



ANNUAL REPORT 2023



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VISION AND MISSION STATEMENT

VISION

Make quality food for better life.

MISSION

Product innovation with optimal quality, taste and nutrition. To create value, inspire moments and deliver wellness.

COMPANY PROFILE

Board of Directors	Mrs. Saadia Omar Mr. Omar Shafiq Chaudhry Miss Mahnoor Chaudhry Miss Mahnan Omar Miss Maya Omar Mrs. Shahzi Khan Mr. Rafi Uz Zaman Awan	Chairperson Chief Executive Director Director Director Director Director
Audit Committee	Mr. Rafi Uz Zaman Awan Miss Mahnoor Chaudhry Mrs. Saadia Omer	Chairman Member Member
Chief Financial Officer	Mr. Muhammad Shafique	
Company Secretary	Mr. Muhammad Zubair	
Auditors	Aslam Malik & Co. Chartered Accountants	
Bankers	Samba Bank Limited Bank Al Habib Limited Meezan Bank Limited PAIR Investment Bank Limited First Women Bank Limited Pak Libya Investment Company (Pvt.) Limited The Bank of Khyber	
Share Registrar	F.D. Registrar Services (SMC-Pvt.) Limited 17 th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000 Ph# 9921-35478192-93, Dir# 9221-32271905-6, Fax# 9221-32621233	
Legal Advisor	Moazzam Ali Shah Associates	
Head Office	105/A, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore	
Email	bunnys@brain.net.pk	
Website	www.bunnys.com.pk	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of the shareholders of Bunny's Limited (the "Company") will be held on Friday, 27 October 2023 at 09:00 AM at 105/A, Quaid-e-Azam, Industrial Estate, Kot Lakhpat, Lahore and via video-link to transact the following Business:

Ordinary Business:

1. To receive, consider and adopt the Chairperson's Review Report, the Report of Directors and Auditors together with Audited Annual Financial Statements for the year ended 30 June 2023;
2. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Aslam Malik & Co., Chartered Accountants for re-appointment as auditors of the Company

BY ORDER OF THE BOARD



Registered office

105/A, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore
05 October, 2023

Muhammad Zubair
Company Secretary

Notes:

1. The Company has also arranged for attendance of the shareholders at the AGM via video link. The AGM can be attended using smart phones/tablets/computer. To attend the meeting through video link, member and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/ passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at bunnys@brain.net.pk by 25th of October, 2023:

Name of Member	CNIC No.	CDC Account No. / Folio No.	Cell number	Email address

2. The member who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company. The login facility will remain open from start of the meeting till its proceedings are concluded.
3. The Share Transfer Books of the Company will remain closed from **October 20, 2023 to October 27, 2023 (both days inclusive)**. Physical transfers received at M/s F.D. Registrar Services (SMC-Pvt) Ltd., the Company's Share Registrar and Transfer Agent's Office at Office # 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi at the close of business hours on October 19, 2023, will be treated in time for the purposes of entitlement of shareholders to attend, speak and vote at the AGM.
4. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
5. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English

and Urdu languages, have been dispatched to the members along with the notice of AGM and are also available at the website of the Company www.bunnys.com.pk

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

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall send valid copy of CNIC or, original Passport as per above instructions.
- b. In case of corporate entity, the Board’s resolution/power of attorney with specimen signature of the nominee shall be provide as per above instructions.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. In case of corporate entity, the Board’s resolution/power of attorney with specimen signature shall be furnished as per above instructions.

7. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017, read alongside the Companies (Distribution of Dividend) Regulations, 2017, require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company’s Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form which is available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

8. Zakat Declarations:

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

9. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or pending shares, if any.

10. Placement of Financial Statements

The Company has placed a copy of the Annual Report containing the Notice of AGM, Annual Financial Statements for the year ended 30 June 2023 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.bunnys.com.pk

11. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholder holding shares in physical form are requested to please convert their shares in the book entry form. For this purpose, the shareholders may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange limited. It also reduces the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s) as well as fraudulent transfer of shares. For the procedure of conversion of physical shares into book-entry form, you may approach our Share Registrar at the contact information given above.

Chairperson's message

I feel honor to report that our Company, despite facing tough business conditions, has achieved a revenue growth of 27.25% as compared to previous year. Operating profit shown a growth of 1.24% as compared to previous year, thanks to the proactive approach shown by your Company's management. However, net margin for the year under review has declined from 3.16% to 2.56% as compared to the previous year due to unprecedented increase in fuel prices and KIBOR.

In this ever-evolving and volatile situation, both politically and economically, your management is vigilant and is closely monitoring the business impacts in these challenging times. The management of your Company is fully prepared to take on any proactive approach to remain competitive within the industry.

The Board reflects mix of varied backgrounds and rich experience in the field of business, banking and finance. The Board provides strategic directions to the management and available for guidance. The Board ensures that a competent team is in place to achieve the strategic goals and ensures compliance of all regulatory requirements by the management. As required under the Code of Corporate Governance, the Board evaluates its own performance through a mechanism developed by it.

The Board is ably assisted by its committees. The Audit Committee reviews the financial statements and ensures that these fairly represent financial position and performance of the Company. It also ensures effectiveness of internal controls. The HR Committee overviews HR policy framework and recommends selection and compensation of the senior management team. An important role of the Committee is succession planning.

During the year, the Company has made investments in upgradation and modernization of plant and equipment that will ensure sustainability.

I pray to Almighty that the Company continues maintain its momentum of growth in future.

In the end I would like to acknowledge the enormous contribution and commitment of each member of the leadership team and the employees of the company.



Mrs. Saadia Omar
Chairperson

October 05, 2023

BUNNY'S LIMITED
DIRECTORS REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED JUNE 30, 2023

Dear Shareholders,

In the name of ALLAH, the most gracious and most merciful.

The Directors of the Company take pleasure in presenting the Annual Report of your Company, together with the financial statements for the year ended June 30, 2023. In these challenging times, it is an honour to report that despite facing tough business conditions, our company has demonstrated resilience and adaptability, achieving commendable operating results.

The financial results of the Company for the year under review are as follow: -

OPERATING RESULTS

	2023 (Rs.)	2023 (%)	2022 (Rs.)	2022 (%)	(Decrease) / Increase (%)
Revenue – net	5,686,622,639	100.00	4,468,902,597	100.00	
Gross profit	1,359,731,299	23.91	990,656,666	22.17	1.74
Operating expenses	951,988,724	16.74	714,883,766	16.00	0.74
Operating profit	407,742,575	7.17	275,822,900	6.17	1.00
Financial charges	208,252,412	3.66	111,023,710	2.48	1.18
Other (operating expenses) / income	(1,301,033)	(0.02)	346,244	0.01	(0.03)
Profit before taxation	198,189,130	3.49	165,145,433	3.70	(0.21)
Taxation	66,684,847	1.17	26,186,653	0.59	0.58
Profit after taxation	131,504,283	2.31	138,958,781	3.11	(0.80)
Earnings per share	1.97		2.08		(5.29)

BUSINESS REVIEW

Revenue has experienced a robust 27.25% growth compared to the previous year. However, there has been a decline in net margin, dropping from 3.11% to 2.31% in comparison to the preceding year. Building on trends from the past two years, this year has seen a consistent rise in input costs, prompting management to respond by increasing output prices. While these upward price revisions have shown gross margin improvement from the previous year, the net margin has declined due to elevated distribution costs stemming from soaring fuel prices. Additionally, finance costs have surged by 82% due to an unprecedented spike in KIBOR rates.

Continuous soaring inflation is coupled with an increased funding requirement for the business in general and the Company is no exception. Company has formidable business relationships with its vendors and bankers and trying hard to meet business needs with a proactive approach.

The management of the company remains vigilant, closely monitoring the ever-evolving economic landscape, its associated challenges, and their impact on the business environment. Despite these formidable challenges and uncertainties, your company is steadfastly committed to enhancing its operational efficiency and processes, thus ensuring its competitive edge within the industry.

FUTURE OUTLOOK

Forecasting the financial performance of our Company, especially in a volatile environment like Pakistan with political and economic unrest, is a complex task. Management believes that the Company's performance may continue to be influenced by the political and economic stability of Pakistan. Any improvements in these areas could have a positive impact, while continued instability may pose challenges resulting into declining margins. Fortunately, larger part of the Company's output constitutes essentials like bread, buns etc. for which demand tends to be relatively stable despite of escalating prices. However, it is evident that the general populace is grappling with the increasingly difficult task of balancing their income with the escalating costs of daily necessities. This challenge continues to grow with each passing day. Management recognizes that if inflation persists at its current rate, striking the delicate equilibrium between consumer affordability and profitability could become pivotal and exceptionally challenging.

The economic and political volatility has severely shaken investor confidence, impacting both debt and equity markets. The persistent uncertainty stemming from these factors could potentially hinder the Company's ability to secure capital for expansion or, in a worst-case scenario, for meeting escalating working capital needs.

The management is aware of and keeping a keen eye on upcoming challenges of a volatile environment and addressing it with a combination of proactive financial and risk management, austerity, adaptability, and a keen understanding of market dynamics. By staying agile and making informed decisions, the company can better position itself to weather economic and political uncertainties and, when possible, capitalize on opportunities for growth.

DIVIDEND PAYMENT

The Board has decided to skip any dividend payout in this year for the reasons elaborated in the foregoing paragraphs.

STATUTORY PAYMENTS

There is no outstanding statutory payment due on account of taxes, duties, levies and charges except of normal and routine nature.

BUNNY'S LIMITED

Bunny's Limited stands as a stalwart within the Pakistani bakery industry, having been established in the year 1984. With a seasoned and accomplished team comprising both its Board of Directors and Management, the company has consistently upheld a reputation for excellence.

One pivotal factor contributing to Bunny's enduring appeal among industry leaders is its unwavering commitment to maintain exceptionally high-quality standards. Notably, Bunny's Limited holds the distinction of being Pakistan's inaugural baking establishment to achieve ISO certification, proudly standing as a member of the esteemed American Institute of Baking. Furthermore, it has earned the prestigious HACCP (Hazard Analysis and Critical Control Point) certification for its snack foods division, reinforcing its dedication to safety and quality. To add another feather to its cap, Bunny's

Limited has also obtained ISO 22000-2005 certification, further substantiating the company's unyielding commitment to deliver products of unrivaled quality and excellence.

The extensive list of certifications held by Bunny's Limited is a testament to its dedication to superior quality and adherence to rigorous industry standards. These certifications include:

1. AIB International
2. TUV Austria – Food Safety System Certification 22000
3. Punjab Food Authority
4. Management Association of Pakistan
5. Pakistan Standards and Quality Control Authority

Bunny's Limited continues to set the benchmark for excellence within the bakery industry, delivering products that not only meet but exceed the expectations of its discerning customers.

BOARD OF DIRECTORS

Total Number of Directors:

Male: 02

Female: 05

Composition of Directors:

Independent: 02

Non-Executive: 04

Executive: 01

Name	Category
Mr. Muhammad Rafi Uz Zaman Awan	Independent Director
Mrs. Shahzi Khan	Independent Director
Mrs. Saadia Omar	Non-Executive Director - Chairperson
Mrs. Mahnan Omar	Non-Executive Director
Miss Mahnoor Chaudhry	Non-Executive Director
Miss Maya Omar	Non-Executive Director
Mr. Omer Shafiq Chaudhry	Chief Executive

REMUNERATION POLICY OF THE DIRECTORS

The policy on the remuneration of Non-Executive Directors and Independent Director for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

CREDIT RATINGS

The long-term entity rating of the Company is A- and short-term entity rating have been maintained at A-2 by VIS Credit Rating Company Limited (VIS). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

OUR PEOPLE AND TRAINING

The Company believes that our employees are most valuable asset who mobilize all resources of the Company. We prefer to hire young and motivated professional people who give new ideas. The Company remains committed to investing in human capital and encourages employees to attend training session/ seminars / workshops / development courses to keep themselves fully aware with up to date knowledge and skills for creating and sustaining a culture of high performance.

TRANSACTIONS WITH RELATED PARTIES

All related party transactions have been disclosed in the notes 33 and 34 to the financial statements of the company.

AUDITORS

The present auditor's M/s Aslam Malik & Co., Chartered Accountants retire and being eligible offers themselves for re-appointment. The Board has received recommendations from its Audit Committee for re-appointment of M/s Aslam Malik & Co., Chartered Accountants as Auditors of the Company.

COMMITTEES OF THE BOARD

1. The Board has formed committees comprising members given below:

I. Audit Committee:

- i. Mr. Muhammad Rafi Uz Zaman Awan – Chairman
- ii. Miss Mahnan Omar
- iii. Mrs. Saadia Omar

II. HR and Remuneration Committee:

- i. Mr. Muhammad Rafi Uz Zaman Awan – Chairman
- ii. Miss Mahnan Omar
- iii. Miss Maya Omar

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of the Company are pleased to confirm that the Company has made compliance of the provisions of the Listed Companies (Code of Corporate Governance) Regulations 2019, issued by the Securities and Exchange Commission of Pakistan and there is no material departure from the best practices as detailed in the listing regulations. Our statements on corporate and financial reporting are as follows:

1. The financial statements prepared by the Management of the Company presents fairly its state of affairs, the results of its operations, cash flow and changes in equity;
2. Proper books of accounts of the Company have been maintained;
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
4. International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017 have been followed in preparation of the financial statements; and any departure thereof has been adequately disclosed and explained;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There are no significant doubts upon the Company's ability to continue as a going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. No trade in the shares of the Company was carried out by the Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children except that mentioned in "Pattern of Shareholding".

SYSTEM OF INTERNAL FINANCIAL CONTROL

The system of internal control is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system. The Audit Committee regularly reviews the Internal Audit Report and the system of internal controls.

CORPORATE SOCIAL RESPONSIBILITY

Your Company understands its corporate responsibility towards society and fulfills its obligation by providing financial support to under privileged members of the society and its deserving employees as well as doing philanthropy work. The Company is also contributing considerable amounts to the National Exchequer, applying solutions for energy conservation and environment protection, providing the highest quality products to its valued customers.

Your Company regularly donates amounts to hospitals, trusts and to various institutions constituted for dealing with natural calamities as part of its philanthropic activities. Your Company also provide its products at subsidized rate to hospitals like Ghulab Devi Hospital. Your Company is providing healthy, safe, and learning work environment to its employees and sends them on training courses, seminars, workshops and conferences both within country and abroad. It lends regular support to the special persons by offering them jobs in various departments of the organization. It also offers apprenticeship to fresh graduates, postgraduates and engineers, on a regular basis, to elevate their professional and technical skills.

During the year, your Company has contributed a huge amount to the National Exchequer by way of payment of various duties, levies and taxes.

PATTERN OF SHAREHOLDING

Pattern of shareholding is attached at the end of the financial statements.

ADDITIONAL INFORMATION

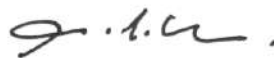
There have been no material changes since June 30, 2023 to the date of this report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the company.

CHAIRPERSON'S REVIEW

The Directors of your Company fully endorse the Chairperson's Review report on the performance of the Company for the year ended June 30, 2023.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage which has enabled the Company to continue its efforts for constant improvement. The Directors acknowledge the dedicated service, loyalty and hard work of all the employees of the Company and hope this spirit of devotion will continue.



Lahore: October 05, 2023

CHIEF EXECUTIVE



CHAIRPERSON

بھیلمینڈ
حصص داران کو ڈائریکٹرز کی رپورٹ
برائے 30 جون 2023 مختتمہ سال

محترم حصص داران،

شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

کمپنی کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے مالیاتی گوشوارے معہ کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ ان مشکل اوقات میں، یہ اعزاز کی بات ہے کہ سخت کاروباری حالات کا سامنا کرنے کے باوجود، ہماری کمپنی نے قابل ستائش آپریٹنگ نتائج حاصل کرتے ہوئے پک اور موافقت کا مظاہرہ کیا ہے۔

زیر جائزہ سال کے لیے کمپنی کے مالی نتائج حسب ذیل ہیں:-

آپریٹنگ نتائج

2023 (روپے)	2023 (فیصد)	2022 (روپے)	2022 (فیصد)	(کی)/اضافہ (فیصد)
5,686,622,639	100.00	4,468,902,597	100.00	آمدنی - خالص
1,359,731,299	23.91	990,656,666	22.17	مجموعی منافع
951,988,724	16.74	714,883,766	16.00	آپریٹنگ اخراجات
407,742,575	7.17	275,822,900	6.17	آپریٹنگ منافع
208,252,412	3.66	111,023,710	2.48	مالیاتی چارجز
(1,301,033)	(0.02)	346,244	0.01	دیگر (آپریٹنگ اخراجات)/آمدنی
198,189,130	3.49	165,145,433	3.70	ٹیکس سے پہلے منافع
66,684,847	1.17	26,186,653	0.59	ٹیکس
131,504,283	2.31	138,958,781	3.11	ٹیکس کے بعد منافع
1.97		2.08	(5.29)	فی شیئر آمدنی

کاروبار کا جائزہ

گزشتہ سال کے مقابلے آمدنی میں 27.25 فیصد کا خاطر خواہ اضافہ ہوا ہے۔ تاہم، خالص مارجن میں کمی آئی ہے، جو پچھلے سال کے مقابلے میں 3.11 فیصد سے کم ہو کر 2.31 فیصد رہ گیا ہے۔ پچھلے دو سالوں کے رجحانات کی بنیاد پر، اس سال پیداواری لاگت میں مسلسل اضافہ دیکھا گیا، جس سے انتظامیہ کو مجموعی پیداواری قیمتوں میں اضافہ کرنا پڑا ہے۔ جبکہ قیمتوں میں اضافے کی ان ترمیموں نے پچھلے سال کے مقابلے مجموعی مارجن میں بہتری دکھائی ہے، لیکن ایندھن کی بڑھتی ہوئی قیمتوں سے پیدا ہونے والے تقسیم کے اخراجات میں اضافے کی وجہ سے خالص مارجن میں کمی واقع ہوئی ہے۔ مزید برآں، KIBOR کی شرحوں میں غیر معمولی اضافے کی وجہ سے مالیاتی اخراجات میں 82 فیصد اضافہ ہو گیا ہے۔

مسلسل بڑھتی ہوئی افراط زر کے باعث عام طور پر کاروبار کے لیے فنڈنگ کی ضرورت بڑھ جاتی ہے اور کمپنی بھی اس سے مستثنیٰ نہیں ہے۔ کمپنی کے اپنے وینڈرز اور بینکرز کے ساتھ مستحکم کاروباری تعلقات ہیں اور ایک فعال نقطہ نظر کے ساتھ کاروباری ضروریات کو پورا کرنے کی بھرپور کوشش کر رہی ہے۔

کمپنی کی انتظامیہ جو کس رہتی ہے، ہمیشہ بدلتے ہوئے معاشی منظر نامہ، اس سے وابستہ مشکلات، اور کاروباری ماحول پر ان کے اثرات کی گہری نگرانی کرتی ہے۔ ان شدید مشکلات اور غیر یقینی صورتحال کے باوجود، آپ کی کمپنی اپنی آپریشنل کارکردگی اور عمل کو بڑھانے کے لیے ثابت قدمی سے پُر عزم ہے، چنانچہ صنعت میں اپنی مسابقتی برتری کو یقینی بنا رہی ہے۔

مستقبل کا نقطہ نظر

خاص طور پر سیاسی اور معاشی بد امنی کے ساتھ پاکستان جیسے غیر مستحکم ماحول میں، ہماری کمپنی کی مالی کارکردگی کی پیش گوئی کرنا، ایک پیچیدہ کام ہے۔ انتظامیہ کا خیال ہے کہ کمپنی کی کارکردگی پاکستان کے سیاسی اور معاشی استحکام سے متاثر ہوگی۔ ان شعبوں میں کسی بھی قسم کی بہتری کا مثبت اثر ہو سکتا تھا، جبکہ مسلسل عدم استحکام چیلنجوں کا باعث بن سکتا ہے جس کے نتیجے میں مارجن میں کمی واقع ہو سکتی ہے۔ خوش قسمتی سے، کمپنی کی پیداوار کا بڑا حصہ ضروری اشیاء جیسے کہ روٹی، بن وغیرہ پر مشتمل ہے جس کی طلب بڑھتی ہوئی قیمتوں کے باوجود نسبتاً مستحکم رہتی ہے۔ تاہم، یہ واضح ہے کہ عام آبادی روزمرہ کی ضروریات کے بڑھتے ہوئے اخراجات کے ساتھ اپنی آمدنی کو متوازن کرنے کے مشکل مرحلہ سے دوچار ہے۔ یہ چیلنج ہرگز رتے دن کے ساتھ بڑھتا ہی جا رہا ہے۔ انتظامیہ تسلیم کرتی ہے کہ اگر افراط زر اپنی موجودہ شرح پر برقرار رہتا ہے، تو صارفین کی استطاعت اور منافع کے درمیان نازک توازن کو برقرار رکھنا، انہم اور غیر معمولی طور پر چیلنجنگ بن سکتا ہے۔

اقتصادی اور سیاسی اتار چڑھاؤ نے سرمایہ کاروں کے اعتماد کو بری طرح متزلزل کر دیا ہے، جس سے دونوں قرض اور ایکویٹی مارکیٹ متاثر ہوئے ہیں۔ ان عوامل سے پیدا ہونے والی مستقل غیر یقینی صورتحال ممکنہ

طور پر کمپنی کی توسیع کے لیے سرمائے کو محفوظ کرنے کی صلاحیت میں یا کشیدہ حالات میں، ورکنگ کپیٹل کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے رکاوٹ بن سکتی ہے۔ انتظامیہ غیر مستحکم ماحول کی آئندہ پیش آنے والی مشکلات سے باخبر اور ان پر گہری نظر رکھے ہوئے ہے اور فعال مالیاتی اور رسک مینجمنٹ، کفایت شعاری، موافقت اور مارکیٹ کی محرکات کی گہری سوچ کے ساتھ اس سے نمٹ رہی ہے۔ چست رہنے اور باخبر فیصلہ سازی سے، کمپنی معاشی اور سیاسی غیر یقینی صورتحال کے لیے خود کو بہتر پوزیشن میں لاسکتی ہے اور جب ممکن ہو، ترقی کے مواقع سے فائدہ اٹھا سکتی ہے۔

منافع مقسمہ کی ادائیگی

بورڈ نے مذکورہ بالا جی آر گراف میں بیان کی گئی وجوہات کی بنا پر اس سال میں کسی بھی ڈیویڈنڈ کی ادائیگی نہ کرنے کا فیصلہ کیا ہے۔

قانونی ادائیگیاں

عام اور معمول کی نوعیت کے سوائے ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی بقایا قانونی ادائیگی نہیں ہے۔

بیزنس لیٹنڈ

بیزنس لیٹنڈ پاکستانی بیکری کی صنعت میں ایک باوقار شخص رکھتی ہے، جو کہ 1984 میں قائم کی گئی۔ ایک تجربہ کار اور باکمال ٹیم کے ساتھ جس میں اس کے دونوں بورڈ آف ڈائریکٹرز اور مینجمنٹ شامل ہیں، کمپنی نے مسلسل برتری کی سادھ کو برقرار رکھا ہے۔

صنعت کے قائدین کے درمیان بیزنس کی پائیداری میں کردار ادا کرنے والا ایک اہم عنصر غیر معمولی طور پر اعلیٰ معیار کو برقرار رکھنے کے لیے اس کا غیر متزلزل عزم ہے۔ قابل ذکر بات یہ ہے کہ بیزنس لیٹنڈ کو آئی ایس اور سرٹیفیکیشن حاصل کرنے میں پاکستان کی افتتاحی بیکنگ اسٹیبلشمنٹ ہونے کا اعزاز حاصل ہے، جو امریکہ کے معزز انسٹی ٹیوٹ آف بیکنگ کی بھی رکن ہے۔ مزید برآں، اس نے اسٹینڈرڈ ڈویژن کے لیے باوقار HACCP (ہیجرڈ اینڈ اینالسز اینڈ کنٹرول پوائنٹ) سرٹیفیکیشن حاصل کی، جس سے حفاظت اور معیار کے لیے اس کی لگن کو تقویت ملی ہے۔ اپنی سرپر ایک اور پیکھ کا اضافہ کرنے کے لیے، بیزنس لیٹنڈ نے آئی ایس اور 22000-2005 سرٹیفیکیشن بھی حاصل کی ہے، جو بے مثال معیار اور بہترین مصنوعات کی فراہمی کے لیے کمپنی کے بے لوث عزم کو ثابت کرتی ہے۔

بیزنس لیٹنڈ کے پاس موجود سرٹیفیکیشنز کی وسیع فہرست اعلیٰ معیار کے لیے اس کی لگن اور صنعت کے معیارات کی سختی سے پابندی کا ثبوت ہے۔ ان سرٹیفیکیشنز میں شامل ہیں:

1-AIB انٹرنیشنل

2-TUV آسٹریا-فوڈ سیفٹی سسٹم سرٹیفیکیشن 22000

3-پنجاب فوڈ اتھارٹی

4-مینجمنٹ ایسوسی ایشن آف پاکستان

5-پاکستان اسٹینڈرڈز اینڈ کوالٹی کنٹرول اتھارٹی

بیزنس لیٹنڈ بیکری کی صنعت میں بہترین کارکردگی کا معیار قائم رکھتی ہے، ایسی مصنوعات کی فراہمی جو نہ صرف اس کے صارفین کی توقعات پر پورا اترتی ہیں بلکہ اس سے بھی زیادہ بہتر ہوتی ہیں۔

بورڈ آف ڈائریکٹرز

ڈائریکٹرز کی کل تعداد:

مرد: 02

خواتین: 05

ڈائریکٹرز کی تفصیل:

آزاد: 02

نان ایگزیکٹو: 04

ایگزیکٹو: 01

نام	کمپنی
جناب محمد فیح الزماں اعوان	آزاد ڈائریکٹر
محمد شاہزی خان	آزاد ڈائریکٹر
محترمہ سعدیہ عمر	نان ایگزیکٹو ڈائریکٹر۔ چیئر پرسن
محترمہ مہنا عمر	نان ایگزیکٹو ڈائریکٹر
محترمہ ماہنو چوہدری	نان ایگزیکٹو ڈائریکٹر
محترمہ مایا عمر	نان ایگزیکٹو ڈائریکٹر
جناب عمر شفیق (جوہدری)	جفہ ایگزیکٹو

ڈائریکٹرز کے معاوضے کی پالیسی

کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے نان ایگزیکٹو ڈائریکٹرز اور آڈیٹرز کے معاوضے کی پالیسی کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔

کریڈٹ ریٹنگ

کمپنی کی طویل مدتی ایٹنی ریٹنگ-A ہے اور VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) کی طرف سے قلیل مدتی ایٹنی ریٹنگ A-2 پر برقرار رکھی گئی ہے۔ یہ ریٹنگز مالیاتی وعدوں کی بروقت ادائیگی کے لیے بہت مضبوط صلاحیت سے پیدا ہونے والے کریڈٹ رسک کے بہت کم امکان کو ظاہر کرتی ہیں۔

ہمارے لوگ اور تربیت

کمپنی کا خیال ہے کہ ملازمین ہمارا سب سے قیمتی اثاثہ ہیں جو کمپنی کے تمام وسائل کو بروئے کار لاتے ہیں۔ ہم نوجوان اور حوصلہ افزاء پیشہ ورانہ افراد کی خدمات حاصل کرنے کو ترجیح دیتے ہیں جو نئے آئیڈیاز دیتے ہیں۔ کمپنی انسانی سرمائے میں سرمایہ کاری کے لیے پُر عزم اور ملازمین کو تربیتی سیشن/سیمیנارز/ورکشاپس/ترقیاتی کورسز میں شرکت کی ترغیب دیتی ہے تاکہ اعلیٰ کارکردگی کا کلچر تخلیق کرنے اور اسے برقرار رکھنے کے لیے جدید ترین علم اور مہارتوں سے خود کو پوری طرح آگاہ رکھا جاسکے۔

متعلقہ فریقوں کے ساتھ لین دین

تمام متعلقہ فریق کے لین دین کو کمپنی کے مالی گوشواروں کے نوٹ 33 اور 34 میں ظاہر کیا گیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اسلم ملک اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے اور اہل ہونے کی بناء پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ بورڈ کو اپنی آڈٹ کمیٹی سے میسرز اسلم ملک اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز دوبارہ تقرری کے لیے سفارشات موصول ہوئی ہیں۔

بورڈ کی کمیٹیاں

1- بورڈ نے درج ذیل اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

1- آڈٹ کمیٹی:

i- جناب محمد رفیع الزماں اعوان چیئرمین

ii- محترمہ مہناں عمر

iii- محترمہ سعدیہ عمر

II- ایچ آر اینڈ معاوضہ کمیٹی:

i- جناب محمد رفیع الزماں اعوان چیئرمین

ii- محترمہ مہناں عمر

iii- محترمہ مایا عمر

مذکورہ کمیٹیوں کے ٹرمز آف ریفرنس، دستاویزی شکل میں تشکیل دیے گئے ہیں اور ان کی تعمیل کے لیے کمیٹی کو ہدایت کی گئی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کے ڈائریکٹرز بخوشی اس بات کی تصدیق کرتے ہیں کہ کمپنی نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی دفعات کی تعمیل کی ہے اور فہرستی ضوابط میں دی گئی تفصیل کے مطابق بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ پر ہمارے بیانات درج ذیل ہیں:

1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

2- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز ایکٹ 2017 کے تقاضوں کی پیروی کی گئی ہے۔

5- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

6- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

7- فہرستی ضوابط میں دی گئی تفصیل کے مطابق، کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔

داری" میں ذکر کیا گیا ہے۔

اندرونی مالیاتی کنٹرول کا نظام

اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے۔ اندرونی آڈٹ اور اس طرح کے دیگر نگرانی کے طریقہ کار کے ذریعے نظام کی مسلسل نگرانی کی جاتی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل ایک جاری عمل ہے جس کا مقصد کنٹرولز کو مزید مضبوط کرنا اور نظام میں بہتری لانا ہے۔ آڈٹ کمیٹی باقاعدگی سے اندرونی آڈٹ رپورٹ اور اندرونی کنٹرول کے نظام کا جائزہ لیتی ہے۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی معاشرے کے لئے اپنی کارپوریٹ ذمہ داری سے آگاہ ہے اور معاشرے کے کم مراعات یافتہ ممبران اور اپنے مستحق ملازمین کو مالی مدد فراہم کرنے کے ساتھ ساتھ انسان دوستی کا کام کر کے اپنی ذمہ داری کو پورا کرتی ہے۔ کمپنی اپنے قابل قدر صارفین کو اعلیٰ معیار کی مصنوعات فراہم کرتے ہوئے، توانائی اور ماحولیات کے تحفظ کے لیے حل کا اطلاق کرتے ہوئے، قومی خزانے میں خاطر خواہ رقم فراہم کر رہی ہے۔

آپ کی کمپنی اپنی فلاحی سرگرمیوں کے حصے کے طور پر ہسپتالوں، ٹرسٹوں اور قدرتی آفات سے نمٹنے کے لیے بنائے گئے مختلف اداروں کو باقاعدگی سے رقوم عطیہ کرتی ہے۔ آپ کی کمپنی گلاب دیوی ہسپتال جیسے ہسپتالوں کو رعایتی شرح پر اپنی مصنوعات بھی فراہم کرتی ہے۔ آپ کی کمپنی اپنے ملازمین کو صحت مند، محفوظ اور سیکھنے کے کام کا ماحول فراہم کر رہی ہے اور انہیں ملک اور بیرون ملک تربیتی کورسز، سیمینارز، ورکشاپس اور کانفرنسوں میں بھیجتی ہے۔ یہ خصوصی افراد کو تنظیم کے مختلف شعبوں میں ملازمتوں کی پیشکش کر کے باقاعدہ مدد فراہم کرتی ہے۔ یہ نئے گریجویٹس، پوسٹ گریجویٹ اور انجینئرز کو مستقل بنیادوں پر ان کی پیشہ ورانہ اور تکنیکی صلاحیتوں کو بڑھانے کے لیے اپرنٹس شپ بھی فراہم کرتی ہے۔

سال کے دوران، آپ کی کمپنی نے مختلف ڈیویژنوں، محصولات اور ٹیکسوں کی ادائیگی کے ذریعے قومی خزانے میں ایک خاطر خواہ رقم کا حصہ شامل کیا ہے۔

نمونہ حصص داری

مالیاتی گوشواروں کے آخر میں نمونہ حصص داری منسلک ہے۔

اضافی معلومات

30 جون 2023 سے اس رپورٹ کی تاریخ تک کوئی مادی تبدیلیاں نہیں ہوئی ہیں اور کمپنی نے اس عرصہ کے دوران کوئی ایسا وعدہ نہیں کیا ہے جس سے کمپنی کی مالی حالت پر منفی اثر پڑے۔

چیئر پرسن کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی پر چیئر پرسن کی جائزہ رپورٹ کی مکمل توثیق کرتے ہیں۔

اظہار تشکر

ڈائریکٹرز کمپنی کے چیئر ہولڈرز، مالیاتی اداروں اور صارفین کے مسلسل تعاون، حمایت اور سرپرستی کے شکر گزار ہیں جنہوں نے کمپنی کو مسلسل بہتری کے لیے اپنی کوششیں جاری رکھنے کے قابل بنایا ہے۔ ڈائریکٹرز کمپنی کے تمام ملازمین کی مخلصانہ خدمات، وفاداری اور محنت کو تسلیم اور امید کرتے ہیں کہ یہ جذبہ مستقبل میں بھی برقرار رہے گا۔

چیئر پرسن

چیف ایگزیکٹو

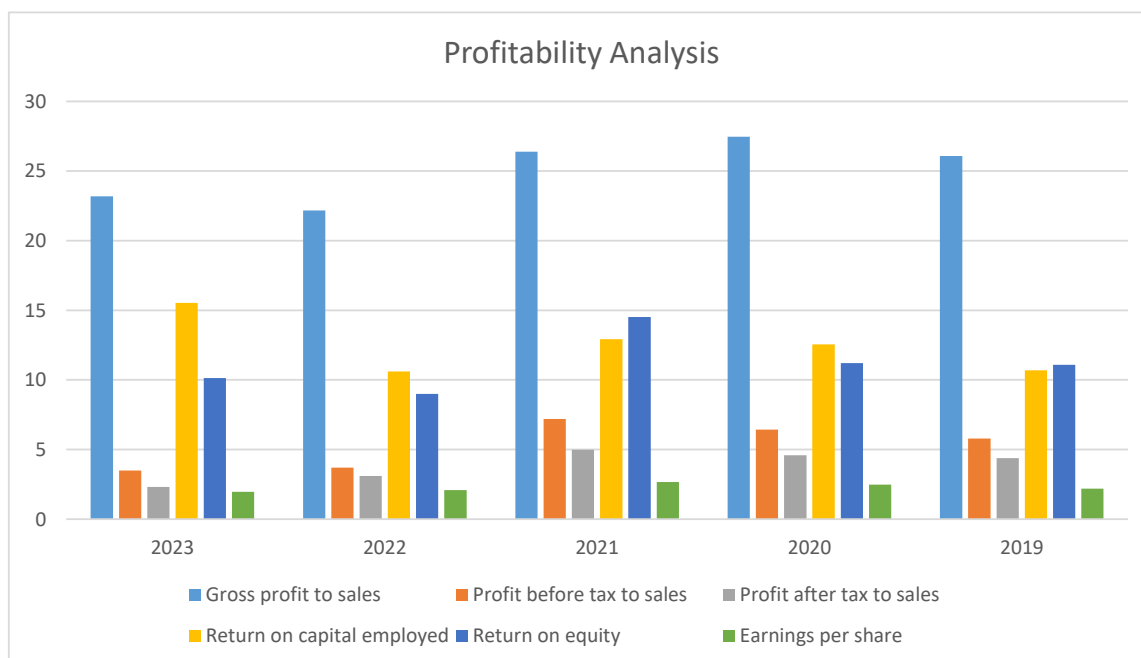
FINANCIAL HIGHLIGHTS

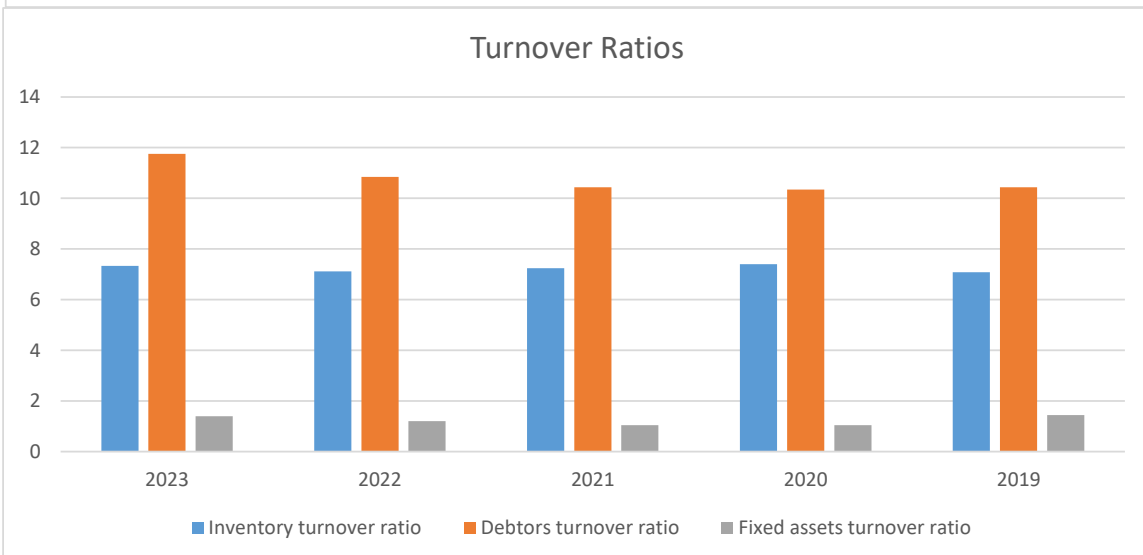
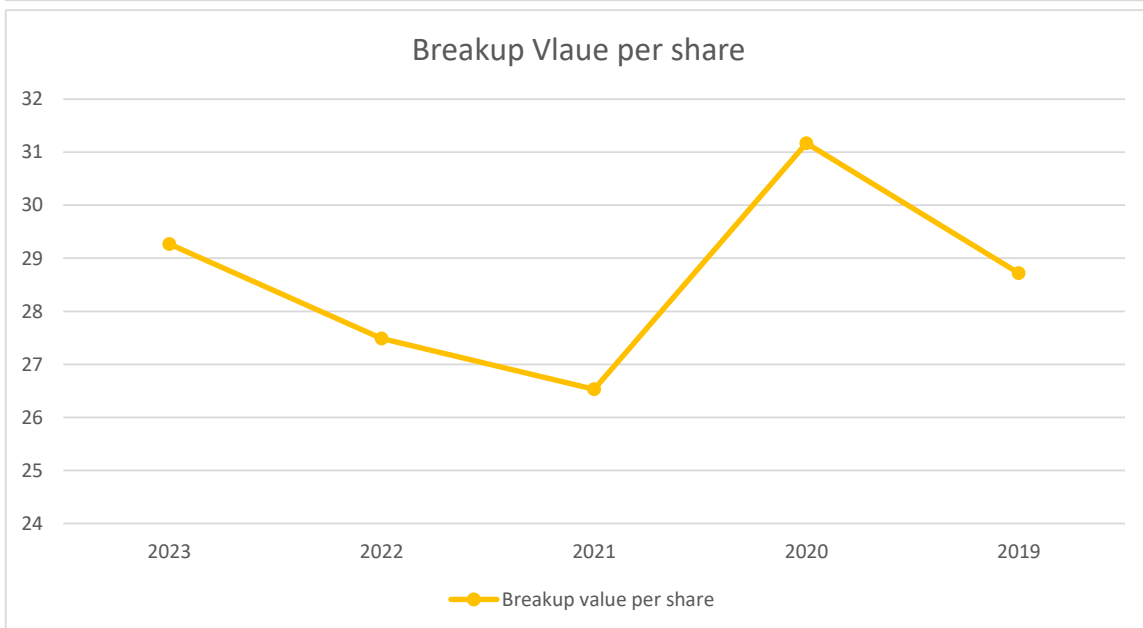
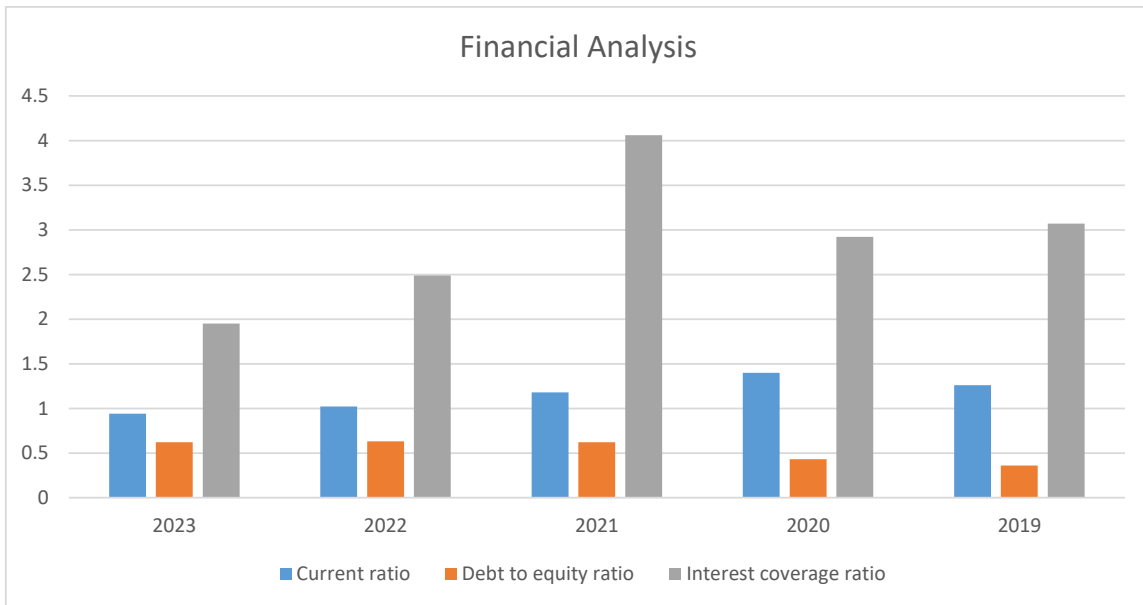
For the year ended June 30,

		2023	2022	2021	2020	2019
PROFITABILITY ANALYSIS						
Gross profit to sales	%	23.19	22.17	26.40	27.46	26.08
Profit before tax to sales	%	3.49	3.70	7.20	6.43	5.80
Profit after tax to sales	%	2.31	3.11	4.98	4.58	4.38
Return on capital employed	%	15.54	10.60	12.93	12.55	10.70
Return on equity	%	10.14	9.00	14.51	11.21	11.08
Earnings per share	Rupees	1.97	2.08	2.66	2.49	2.19

FINANCIAL ANALYSIS

Current ratio	times	0.94	1.02	1.18	1.40	1.26
Debt to equity ratio	times	0.62	0.63	0.62	0.43	0.36
Interest coverage ratio	times	1.95	2.49	4.06	2.92	3.07
Breakup value per share	rupees	29.27	27.49	26.53	31.17	28.72
Inventory turnover ratio	times	7.33	7.11	7.24	7.40	7.08
Debtors turnover ratio	times	11.76	10.85	10.43	10.34	10.43
Fixed assets turnover ratio	times	1.40	1.20	1.04	1.04	1.44





CODE OF CONDUCT

Bunny's Limited (the Company) is engaged in the manufacturing of wide range of bread, cakes and snack products with the objective to achieve sustainable growth, profitability and highest standards of safety, occupational health and environmental care. This ensures human resource development, enhancing value addition, implementing conservation measures and growth by up-gradation and addition of newer generation technologies.

The Company requires all its Board Members and Employees to act within the authority conferred upon them and in the best interests of the Company and observe all the Company's policies and procedures as well as relevant laws and regulations, as are applicable in individual capacity or otherwise, including but not limited to the corporate values, business principles and the acceptable and unacceptable behavior (hereinafter called the Company's Code of Conduct) embodied in this document.

The Company believes that the credibility, goodwill and repute earned over the years can be maintained through continued conviction in our corporate values of honesty, justice, integrity and respect for people. The Company strongly promotes trust, openness, teamwork and professionalism in its entire business activities.

- The business principles are derived from the above stated corporate values and are applied to all facets of business through well-established procedures. These procedures define behavior expected from each employee in the discharge of his/her responsibility.
- Bunny's Limited recognizes following obligations, which need to be discharged with best efforts, commitment and efficiency:
 - Safeguarding of shareholders' interest and a suitable return on equity.
 - Service customers by providing products, which offer value in terms of price, quality and safety.
 - Respect human rights, provide congenial working environment, offer competitive terms of employment, develop human resource and be an equal opportunity employer.
 - Seek mutually beneficial business relationship with contractors, suppliers and investment partners.
- The Company believes that profit is essential for business survival. It is a measure of efficiency and the value that the customer places on products produced by the Company.
- The Company requires honesty and fairness in all aspect of its business and in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting and accepting of bribe in any form is undesirable.
- The Company is fully committed to reliability and accuracy of financial statements and transparency of transactions in accordance with established procedures and practices.
- The Company does not support any political party or contributes funds to groups having political interests. The Company will however, promote its legitimate business interests through trade associations.
- The Company, consistent with its commitments to sustainable developments, has a systematic approach to the management of health, safety and environment.
- The Company is committed to observe laws of Pakistan and is fully aware of its social responsibility. It would assist the community in activities such as education, sports, environment preservation, training programs, skills development and employment within the parameters of its commercial objectives.

- The Company supports free market system. It seeks to compete fairly and ethically within the framework of applicable competition laws in the country. The Company will not stop others from competing freely with it.
- In view of the critical importance of its business and impact on national economy, the Company provides all relevant information about its activities to legitimate interested parties, subject to any overriding constraints of confidentiality and cost.
- The Company requires all its board members and employees to essentially avoid conflict of interest between private financial and/or other activities and their professional role in the conduct of Company business.
- No board member or employee shall in any manner disclose to any person or cause disclosure of any information or documents, official or otherwise, relating to the Company, except those published, and unless he/she is authorized by the management.
- All papers, books, drawings, sketches, photographs, documents and similar papers containing analysis, formulas, notes or information relating to the Company's business affairs or operations shall always be treated as the Company property, whether prepared by the employee or otherwise and no employee shall be permitted to carry any of these outside business premises unless specifically authorized to do so by the management.
- The Company's property, funds, facilities and services must be used only for authorized purposes.
- The board members or employees of the Company specifically those coming in direct contact with the vendors doing or seeking to do business with the Company shall not receive favors or incur obligations. In case any contractor/supplier to have business relations with the Company happen to be a relative of an official who is entrusted the responsibility of opening/evaluation/award of supply/contract job or with execution or certification of material/services, he/she shall immediately bring the fact to the notice of Managing Director who may entrust the responsibility to another.
- Each employee shall devote his/her full time and energy exclusively to the business and interests of the Company. In particular, no employee (including those on leave) unless otherwise permitted by the Company, shall directly or indirectly engage in any other profession or business or enter the services of or be employed in any capacity for any purpose whatsoever and for any part of his/her time by any other person, government department, firm or company and/or shall not have any private financial dealings with any other persons of firms having business relations with the company for sale or purchase of any materials or equipment or supply of labor or for any other purpose. Every employee shall hold himself in readiness to perform any duties required of him by his/her superiors to the best of his/her ability.
- No board member or employee of the Company shall, directly or indirectly, deal in the shares of the Company in any manner during the closed period, as determined and informed by the Company.
- No board member or employee of the Company shall practice insider trading.

Without prejudice to any penal action defined in any statute, as applicable, against any kind of non-compliances/violations, non-compliance with the Company's Code of Conduct may expose the person involved to disciplinary action as per Company's rules and/or as determined by the management or the Board of Directors of the Company, as the case may be, on case to case basis.

**Statement of Compliance with the Listed Companies
(Code of Corporate Governance) Regulations, 2019**

Name of Company Bunny's Limited
Year ending June 30, 2023

Bunny's Limited (the "**Company**") has complied with the requirement of the Regulations in the following manner:

1. The total number of Directors are 07 as per the following:
 - a. Male 02
 - b. Female 05
2. The composition of the Board is as follows:
 - a. Independent Directors 02
 - b. Non-Executive Directors 04
 - c. Executive Directors 01

Name	Category
Mr. Muhammad Rafi Uz Zaman Awan	Independent Director
Mrs. Shahzi Khan	Independent Director
Mrs. Saadia Omar	Non-Executive Director - Chairperson
Miss. Mahnan Omar	Non-Executive Director
Miss Mahnoor Chaudhry	Non-Executive Director
Miss Maya Omar	Non-Executive Director
Mr. Omar Shafiq Chaudhry	Chief Executive

Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved, updated 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 the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in her absence, by a Director elected by the Board for this purpose. The Board complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. The Directors were appraised of their duties and responsibilities from time to time. All of the Directors will duly comply with the requirement of Code of Corporate Governance with respect of Directors' Training Program and the Company is planning to arrange this program for the Directors.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of appointment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising members given below:
 - I. Audit Committee:
 - i. Mr. Muhammad Rafi Uz Zaman Awan – Chairman
 - ii. Miss. Mahnan Omar
 - iii. Mrs. Saadia Omer
 - II. HR and Remuneration Committee:
 - i. Mr. Muhammad Rafi Uz Zaman Awan – Chairman
 - ii. Miss. Mahnan Omar
 - iii. Miss Maya Omar
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 per following:

a) Audit Committee	4
b) HR and Remuneration Committee	5
15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
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 requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulation 3, 6, 7, 8, 27, 32, and 36 of the Regulations have been complied with.

For **BUNNY'S LIMITED**



Director

Lahore: October 05, 2023



Aslam Malik & Co.
Chartered Accountants



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bunny's Limited

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

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

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

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

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

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

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the statement of Compliance.

Paragraph Reference	Description
9	The Company has not arranged the directors training program or obtained the exemption from directors training program from the commission as required under clause 19 of the Regulations.

The engagement partner on the review resulting in this independent auditors' review report is **Hafiz Muhammad Ahmad Saleem**.

Hafiz Muhammad Ahmad Saleem

Chartered Accountants
Lahore

Date: October 5, 2023

UDIN: CR202310148Y1PKzXG4m



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Road, Quetta
081-2823837



Aslam Malik & Co.
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the members of Bunny's Limited

Report on the Audit of the Financial Statements

Opinion

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and

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in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in Our Audit
1	<p>Revenue:</p> <p>Refer notes 22 to the financial statements and the accounting policy in note 3.13 to the financial statements regarding the sale of goods.</p> <p>The Company is engaged in the manufacturing and sale of bakery and other food products.</p> <p>The Company recognized net revenue of Rs. 5.687 million from sale of goods to customers during the year ended June 30, 2023.</p> <p>We identified recognition of revenue against the sale of goods as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> ➤ Obtained an understanding of the processes relating to the recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue; ➤ Assessed the appropriateness of the Company's accounting policies for recording of revenue and compliance of the policy with International Financial Reporting Standard 15 (IFRS 15); ➤ Compared a sample of revenue transactions recorded during the year with the sales orders, sales invoices, delivery orders and other relevant underlying documents; ➤ Compared a sample of revenue transactions recorded before and after reporting period and near the year end with relevant underlying documentation to assess whether revenue has been recorded in the appropriate accounting period; ➤ Scanned for any manual journal entries relating to sales recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation; and

		➤ Assessed the adequacy of disclosures in the unconsolidated financial statements to be in accordance with the applicable accounting and reporting standards.
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Information Other Than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditors' report is **Hafiz Muhammad Ahmad Saleem**.


Chartered Accountants



Place: Lahore

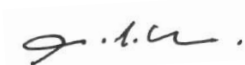
Date: October 5, 2023

UDIN: AR202310148qA2GrO8Qy

BUNNY'S LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022	2021
			----- Rupees -----	
			Restated	Restated
ASSETS				
Non-current assets				
Property, plant and equipment	4	2,406,415,112	2,353,853,140	2,324,733,299
Right of use assets		275,381,279	223,104,165	94,942,395
Intangible assets	5	42,030	52,538	65,672
Long term security deposits		13,486,538	9,065,538	8,656,946
		2,695,324,959	2,586,075,381	2,428,398,312
Current assets				
Stores, spares and loose tools		11,964,190	14,352,153	15,297,041
Stock-in-trade	6	590,163,027	489,166,590	362,986,413
Trade debts - unsecured	7	483,540,377	411,896,648	342,330,749
Advances, deposits and prepayments	8	273,226,612	225,228,001	173,566,857
Cash and bank balances	9	6,416,211	1,445,986	28,788,910
		1,365,310,417	1,142,089,378	922,969,970
Total assets		4,060,635,376	3,728,164,759	3,351,368,282
EQUITY AND LIABILITIES				
Capital and reserves				
Authorized share capital				
100,000,000 (2022: 100,000,000) Ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	10	668,052,700	668,052,700	668,052,700
Share Premium	11	49,713,670	49,713,670	49,713,670
Un-appropriated profits		1,237,737,512	1,115,943,663	984,262,675
		1,955,503,882	1,833,710,033	1,702,029,045
Non-current liabilities				
Long term finances - secured	12	318,162,752	439,123,726	557,658,004
Deferred grant	13	30,325,311	-	4,440,855
Lease Liabilities	14	32,820,436	59,294,227	32,387,210
Long term advances - unsecured	15	9,611,323	9,630,423	9,603,123
Deferred liabilities	16	268,511,718	263,460,660	261,626,809
		659,431,540	771,509,036	865,716,001
Current liabilities				
Trade and other payables	17	450,096,453	400,265,368	195,303,221
Contract liability		23,380,423	19,159,960	17,695,694
Unclaimed dividend		765,699	765,699	765,699
Accrued mark-up on secured loans	18	47,026,723	29,893,478	13,462,793
Short term borrowings	19	632,162,339	385,486,283	302,719,939
Current portion of long term finances and leases - secured		204,154,859	234,281,970	213,562,710
Provision for taxation - net	20	88,113,459	53,092,932	40,113,180
		1,445,699,954	1,122,945,690	783,623,236
Contingencies and commitments	21			
Total equity and liabilities		4,060,635,376	3,728,164,759	3,351,368,282

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



Chief Executive



Director




Chief Financial Officer

BUNNY'S LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees -----	
Revenue - net	5,686,622,639	4,468,902,597
Cost of sales	(4,326,891,340)	(3,478,245,931)
Gross profit	1,359,731,299	990,656,666
Operating expenses		
Administrative and general	247,874,756	220,638,825
Selling and distribution	704,113,968	494,194,941
	(951,988,724)	(714,833,766)
Operating profit	407,742,575	275,822,900
Other operating expenses	(10,330,253)	(10,627,937)
Other income	9,029,220	10,974,181
Finance cost	(208,252,412)	(111,023,710)
	(209,553,445)	(110,677,466)
Profit before taxation	198,189,130	165,145,433
Taxation	(66,684,847)	(26,186,653)
Profit after tax	131,504,283	138,958,781
Earning per share - basic & dilutive	1.97	2.08

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



Chief Executive



Director

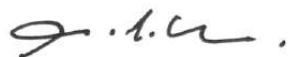


Chief Financial Officer

BUNNY'S LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
	----- Rupees -----	
Profit after taxation	131,504,283	138,958,781
Other comprehensive income		
<i>Items that may not be subsequently reclassified to profit or loss</i>		
Remeasurement of post employee benefit obligation	(13,676,667)	(10,250,413)
Impact of deferred tax	3,966,233	2,972,620
	(9,710,434)	(7,277,793)
Total comprehensive income for the year	<u>121,793,849</u>	<u>131,680,988</u>

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



Chief Executive



Director

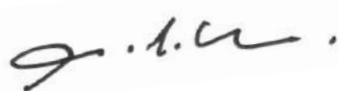


Chief Financial Officer

BUNNY'S LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Note	Share Capital	Capital Reserves	Revenue Reserve	Total Equity
			Share premium reserve	Un-appropriated profit	
----- Rupees -----					
As at June 30, 2020 - previously reported	5	513,886,690	49,713,670	1,038,048,652	1,601,649,012
Effect of prior period error		-	-	(70,173,290)	(70,173,290)
As at June 30, 2020 - Restated		513,886,690	49,713,670	967,875,362	1,531,475,722
Total comprehensive income for the year					
Profit for the year		-	-	177,952,713	177,952,713
Other comprehensive loss		-	-	(7,399,390)	(7,399,390)
		-	-	170,553,323	170,553,323
Transactions with owners of the Company					
Bonus shares issued		154,166,010	-	(154,166,010)	-
As at June 30, 2021 - Restated		668,052,700	49,713,670	984,262,675	1,702,029,045
Total comprehensive income for the year					
Profit for the year		-	-	138,958,781	138,958,781
Other comprehensive loss		-	-	(7,277,793)	(7,277,793)
		-	-	131,680,988	131,680,988
As at June 30, 2022 - Restated		668,052,700	49,713,670	1,115,943,663	1,833,710,033
Total comprehensive income for the year					
Profit for the year		-	-	131,504,283	131,504,283
Other comprehensive loss		-	-	(9,710,434)	(9,710,434)
		-	-	121,793,849	121,793,849
As at June 30, 2023		668,052,700	49,713,670	1,237,737,512	1,955,503,882

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



Chief Executive



Director



Chief Financial Officer

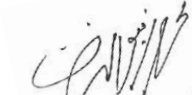
BUNNY'S LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	31	385,364,074	361,750,401
Finance cost paid		(183,873,197)	(94,593,025)
Income tax paid	20	(36,062,256)	(21,948,337)
Staff gratuity paid	16.2	(19,774,741)	(10,030,627)
Payment of Workers' profit participation fund	17.2	(8,239,959)	(12,442,572)
Payment of Workers' welfare fund		(2,387,978)	(3,676,513)
Net (decrease) / increase in long term advances		(19,100)	27,300
Net increase in security deposits		(4,421,000)	(408,592)
		(254,778,231)	(143,072,366)
Net cash generated from operating activities		130,585,842	218,678,035
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment	4.1	(227,844,058)	(264,412,628)
Proceeds from disposal of Property, Plant and Equipment		1,005,700	-
Net cash used in investing activities		(226,838,358)	(264,412,628)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds less repayment of long term loans	41	(138,753,693)	(128,551,175)
Proceeds less repayment of lease liabilities	41	(6,699,622)	64,176,500
Net cash (used) / generated from financing activities		(145,453,315)	(64,374,675)
Net decrease in cash and cash equivalents		(241,705,831)	(110,109,268)
Cash and cash equivalents at the beginning of the year		(384,040,297)	(273,931,029)
Cash and cash equivalents at end of the year		(625,746,128)	(384,040,297)
Cash and cash equivalents comprise of the following items:			
Cash and bank balances	9	6,416,211	1,445,986
Running finances from banks	19	(632,162,339)	(385,486,283)
		(625,746,128)	(384,040,297)

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



Chief Executive



Director



Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

- 1.1** Bunny's Limited ("the Legal Acquiree" or "the Economic Acquirer" or "the Company") was incorporated in Pakistan as a private limited Company on October 22, 1980 under the repealed Companies Act 1913 (now Companies Act, 2017) and was later on converted into a Public Listed Company. The Company is principally engaged in manufacturing of bakery and other food products. The registered office and manufacturing facility of the Company is situated at 105/A Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except that the Company's liability under defined benefit plan (gratuity) is determined on the present value of defined benefit obligations as determined by an independent actuary.

2.2 Statement of compliance

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

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

Provisions of and directives issued under the Companies Act, 2017.

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

2.3 Initial application of a standard, amendment or an interpretation to an existing standard.

2.3.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2023

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.3.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is Company's functional currency.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

	Note
- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of operating fixed assets	4.1
- assumptions and estimates used in determining lease term and incremental borrowing rate of right-of-use assets and corresponding lease liabilities.	3.11

BUNNY'S LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note
- assumptions and estimates used in determining the useful lives and residual values of intangible assets.	5.2
- assumptions and estimates used in determining the provision for slow moving and obsolete stores, spares and loose tools.	
- assumptions and estimates used in calculating the provision for impairment for trade debts.	7
- assumptions and estimates used in determination of deferred tax.	16.1
- assumptions and estimates used for valuation of present value of defined benefit obligation.	16.2
- assumptions and estimates used in disclosure and assessment of provision for contingencies and commitments.	21
- assumptions and estimates used in writing down items of inventories to their net realizable value	6
- assumptions and estimates used in impairment loss of Goodwill	

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment and depreciation

These are stated at cost less accumulated depreciation and any identified accumulated impairment loss (if any) thereon except freehold land and capital work in progress which are stated at cost. Currently, depreciation is charged to income applying reducing balance method at the rates given in Note 4 to write off the cost of operating fixed assets. Depreciation on additions is charged from the date when the assets is available for use and on deletions up to the date when the assets is deleted.

The carrying values of property, plant and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use.

Maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off. Gains and losses on disposal of assets, if any are included in the profit and loss amount currently.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization (for finite useful life of intangible asset) and any identified accumulated impairment losses.

Intangible assets with infinite useful life are amortized over the estimated useful life using the reducing balance method at the rate stated in the relevant note to the financial statements. Amortization on additions to intangible assets is charged from the date when an asset is put to use till the asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

3.3 Capital work in progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets at cost less any identified accumulated impairment losses as and when assets are available for use.

3.4 Stores, spares and loose tools

Stores, spares and loose tools except items-in-transit, are valued at lower of moving average cost or net realizable value less allowances for obsolete and slow moving items. Items-in-transit are valued at invoice price plus other charges incurred thereon.

3.5 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined according to the following basis:

Raw material	- in hand	FIFO basis
	- in transit	At cost accumulated to statement of financial position date
Work-in-process		Weighted average basis
Finished goods		Weighted average basis

Cost in relation to work-in-process and finished goods represents annual average cost which consist of prime cost and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost necessary, if required to be incurred in order to make such sale.

3.6 Trade and other payables

Trade and other payables are recognized initially at fair value net of directly attributable cost, if any.

3.7 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.8 Provisions

Provision is recognized when the Company has a legal and constructive obligation as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of obligation. Provision is reviewed at each date of statement of financial position and adjusted to reflect current best estimate.

3.9 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in the statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

3.10 Staff retirement benefits

The Company operates approved un-funded gratuity scheme for its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to statement of profit or loss.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.11 Leases

a) Right of Use Assets

The right-of-use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated on reducing balance method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

b) Lease Liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

3.12 Revenue recognition

The Company recognizes revenue when it transfers control over goods to its customers, being when the products are delivered to the customer and there is no unfulfilled obligation that could effect the customer's acceptance of the product. Revenue is recognized at an amount that reflects the consideration, to which the Company expects to be entitled in exchange for transferring of goods to its customers net of discount and sales related indirect taxes. The sales related indirect taxes are regarded as collected on behalf of statutory authorities. The Company generates revenue by supplying products to the customers, including export product.

i) Revenue from sales is recognized on delivery of products to the customers.

ii) Dividend income is recognized when the right to receive dividend is established.

iii) Income on bank deposits and short term investments are recognized using the effective yield method.

3.12.1 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

3.12.2 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise running finances, cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.14 Foreign currency transactions

Foreign currency transactions are recorded at the official exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using official exchange rates applicable at the statement of financial position date. All gains and losses on settlement and transaction at year-end are recognized in the income statement.

3.15 Financial instruments

3.15.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

3.15.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost 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 to hold assets to collect contractual cash
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial assets measured at amortized cost comprise of long term security deposit, cash and bank balances, trade debts, deposits and other receivables.

Debt Instrument - 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.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. There are no any asset that is measured at FVOCI in the Company.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. The Company has no equity instruments that are measured at FVOCI.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. The Company has no financial asset or financial liability measured at fair value through profit or loss (FVTPL) at year end.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. 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 gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise long term finance, lease liabilities, trade and payable, accrued mark-up on borrowing, current portion of long term finances and lease and short term borrowing

3.15.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.15.4 Trade Debts, deposits and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.15.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.15.6 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except other financial assets at amortized cost excluding trade debts for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition., which are measured at 12-month ECLs.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company monitors changes in credit risk by tracking published external credit ratings.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.16 Taxation

Current

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if, enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.17 Goodwill and its impairment

Goodwill on merger of companies is included in 'intangible assets'. Goodwill is tested for impairment as part of the overall balance. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The carrying values of goodwill and intangible assets are contingent on future cash flows and there is risk if these cash flows do not meet the company's expectations that the assets will be impaired. The impairment reviews performed by the company contained a number of significant judgments and estimates including revenue growth, the success of new product launches, patent expiry dates, profit margins, cash conversion, terminal values and discount rate. Changes in these assumptions might lead to a change in the carrying value of intangible assets and goodwill.

3.18 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

3.19 Government Grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.20 Share Capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.21 Earnings per share ("EPS")

Basic 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.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.22 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

BUNNY'S LIMITED
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4 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		----- Rupees -----	
Operating fixed assets	4.1	2,223,599,300	1,789,355,486
Capital work in progress	4.3	182,815,812	564,497,654
Right of use assets		275,381,279	223,104,165
		<u>2,681,796,391</u>	<u>2,576,957,305</u>

4.1 Operating fixed assets

	Owned Assets							Right-of-use Assets / Lease assets		Total Assets	
	Land - freehold	Building on freehold land	Plant and machinery	Electric installation and appliances	Office equipment	Furniture and fixtures	Motor vehicles	Total Owned	Plant and machinery		Motor vehicles
Cost											
Balance as at July 01, 2022	530,000,000	649,067,053	1,190,320,808	22,996,557	22,457,693	11,741,900	186,191,391	2,612,775,402	200,000,000	74,868,300	2,887,643,702
Additions during the year	-	3,033,350	589,182,977	4,392,067	1,207,006	501,000	11,209,500	609,525,900	-	-	609,525,900
Disposals during the year	-	-	-	-	-	-	(2,994,500)	(2,994,500)	-	-	(2,994,500)
Transfers during the year	-	-	(54,609,078)	-	-	-	(9,158,500)	(63,767,578)	54,609,078	9,158,500	-
Balance as at June 30, 2023	530,000,000	652,100,403	1,724,894,707	27,388,624	23,664,699	12,242,900	185,247,891	3,155,539,224	254,609,078	84,026,800	3,494,175,102
Balance as at July 01, 2021	530,000,000	643,666,001	1,135,134,873	18,850,557	22,062,993	11,180,900	158,085,330	2,518,980,654	50,000,000	93,495,861	2,662,476,515
Additions during the year	-	5,401,052	205,185,935	4,146,000	394,700	561,000	9,478,500	225,167,187	-	-	225,167,187
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
Transfer during the year	-	-	(150,000,000)	-	-	-	18,627,561	(131,372,439)	150,000,000	(18,627,561)	-
Balance as at June 30, 2022	530,000,000	649,067,053	1,190,320,808	22,996,557	22,457,693	11,741,900	186,191,391	2,612,775,402	200,000,000	74,868,300	2,887,643,702
Depreciation											
Balance as at July 01, 2022	-	243,625,343	465,964,224	9,740,964	17,283,919	6,258,553	80,546,913	823,419,916	18,415,664	33,348,471	875,184,051
Charge for the year	-	20,284,552	56,384,259	1,412,040	1,713,221	572,147	21,168,244	101,534,462	11,127,057	9,027,533	121,689,052
Depreciation on Disposals	-	-	-	-	-	-	(1,678,579)	(1,678,579)	-	-	(1,678,579)
Transfer during the year	-	-	-	-	-	-	8,664,125	8,664,125	-	(8,664,125)	-
Balance as at June 30, 2023	-	263,909,895	522,348,483	11,153,004.00	18,997,140	6,830,700	108,700,703	931,939,924	29,542,721	33,711,879	995,194,524
Balance as at July 01, 2021	-	222,347,684	428,878,586	8,374,082	15,170,602	5,682,350	39,046,266	719,499,570	9,096,517	39,456,949	768,053,036
Charge for the year	-	21,277,659	37,085,638	1,366,882	2,113,317	576,203	24,368,081	86,787,780	9,319,147	11,024,089	107,131,016
Transfer during the year	-	-	-	-	-	-	17,132,567	17,132,567	-	(17,132,567)	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2022	-	243,625,343	465,964,224	9,740,964	17,283,919	6,258,553	80,546,913	823,419,917	18,415,664	33,348,471	875,184,052
Rate of depreciation		5%	5%	10%	30%	10%	20%		5%	20%	
Net book value as at June 30, 2023	530,000,000	388,190,508	1,202,546,224	16,235,620	4,667,559	5,412,200	76,547,188	2,223,599,300	225,066,357	50,314,921	2,498,980,579
Net book value as at June 30, 2022	530,000,000	405,441,710	724,356,584	13,255,593	5,173,774	5,483,347	105,644,478	1,789,355,485	181,584,336	41,519,829	2,012,459,651

4.2 Depreciation charged for the year has been allocated as under:

	2023	2022
	----- Rupees -----	
Cost of sales	89,207,908	69,049,325
Administrative and general expenses	32,481,144	38,081,691
	<u>121,689,052</u>	<u>107,131,016</u>

4.3 Capital work in progress

Opening balance	564,497,654	525,252,214
Additions during the year	128,785,396	189,245,440
Transfers (Plant and machinery)	(510,467,238)	(150,000,000)
Closing balance	<u>182,815,812</u>	<u>564,497,654</u>

4.4 This Capital Work in Progress relates to building

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

Location / Address	Usage of immovable property	Total Area (In Kanal)	Appro. Covered Area (In sq. ft.)
85,86,87 & 105 Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore	Production unit	21.4	50,510

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		2023	2022
		----- Rupees -----	
11	SHARE PREMIUM		
	Share premium		
	Note		
		11.1	
		49,713,670	49,713,670
		49,713,670	49,713,670

11.1 Share Premium Reserve can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

12 **LONG TERM FINANCES - SECURED**

Samba Bank Limited - SBP Salary Refinance Scheme	12.1	-	61,224,724
Samba Bank Limited - Term Finance	12.2	111,255,036	132,467,680
PAIR Investment Company Limited - Term Finance - I	12.3	29,055,565	63,888,890
PAIR Investment Company Limited - Term Finance - II	12.4	132,000,000	144,000,000
Orix Leasing Pakistan Limited - Sale And Leaseback - I	12.5	-	4,245,171
Orix Leasing Pakistan Limited - Sale And Leaseback - II	12.5	-	1,840,780
Pak Libya Holding Company (Private) Limited - SBP TERF	12.6	168,879,311	167,240,000
First Habib Modaraba- Diminishing Musharika	12.7	40,670,309	53,741,942
		481,860,221	628,649,187
Less: current portion shown under current liabilities		(123,914,905)	(174,244,218)
Less: Deferred grant	12.1	(39,782,564)	(15,281,243)
		318,162,752	439,123,726

12.1 The loan has been fully paid during the year

12.2 The company has obtained this term finance facility from Samba Bank Limited for the import of plant and machinery through import Letter of Credit. The tenor of this term finance is 5 years with 1 year grace period. This facility carries markup @ 3 month KIBOR + 2.25% payable on quarterly basis. The principal is repayable in 16 quarterly installments with last installment payable on January, 2027. The facility is secured against first pari passu charge on present and future fixed assets of the company and personal guarantees of sponsoring directors and chief executive of the company.

12.3 This long term loan carries markup at the rate of 6 month KIBOR + 2.25% with a sanction limit of Rs. 150 million. The principal and markup are payable on monthly basis after six months grace period with last installment payable in October, 2023. This facility is secured against first pari passu charges on present and future fixed assets of the company.

12.4 The company has obtained this facility to support expansion plan by providing permanent working capital. Tenor of this facility is 6 years with 6 months grace period. The facility carries markup @ 3 month KIBOR + 2.25% payable on quarterly basis. The principal is repayable in quarterly installments with last installment payable in March, 2027. The facility is secured against pari passu charge over present and future fixed assets of the company and personal guarantees of the directors and chief executive of the company.

12.5 The facility has been fully paid during the year.

12.6 This facility of long term loan has been obtained for the purchase of fully automated bun and burger line under State Bank Temporary Economic Refinance Facility (TERF). This carries markup at the rate of 5% per annum. Total tenor of the loan is 10 years including two years grace period. The principal and markup is repayable in quarterly installments with last installment payable in July, 2030. The loan is secured against fixed assets of the company.

Government grant amounting to Rs. 39,782,564 has been recorded during the year ended 30 June 2023 and Rs. 4,722,158 million has been amortized during the year.

	2023	2022
Loan amount	168,879,311	-
Effect of deferred grant	(7,245,970)	-
Net amount payable	161,633,341	-

12.7 That was sale and leaseback arrangement from First Habib Modaraba. The Sale and Leaseback does not meet the criteria of sale under IFRS-15, and hence this arrangement was classified as Financing Arrangement under IFRS 9. This facility carries markup @ 6 month KIBOR + 2%.

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	Note	2023	2022
		----- Rupees -----	
13	Deferred grant		
	As at 01 July	-	15,281,243
	Received during the year	39,782,564	-
	Amortization	(4,722,158)	(10,974,181)
		35,060,406	4,307,062
	Current portion	(4,735,095)	(4,307,062)
	As at 30 June	30,325,311	-

14 LEASE LIABILITIES

The amount of future minimum lease payments along with their present value and the period during which they fall due are as under:

	Note	2023	2022
		----- Rupees -----	
Analyzed as:			
Non current		32,820,436	59,294,227
Current		75,504,859	55,730,690
		108,325,295	115,024,917
14.1 Maturity analysis			
Year 1		75,504,859	55,730,690
Year 2		28,448,907	51,396,513
Year 3		3,573,176	6,455,389
Year 4		798,353	1,442,325
Year 5		-	-
Onwards		-	-
		108,325,295	115,024,917

14.2 The company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the company's treasury function.

14.3 The Company entered into lease agreements with financial institutions to acquire vehicles. The liabilities under the lease agreements are payable in equal monthly installments and are subject to finance charges at the rates ranging from 3 months KIBOR + 2% to 5% (June 30, 2022 : 6 months KIBOR + 2.5% to 3.95%). The lease liabilities are secured against security deposits, post dated cheques, personal guarantee of all the directors of the Company and also secured against financed vehicles.

	2023	2022
	----- Rupees -----	
14.4 Amounts recognized in profit and loss		
Depreciation expense on right-of-use assets	20,154,590	20,343,236
Unwinding of lease liabilities	22,693,370	13,077,219
	42,847,960	33,420,455

14.5 The total cash outflow for leases amount to Rs. 132.228 million from the date of inception till April, 2027.

15 LONG TERM ADVANCES - UNSECURED

From contractors against recovery of sales proceeds

	9,611,323	9,630,423
	9,611,323	9,630,423

16 DEFERRED LIABILITIES

Deferred taxation

16.1

196,606,273 204,970,442

Staff retirement benefits - gratuity

16.2

71,905,445 58,490,218

268,511,718 263,460,660

BUNNY'S LIMITED
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	Note	2023	2022
		----- Rupees -----	
16.1 Deferred taxation			
Opening deferred tax liability		204,970,442	216,684,498
<i>Deferred tax charged / (reversal) to profit or loss</i>			
Accelerated tax depreciation		43,293,033	(12,751,533)
Liabilities against assets subject to finance lease		17,103,253	18,555,728
Sales and lease back		5,555,699	7,650,051
Intangible assets		(3,047)	(3,808)
Unused tax losses / credits		(70,422,692)	(21,235,601)
Employees' retirement benefits		75,817	(956,273)
<i>Deferred tax reversal to other comprehensive income</i>			
Employees' retirement benefits		(3,966,233)	(2,972,620)
		(8,364,169)	(11,714,056)
	16.1.1	196,606,273	204,970,442
16.1.1 Deferred taxation liability			
taxable temporary differences:			
- accelerated tax depreciation		272,694,347	229,401,314
- liabilities against assets subject to finance lease		48,446,235	31,342,982
- intangible assets		12,189	15,236
		321,152,771	260,759,532
deductible temporary differences:			
- unused tax losses / credits		91,899,530	21,476,838
- Sales and Lease Back		11,794,390	17,350,089
- employees' retirement benefits		20,852,579	16,962,163
		124,546,499	55,789,090
		196,606,273	204,970,442
16.2 STAFF RETIREMENT BENEFITS - GRATUITY			
The latest actuarial valuation of gratuity was carried out as at June 30, 2023 under the projected unit credit method as per the requirements of approved accounting standards - International Accounting Standard 19, the details of which are as follows:			
	Note	2023	2022
		----- Rupees -----	
Present value of Defined Benefits Obligations as at 30 June		71,905,445	58,490,218
The movement in defined benefit obligation is as follows:			
As at 01 July		58,490,218	44,942,310
Current service cost		13,073,424	9,335,422
Interest cost		6,439,877	3,992,700
Amount recognized in profit and loss		19,513,301	13,328,122
Benefits paid		(19,774,741)	(10,030,627)
Actuarial losses		13,676,667	10,250,413
As at 30 June		71,905,445	58,490,218
Amount charged to profit and loss			
Current service cost		13,073,424	9,335,422
Interest cost		6,439,877	3,992,700
		19,513,301	13,328,122
Amount charged to Other Comprehensive Income			
Actuarial losses		13,676,667	10,250,413
Reconciliation of Defined Benefits Liability			
As at 01 July		58,490,218	44,942,310
Amount charged to profit and loss		19,513,301	13,328,122
Amount charged to Other Comprehensive Income		13,676,667	10,250,413
Benefits paid		(19,774,741)	(10,030,627)
		71,905,445	58,490,218

BUNNY'S LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023	2022
		----- Rupees -----	
16.2.1 Principal actuarial assumptions used in the actuarial valuations			
Financial assumptions			
Discount rate used for year end obligation		16.25%	13.25%
Expected rate of increase in salary		13.25%	10.25%
Demographic Assumptions			
Mortality rate		SLIC (2001-05)	SLIC (2001-05)
16.2.2 Sensitivity analysis for actuarial assumptions			
The calculation of defined benefit obligation is sensitive to the following assumptions. The below information summarized how the defined benefit obligation at the end of the reporting period would have been increased/(decreased) as a result of change in respective assumptions by 100 basis points.			
		Increase in assumptions	Decrease in assumptions
Discount rate		69,100,568	74,825,175
Increase in future salaries		74,824,175	69,099,719
		----- Rupees -----	----- Rupees -----
16.2.3 Allocation of expense to profit and loss account has been made as follows:			
Cost of sales		4,325,130	2,633,204
Administrative and general		9,642,607	6,619,490
Selling and distribution		5,545,564	4,075,428
		<u>19,513,301</u>	<u>13,328,122</u>
17 TRADE AND OTHER PAYABLES			
Trade Creditors - unsecured		262,248,402	184,010,461
Accrued expenses	17.1	111,538,259	85,755,639
Bills payable - secured		66,289,760	119,871,331
Workers' welfare fund		45,524	2,387,978
Workers' profit participation fund	17.2	9,974,508	8,239,959
		<u>450,096,453</u>	<u>400,265,368</u>
17.1 This includes salary payable to director amounting to Rs. 1.5 million (2022: 1.5 million)			
17.2 Workers' (profit) participation fund			
As at 01 July		8,239,959	12,442,572
Allocation for the period		9,974,508	8,239,959
		<u>18,214,467</u>	<u>20,682,531</u>
Less: Payment made during the period		(8,239,959)	(12,442,572)
As at 30 June		<u>9,974,508</u>	<u>8,239,959</u>
18 ACCRUED MARK-UP ON SECURED LOANS			
Long term finances		19,154,995	17,900,960
Short term borrowings		27,871,728	11,992,518
		<u>47,026,723</u>	<u>29,893,478</u>
19 SHORT TERM BORROWINGS			
Running finance	19.1	521,822,339	349,654,802
Finance Against Trust Receipt (FATR)		110,340,000	35,831,481
		<u>632,162,339</u>	<u>385,486,283</u>
19.1 Running Finance facilities has been obtained form different banks to meet the working capital requirements which carries markup at the rate of 3 month KIBOR + 2.5% (2022: 3 month KIBOR plus 2.25%) and is secured against ranking and first pari passu charges on present and future current assets of the company amounting.			
19.2 These facilities are available as sub limit of letters of credit from Samba Bank Limited amounting to Rs. 85 million (2022: Rs. 50 million), carry mark up at 3 months KIBOR plus 2.5% per annum (2022: 3 months KIBOR plus 2.25% per annum) and as sub limit of letters of credit from First Women Bank Limited amounting to Rs. 50 million (2022: Nil), carry markup at the rate of 3 month KIBOR plus 2.25% per annum. The amount utilized as at 30 June 2023 is Rs. 60.51 million (2022: 35.83 million) and Rs. 49.83 million (2022: Nil) from Samba Bank Limited and First Women Bank Limited respectively.			

BUNNY'S LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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20	PROVISION FOR TAXATION - NET	2023	2022
		----- Rupees -----	
	Opening Balance	53,092,932	40,113,180
	Provision for the year	71,082,783	34,928,089
	Paid during the year	(36,062,256)	(21,948,337)
	Closing Balance	<u>88,113,459</u>	<u>53,092,932</u>

21 CONTINGENCIES AND COMMITMENTS

- 21.1** Letter of guarantee amounting to Rs 2.552 million (2022: Rs.2.552 million) has been issued in favor of Sui Northern Gas Pipeline Limited. There are no other known contingencies as at balance sheet date.
- 21.2** There are no major commitments outstanding as at balance sheet date.

22	REVENUE - NET	2023	2022
		----- Rupees -----	
	Gross Revenue	6,212,215,629	4,927,026,470
	Trade Discounts	(376,512,120)	(277,934,895)
	Sales tax	(149,080,870)	(180,188,978)
		<u>5,686,622,639</u>	<u>4,468,902,597</u>

22.1 Revenue has been recognized at a point in time for local sales made during the year.

22.2 During the year the Company has recognized revenue, amounting to Rs. 19.160 million out of contract liability as at 01 July 2022.

23	COST OF SALES	Note	2023	2022
			----- Rupees -----	
	Raw materials consumed			
	Opening Inventory		333,851,649	260,568,890
	Purchases		3,088,300,802	2,512,141,939
	Closing Inventory		(348,588,621)	(333,851,649)
			<u>3,073,563,830</u>	<u>2,438,859,180</u>
	Packing material consumed			
	Opening inventory		125,965,965	85,452,681
	Purchases		464,337,730	349,764,835
	Closing Inventory		(186,567,205)	(125,965,965)
			<u>403,736,490</u>	<u>309,251,551</u>
	Wages and salaries	23.1	406,047,307	341,467,571
	Fuel and power		309,868,291	260,650,684
	Repair and maintenance		54,460,763	48,443,612
	Other indirect expenses		9,771,126	11,912,314
	Insurance		5,411,799	3,846,481
	Depreciation	4.2	89,207,908	69,049,325
			<u>874,767,194</u>	<u>735,369,987</u>
	Manufacturing cost		<u>4,352,067,514</u>	<u>3,483,480,718</u>
	Work-in-process			
	Opening balance		6,556,901	1,575,632
	Closing balance		(9,538,146)	(6,556,901)
			<u>(2,981,245)</u>	<u>(4,981,269)</u>
	Finished goods			
	Opening balance		22,792,075	15,389,210
	Purchases		482,051	7,149,347
	Closing balance		(45,469,055)	(22,792,075)
			<u>(22,194,929)</u>	<u>(253,518)</u>
	Cost of sales		<u>4,326,891,340</u>	<u>3,478,245,931</u>

23.1 These include staff retirement benefits amounting to Rs. 4,325,130 (2022: Rs. 2,633,204).

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	Note	2023	2022
		----- Rupees -----	
24 ADMINISTRATIVE AND GENERAL			
Directors' remuneration		25,052,509	22,728,228
Salaries and benefits	24.1	86,325,229	89,866,902
Printing and stationery		8,929,951	6,254,380
Traveling and conveyance		8,873,662	2,034,630
Telephone, postage and telegram		5,725,974	5,870,601
Fee and subscription		11,637,011	9,831,145
Vehicle running, maintenance and insurance		41,091,188	17,799,718
Rent, rates and taxes		362,204	1,247,831
Insurance		4,378,360	8,257,504
Entertainment		13,488,521	10,447,893
Repair and maintenance		895,160	858,565
Charity and donation	24.2	994,599	1,584,120
Legal and professional		9,600	167,000
Auditors' remuneration	24.3	1,650,000	1,500,000
Newspaper and periodicals		15,475	120,466
Depreciation	4.2	32,481,144	38,081,691
Amortization of intangible assets		10,508	13,134
Miscellaneous expenses		5,953,661	3,975,017
		<u>247,874,756</u>	<u>220,638,825</u>
24.1 These include staff retirement benefits amounting to Rs. 9,642,607 (2022: Rs. 6,619,490)			
24.2 None of the directors or their spouses had any interest in the donee. No donation exceeding Rs. 1,000,000 has been paid to a single institute during the year.			
	Note	2023	2022
		----- Rupees -----	
24.3 Auditors' remuneration			
Audit fee		1,150,000	1,000,000
Half year review		350,000	350,000
Others		150,000	150,000
		<u>1,650,000</u>	<u>1,500,000</u>
25 SELLING AND DISTRIBUTION			
Salaries and benefits	25.1	64,054,495	55,022,474
Commission and other sales incentives		224,561,579	143,779,460
Vehicle running and maintenance		385,760,696	255,544,001
Advertisement		8,981,714	27,571,815
Sales promotion expenses		20,755,485	12,277,191
		<u>704,113,968</u>	<u>494,194,941</u>
25.1 These include staff retirement benefits amounting to Rs. 5,545,564 (2022: Rs. 4,075,428)			
26 OTHER OPERATING EXPENSES			
Workers' welfare fund		45,524	2,387,978
Workers' profit participation fund	17.2	9,974,508	8,239,959
Loss on sale of fixed assets		310,221	-
		<u>10,330,253</u>	<u>10,627,937</u>
27 OTHER INCOME			
Amortization of deferred grant	13	9,029,220	10,974,181
		<u>9,029,220</u>	<u>10,974,181</u>
28 FINANCE COST			
Mark up on:			
-Long term finances		88,452,093	53,392,226
-Short term finances		91,249,643	36,972,055
Unwinding of lease liabilities		22,693,370	13,077,219
Bank charges and others		5,857,306	7,582,210
		<u>208,252,412</u>	<u>111,023,710</u>

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		Note	2023	2022
			----- Rupees -----	
29	TAXATION			
	Current tax expense		71,082,783	34,928,089
	Deferred tax (reversal) / expense		(4,397,936)	(8,741,436)
			66,684,847	26,186,653
30	EARNING PER SHARE - BASIC & DILUTIVE			
	Net profit after taxation	Rupees	131,504,283	138,958,781
	Weighted average number of shares outstanding during the year	Numbers	66,805,270	66,805,270
	Earning per share - basic & dilutive	Rupees	1.97	2.08
31	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		198,189,130	165,145,433
	Adjustments for:			
	Depreciation		121,689,052	107,131,016
	Finance cost		208,252,412	111,023,710
	Provision for workers' profit participation fund		9,974,508	8,239,959
	Provision for workers' welfare fund		45,524	2,387,978
	Provision for gratuity		19,513,301	13,328,122
	Amortization of deferred grant		(9,029,220)	(10,974,181)
	Amortization of intangible assets		10,508	13,134
	Loss on disposal of fixed assets		310,221	-
			350,766,305	231,149,739
	Operating profit before working capital changes		548,955,435	396,295,172
	Changes in working capital			
	<i>(Increase)/ decrease in current assets:</i>			
	Stores, spares and loose tools		2,387,963	944,888
	Stock-in-trade		(100,996,437)	(126,180,177)
	Trade debts - unsecured		(71,643,729)	(69,565,899)
	Advances, deposits and prepayments		(47,998,611)	(51,661,144)
	<i>Decrease in current liabilities</i>			
	Trade and other payables		50,438,990	210,453,295
	Contract liability		4,220,463	1,464,266
			(163,591,361)	(34,544,771)
	Cash generated from operations		385,364,074	361,750,401

32 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze 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 training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

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The Company's 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. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

32.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

32.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	Note	2023	2022
		----- Rupees -----	
At Amortized Cost			
Advances and long term security deposit		68,125,587	44,918,683
Trade debts		483,540,377	411,896,648
Other receivable		55,605,646	36,819,742
Bank balances		10,333,191	6,253,357
		617,604,801	499,888,430

32.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Customers	483,540,377	411,896,648
Banking companies	10,333,191	6,253,357
Others	123,731,233	81,738,425
	617,604,801	499,888,430

32.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

32.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties are bank balances. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating		Rating agency	2023	2022
	Short term	Long term		Rupees	Rupees
Allied Bank Limited	A1+	AAA	PACRA	14,742	6,013,624
Bank Islamic Limited	A1	A+	PACRA	46,129	46,129
Bank Al-Habib	A1+	AAA	PACRA	4,221,056	132,195
Metropolitan Bank Limited	A-1+	AA+	PACRA	5,000	5,000
Meezan Bank Limited	A1+	AAA	VIS	32,075	56,409
The Bank of Khyber				14,189	-
PAIR Investment Bank Limited				6,000,000	-
				10,333,191	6,253,357
Bank guarantee margin					
Bank Al-Habib	A1+	AAA	PACRA	966,597	966,597

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32.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	Note	2023	2022
		Rupees	
Past due 1 - 30 Days		193,666,146	171,225,939
Past due 31 - 60 Days		245,322,278	199,676,236
Past due 61 - 120 Days		14,867,420	11,352,092
Past due above 121 Days		29,684,533	29,642,381
		483,540,377	411,896,648

Management believes that no impairment allowance is necessary in respect of trade debts past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavorable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

32.2.1 Exposure to liquidity risk

32.2.1 (a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		2023					
		Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years	More than five years
		Rupees					
Non-derivative financial liabilities							
Long term finance	12	481,860,221	668,018,292	200,238,260	387,318,581	70,297,926	10,163,525
Lease liability	14	108,325,295	132,225,946	92,163,834	40,062,112	-	-
Short term borrowing	19	632,162,339	632,162,339	632,162,339	-	-	-
Accrued mark-up	18	47,026,723	47,026,723	47,026,723	-	-	-
Trade and other payable	17	440,076,421	440,076,421	440,076,421	-	-	-
Unclaimed dividend		765,699	765,699	765,699	-	-	-
		1,710,216,698	1,920,275,420	1,412,433,276	427,380,693	70,297,926	10,163,525
		2022					
		Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years	More than five years
		Rupees					
Non-derivative financial liabilities							
Long term finance	12	628,649,187	827,550,590	245,939,357	428,986,040	122,874,143	29,751,050
Lease liability	14	59,294,227	80,246,240	65,882,869	14,363,371	-	-
Short term borrowing	19	385,486,283	385,486,283	385,486,283	-	-	-
Accrued mark-up	18	29,893,478	29,893,478	29,893,478	-	-	-
Trade and other payable	17	389,637,431	389,637,431	389,637,431	-	-	-
Unclaimed dividend		765,699	765,699	765,699	-	-	-
		1,493,726,305	1,713,579,721	1,117,605,117	443,349,411	122,874,143	29,751,050

32.3 Market risk

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

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32.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The Company is not exposed to currency risk.

32.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

32.3.2 (a) Mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	Financial liability	
	2023	2022
	----- Rupees -----	
Fixed rate instruments	168,879,311	228,464,724
Variable rate instruments	1,053,468,544	844,964,973
	1,222,347,855	1,073,429,697

32.3.2 (b) Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	Effect on profit before taxation	
	2023	2022
	----- Rupees -----	
<u>Increase of 100 basis points</u>	(10,534,685)	(8,449,650)
<u>Decrease of 100 basis points</u>	10,534,685	8,449,650

32.3.2 (c) Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

32.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market. The Company is not exposed to any price risk.

33 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other
- to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

	2023	2022
	----- Rupees -----	
Debt		Restated
Total Equity	1,187,300,386	1,118,186,206
Total Capital	1,955,503,882	1,833,710,033
Gearing Ratio	37.78%	37.88%

There were no changes in the Company's approach to capital management during the year.

34 Fair value of financial instruments

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	Fair value through other comprehensive income	Fair value through profit and loss	Carrying Amount			Fair Value		
			Financial Assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
			Rupees			Rupees		
On-Balance sheet financial instruments								
30 June 2023								
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets at amortized cost								
Advances and long term security deposit	-	-	68,125,587	-	68,125,587	-	-	-
Trade debts	-	-	483,540,377	-	483,540,377	-	-	-
Other receivable	-	-	55,605,646	-	55,605,646	-	-	-
Cash and bank balances	-	-	6,416,211	-	6,416,211	-	-	-
34.2	-	-	613,687,821	-	613,687,821	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities at amortized cost								
Long term finance	-	-	-	481,860,221	481,860,221	-	-	-
Lease liability	-	-	-	108,325,295	108,325,295	-	-	-
Short term borrowing	-	-	-	632,162,339	632,162,339	-	-	-
Accrued mark-up	-	-	-	47,026,723	47,026,723	-	-	-
Trade and other payable	-	-	-	440,076,421	440,076,421	-	-	-
Unclaimed dividend	-	-	-	765,699	765,699	-	-	-
34.2	-	-	-	1,710,216,698	1,710,216,698	-	-	-

	Fair value through other comprehensive income	Fair value through profit and loss	Carrying Amount			Fair Value		
			Financial Assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note	----- Rupees -----		----- Rupees -----			----- Rupees -----		
<u>On-Balance sheet financial instruments</u>								
<u>30 June 2022</u>								
Financial assets measured at fair value								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<u>Financial assets not measured at fair value</u>								
Long term security deposit	-	-	44,918,683	-	44,918,683	-	-	-
Trade debts	-	-	411,896,648	-	411,896,648	-	-	-
Other receivable	-	-	36,819,742	-	36,819,742	-	-	-
Cash and bank balances	-	-	1,445,986	-	1,445,986	-	-	-
34.2	-	-	495,081,059	-	495,081,059	-	-	-
Financial liabilities measured at fair value								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>								
Long term finance	-	-	-	628,649,187	628,649,187	-	-	-
Lease liability	-	-	-	59,294,227	59,294,227	-	-	-
Short term borrowing	-	-	-	385,486,283	385,486,283	-	-	-
Accrued mark-up	-	-	-	29,893,478	29,893,478	-	-	-
Trade and other payable	-	-	-	389,637,431	389,637,431	-	-	-
Unclaimed dividend	-	-	-	765,699	765,699	-	-	-
34.2	-	-	-	1,493,726,305	1,493,726,305	-	-	-

34.2 Fair value versus carrying amounts

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

35 Rectification of prior period error

In 2016 a scheme of arrangement was approved by the Honorable Lahore High Court, whereby the entire undertaking of Bunny's Limited ("the Legal Acquiree" or "the Accounting Acquirer") including property, assets, liabilities and its rights and obligations have been vested in Moonlite (PAK) Limited ("the Legal Acquirer" or "the Accounting Acquiree").

In consideration for the merger, Moonlite (PAK) Limited has to issue and allot 49,229,083 fully paid ordinary shares of Rs. 10 each to the registered holders of ordinary shares of Bunny's Limited in the ratio of 1 ordinary share of the Legal Acquirer for 1 ordinary share of Legal Acquiree. The merger had identified and recognized in financial statements as a transaction of 'reverse acquisition' resulting in the recognition of goodwill.

According to IFRS 03 - Business Combinations, Moonlite (PAK) Limited must meet the definition of a business for the transaction to be accounted for as a reverse acquisition. At the time of merger, Moonlite (PAK) Limited did not have any input or processes at the time of merger as the company neither had any tangible assets nor any production staff and hence it did not have the capability to create output. Furthermore, the company was undergoing a liquidation process. Therefore, Moonlite (PAK) Limited did not meet the criteria to be classified as business under IFRS 03 - Business Combination for reverse acquisition.

The IFRIC update from the IFRS Interpretations Committee in March 2013 further explains the accounting treatment when the Accounting Acquiree does not meet the definition of the business under IFRS 03 - Business Combination. In such cases, the difference between the fair value of the shares deemed to have been issued by the Accounting Acquirer and the fair value of the Accounting Acquiree's identifiable net assets represents a service received by the Accounting Acquirer and needs to be expensed out. As a result, the difference between the fair value of the shares issued by Bunny's Limited and the fair value of the Moonlite (PAK) Limited's identifiable net assets represents the service received by the Bunny's Limited for stock exchange listing of its shares, which needs to be expensed out. Consequently, the recognition of goodwill on reverse merger is considered as error, which have now been corrected by restating the comparative figures. This correction has been applied retrospectively as per the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The effect on prior periods is tabulated below:

	Restated		
	2022		
	Reported previously	Effect of prior period error	Reported now
	----- Rupees -----		
Statement of Financial Position			
Intangible assets	70,225,828	(70,173,290)	52,538
Statement Of Changes In Equity			
Revenue Reserve	1,186,116,953	(70,173,290)	1,115,943,663
	Restated		
	2021		
	Reported previously	Effect of prior period error	Reported now
	----- Rupees -----		
Statement of Financial Position			
Intangible assets	70,238,962	(70,173,290)	65,672
Statement Of Changes In Equity			
Revenue Reserve	1,054,435,965	(70,173,290)	984,262,675

36 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

	2023			
	Chief Executive	Executive Director	Non-Executive Director	Executives
Managerial remuneration	22,728,228	-	-	70,425,660
No. of persons	1	1	6	24
	2022			
	Chief Executive	Executive Director	Non-Executive Director	Executives
Managerial remuneration	22,728,228	-	-	53,857,056
No. of persons	1	1	6	22

36.1 The chief executive and executive director are provided with Company maintained cars in accordance with their terms of employment.

36.2 No meeting fee has been paid to any director of the Company during the year (June 30, 2022: Nil).

37 TRANSACTION WITH ASSOCIATED UNDERTAKINGS

The related parties comprise associated undertakings, other related companies and key management personnel. The Company in the normal course of business carried out transactions with related parties. Detail of transactions with key management personnel are disclosed in Note 36. Balances of related parties if any are shown in the relevant notes. There are no other significant related party transactions.

	2023	2022
	Number of Employees	
Average number of employees during the year	724	724
Total number of employees at year end	758	758

38 NUMBER OF EMPLOYEES

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

39 OPERATING SEGMENT

The Company's chief decision maker reviews the Company's performance on single segment accordingly the financial information has been prepared on basis of single reportable segment.

39.1 Revenue from sale of bakery and snacks items represent 85% and 15% of total revenue of the Company respectively.

39.2 All of the Company sales are local.

39.3 All assets of the Company as at 30 June 2023 are located in Pakistan.

40 PRODUCTION CAPACITY

	2023	2023	2022	2022
	Maximum Capacity	Actual Production	Maximum Capacity	Actual Production
All units in Metric Tons				
- Bakery Division	13,500	12,550	13,500	12,400
- Snacks Division	1,800	915	1,800	925

40.1 Actual production in snacks division is lesser due to lower demand.

41 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2023			
	Long term finances	Leases	Dividend Payable	Total
As at 01 July	628,649,187	115,024,917	765,699	744,439,803
Changes from financing activities				
Repayment during the year	(138,753,693)	(50,766,155)	-	(189,519,848)
Disbursement of long term finances	-	-	-	-
Addition of new leases	-	44,066,533	-	44,066,533
	(138,753,693)	(6,699,622)	-	(145,453,314)
Effect of deferred grant	(8,035,273)	-	-	(8,035,273)
As at 30 June	481,860,221	108,325,295	765,699	590,951,215

	2022			
	Long term finances	Leases	Dividend Payable	Total
As at 01 July	754,570,859	50,848,417	765,699	806,184,975
Changes from financing activities				
Repayment during the year	(177,379,490)	(38,857,720)	-	(216,237,210)
Disbursement of long term finances	48,828,315	-	-	48,828,315
Addition of new leases	-	103,034,220	-	103,034,220
	(128,551,175)	64,176,500	-	(64,374,675)
Effect of deferred grant	2,629,502	-	-	2,629,502
As at 30 June	628,649,187	115,024,917	765,699	744,439,802

42 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the board of directors of the Company on October, 05, 2023

44 GENERAL

The figures have been rounded off to the nearest rupee.



Chief Executive



Director



Chief Financial Officer

BUNNY'S LIMITED.

Pattern Of Share Holding - Form "34" Share Holders Statistics As At June 30, 2023

Number of Shareholders	Shareholdings	Total Shares Held
1689	Shareholding From 1 To	46,055
550	Shareholding From 101 To	117,622
120	Shareholding From 501 To	107,142
217	Shareholding From 1001 To	584,444
70	Shareholding From 5001 To	554,789
27	Shareholding From 10001 To	349,924
8	Shareholding From 15001 To	140,950
16	Shareholding From 20001 To	366,472
9	Shareholding From 25001 To	259,000
6	Shareholding From 30001 To	196,634
8	Shareholding From 35001 To	314,350
5	Shareholding From 40001 To	210,414
5	Shareholding From 45001 To	242,854
4	Shareholding From 50001 To	211,000
1	Shareholding From 55001 To	58,000
8	Shareholding From 60001 To	504,418
4	Shareholding From 65001 To	279,868
2	Shareholding From 80001 To	167,000
1	Shareholding From 90001 To	91,100
2	Shareholding From 95001 To	200,000
1	Shareholding From 105001 To	110,000
2	Shareholding From 120001 To	246,716
1	Shareholding From 125001 To	127,500
1	Shareholding From 150001 To	150,120
2	Shareholding From 175001 To	353,592
1	Shareholding From 190001 To	191,700
1	Shareholding From 195001 To	200,000
1	Shareholding From 295001 To	299,000
1	Shareholding From 320001 To	323,000
1	Shareholding From 335001 To	338,500
1	Shareholding From 380001 To	381,095
1	Shareholding From 455001 To	455,500
1	Shareholding From 475001 To	477,000
1	Shareholding From 530001 To	532,001
1	Shareholding From 575001 To	579,500
1	Shareholding From 595001 To	600,000
1	Shareholding From 675001 To	676,500
1	Shareholding From 690001 To	690,168
1	Shareholding From 695001 To	697,000
1	Shareholding From 730001 To	735,000
1	Shareholding From 865001 To	868,500
1	Shareholding From 920001 To	921,500
1	Shareholding From 995001 To	1,000,000
1	Shareholding From 1025001 To	1,026,000

2	Shareholding From	1095001	To	1100000	2,200,000
1	Shareholding From	1190001	To	1195000	1,192,860
1	Shareholding From	1415001	To	1420000	1,418,045
1	Shareholding From	1515001	To	1520000	1,520,000
1	Shareholding From	1695001	To	1700000	1,700,000
1	Shareholding From	2720001	To	2725000	2,724,000
2	Shareholding From	3195001	To	3200000	6,399,781
1	Shareholding From	5230001	To	5235000	5,233,422
1	Shareholding From	6395001	To	6400000	6,399,780
1	Shareholding From	6445001	To	6450000	6,446,499
1	Shareholding From	6460001	To	6465000	6,463,014
1	Shareholding From	8125001	To	8130000	8,125,941
2792					66,805,270

Categories Shareholders as on June 30, 2023

S. No.	Categories Shareholders	Shares Held	Total
1	Directors and their spouse(s) and minor children	31,391,408	46.99
	Mr. Omer Shafiq Chaudhry	20,557,377	
	Mrs. Saadia Omar	1,217,860	
	Miss Mahnoor Chaudhry	6,399,780	
	Miss Mahnan Omar	3,199,891	
	Miss Maya Omar	3,250	
	Mr. Muhammad Rafi Uz Zaman Awan	3,250	
	Mr. Moazzam Iftikhar Ahmed	10,000	
2	Associate Companies, Undertakings and related parties	-	-
3	NIT and ICP	150,120	0.22
4	Banks and Development Finance Institutions	6,446,584	9.65
5	Joint Stock Companies	7,994,378	11.97
6	Insurance Companies	16,000	0.02
7	Modarabas and Mutual Fund	3,012,563	4.51
8	Others	1,579,705	2.36
9	General Public	16,214,512	24.27
	Total	66,805,270	100.00

Shareholders Holding 10% or More In The Company

	Number of Shares	%
Omer Shafiq Chaudhry	20,557,377	30.77



BUNNY'S
 QUALITY OUR MAJOR INGREDIENT
LIMITED

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