Obtaining and reviewing details of the significant pending legal case and discussed the same with Group's management; • Circulation confirmations to the group's external legal counsel for their views on open legal/tax matters ; • Reviewing correspondence of the group with the relevant authorities ; • Evaluating rationale provided by the group and opinion of the external legal counsel Reviewing the disclosures made in the financial statements in respect of such contingencies
8.		

S. No.		
	and incurred substantial cost. 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	costs; • obtaining confirmations of borrowings as at 30 June 2020 directly from the financial institutions; • testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan and • assessing the adequacy of the Company's compliance with the loan covenants and the disclosure in the unconsolidated financial statements.
7.	The Company's exposure to litigation risk On 24 May 2018 the Company and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on Loan write off pertaining to the period 2007. The former management on their own behalf and on behalf of the Company have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that the due amounts were paid by the then management to National bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Company. Accordingly, no provisioning has been provided in these unconsolidated financial statements. Due to the uncertainty involved in the outcome of this case we have identified this as key audit matter.	Our procedures in relation to this matter included: • Obtaining and reviewing details of the significant pending legal case and discussed the same with Company's management; • Circulation of confirmations to the company's external legal counsel for their views on open legal/tax matters ; • Reviewing correspondence of the company with the relevant authorities ; • Evaluation of rationale provided by the company and opinion of the external legal counsel • Reviewing the disclosures made in the unconsolidated financial statements in respect of such contingencies

Information Other than the Consolidated 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and 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 Consolidated Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated the statement of changes in equity, and the consolidated 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 Group's business;

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

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

Chartered Accountants

Karachi:
Date :

Unity Foods Limited
Consolidated Statement of Financial Position
As at June 30, 2020

	Note	2020	2019
		-------------(Rupees)------------	
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,616,148,758	3,081,521,152
Right of use assets	8	95,183,633	-
Intangible assets	9	292,228,212	8,654,440
Long term deposits		3,086,098	-
Deferred tax asset	10	19,150,507	4,072,001
		4,025,797,208	3,094,247,593
Current assets			
Stock-in-trade	11	5,362,401,409	3,201,229,920
Stores and spares		64,470,283	30,913,536
Trade debts	12	7,812,790,409	3,063,574,186
Advances, deposits and prepayments	13	95,612,739	30,920,000
Other receivables		10,761,361	1,050,000
Sales tax receivable		-	292,485,386
Taxation - net of provision		1,995,744,026	711,161,726
Cash and bank balances	14	173,183,262	40,043,834
		15,514,963,489	7,371,378,588
Total assets		19,540,760,697	10,465,626,181
EQUITY AND LIABILITIES			
Share Capital	15	5,440,500,000	5,440,500,000
Unappropriated profit		412,785,010	253,967,178
		5,853,285,010	5,694,467,178
Advance against future issue of shares		12,163,324	-
Non-controlling interest		39,934,537	-
		5,905,382,871	5,694,467,178
Non-current liabilities			
Long term loan	16	143,267,826	-
Lease liabilities	17	89,156,414	-
Staff retirement benefits	18	7,832,183	-
Deferred government grant	19	7,298,709	-
		247,555,132	-
Current liabilities			
Current portion of long term loan	16	57,247,103	-
Current portion of lease liabilities	17	17,414,776	-
Current portion of deferred government grant	19	12,194,400	-
Trade and other payables	20	9,170,391,607	1,983,666,956
Accrued mark-up	21	66,699,516	39,065,955
Short term borrowings	22	3,981,506,023	2,567,371,277
Unclaimed dividend		747,612	1,188,311
Sales tax payable		1,195,395	
Contract liabilities		4,935,451	-
Loan from related party	23	75,490,811	179,866,504
		13,387,822,694	4,771,159,003
Contingencies and commitments	24		
Total equity and liabilities		19,540,760,697	10,465,626,181

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

Chairman	Chief Executive	Chief Financial Officer
Abdul Majeed Ghaziani	Muhammad Farrukh	Jalees Edhi

Unity Foods Limited
Consolidated Statement of Proft or Loss
For the year ended June 30, 2020

	Note	2020	2019
		-------------(Rupees)------------	
Net sales	25	30,479,501,918	14,097,237,284
Cost of sales	26	(28,379,061,793)	(12,820,034,064)
Gross profit		2,100,440,125	1,277,203,220
Selling and distribution expenses	27	(751,014,096)	(356,770,812)
Administrative expenses	28	(227,668,412)	(180,660,926)
Other operating expenses	29	(387,940,582)	(177,992,759)
		(1,366,623,090)	(715,424,497)
Other income	30	13,477,049	1,150,457
Profit before interest and taxation		747,294,084	562,929,180
Finance cost	31	(548,145,934)	(288,207,562)
Profit before taxation		199,148,150	274,721,618
Taxation			
Current	32	-	-
Deferred		15,132,017	(19,647,098)
		15,132,017	(19,647,098)
Profit after taxation		214,280,167	255,074,520
Profit attributable to:			
-Owners of the Holding Company		212,838,242	255,074,520
-Non-controlling interest		1,441,925	-
		214,280,167	255,074,520
Basic and diluted earning per share	33	0.39	1.03

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

Chairman Abdul Majeed Ghaziani	Chief Executive Muhammad Farrukh	Chief Financial Officer Jalees Edhi

Unity Foods Limited
Consolidated Statement of Comprehensive Income
For the year ended June 30, 2020

	Note	2020	2019
		-------------(Rupees)------------	
Profit after taxation		214,280,167	255,074,520
Other comprehensive income			
Remeasurement gain on staff retirement benefits	18.4	557,377	-
Total comprehensive income for the year		214,837,544	255,074,520
Total Comprehensive income for the year attributable to:			
- Owners of the Holding Company		213,222,832	255,074,520
- Non-controlling interest		1,614,712	-
		214,837,544	255,074,520

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

Chairman	Chief Executive	Chief Financial Officer
Abdul Majeed Ghaziani	Muhammad Farrukh	Jalees Edhi

Unity Foods Limited
Consolidated Statement of Changes in Equity
For the year ended June 30, 2020

	Attributable to equity holders of the Holding Company				
	Share capital	Unappropriated profit	Total reserves	Non-controlling interest	Total equity
		------------------------------ (Rupees) ------------------------------			
Balance as at July 01, 2018	1,690,500,000	83,417,658	1,773,917,658	-	1,773,917,658
Final dividend at 5% for the year ended June 30, 2018	-	(84,525,000)	(84,525,000)	-	(84,525,000)
Transaction with owners Issuance of right shares	3,750,000,000	-	3,750,000,000	-	3,750,000,000
Profit after taxation	-	255,074,520	255,074,520	-	255,074,520
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	255,074,520	255,074,520	-	255,074,520
Balance as at June 30, 2019	5,440,500,000	253,967,178	5,694,467,178	-	5,694,467,178
Final dividend at 1% for the year ended June 30, 2019	-	(54,405,000)	(54,405,000)	-	(54,405,000)
NCI recognised on acquisition	-	-	-	38,319,825	38,319,825
Profit attributable to non-controlling interest for the year	-	-	-	1,441,925	1,441,925
Profit after taxation	-	212,838,242	212,838,242	-	212,838,242
Other comprehensive income for the year	-	384,590	384,590	172,787	557,377
Total comprehensive income for the year	-	213,222,832	213,222,832	172,787	213,395,619
Balance as at June 30, 2020	5,440,500,000	412,785,010	5,853,285,010	39,934,537	5,893,219,547

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

Chairman Abdul Majeed Ghaziani	Chief Executive Muhammad Farrukh	Chief Financial Officer Jalees Edhi

Unity Foods Limited
Consolidated Statement of Cash Flows
For the year ended June 30, 2020

	Note	2020	2019
		-------------(Rupees)------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operating activities	34	1,690,228,911	(1,964,455,805)
Taxes paid		(1,274,684,321)	(614,518,215)
Staff gratuity paid		(3,929,840)	-
Net cash generated from/ (used in) operating activities		411,614,750	(2,578,974,020)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(869,869,744)	(2,501,687,557)
Proceeds from disposal of property, plant and equipment		1,039,088	-
Purchase of intangible assets		(4,505,008)	(4,375,763)
Investment in shares of the Subsidiary		(366,541,770)	-
Recovery of long term deposits		-	25,000
Net cash used in investing activities		(1,239,877,434)	(2,506,038,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against future issue of shares		10,221,790	-
Proceeds from short term borrowings - net		1,251,362,725	1,616,731,099
Proceeds from long term loan		217,287,223	-
Lease liabilities - net		(574,764)	-
Rentals paid against right-of-use assets		(27,237,381)	-
Loan returned to related party - net		(104,375,693)	-
Dividend paid		(54,405,000)	(84,525,000)
Finance cost paid		(505,993,541)	(258,691,294)
Proceeds from issue of right shares		-	3,750,000,000
Net cash generated from financing activities		786,285,359	5,023,514,805
Net decrease in cash and cash equivalents		(41,977,325)	(61,497,535)
Cash and cash equivalents at the beginning of the year		(139,582,566)	(90,041,558)
Cash and cash equivalents at the end of the year	34.1	(181,559,891)	(151,539,093)

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

Chairman	Chief Executive	Chief Financial Officer
Abdul Majeed Ghaziani	Muhammad Farrukh	Jalees Edhi

Unity Foods Limited
Notes to the Consolidated Financial Statements
For the year ended June 30, 2020

1 THE GROUP AND ITS OPERATIONS

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

1.1 Unity Foods Limited

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

1.2 Sunridge Foods (Private) Limited

Sunridge Foods (Private) Limited was incorporated in Pakistan as a private limited company on March 16, 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017 on May 30, 2017). The principal activity of the Subsidary Company is the processing of food items.

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

Address	Purpose	In Use
Karachi		
- Unity Tower Plot No. 8-C, Block-6, P.E.C.H.S.	Registered Office of the Holding Company	Unity Foods Limited
- Plot No. E-32, SITE Area.	Oil Refinery	Unity Foods Limited
- Plot No. A-48, Eastern Industrial Zone, Port Qasim.	Oil Refinery	Unity Foods Limited
- 4th Floor, 73-C, Jami Commercial Street No. 8, DHA Phase VII.	Registered Office	Sunridge Foods (Private) Limited
- Plot No. A-55 and A-56, Eastern Industrial Zone, Port Qasim.	Feed Mill	Unity Foods Limited
- C6, North west zone, Port Qasim.	Pesa Flour Plant	Sunridge Foods (Private) Limited
Kotri, District Hyderabad		
- Plot No. N-27-B, SITE Area.	Edible Oil Extraction Plant and Pellitising Mills	Unity Foods Limited

1.4 Impact of COVID-19

The rapid spread of COVID-19 pandemic across the world, has not only endangered human lives but has also adversely impacted the global economy. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan. On March 20, 2020, the Government of Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19 however, this excluded the companies involved in the business of necessary consumer supplies in which the Group operates.

In line with the directives of the Government and after implementing all necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Group continued its operations during the lock down and took all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lock down has caused disruptions in supply chain including supply of goods to the customers. The management of the Holding Company and Subsidiary Company has assessed the accounting implications of these developments on consolidated financial statements, including but not limited to the following areas:

1.4 Impact of COVID-19 (Continued)

- Expected credit losses under IFRS 9, "Financial Instruments;"
- Impairment of tangible and intangible assets under IAS 36, "Impairment of non-financial assets;"
- Net realisable value of inventory under IAS 2, "Inventories;"
- Deferred tax assets in accordance with IAS 12, "Income taxes;"
- Provisions and contigent liabilities under IAS 37, " Provisions, contingent assets and contingent liabilities" including onerous contracts; and
- Going concern assumption used for the preparation of these consolidated financial statements under IAS 1.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these consolidated financial statements.

2 STATEMENT OF COMPLIANCE

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

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

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

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

- Property, plant and equipment and depreciation (refer note 6.4)
- Right-of-use assets (refer note 6.6)
- Intangible assets and amortization (refer note 6.7)
- Stock-in-trade (refer note 6.10)
- Lease liabilities (refer note 6.16)
- Government grant (refer note 6.18)
- Provisions (refer note 6.19)
- Taxation (refer note 6.22)
- Contingent liabilities (refer note 6.25)
- Impairment (refer note 6.28)

4 BUSINESS COMBINATION

During the year Unity Foods Limited acquired controlling interest of 69% of the paid up capital of Sunridge Foods (Private) Limited in accordance with share purchase agreement between Unity Foods Limited and shareholders of Sunridge Foods (Private) Limited.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at their carrying value which are approximately equal to fair value of assets and liabilities.

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

	2020
	-------(Rupees)--------
Net assets	123,612,339
Net assets attributable to non-controlling interest (31%)	(38,319,825)
Net assets acquired through business combination	85,292,514
Goodwill	281,249,256
Total Consideration	366,541,770

Cash outflow on acquisition

Net cash acquired with subsidiary	12,194,017
Cash paid	(366,541,770)
Net cash outflow	(354,347,753)

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

The results of operations of Sunridge Foods (Private) Limited since the acquisition date that have been included in the consolidated statement of profit or loss account for the year ended June 30th 2020 are as follows:

	2020
	-------(Rupees)--------
Turnover	608,463,636
Net income attributable to owners of the Holding Company	3,209,446

5 BASIS OF CONSOLIDATION

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

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The unconsolidated financial statements of the Subsidiary is prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidiary have been changed to conform with accounting policies of the Group, where required.

5 BASIS OF CONSOLIDATION (CONTINUED)

All intra-group balances, transactions and unrealised gains or losses resulting from intra-group transactions and dividends (if any) are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, (NCI) exists, the total comprehensive income of the period, even if that results in a deficit balance, is allocated to NCI according to it's share.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit or loss, and reclassifies the Group’s share of components previously recognised in other comprehensive income to profit or loss.

The assets, liabilities, income and expenses of the Subsidiary Company is consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary company's shareholders’ equity in these consolidated financial statements.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented except as disclosed in note 6.6, 6.16, 6.17, and 6.18 to these consolidated financial statements.

6.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except otherwise stated.

6.2 Basis of preparation

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

6.3 Change in accounting standards, interpretations and amendments to accounting and reporting standards

6.3.1 New standards, amendments and interpretations to accounting and reporting standard which were effective during the year:

6.3.1.1 IFRS 16 - Leases

During the year, the Group has adopted IFRS 16 "Leases" which became applicable on July 1, 2019. IFRS 16 superseded IAS 17 Leases and IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases in the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

The Group has adopted IFRS 16 from July 1, 2019 using the modified retrospective restatement approach and has not restated comparatives amounts for the year ended June 30, 2019 reporting period, as permitted under the specific transitional provisions in the standard.

6.3 Change in accounting standards, interpretations and amendments to accounting and reporting standards (Continued)

6.3.1 New standards, amendments and interpretations to accounting and reporting standard which were effective during the year: (Continued)

6.3.1.1 IFRS 16 - Leases (Continued)

In applying the standard, the Group has recognized lease liability at the date of initial application as present value of remaining lease payments and a right-of-use asset equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments previously recognized. The present value has been determined using a single discount rate for portfolio of leases exhibiting similar characteristics based on practical expedient provided in the standard.

The impact of adoption of IFRS 16 as at July 01, 2019 is summarised below:

	-----(Rupees)-----
Assets	
Right-of-use assets	114,849,434
Prepayments	(2,792,000)
	112,057,434
Liabilities	
Lease Liability	112,057,434

The impact of adoption of IFRS 16 on the consolidated statement of profit or loss for the year ended June 30, 2020 is summarized below:

	-----(Rupees)-----
Decrease in rent, rate and taxes	28,663,806
Increase in depreciation expense	(24,464,446)
Increase in finance costs	(15,748,613)
	(11,549,253)

Reconciliation of operating lease commitment to lease obligation as at July 01, 2019 is summarised as below:

	-----(Rupees)-----
Operating lease commitments as at June 30, 2019	96,883,235
Impact of discounting	15,174,199
Total lease liability as at July 01, 2019	112,057,434
Incremental borrowing rate as at July 01, 2019	14.13%

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2020:

6.3 Change in accounting standards, interpretations and amendments to accounting and reporting standards (Continued)

6.3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective: (continued)

Standard or Interpretation		Effective Date
IFRS 3	Definition of a Business (Amendments)	January 1, 2020
IFRS 10 and IAS 28	Consolidated Financial Statements and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 4	Insurance Contracts – Applying IFRS 9 Financial Instruments (Amendment)	January 1, 2021
IFRS 17	Insurance Contracts	January 1, 2021
IAS 1 and IAS 8	Definition of Material (Amendments)	January 1, 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments)	January 1, 2020
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments)	January 1, 2020

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

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

6.3.3 Annual Improvements to IFRS 2019-2020:

Standard or Interpretation		Effective Date
IFRS 9	Financial Instruments - Fees in the '10 percent' test for the derecognition of financial liabilities.	January 1, 2022
IAS 41	Agriculture – Taxation in the fair value measurement	January 1, 2022

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of consolidated financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective Date
IFRS 1	First time adoption of IFRS	January 1, 2004
IFRS 17	Insurance contracts	January 1, 2023

6.4 Property, plant and equipment and depreciation

Initial recognition

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

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

Measurement

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

a) Its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates; and
b) Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
c) Borrowing costs, if any.
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

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

Depreciation

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

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the assets are reviewed, and adjusted if appropriate, at each financial year end.

Gains or loss on disposal

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

6.5 Capital work-in-progress

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

6.6 Right-of-use assets

Effective from July 01, 2019, the Group recognises right-of-use assets at the commencement date of the lease (i.e., the date, the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as disclosed in note 8 to these consolidated financial statements.

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

6.7 Intangible assets and amortization

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

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

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

6.8 Goodwill

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

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

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

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

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

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

6.9 Trade debts, advances and other receivables

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

6.10 Stock-in-trade

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

6.11 Stores and spares

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

6.12 Cash and cash equivalents

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

6.13 Trade and other payables

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

6.14 Off-setting of financial assets and financial liabilities

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

6.15 Foreign currency translation

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

6.16 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.

6.16 Lease liabilities (continued)

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

6.17 Short-term leases and leases of low-value assets

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

6.18 Government grant

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

6.19 Provisions

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

6.20 Revenue recognition

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

6.21 Income on bank deposits and finance cost

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

6.22 Taxation

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

Current

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

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

Deferred

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

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

6.23 Staff retirement benefits

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

Defined contribution plans - Provident fund

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

Defined benefit plans

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

6.23 Staff retirement benefits (continued)

Defined benefit plans

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

6.24 Borrowing cost

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

6.25 Contingent liabilities

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

6.26 Financial Instruments

(a) Classification and initial measurement

The Group classifies its financial assets in to following three categories;
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amoritzed cost.

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

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

Financial assets at FVOCI

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

6.26 Financial Instruments (Continued)

- 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 irrecovably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Financial assets at amortized cost

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

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

For assets measured at fair value, gain or loss will either be recorded in the consolidated statement of 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 other comprehensive income.

Financial assets at FVTPL

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

Financial assets measured at amortized cost

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

(c) Financial liabilities

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

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

6.27 Off-setting

Financial assets and liabilities are off-set and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

6.28 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 occuring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make the assessment, the Group compares the risk of a default occuring on the financial instrument as at the reporting date with the risk of a default occuring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

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

(b) Impairment of non-financial assets

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

6.29 Proposed dividend and transfer between reserves

Dividend distributions to the Group's shareholders are recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the reporting date is considered as a non-adjusting event and is recognized in the period in which such transfers are made.

6.30 Functional and presentation currency

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

6.31 Earnings per share

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

	Note	2020	2019
		-------------(Rupees)------------	

7 PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
Operating fixed assets	7.1	3,005,956,547	2,302,995,148
Capital work-in-progress (CWIP)	7.4	610,192,211	778,526,004
		3,616,148,758	3,081,521,152

7.1 Operating fixed assets

	COST					Depreciation Rate (%)	ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
	As at July 01, 2019	Additions/ transfers	Acquired under business combination	Disposals	As at June 30, 2020		As at July 01, 2019	Depreciation for the year	Disposals	As at June 30, 2020	As at June 30, 2020
	--------(Rupees)--------						--------(Rupees)--------				
Owned											
Free hold land	20,815,016	-	-	-	20,815,016	-	-	-	-	-	20,815,016
Building on lease/ free hold land	356,734,911	90,228,015	71,671,737	-	518,634,663	4%	(13,498,807)	(18,395,754)	-	(31,894,561)	486,740,102
Plant and machinery	1,265,920,037	439,810,807	179,851,900	-	1,885,582,744	4%-10%	(54,842,273)	(84,032,597)	-	(138,874,870)	1,746,707,874
Furniture, fixtures and office equipment	22,148,800	11,459,858	8,806,010	-	42,414,668	5%-33%	(3,401,051)	(6,754,540)	-	(10,155,591)	32,259,077
Computer and auxilliary equipment	9,176,245	813,678	-	-	9,989,923	25%	(2,126,362)	(2,435,983)	-	(4,562,345)	5,427,578
Vehicles	9,586,109	11,012,106	3,338,912	(2,510,100)	21,427,027	20%	(1,024,645)	(2,730,940)	2,426,430	(1,329,155)	20,097,872
Leased											
Lease hold land	702,591,053	500,000	13,489,553	-	716,580,606	1.12 %- 3.7%	(9,083,885)	(13,587,693)	-	(22,671,578)	693,909,028
	2,386,972,171	553,824,464	277,158,112	(2,510,100)	3,215,444,647		(83,977,023)	(127,937,507)	2,426,430	(209,488,100)	3,005,956,547

8.1 Operating fixed assets

	COST					Depreciation Rate (%)	ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
	As at July 01, 2018	Additions/ transfers	Acquired under business combination	Disposals	As at June 30, 2019		As at July 01, 2018	Depreciation for the year	Disposals	As at June 30, 2019	As at June 30, 2019
	--------(Rupees)--------						--------(Rupees)--------				
Owned											
Free hold land	20,815,016	-	-	-	20,815,016	-	-	-	-	-	20,815,016
Building on lease/ free hold land	226,427,683	130,307,228	-	-	356,734,911	4%	(3,929,609)	(9,569,198)	-	(13,498,807)	343,236,104
Plant and machinery	733,087,428	532,832,609	-	-	1,265,920,037	5%	(15,215,616)	(39,626,657)	-	(54,842,273)	1,211,077,764
Furniture, fixtures and office equipment	9,036,877	13,111,923	-	-	22,148,800	20%	(295,532)	(3,105,519)	-	(3,401,051)	18,747,749
Computer and auxilliary equipment	3,870,847	5,305,398	-	-	9,176,245	25%	(292,970)	(1,833,392)	-	(2,126,362)	7,049,883
Vehicles	3,527,907	6,058,202	-	-	9,586,109	20%	(214,135)	(810,510)	-	(1,024,645)	8,561,464
Leased										-	-
Lease hold land	424,591,053	278,000,000	-	-	702,591,053	1.12% - 1.14%	(2,773,806)	(6,310,079)	-	(9,083,885)	693,507,168
	1,421,356,811	965,615,360	-	-	2,386,972,171		(22,721,668)	(61,255,355)	-	(83,977,023)	2,302,995,148

	Note	2020	2019
		-------------(Rupees)------------	

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

	Note	2020	2019
Cost of sales	26	119,161,565	55,099,967
Selling, marketing and distribution expenses	27	1,775,781	345,130
Administrative expenses	28	7,000,159	5,810,258
		127,937,505	61,255,355

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

Particulars	Location	Total Area
Unity Foods Limited Lease hold land (Manufacturing plant)	Plot # N27/B, N27/C & N37/A, Site Area, Kotri, District Hyderabad.	38,429.60 Sq. Yd
Free hold land (Under construction)	Plot # N25, Site Area, Kotri, District Hyderabad.	148,733.20 Sq. Yd
Lease hold land (Manufacturing plant)	Plot # A-48, Eastern Industrial Zone, Port Qasim, Karachi.	24,200.00 Sq. Yd
Office premises	Unity Tower, 8-C, Shahrah-e-Faisal, P.E.C.H.S., Block 6, Karachi.	600 Sq. Yd
Sunridge Foods (Private) Limited Pesa flour plant	C6, North West Zone, Port Qasim	14520 Sq. Yd

7.4 Capital work-in-progress - at cost

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

	As at July 1, 2018	Additions / Adjustments	Accquired under business combination	Transfer / Adjustments	As at June 30, 2019
			------------------------------ (Rupees) ------------------------------		
Lease hold land	500,000	278,000,000	-	(278,000,000)	500,000
Building on lease / free hold land	20,128,266	326,780,249		(117,392,129)	229,516,386
Plant and machinery	102,557,438	917,267,642	-	(485,339,768)	534,485,312
Furniture, fixtures and office equipment	-	4,305,917	-	-	4,305,917
Vehicles	-	9,718,389	-	-	9,718,389
	123,185,704	1,536,072,197	-	(880,731,897)	778,526,004

		Consolidated	
	Note	2020	2019
8 RIGHT-OF-USE ASSETS		-------------(Rupees)------------	
Balance as at July, 01- (i.e. as at initial application)		-	-
Impact of initial application of IFRS-16		119,648,079	-
Depreciation charged for the year	8.1	(24,464,446)	-
Right-of-use assets (ROUA) - as at June, 30		95,183,633	-

8.1 Depreciation for the year has been charged to;

	Note	2020	2019
Cost of sales	26	17,529,046	-
Selling and distribution	27	5,720,897	-
Administrative expenses	28	1,214,503	-
		24,464,446	-

9 INTANGIBLE ASSETS

	Note	2020	2019
Goodwill	9.1	281,249,256	-
Intangible assets	9.1	10,978,956	8,654,440
		292,228,212	8,654,440

9.1 Intangible assets

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

	2019	
	Goodwill	Software
	-------------(Rupees)------------	
Cost		
As at July, 01	-	5,900,669
Additions during the year/ acquired under business combination	-	4,375,763
As at June, 30	-	10,276,432
Accumulated amortization		
As at July, 01	-	(196,689)
Amortization charged during the year	-	(1,425,303)
As at June, 30	-	(1,621,992)
Written down value as at June, 30	-	8,654,440
Amortization rate (%)	Indefinite	20%

9.2 Goodwill

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

For impairment testing, management has decided to evaluate same on annualized basis after completion of one year from the date of the acquisition.

	Consolidated	
	2020	2019
10 DEFERRED TAX	------------(Rupees)------------	
Deferred tax asset in respect of:		
Brought forward losses	93,068,335	93,068,335
Exchange loss - unrealized	49,584,128	-
Expected credit loss	4,695,233	-
Lease liabilities	3,116,867	-
Deferred tax liability in respect of:		
Accelerated tax depreciation	(131,314,056)	(88,996,334)
Deferred tax (liability)/ asset	19,150,507	4,072,001

11 STOCK-IN-TRADE		
Raw and packing material		
In hand	827,941,826	1,027,341,898
In transit	3,443,996,938	403,477,410
	4,271,938,764	1,430,819,308
Traded/ semi-finished goods		
In hand	68,794,256	366,646,673
In transit	-	50,243,144
	68,794,256	416,889,817
Work in process	54,250,306	132,382,894
Finished goods	967,418,083	1,221,137,901
	5,362,401,409	3,201,229,920

11.1 Pledged as security

As at June 30, 2020, Rs. 1075.37 million (2019: Rs. 603.32 million) of the Group's raw material was pledged as security for a Rs. 1425.37 million (2019: Rs. 603.32 million) loan from various banks.

	Note	2020	2019
12 TRADE DEBTS		------------(Rupees)------------	
Unsecured		7,812,790,409	3,063,574,186
Considered good		17,202,904	-
Considered doubtful		7,829,993,313	3,063,574,186
Allowance for expected credit loss		(17,202,904)	-
		7,812,790,409	3,063,574,186

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

	Note	2020	2019
Unity Feeds (Private) Limited	12.1.1 & 12.1.2	41,200,406	264,939,935

12.1.1 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 188.54 million (2019: Rs. 264.94 million).

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

	Note	Consolidated 2020	2019
		-------------(Rupees)------------	
Not yet due		16,486,774	148,366,364
Past due 1-60 days		24,713,632	116,573,571
Total		41,200,406	264,939,935

13 ADVANCES, DEPOSITS AND PREPAYMENTS

	Note	2020	2019
Advances - considered good			
To suppliers	13.1	62,780,194	3,143,458
To employees		4,286,612	4,112,358
Security deposits	13.2	11,262,675	14,820,089
Prepayments		17,283,258	8,844,095
		95,612,739	30,920,000

13.1 These advances and deposits are non interest bearing.

13.2 These security deposits pertain to utility connections and right-of-use assets.

14 CASH AND BANK BALANCES

	Note	2020	2019
Bank balances - conventional banking			
- In saving accounts	14.1	8,796,304	186,560
- In current accounts		104,275,932	18,461,332
		113,072,236	18,647,892
Bank balances - islamic banking			
- In saving accounts		8,203	-
- In current accounts		57,933,651	20,655,225
		57,941,854	20,655,225
Cash in hand		2,169,172	740,717
		173,183,262	40,043,834

14.1 Rate of return on savings account

Profit on saving accounts ranges from 4.97% to 11.50% (2019: from 4.50% to 10.25%) per annum.

15 SHARE CAPITAL

	Note	Consolidated 2020	2019
		-------------(Rupees)------------	
Authorized share capital 1,000,000,000 (2019: 1,000,000,000) ordinary shares of Rs. 10/- each		10,000,000,000	10,000,000,000
Issued, subscribed and paid-up capital 544,050,000 (2019: 544,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	15.1	5,440,500,000	5,440,500,000

15.1 As at June 30, 2020, Associated Company Unity Wilmar Agro (Private) Limited held 11.01% (2019: 11.01%), modarabas and mutual funds held 5.17% (2019: 3.22%), Directors, CEO their spouse and minor children held 28.37% (2019: 53.51%) while institutions held 8.59 % (2019: 3.61%), others held 0.37 % (2019: 1.05%) and individuals held 46.48 % (2019: 27.60%). Voting rights, board selection and other shareholders rights are in proportion to their shareholding.

		Note	Consolidated 2020	2019
16	LONG TERM LOAN		-------------(Rupees)------------	
	Interest based arrangement			
	Long term financing facility	16.1	198,431,917	-
	Other long-term loan		-	-
	Shariah compliant			
	Diminishing Musharaka	16.2	2,083,012	-
			200,514,929	-
	Current portion shown under current liabilities		(57,247,103)	-
			143,267,826	-

16.1 The Group has obtained long term financing facility from JS Bank under a refinance scheme for payment of salaries and wages by the State Bank of Pakistan. It carries a flat mark-up at the rate of 3% per annum. However, the effective interest rate is calculated as 10.40% per annum and the loan has been recognised at the present value. The loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at the effective rate of interest. The differential markup has been recognised as government grant (as mentioned in note 19) which will be amortised to other income over the period of the facility. The financing is secured against plant and machinery of the Group amounting to Rs. 262.93 million (inclusive of 25% margin).

16.2 These carry markup at the rate of 6 months KIBOR plus 1.50% per annum and is repayable latest by September 2023. These facilities are secured against the respective assets.

		Consolidated 2020	2019
17	LEASE LIABILITIES	-------------(Rupees)------------	
	Present value of future minimum lease payments	106,571,190	-
	Less: current portion shown under current liabilities	(17,414,776)	-
	Non current portion	89,156,414	-

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

	2020		
	Minimum lease payments	Finance charge	Present value of Minimum lease payments
	-------------(Rupees)------------		
Not later than one year	31,042,892	(13,628,116)	17,414,776
Later than one year but not later than five years	109,801,339	(20,644,925)	89,156,414
Total future minimum lease payments	140,844,231	(34,273,041)	106,571,190

		Note	2020	2019
			-------------(Rupees)------------	
17.2	Amount recognised in the consolidated statement of profit or loss	31	15,885,839	-

18 STAFF RETIREMENT BENEFITS

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

		2020	2019
		-------------(Rupees)------------	
18.1	Staff retirement benefits - gratuity	7,832,183	-
18.2	Movement in present value of defined benefit obligations		-
	Opening present value of defined benefit obligation	7,506,126	
	Current service cost	6,039,109	-
	Interest cost on defined benefit obligation	786,115	-
	Benefits paid	(5,941,790)	-
	Remeasurements:		
	Actuarial (gains)/losses from changes in financial assumptions	(97,112)	
	Experience adjustments	(460,265)	-
	Closing present value of defined benefit obligation	7,832,183	-
18.3	Expenses recognised in the consolidated statement of profit or loss		
	Current service cost	6,039,109	-
	Interest cost on defined benefit obligation	786,115	-
		6,825,224	-
18.4	Remeasurements recognised in the consolidate statement of other comprehensive income		
	Actuarial (gains)/losses from changes in financial assumptions	(97,112)	-
	Experience adjustments	(460,265)	-
		(557,377)	-
18.5	Movement in the net liability recognised:		
	Balance as at July, 01	7,506,126	-
	Expense recognized in the consolidated statement of profit or loss	6,825,224	-
	Remeasurements chargeable in other comprehensive income	(557,377)	-
	Benefits paid	(5,941,790)	-
	Balance as at June, 30	7,832,183	
18.6	Significant actuarial assumptions		
	- Discount rate used for interest cost	14.25%	-
	- Discount rate used for year end obligation	8.50%	-
	- Salary increase rate	8.50%	-
	- Next salary is increased at	1-Jul-20	-
	- Mortality rates	SLIC 2001-2005 Setback 1 year	-
	- Retirement assumption	Age 60	-

		Note	Consolidated 2020	2019
			------------(Rupees)------------	
18.7	Year end sensitivity analysis on staff retirement benefits:			
	- Discount rate +100 bps		7,310,528	-
	- Discount rate -100 bps		8,449,943	-
	- Salary Increase +100 bps		8,461,769	-
	- Salary Increase -100 bps		7,298,735	-

Exprected benefits payments for the financial year 2021 will be Rs 2.327 million.

19 DEFERRED GOVERNMENT GRANT

		Note	2020	2019
	As at 01 July		-	-
	Received during the year		19,611,918	-
	Amortized during the period		(118,809)	
	As at 30 June	19.1	19,493,109	-
				-
19.1	Non-current portion		7,298,709	
	Current portion		12,194,400	-
			19,493,109	-

19.2 As aforementioned in note 16.1, the purpose of the government grant is to facilitate the Group in making timely payments of salaries and wages to their employees in light of the COVID-19 pandemic. The grant is conditional upon the fact that the Group would not terminate any employee, due/owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

		Note	2020	2019
			------------(Rupees)------------	
20	TRADE AND OTHER PAYABLES			
	Trade creditors	20.1	9,053,032,310	1,775,348,319
	Advances from customers		6,896,314	-
	Accrued liabilities		81,843,372	41,137,567
	Withholding sales tax payable		1,050,702	118,087,122
	Withholding income tax payable		10,732,779	15,621,225
	Provident fund	20.3	1,711,218	13,149,978
	Worker's welfare fund		3,891,006	5,494,432
	Worker's profit participation fund	20.4	10,615,247	14,667,337
	Others		618,659	160,976
			9,170,391,607	1,983,666,956

20.1 This includes Rs. 1.310 million amount payable to Unity Packages (Private) Limited [formerly Reliance Exim (Private) Limited].

		2020 (Unaudited)	2019 (Audited)
20.2	Provident Fund	------------(Rupees)------------	
	Size of the trust	33,515,194	14,150,978
	Cost of investments	31,803,976	-
	Fair value of investments	31,803,976	-

20.3 This amount of Rs. 1.71 million is held with Unity Foods Limited as on June 30, 2020 (2019: Rs. 13.15 million) and investment from provident fund has been made as per section 218 of the Companies Act, 2017.

20 TRADE AND OTHER PAYABLES (CONTINUED)

	Note	2020	2019
		-------------(Rupees)------------	
20.4 Worker's profit participation fund			
As at July 01	20.4.1	14,667,337	5,252,273
Interest on fund utilized in Company's business		693,182	656,534
Allocation for the year		9,922,065	14,010,803
Paid during the year		(14,667,337)	(5,252,273)
As at June 30		10,615,247	14,667,337

20.4.1 Interest on the workers profit participation fund has been accrued at the rate 15% (2019: 15%) per annum.

	Note	2020	2019
		-------------(Rupees)------------	
21 ACCRUED MARK-UP			
Mark-up accrued on:			
- Loan from related party	21.1	73,693	1,334,650
- Running finance and short term loans	21.2	66,625,823	37,731,305
		66,699,516	39,065,955

21.1 This amount represented interest on loan from related party - Fehmida Amin as disclosed in note 37.

21.2 This includes mark-up accrued amounting to Rs. 21.74 million (2019: Rs. 12.65 million) on shariah arrangements.

	Note	Consolidated 2020	2019
		-------------(Rupees)------------	
22 SHORT TERM BORROWINGS - SECURED			
Under conventional arrangements			
Finance against imported merchandise	22.1	1,524,331,650	1,258,795,560
Short term running finance	22.2	265,493,153	191,582,927
Under Islamic arrangements			-
Short term running finance	22.3	2,191,431,220	1,116,992,790
		3,981,506,023	2,567,371,277

22.1 Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from conventional window of commercial banks under mark-up arrangements amounted to Rs. 1,524.33 million (June 30, 2019: Rs. 1,258.79 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.00% - 2.00% (June 30, 2019: 0.50% - 2.00%) per annum for financing in local currency only and 3 months LIBOR plus 3.00% - 4.00% per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

22.2 Short term running finance available from conventional window of various commercial banks under mark-up arrangements amounted to Rs. 265.49 million (June 30, 2019: Rs. 191.58 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.00% - 2.00% (June 30, 2019: 1.00% - 2.00%) per annum.

22 SHORT TERM BORROWINGS - SECURED (CONTINUED)

22.3 Funded facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 2,102.43 million (June 30, 2019: Rs. 1,116.99 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.25% - 1.70% (June 30, 2019: 0.80% - 1.70%) per annum for financing in local currency only and 3 months LIBOR plus 3.00% - 4.00% flat per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

22.4 Post import funded facilities, running finance and funded facilities from Islamic banks, are secured by way of pledge over import goods and hypothecation charge over current and fixed assets of the Group.

23 LOAN FROM RELATED PARTY

This represents interest free loan which is payable on demand obtained from a related party, to meet working capital requirements. The name and relationship with the related party has been disclosed in note 37 of these consolidated financial statements.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

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

24.2 Commitments

Commitments under letter of credit for raw materials as at June 30, 2020 amounted to Rs. 1,411 million (2019: Rs. 592 million).

	Consolidated	
	2020	2019
25 NET SALES	-------------(Rupees)------------	
Local	33,292,365,357	13,182,493,089
Export	1,435,000,796	1,024,810,374
	34,727,366,153	14,207,303,463
Sales tax	(4,103,975,937)	(96,534,322)
Trade discount	(177,213,245)	(32,945,055)
	(4,281,189,182)	(129,479,377)
Toll manufacturing	33,324,947	19,413,198
	30,479,501,918	14,097,237,284

26 COST OF SALES

	Note	2020	2019
		-------------(Rupees)------------	
Raw material consumed		26,505,310,123	13,721,084,560
Salaries, wages and benefits	26.1	402,404,727	91,298,338
Rent, rates and taxes		21,474,969	28,866,352
Fuel, power and electricity		306,102,705	202,243,810
Insurance		51,679,151	24,811,378
Security and janitorial		14,459,549	4,528,639
Postage, telephone and internet		2,115,150	1,013,331
Printing, stationery and office supplies		2,046,330	322,298
Vehicles, travelling and conveyance		5,624,449	731,700
Transport - freight		154,787,858	34,801,106
Toll manufacturing expenses		27,150,954	14,545,304
Depreciation on operating fixed assets	7.2	119,161,565	55,099,967
Depreciation to right-of-use assets	8.1	17,529,046	-
Amortization		673,940	-
Repair and mantenance		36,554,275	15,887,878
Factory canteen expenses		828,631	-
Cleaning expense		299,470	-
Others		8,532,055	12,164,583
		27,676,734,947	14,207,399,244
Add: Opening stock of work-in-process			
Less: Closing stock of work-in-process		134,482,603	141,530,436
Cost of goods manufactured		(54,250,306)	(132,382,894)
		27,756,967,244	14,216,546,786
Add: Opening stock of finished goods			
Less: Closing stock of finished goods		1,658,306,888	241,514,996
		(1,036,212,339)	(1,638,027,718)
Cost of sales		28,379,061,793	12,820,034,064

26.1 Salaries, wages and benefits include Rs. 5.90 million for the year ended June 30, 2020 (2019: Rs. 4.90 million/- in respect of staff retirement benefits.

27 SELLING, MARKETING AND DISTRIBUTION EXPENSES

	Note	2020	2019
		-------------(Rupees)------------	
Salaries, wages and benefits	27.1	94,293,362	73,376,650
Security and janitorial		7,068,159	-
Freight and forwarding		371,347,718	151,333,939
Travelling, conveyance and entertainment		15,512,173	16,186,725
Depreciation of operaing fixed assets	7.2	1,775,781	345,130
Depreciation to right-of-use assets	8.1	5,720,897	-
Amortization	9.1	449,293	285,061
Expected credit loss		17,202,904	-
Electricity, gas and water		1,250,182	523,917
Printing, stationery and office supplies		1,685,190	1,080,669
Repairs and mantainance		1,542,932	213,955
Distributor expenses		124,515,131	35,521,766
Rent ,rates and taxes		14,850,585	10,671,255
Insurance		416,002	2,238,563
Fees and subscription		2,774,968	-
Postage, telephone and internet		1,279,737	1,031,887
Transportation		32,591,122	-
Marketing and research cost		5,851,982	-
Advertising and sales promotion		49,414,760	59,142,516
Others		1,471,218	4,818,779
		751,014,096	356,770,812

27 SELLING, MARKETING AND DISTRIBUTION EXPENSES (CONTINUED)

27.1 Salaries, wages and benefits include Rs. 5.75 million for the year ended June 30, 2020 (2019: Rs. 3.40 million) in respect of staff retirement benefits.

28 ADMINISTRATIVE EXPENSES

	Note	2020	2019
		(Rupees)	
Salaries, wages and benefits	28.1	115,499,648	91,759,266
Rents, rates and taxes		398,832	224,686
Travelling, conveyance and entertainment		31,688,869	20,162,331
Electricity, gas and water		2,680,823	8,825,021
Postage, telephone and internet		4,978,751	1,847,440
Insurance		992,424	1,541,521
Repairs and mantainance		3,195,579	1,794,362
Advertising and sales promotion		1,948,532	2,251,033
Auditor's remuneration	28.2	4,070,000	1,450,000
Legal and professional		10,802,916	8,560,852
Consultancy services		12,460,955	8,123,394
Fees and subscription		15,151,050	13,424,712
Security and janitorial charges		4,270,015	3,367,800
Donations		42,667	400,000
Depreciation on operating fixed assets	7.2	7,000,159	5,810,258
Depreciation of right-of-use assets	8.1	1,214,503	-
Amortization	9.1	1,123,234	1,140,242
Printing, stationery and office supplies		2,717,721	3,007,034
Others		7,431,734	6,970,974
		227,668,412	180,660,926

28.1 Salaries, wages and benefits include Rs. 6.34 million for the year ended June 30, 2020 (2019: Rs. 5.86 million) in respect of staff retirement benefits.

28.2 Auditor's remuneration

	Note	2020	2019
		(Rupees)	
Audit services			
Audit fee		2,660,000	1,000,000
Half yearly review		810,000	250,000
Consolidation of Group's Financial Statements		300,000	-
Review of Code of Corporate Governance		100,000	100,000
Out of pocket expenses		100,000	50,000
		3,970,000	1,400,000
Certifications for regulatory purposes		100,000	50,000
		4,070,000	1,450,000

		Consolidated	
		2020	2019
29	**OTHER OPERATING EXPENSES**	-------------(Rupees)------------	
	Exchange loss	374,127,511	157,830,990
	Worker's welfare fund	3,891,006	5,494,432
	Worker's profit participation fund	9,922,065	14,667,337
		387,940,582	177,992,759
30	**OTHER INCOME**		
	Income/ return on financial assets		
	Income on bank deposits -under conventional banking	621,098	81,460
	Income on bank deposits - under Islamic banking	2,813	-
	Income / (loss) from non-financial assets		
	Scrap sales	4,794,608	3,689,354
	Gain on disposal of operating fixed assets	592,143	-
	Unrealized exchange gain / (loss)	-	-
	Amotisation of government grants	118,809	-
	Others	7,347,578	(2,620,357)
		13,477,049	1,150,457

		2020	2019
31	**FINANCE COST**	-------------(Rupees)------------	
	Interest on short term loans/ running finance under non-shariah arrangements	249,987,943	87,366,925
	Profit on short term loans under shariah arrangement	238,561,067	105,881,252
	Interest on worker's profit participation fund	693,182	656,534
	Finance charges of lease liability	15,885,839	-
	Interest cost on staff retirement benefits	786,115	-
	Bank charges	42,231,788	27,447,152
	Right issue expenses	-	66,855,699
		548,145,934	288,207,562

		Note	2020	2019
32	**TAXATION**		-------------(Rupees)------------	
	Current year	32.1	-	-
	Prior years		(53,511)	-
			(53,511)	-
	Deferred	10	(15,078,506)	(19,647,098)
	Net Tax Charged		(15,132,017)	(19,647,098)

32.1 The Group has opted for tax credit for the period of five years under Section 65D and 65E of the Income Tax Ordinance, 2001. Accordingly, no provision for current taxation has been made in these consolidated financial statements.

		2020	2019
33	**BASIC AND DILUTED EARNING PER SHARE**	-------------(Rupees)------------	
	Profit after taxation	212,838,242	255,074,520
		(Number of Shares)	
	Weighted average number of ordinary shares outstanding during the year	544,050,000	248,518,408
		-------------(Rupees)------------	
	Basic and diluted earning per share	0.39	1.03

		Consolidated	
	Note	2020	2019
34 CASH FLOWS FROM OPERATING ACTIVITIES		-------------(Rupees)------------	
Profit before taxation		199,148,150	274,721,618
Adjustments for non-cash items:			
Depreciation of operaing fixed assets	7.1	127,937,507	61,255,356
Depreciation to right-of-use assets	8.1	24,464,446	-
Amortization on intangible assets	9.1	2,246,467	1,425,303
Amortization on government grant		(118,809)	
Expected credit loss	12	17,202,904	-
Capitalization of CWIP to opening fixed assets		484,840,683	880,731,897
Provision for staff gratuity		6,825,224	-
Gain on disposal	30	(592,143)	-
Liability written off		(25,000)	-
Unrealised exchange loss		170,979,754	14,742,983
Donation		(22,667)	
Profit on deposit account		3,066	-
Finance cost		548,362,355	288,207,562
		1,581,251,937	1,521,084,719
Changes in working capital			
(Increase)/ decrease in current assets:			
Stock-in-trade		(2,077,785,462)	(1,721,972,811)
Stores and spares		(33,556,747)	(30,913,536)
Trade debts		(4,712,410,402)	(1,915,363,087)
Advances, deposits and short term prepayments		(171,912,504)	76,178,427
Other receivables		(9,608,886)	29,945,650
		(7,005,274,001)	(3,562,125,357)
Increase/ (decrease) in current liabilities:			
Trade and other payables		6,817,478,344	224,132,491
Sales tax payable		293,680,782	(148,735,969)
Contract liabilities		3,532,548	-
Unclaimed dividend		(440,699)	1,188,311
		7,114,250,975	76,584,833
Cash generated from/ (used in) operating activities		1,690,228,911	(1,964,455,805)

34.1 Cash and cash equivalents

	Note	2020	2019
Cash and cash equivalents comprise of:			
Cash and bank balances	14	173,183,262	40,043,834
Short term borrowings under conventional banks	22	(265,493,153)	(191,582,927)
Short term borrowings under Islamic banks	22	(89,250,000)	-
		(181,559,891)	(151,539,093)

35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

Risk management framework

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

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

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

- Credit risk
- Liquidity risk
- Market risk

35.1 Credit risk

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

Exposure to credit risk

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

	Note	2020	2019
		-------------(Rupees)------------	
Deposits	13	11,262,675	14,820,089
Trade debts	12	7,813,772,769	3,063,574,186
Bank balances	14	171,610,974	39,303,117
		7,996,646,418	3,117,697,392

Deposits

The Group has provided security deposits and retention money as per the contractual terms with counter parties as security and does not expect material loss against those deposits and retention money.

Trade debts

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

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

35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTINUED)

35.1 Credit risk (continued)

	2020	2019
	-------------(Rupees)------------	
Domestic	7,829,993,313	3,063,574,186
Export	-	-
	7,829,993,313	3,063,574,186

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

	2020	2019
Not past due	1,916,512,458	1,502,285,318
Past due 1 - 30 days	4,539,438,682	933,599,434
Past due 30 - 90 days	1,316,677,962	627,689,434
Past due above 90 days	57,364,211	-
	7,829,993,313	3,063,574,186

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.

35.2 Liquidity risk

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

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

As at June 30, 2019	Carrying Amount	Contractual maturities	Maturity up to one year	Maturity up to two to five years
	------------------------(Rupees)------------------------			
Non-derivative financial liabilities				
Trade and other payables	1,983,666,956	1,983,666,956	1,983,666,956	-
Accrued mark-up	39,065,955	39,065,955	39,065,955	-
Short term borrowings	2,567,371,277	2,567,371,277	2,567,371,277	-
Unclaimed dividend	1,188,311	1,188,311	1,188,311	-
Loan from related party	179,866,504	179,866,504	179,866,504	-
	4,771,159,003	4,771,159,003	4,771,159,003	-
Derivative financial liabilities	-	-	-	-
	4,771,159,003	4,771,159,003	4,771,159,003	-

35.3 Market risk

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

35.3.1 Currency risk

Currency risk is the risk that the fair value 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 foreign currency risk of the Group is minimal as the export bills are immediately realized via sale to bank.

35.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets and liabilities include balance of Rs. 8.796 million (2019: Rs 0.1866 million) and Rs. 4,282 million (2019: 2,834 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, 2020, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs. 52.19 million (2019: Rs. 20.12 million) lower/ higher, mainly as a result of lower/ higher interest expense/ income from these financial liabilities and assets.

35.3.3 Other price risk

The Group is not exposed to any price risk due to the fact that the Group does not hold any investments in financial instruments.

36 REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive Officer	Directors	Executives	Total
	Consolidated 2020			
	---(Rupees)---			
Managerial remuneration	2,666,664	-	54,881,982	57,548,646
House rent	1,733,336	-	27,369,232	29,102,568
Medical	-	-	5,089,540	5,089,540
Retirement benefits	650,000	-	5,447,535	6,097,535
Director's meeting fee	5,250,000	1,170,000	18,775,791	25,195,791
	10,300,000	1,170,000	111,564,080	123,034,080
Number of persons	2	7	20	29

	Chief Executive Officer	Directors	Executives	Total
	Consolidated 2019			
	---(Rupees)---			
Managerial remuneration	-	-	66,503,699	66,503,699
House rent	-	-	29,926,870	29,926,870
Medical	-	-	6,650,369	6,650,369
Retirement benefits	-	-	4,388,187	4,388,187
Director's meeting fee	-	-	-	-
	-	-	107,469,125	107,469,125
Number of persons	1	7	30	38

Last year, the chief executive officer and directors have waived their remuneration and meeting fee for the year.

37 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

37 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

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

Related parties	Nature of relationship	Nature of transaction	2020	2019
			------------(Rupees)-----------	
Unity Feeds (Private) Limited	Associated company	Sales	410,337,472	1,017,133,846
		Purchases	-	500,122,351
Unity Enterprises (Private) Limited	Associated company	Loan received	86,425,000	-
		Loan repaid	10,934,189	-
Unity Packages (Private) Limited	Associated company	Commission	1,310,596	-
Fehmida Amin - Mother of director	Lender	Loan received	663,724,884	4,792,740,300
		Loan repaid	843,591,388	5,035,599,444
Providend fund	Staff retirement benefit fund	Contribution paid	20,595,680	8,111,758
Directors and executives	Key management personnel	Remuneration paid	49,012,655	38,100,000

Balances with related parties

Related parties	Nature of relationship	Nature of transaction		
Unity Feeds (Private) Limited	Associated company	Against sale of goods	41,200,406	264,939,935
Unity Enterprises (Private) Limited	Associated company	Against loan	75,490,811	-
Unity Packages (Private) Limited	Associated company	Against commission payable	1,310,596	-
Fehmida Amin - Mother of director	Lender	Against loan	-	179,866,504
		Against loan markup	-	1,334,650
Providend fund	Staff retirement benefit fund	Against contribution payable	1,711,218	13,149,978

The outstanding balances with related parties are diclosed in note 12 to these consolidated financial statements.

37.1 Name of the related party — Relationship and percentage of shareholding

Name of the related party	Relationship and percentage of shareholding
Unity Packages (Pvt) Ltd.	Associated company by nature of common directorship
(formerly Reliance Exim (Pvt) Ltd.)	Associated company by nature of common directorship
Agro Allianz Limited	Associated company by nature of common directorship
Unity Enterprises (Pvt) Ltd.	Associated company by nature of common directorship
Unity Feeds (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Foods (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Packages (Pvt) Ltd.	Associated company by nature of common directorship
Unity Wilmar Agro (Pvt) Ltd.	Associated company by nature of common directorship
Kairos Resources (Pvt) Ltd.	Associated company by nature of common directorship
Ace International (Pvt) Ltd.	Associated company by nature of common directorship
Karachi Steel Industries (Pvt) Ltd.	Associated company by nature of common directorship
North Star International (Pvt) Ltd.	Associated company by nature of common directorship
Portstar Services (Pvt) Ltd.	Associated company by nature of common directorship

38 CAPITAL RISK MANAGEMENT

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

The Group's objective when managing capital is to safeguard its ability to continue as a going conern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The gearing ratio as at June 30, 2020 and June 30, 2019 is as follows:

	2020	2019
	-------------Rupees------------	
Long-term loan	200,514,929	-
Short-term financing	3,981,506,023	2,567,371,277
Total debt	4,182,020,952	2,567,371,277
Cash and bank balances	(173,183,262)	(40,043,834)
Net debt	4,008,837,690	2,527,327,443
Share Capital	5,440,500,000	5,440,500,000
Advance against future issue of shares	12,163,324	-
Unappropiated profit	412,785,010	253,967,178
Share Capital and reserves	5,865,448,334	5,694,467,178
Gearing ratio (Net debt/(Net debt + share capital and reserves))	40.60%	30.74%

39 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.

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. 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 the reporting date, the Group does not have any Financial Assets carried at fair value that required categorization in Level 1, Level 2 and Level 3.

40 ANNUAL PRODUCTION CAPACITY

	2020	2019
	-------------Metric Tons------------	
Production capacity as at year end was as follows:		
Edible oil refinery	234,000	234,000
Solvent extraction plant	162,000	162,000
Feed mill	302,400	-
Wheat plant - PQ	43,800	-
The actual production for the year was:		
Edible oil refinery	176,553	48,935
Solvent extraction plant	9,765	76,410
Feed Mill	170,728	-
Wheat plant - PQ (Post acquisition)	10,470	-
Wheat plant - PQ (Pre acquisition)	14,658	-

41 OPERATING SEGMENT

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

42 NON ADJUSTING EVENT AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

42.1 Right issue of shares

The Board of Directors in its meeting held on June 18, 2020, has passed a resolution for issuance of further 450,000,000/- (Four Hundred Fifty Million) ordinary shares of the Company of Rs. 10/- per share, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 10/- per share (i.e. at par), in the ratio of approximately 82.71 right shares for every 100 existing ordinary share of PKR 10/- each, against payment to the Company of the price of the share subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company (the "Right Issue").

The purpose of the Right Issue is to meet the increased working capital requirements of the Group in order to, inter alia, enhance profitability of the Company and, consequentially, the returns to the shareholders.

The proceeds from the Right Issue will be primarily utilized for meeting the increased working capital requirements of the Company. This is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders.

43 CORRESPONDING FIGURES

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

In addition certain corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions, the effect of which is immaterial.

44 GENERAL

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

44.2 Number of employees

	2020	2019
Total number of employees as at June 30	173	122
Average number of employees during the year	148	81
Total number of factory employees as at June 30	299	263
Average number of factory employees during the year	281	217

45 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue in the Board of Directors meeting held on September 30, 2020.

Chairman	Chief Executive	Chief Financial Officer
Abdul Majeed Ghaziani	Muhammad Farrukh	Jalees Edhi

Number of Share Holders	From	Share Holding	To	Total Share Held
234	1	-	100	6,223
1083	101	-	500	502,860
1201	501	-	1000	1,184,840
3059	1001	-	5000	9,229,403
1167	5001	-	10000	9,616,833
447	10001	-	15000	5,816,700
356	15001	-	20000	6,570,335
214	20001	-	25000	5,050,311
121	25001	-	30000	3,469,721
85	30001	-	35000	2,827,829
64	35001	-	40000	2,472,122
52	40001	-	45000	2,248,591
128	45001	-	50000	6,344,353
35	50001	-	55000	1,870,666
44	55001	-	60000	2,582,707
25	60001	-	65000	1,589,395
24	65001	-	70000	1,654,449
26	70001	-	75000	1,913,544
22	75001	-	80000	1,732,545
18	80001	-	85000	1,489,176
10	85001	-	90000	885,095
6	90001	-	95000	563,639
50	95001	-	100000	4,986,215
10	100001	-	105000	1,035,913
9	105001	-	110000	976,456
6	110001	-	115000	679,000
12	115001	-	120000	1,423,048
8	120001	-	125000	992,827
2	125001	-	130000	255,731
7	130001	-	135000	937,500
6	135001	-	140000	831,664
5	140001	-	145000	709,482
10	145001	-	150000	1,495,500
6	150001	-	155000	917,300
5	155001	-	160000	793,500
4	160001	-	165000	648,500
1	165001	-	170000	169,500
7	170001	-	175000	1,214,500
3	175001	-	180000	535,500
4	185001	-	190000	754,865
2	190001	-	195000	383,000
14	195001	-	200000	2,796,000
4	200001	-	205000	814,000
3	210001	-	215000	639,500
1	220001	-	225000	223,000
1	225001	-	230000	226,500
2	230001	-	235000	463,900

Number of Share Holders	From	Share Holding	To	Total Share Held
1	235001	-	240000	235,059
4	245001	-	250000	997,500
1	265001	-	270000	268,500
3	275001	-	280000	836,999
1	280001	-	285000	285,000
1	285001	-	290000	290,000
6	295001	-	300000	1,800,000
1	300001	-	305000	301,000
1	305001	-	310000	310,000
1	310001	-	315000	312,000
1	315001	-	320000	316,500
1	320001	-	325000	323,609
1	325001	-	330000	326,500
1	330001	-	335000	335,000
3	335001	-	340000	1,014,000
3	345001	-	350000	1,050,000
3	350001	-	355000	1,057,452
2	370001	-	375000	742,500
2	375001	-	380000	755,000
1	380001	-	385000	385,000
2	385001	-	390000	779,000
5	395001	-	400000	2,000,000
1	400001	-	405000	400,500
1	410001	-	415000	414,500
1	415001	-	420000	417,000
1	420001	-	425000	425,000
1	425001	-	430000	426,500
2	430001	-	435000	862,500
2	435001	-	440000	872,000
1	440001	-	445000	445,000
2	445001	-	450000	896,500
2	465001	-	470000	938,343
2	470001	-	475000	945,327
1	490001	-	495000	491,000
11	495001	-	500000	5,499,000
2	515001	-	520000	1,034,238
1	520001	-	525000	525,000
1	530001	-	535000	535,000
1	560001	-	565000	565,000
1	595001	-	600000	600,000
1	600001	-	605000	604,118
1	645001	-	650000	646,500
1	670001	-	675000	672,000
2	695001	-	700000	1,400,000
1	745001	-	750000	749,000
1	750001	-	755000	754,500
1	770001	-	775000	773,500

Number of Share Holders	From	Share Holding	To	Total Share Held
1	840001	-	845000	842,000
1	845001	-	850000	849,000
1	915001	-	920000	917,000
1	925001	-	930000	929,000
1	955001	-	960000	955,500
3	995001	-	1000000	3,000,000
1	1150001	-	1155000	1,152,447
1	1155001	-	1160000	1,160,000
1	1175001	-	1180000	1,175,117
1	1225001	-	1230000	1,227,500
1	1245001	-	1250000	1,250,000
1	1295001	-	1300000	1,300,000
1	1470001	-	1475000	1,475,000
1	1495001	-	1500000	1,500,000
1	1595001	-	1600000	1,598,500
1	1600001	-	1605000	1,601,000
1	1635001	-	1640000	1,637,681
1	1895001	-	1900000	1,900,000
1	2015001	-	2020000	2,019,061
1	2450001	-	2455000	2,450,500
1	2465001	-	2470000	2,468,000
1	2495001	-	2500000	2,500,000
1	2590001	-	2595000	2,594,500
1	2640001	-	2645000	2,645,000
1	2645001	-	2650000	2,648,846
1	2750001	-	2755000	2,755,000
1	2895001	-	2900000	2,896,450
1	2995001	-	3000000	3,000,000
1	3195001	-	3200000	3,200,000
1	3895001	-	3900000	3,897,174
1	5480001	-	5485000	5,480,813
1	6150001	-	6155000	6,152,500
1	6365001	-	6370000	6,370,000
1	7935001	-	7940000	7,936,000
1	8940001	-	8945000	8,943,194
1	8995001	-	9000000	9,000,000
1	9995001	-	10000000	10,000,000
1	11500001	-	11505000	11,500,177
1	15285001	-	15290000	15,286,500
1	29470001	-	29475000	29,471,000
3	33400001	-	33405000	100,206,982
1	42115001	-	42120000	42,116,488
1	42995001	-	43000000	43,000,000
1	59905001	-	59910000	59,905,187
8,738				544,050,000

PATTERN OF SHAREHOLDING
FOR THE YEAR ENDED JUNE 30, 2020

S	SHAREHOLDERS' CATEGORY	NO. OF SHARE HELD	PERCENTAGE
1	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	59,905,187	11.01
	UNITY WILMAR AGRO (PRIVATE) LIMITED	59,905,187	
2	MODARBAS AND MUTUAL FUNDS	28,112,398	5.17
	EVLI EMERGING FRONTIER FUND	15,286,500	
	CDC - TRUSTEE MEEZAN ISLAMIC FUND	2,648,846	
	CDC - TRUSTEE FAYSAL MTS FUND - MT	2,468,000	
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	917,000	
	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	773,500	
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	672,000	
	CDC - TRUSTEE NBP SAVINGS FUND - MT	646,500	
	CDC - TRUSTEE NBP INCOME OPPORTUNITY FUND - MT	516,500	
	BMA FUNDS LIMITED - DELIVERABLE FUTURES TRADES	500,000	
	BMA FUNDS LIMITED [PK1555-0]	499,000	
	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	470,000	
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	446,500	
	CDC - TRUSTEE HBL EQUITY FUND	379,500	
	CDC - TRUSTEE KSE MEEZAN INDEX FUND	375,500	
	FIRST UDL MODARABA	323,609	
	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	300,000	
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	223,000	
	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	135,000	
	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	100,000	
	First UDL Modaraba	100,000	
	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	62,500	
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	53,000	
	CDC - TRUSTEE AKD INDEX TRACKER FUND	51,774	
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	50,000	
	FIRST ALNOOR MODARABA	45,000	
	B.R.R. GUARDIAN MODARABA	31,000	
	CDC - TRUSTEE APF-EQUITY SUB FUND	25,000	

PATTERN OF SHAREHOLDING
FOR THE YEAR ENDED JUNE 30, 2020

S	SHAREHOLDERS' CATEGORY	NO. OF SHARE HELD	PERCENTAGE
	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	13,169	28.37
3	DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE (S) AND MINOR CHILDREN	154,337,839	
	MR. MUHAMMAD FARRUKH -CHIEF EXECUTIVE OFFICER AND DIRECTOR	51,820,975	
	MR. ABDUL MAJEED GHAZIANI- DIRECTOR	33,402,328	
	MS. MARIA ABDUL HAFEEZ - DIRECTOR	141,741	
	MS. HINA SAFDAR - DIRECTOR	141,741	
	MR. SHEIKH ALI BAAKZA -DIRECTOR	5,230	
	MS. TAYYABA RASHEED - DIRECTOR	500	
	MR. MUNEER S. GODIL - DIRECTOR	1,609	
	MS. SALMA MAJEED - SPOUSE OF MR. ABDUL MAJEED GHAZIANI - DIRECTOR	2,019,061	
	MR. SAFDAR SAJJAD - SPOUSE OF MS. HINA SAFDAR - DIRECTOR	33,402,327	
	MR. ABDUL HAFEEZ - SPOUSE OF MS. MARIA ABDUL HAFEEZ - DIRECTOR	33,402,327	
4	EXECUTIVE	122,766	0.02
	MR. JALEES EDHI- CHIEF FINANCIAL OFFICER		
	MR. AMIR SHEHZAD	3,218	
		119,548	
5	NIT AND ICP	-	-
6	PUBLIC SECTOR COMPANIES & CORPORATIONS	-	-
7	JOINT STOCK COMPANIES	36,821,572	6.77
	CYAN LIMITED	10,000,000	
	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	7,936,000	
	LSE FINANCIAL SERVICES LIMITED - MT	2,594,500	
	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	1,637,681	
	ABA ALI HABIB SECURITIES (PVT) LIMITED	1,601,000	
	TOPLINE SECURITIES LIMITED - MF	1,300,000	

PATTERN OF SHAREHOLDING
FOR THE YEAR ENDED JUNE 30, 2020

S	SHAREHOLDERS' CATEGORY	NO. OF SHARE HELD	PERCENTAGE
	PEARL SECURITIES LIMITED	1,175,117	
	SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED	1,152,447	
	BHAYANI SECURITIES (PVT) LTD.	1,000,000	
	JS GLOBAL CAPITAL LIMITED - MF	955,500	
	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	929,000	
	DJM SECURITIES LIMITED	754,500	
	AMER SECURITIES (PRIVATE) LIMITED	500,000	
	HAMDARD LABORATORIES (WAQF) PAKISTAN	500,000	
	WESTBURY (PRIVATE) LTD	468,343	
	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	425,000	
	MRA SECURITIES LIMITED - MF	389,000	
	SIDDIQ LEATHER WORKS (PVT) LTD	385,000	
	SIDDIQ LEATHER WORKS (PVT) LTD	350,000	
	GROWTH SECURITIES (PVT) LTD.	350,000	
	ZAHID LATIF KHAN SECURITIES (PVT) LTD.	301,000	
	MULTILINE SECURITIES (PVT) LIMITED - MF	290,000	
	SIGN SOURCE LIMITED	160,000	
	Abdoolally Ebrahim & Co. (HK) Ltd	150,300	
	RS HOLDINGS (PRIVATE) LIMITED	138,888	
	SHERMAN SECURITIES (PRIVATE) LIMITED	125,000	
	B & B SECURITIES (PRIVATE) LIMITED	115,000	
	TRUST SECURITIES & BROKERAGE LIMITED - MF	109,000	
	ZAFAR FABRICS (PVT.) LIMITED	100,000	
	SOUTHERN AGENCIES (PRIVATE) LIMITED	100,000	
	ZAFAR SECURITIES (PVT) LTD.	85,000	
	ASKARI SECURITIES LIMITED - MF	76,000	
	AMPLE SECURITIES (PRIVATE) LIMITED	70,000	
	INSIGHT SECURITIES (PVT.) LTD	70,000	
	MRA SECURITIES LIMITED	63,274	
	AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	50,000	

PATTERN OF SHAREHOLDING
FOR THE YEAR ENDED JUNE 30, 2020

S	SHAREHOLDERS' CATEGORY	NO. OF SHARE HELD	PERCENTAGE
	MUHAMMAD TARIQ MOTI SECURITIES (PVT) LTD.	50,000	
	NINI SECURITIES (PRIVATE) LIMITED	40,000	
	AHSAM SECURITIES (PVT) LIMITED	38,091	
	TOPLINE SECURITIES LIMITED - MT	33,000	
	GPH SECURITIES (PVT.) LTD.	30,000	
	BAWANY SECURITIES (PRIVATE) LIMITED	30,000	
	TPS PAKISTAN (PRIVATE) LIMITED	22,527	
	BACKERS & PARTNERS (PRIVATE) LIMITED - MF	21,500	
	BAWA SECURITIES (PVT) LTD. - MF	15,500	
	AZEE SECURITIES (PRIVATE) LIMITED	14,590	
	A. H. M. SECURITIES (PRIVATE) LIMITED	14,500	
	Amer Cotton Mills (Pvt) Ltd	10,000	
	B. R. R. INVESTMENT (PRIVATE) LIMITED	10,000	
	UHF CONSULTING (PRIVATE) LIMITED	10,000	
	HH MISBAH SECURITIES (PRIVATE) LIMITED	10,000	
	MIAN NAZIR SONS INDUSTRIES (PVT) LIMITED	10,000	
	ASDA SECURITIES (PVT.) LTD.	10,000	
	PRUDENTIAL DISCOUNT & GUARANTEE HOUSE LIMITED	8,000	
	M. F. STOCKS (PRIVATE) LIMITED	8,000	
	N. U. A. SECURITIES (PRIVATE) LIMITED - MF	5,000	
	SHAFFI SECURITIES (PVT) LIMITED	4,290	
	ADAM SECURITIES LTD. - MF	3,500	
	MAAN SECURITIES (PRIVATE) LIMITED	3,314	
	Sultanabad Model Ginning	2,500	
	BRR FINANCIAL SERVICES (PVT.) LIMITED	2,500	
	ZILLION CAPITAL SECURITIES (PVT) LTD.	2,000	
	National Export Corporation (Pvt) Ltd	1,609	
	TAXORE (PRIVATE) LIMITED	1,500	
	NAVEED H. M. IDREES (PRIVATE) LIMITED	1,500	
	H. M. IDREES H. ADAM (PRIVATE) LIMITED	1,000	

PATTERN OF SHAREHOLDING
FOR THE YEAR ENDED JUNE 30, 2020

S	SHAREHOLDERS' CATEGORY	NO. OF SHARE HELD	PERCENTAGE
	ELEVEN STARS SECURITIES (PVT) LTD	500	
	PAK MASONIC INSTITUTION	100	
	MAPLE LEAF CAPITAL LIMITED	1	
8	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARBAS AND PENSION FUNDS	9,882,950	1.82
	THE BANK OF PUNJAB, TREASURY DIVISION.	3,200,000	
	NATIONAL BANK OF PAKISTAN	2,896,450	
	ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	2,450,500	
	ADAMJEE LIFE ASSURANCE CO.LTD - DGF	500,000	
	ADAMJEE LIFE ASSURANCE COMPANY LIMITED	436,000	
	ADAMJEE LIFE ASSURANCE COMPANY LIMITED-NUIL Fund	400,000	
9	OTHERS	2,003,020	0.37
	DADABHOY FOUNDATION	849,000	
	HAMDARD LABORATORIES (WAQF) PAKISTAN	842,000	
	DAWOOD FAMILY TAKAFUL LIMITED	268,500	
	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	18,500	
	FIRST UDL MODARBA STAFF PROVIDENT FUND	15,020	
	KIRAN FOUNDATION	10,000	
10	INDIVIDUALS (GENERAL PUBLIC)	252,864,268	46.48
	TOTAL		
		544,050,000	100.00
	SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS		
	IN THE COMPANY		
	UNITY WILMAR AGRO (PRIVATE) LIMITED	59,905,187	11.01

UNITY FOODS LIMITED

Categories of Shareholders as at June 30, 2020

S	CATEGORIES OF SHAREHOLDERS	No. of Shareholder	Share Held	Percentage
1	Directors, Chief Executive Officer their Spouse(s) and Minor Children.	10	154,337,839	28.37
2	Associated Companies, Undertakings and Related Parties.	1	59,905,187	11.01
3	Exective	2	122,766	0.02
4	NIT and ICP	-	-	-
5	Banks Development Financial Institutions,	2	6,096,450	1.12
6	Non Banking Financial Institutions.			
7	Insurance Companies	4	3,786,500	0.70
8	Modarabas and Mutual Funds	28	28,112,398	5.17
	General Public			
	a) Local	8,613	252,852,768	46.47
	b) Foreign	3	11,500	0.00
	Others			
	b) Joint Stock Companies	69	36,821,572	6.77
	c) Provident Funds, Pension Funds, Gratuity Funds	6	2,003,020	0.37
	and other entities			
		8,738	544,050,000	100.00
	Shareholders holding 10% Shares or more Voting Rights			
	Total Paid Up Capital		544,050,000	
	10% of the Paid Up Capital		544,050,000	
			Holding	%
	UNITY WILMAR AGRO (PRIVATE) LIMITED		59,905,187	11.01

E- DIVIDEND MANDATE FORM

MANDATORY CREDIT OF DIVIDEND INTO BANK ACCOUNT

To : ______________________________

Dear Sir / Madam,

The undersigned being member of UNITY FOODS LIMITED (the Company), hereby authorize the Company that all my cash dividend amounts declared by the Company, from time to time, be credited into the bank account as per following details:

SHAREHOLDER'S DETAILS
Name of the Shareholder: ______________________________
Folio / CDC Participant ID & Sub Acc.No / CDC IAS Account : ______________________________
CNIC / NICOP No. (Please attach copy) ______________________________
Passport No. (in case of Foreign Shareholder) (Please attach copy) ______________________________
Land Line Phone No. ______________________________
Cell phone No. ______________________________
Email Address: ______________________________

SHAREHOLDER'S BANK DETAILS
Title of Bank Account: ______________________________
Bank Account Number: ______________________________
Bank's Name : ______________________________
Branch Name and Address : ______________________________
International Bank Account Number (IBAN) (24 digit)

It is stated that the above mentioned information is correct that I will intimate the change in the above mentioned information to the Company and the Concerned Share Registrar as soon as these occur

____
Signature of the member / Shareholder
(Please affix company stamp in case of corporate entity)

Note:
1. Please provide complete IBAN after consultation with your bank branch. Im case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment.
2. In case of Physical shares, a duly lied -in-e-Dividend Mandate Form shall be submitted with the Company's Share Registrar. While for shares held in CDC, E- Dividend Mandate Form shall be submitted directly to member's broker / participant /cdc as required by the Central Depository Company of Pakistan Limited vide its Circulat No. 16 of 2017 issued on August 31, 2017.

STANDARD REQUEST FORM FOR TRANSMISSION OF ANNUAL AUDITED ACCOUNTS AND NOTICE OF ANNUAL GENERAL MEETINGS

The Company Secretary
Unity Foods Limited
Unity Tower, Plot # 8C
Block 6, PECHS, Karachi

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787/(I)/2014 dated September 08, 2014 and SRO 470(I)/2016 dated May 31, 2016 whereby the companies are allowed to circulate their Annual Audited Accounts (i.e Annual Balance Sheet, Profit and Loss Account, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) along with Notice of the Annual General Meetings to its members either through email at their registered e-mail address "OR" hard copy at their registered mailing addresses.

Shareholders who wish to receive the Annual Audited Accounts along with Notice of the Annual General Meetings through e-mail or hard copy shall have to fill the below details and send the duly filled form to the Company Secretary at the Company's Registered Office.

I/We, being member(s) of Unity Foods Limited, desires and hereby consent either for Option-1"or" Option-2 to receive the Annual Audited Accounts along with Notice of the Annual General Meeting(s) of Unity Foods Limited either through e-mail or hard copy, in pursuance of the aforesaid two SROs.

Option 1 - VIA EMAIL
Name of the Member: ______________________________
CNIC No. / Passport No: ______________________________
Folio / CDC Participant ID / Sub Investor Account Number : ______________________________
Valid Email Address: ______________________________
(to receive Annual Audited Accounts and Notice of General Meeting(s) through email instead of hard copy /CD/DVD/USB

Option 2 - HARD COPY
Name of the Member: ______________________________
CNIC No. / Passport No: ______________________________
Folio / CDC Participant ID / Sub Investor Account Number : ______________________________
Mailing Address: ______________________________
(to receive Annual Audited Accounts and Notice of General Meeting(s) through hard copy instead of hard copy /CD/DVD/USB

I / We hereby confirm that the above mentioned information is correct and in case of any change therein, I/We, undertake to immediately intimate to the Company through revised Request Form.

____
Member's Signature

Date : ______________________

UNITY FOODS LIMITED

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UNITY FOODS LIMITED
PROXY FORM
30TH ANNUAL GENERAL MEETING

I/W_________________________________ of ________________ in the district of ____________ being member(s) of UNITY FOODS LIMITED holding ________________ ordinary shares as per Share Register Folio no. ___________ and /or CDC Participant ID No. __________________ and A/c No.____________(for members who have shares in CDS) hereby appoint ____ of ______________________________________ or failing him /her _______________of____ who is / are also member (s) of UNITY FOODS LIMITED vide Registered Folio No. ________________________________ as my /our proxy in my /our absence to attend, act and vote for me / us and on my /our behalf at the Annual General Meeting of the Company to be held on Friday, October 23, 2020 at 09:30 a.m and /or any adjournment thereof.

Affix Five Rupees Revenue Stamp

Signature ____

(Signature should agree with the specimen signature registered with the Registrar).

Signed on ___________

1. Witness Signature ___________________ 2. Witness Signature _____________

Name ___________________________ Name ___________________________

CNIC ____________________________ CNIC ____________________________

NOTE:

1. No person shall act as proxy unless he /she himself /herself is a member of the Company, except that a corporation may appoint a person who is not a member.
2. In the case of bank or company, the proxy form must be executed under its common seal and signed by its authorized person.
3. If this proxy form is signed under power of attorney then a certified copy of that power of attorney / authority must be deposited along with this proxy form.
4. Proxy form duly completed and signed, must be received at the registered office of the company at Unity Tower, Plot 8-C, Block-6, PECHS, Karachi at least 48 hours before the time of holding the meeting.
5. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
6. In case of CDC account holders:
   i) The Proxy Form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form
   ii) Attested Copies of CNIC or Passport of the Beneficial Owners and the Proxy shall be furnished with the proxy form.
   iii) The Proxy shall produce his/her original CNIC or Original passport at the time of meeting.

یونٹی فوڈز لمیٹڈ

پراکسی فارم

30واں سالانہ اجلاس عام

میں/ہم۔۔سکنہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ڈسٹرکٹ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

بطور یونٹی فوڈز لمیٹڈ ممبر(ز)،بطور ملکیت۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔عام شیئرز رکھتا ہوں/رکھتے ہیں،شیئر رجسٹرار فولیو نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔اور/یا CDC پارٹسپنٹ ID نمبر

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔اور اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔(ایسے ممبرز جو CDS میں شیئرز رکھتے ہیں)اپنی جانب سے نامزد کرتے ہیں

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔سکنہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔یا ایسا نہ ہونے کی صورت میں۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔سکنہ

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کو،جو کہ یونٹی فوڈز لمیٹڈ کے ممبر(ز) ہیں اور رجسٹرڈ فولیو نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔رکھتے ہیں اُن کو بطور پراکسی اپنی

/ہماری غیر موجودگی میں بروز جمعہ،مورخہ 23 اکتوبر 2020 بوقت صبح 9:30 بجے یا اُس کے ملتوی ہونے پر آئندہ ہونے والے اجلاس میں شرکت کرنے اور ووٹ دینے کا حق دیتا ہوں/دیتے ہیں۔

پانچ روپے مالیت کا ڈاک ٹکٹ چسپاں کریں۔

دستخط

(یہ دستخط رجسٹرار کے پاس بطور موجود بطور نمونہ دستخط کے مطابق ہونے چاہئے)

اِن کی موجودگی میں دستخط کیے:

1۔گواہ کے دستخط	2۔گواہ کے دستخط
نام	نام
CNIC	CNIC

نوٹ:

1۔کوئی بھی شخص اس وقت تک بطور پراکسی اجلاس میں شرکت نہیں کرسکتا جب تک کہ وہ کمپنی کا ممبر نہ ہو،سوائے اُس شخص کے جو کہ ممبر نہ ہو لیکن اسے کارپوریشن کی جانب سے نامزد کیا جائے۔

2۔بینک یا کمپنی ہونے کی صورت میں،پراکسی فارم پر اُس ادارے کی مہر اور مجاز کردہ فرد کے دستخط ہونا لازمی ہیں۔

3۔اگر اِس پراکسی فارم پر پاور آف اٹارنی کے تحت دستخط کیے جائیں تو ایسی صورت میں پراکسی فارم کے ساتھ پاور آف اٹارنی کی تصدیق شدہ کاپی بھی ہمراہ مہیا کرنی ہوگی۔

4۔مکمل پُر شدہ اور دستخط کردہ پراکسی فارم کمپنی کے رجسٹرڈ آفس کے پتے واقع یونٹی ٹاور،پلاٹ 8-C،PECHS،کراچی کو اجلاس کے انعقاد کی تاریخ سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہئے۔

5۔اگر کوئی ممبر ایک سے زائد پراکسی مقرر کرتا ہے تو اُس ممبر کو پراکسی کے ایک سے زائد فارم کمپنی کو جمع کروائے جاتے ہیں تو ایسے تمام فارم کو غلط قرار دیا جائے گا۔

6۔CDC اکاؤنٹ ہولڈز ہونے کی صورت میں؛

i) پراکسی فارم کی گواہی دو لوگ دیں گے،جن کے نام،پتہ اور CNIC نمبرز فارم میں واضح ہوں گے۔

ii) پراکسی فارم کے ساتھ پراکسی اور بینفشل اونرز کے CNIC اور پاسپورٹ کی کاپی مہیا کرنا ہوگا۔

iii) پراکسی کے لیے لازمی ہے کہ وہ اپنا اصلی CNIC یا پاسپورٹ میٹنگ کے وقت مہیا کرے۔

درست ڈاک ٹکٹ چسپاں کریں

کمپنی سیکریٹری

یونٹی فوڈز لمیٹڈ

یونٹی ٹاور،پلاٹ 8-C،PECHS،کراچی،پاکستان

UNITY FOODS LIMITED

food for life!

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