



UNITY FOODS LIMITED
— food for life! —

UNPRECEDENTED GROWTH & BEYOND



ANNUAL
REPORT
2019



UNITY FOODS LIMITED

— food for life! —

**ANNUAL
REPORT
2019**



Banaspati & Cooking Oil

Sehat
ki Dastak...



UNITY FOODS LIMITED
food for life!



[/DastakCookingOil](https://www.facebook.com/DastakCookingOil)
www.unityfoods.pk

Table of Contents

Vision and Mission	01
Company Information	02
Directors' Profile	05
Notice of Annual General Meeting.....	07
Financial Highlights	11
Chairman's Review-(English & Urdu).....	13
Directors' Report to the Members-(English & Urdu).....	20
Statement of Compliance with the Code of Corporate Governance.....	33
Independent Auditors' Review Report.....	36
Independent Auditor's Report to the Members.....	37
Statement of Financial Position	43
Statement of Profit or Loss Account	44
Statement of Comprehensive Income.....	45
Statement of Cash Flow	46
Statement of Changes in Equity	47
Notes to the Financial Statements	48
Pattern of Shareholding	76
E-Dividend Mandate form	80
Standard request form for Transmission of Annual Audited Accounts and Notice of AGM.....	81
Form of Proxy-(English & Urdu).....	83





UNITY FOODS LIMITED
— food for life! —

EHTIMAM

A Perfect Blend of
Health & Taste



OUR VISION

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

OUR MISSION

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

Company Information

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

Legal Advisor	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9 Kehkashan, Clifton, Karachi -75500 Phone # +92-21-111-682-529
Share Registrar	F.D. Share Registrar (SMC-Pvt) Ltd 17th Floor, Saima Trade Tower A, I.I Chundrigar Road, Karachi Phone # +92-21-32271905-6
Registered Office	Unity Tower, 8-C, PECHS Block-6, Karachi 75400.
Phone No.	+92 21 34373605-607, 34388666, 34387666
Fax No.	+92 21 3437360-8
Email	info@unityfoods.pk
Website	www.unityfoods.pk
Business	Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and processing of ancillary and by-products.
Status of Company	Public Listed Company (PLC)
Company Registration number	K-0023133
National Tax Number	0698412-6
Contact Person	Syed Muhammad Tariq Nabeel Jafri
Phone No.	+92-21-34373605-607
Email	info@untiyfoods.pk
Factories	Solvent Extraction Plant and Pellitising Mills N-27 /B Site Area, Kotri District Hyderabad
	Oil Refinery Plot # E-32 SITE Area, Karachi
	Crude Palm Oil Refinery A-48, (Chemical Area), Eastern Industrial Zone Port Qasim Authority, Karachi.



UNITY FOODS LIMITED
food for life!



Taste the Healthier Side of Life



PROFILE OF THE BOARD OF DIRECTORS OF UNITY FOODS LIMITED

Mr. Sheikh Ali Baakza – Director

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

Mr. Muneer S. Godil – Independent Director

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

Ms. Tayyaba Rasheed – Independent Director

Tayyaba Rasheed is highly qualified with more than 17 years of diversified corporate and investment banking experience, a proven successful career in investment banking, Corporate banking and Corporate Finance with profound skills in Structured Financing, Infrastructure financing, Sukuk Issuance, Syndication, Credit Analysis, Capital Markets, Credit Risk, and Islamic finance. She is an experienced head of investment banking with a demonstrated history of working in the banking industry with focus on delivering results across the board. Being an investment banker she has closed numerous key mandates for approximately running in USD 1500 MN approx. She holds an MBA degree from IBA and is a CFA, FRM and NIBAF certified. She has been instrumental in driving some of the Land Mark Project Finance and Syndication deals to closure from the platform of National Bank of Pakistan and Faysal Bank Limited. She has worked in Senior Position at CIBG NBP and Bank Alfalah where she started her career as Management Trainee officer. Her areas of expertise include IPPs, infrastructure Financing, Port infrastructure Development Projects and other green field and brown field projects. In her role as Head PF and Structured Finance she has closed KEY Mandates of sukuk, Commerical Papers and TFCs for reputable and diversified base of various corporate clients. She also served as visiting faculty in KASBIT, SZABIST and CBM.

Mr. Muhammad Farrukh – Chief Executive Officer / Director

Mr. Farrukh has over seventeen years local and international business experience in the fields of commodities trading, FMCG, animal feeds, import and export, joint venture and overall business management. Mr. Muhammad Farrukh is a seasoned businessman and an avid learner. He also has extensive experience in establishing, expanding and acquiring businesses and consolidating them into integrated business unit bringing synergy. Besides, he has established joint ventures with foreign collaboration channeling foreign investment in the country. His passion for the business steers the company in the most profitable and determined manner.

Mr. Abdul Majeed Ghaziani – Chairman / Director

Abdul Majeed holds a B.Com from University of Karachi and is a member of Institute of Cost and Management Accountants of Pakistan. He passed the final examination of ICMAP in November 1994. Majeed has over twenty-two years' experience as entrepreneur in various agri-businesses that he established and managed. He has also completed directors training program under the aegis of ICMAP in April 2019. He is the Chairman of the Board of Directors and one of the sponsors of Unity Foods Limited, a KSE-100 index company in edible oil sector. He is an ex treasurer – Rice Exporters Association of Pakistan. His knowledge along with decades of experience adds a high value in intellectual asset of the Company.

Ms. Hina Safdar – Director

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

Ms. Maria Abdul Hafeez – Director

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Unity Foods Limited (the “Company”) that the 29th Annual General Meeting of the Company will be held on Thursday, October 24, 2019 at 10 a.m. at Regent Plaza Hotel and Convention Centre, Main Shahreh-e-Faisal, Karachi, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the twelve months period ended June 30, 2019 together with Directors’ and Auditors’ reports thereon.
2. To appoint the auditor of the Company for the year ending June 30, 2020 and fix their remuneration. Messrs. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants, retire and being eligible, have offered themselves for reappointment.
3. To approve 1% cash dividend (final) as recommended by the Board of Directors of the Company for the year ended June 30, 2019.

Special Business:

4. To consider and if thought fit, approve the amount of remuneration paid to the Directors for attending the Board meetings and Committees meetings and in that connection to pass the following resolution, as ordinary resolution, with or without modification, addition or deletion in General Meeting as per Article 43 of the Articles of Association of Unity Foods Limited.

“Resolved that Rs. 50,000/- will be paid to each member of the Board of Directors of Unity Foods Limited for attending each Board Meeting and Rs. 30,000/- will be paid to each member for attending each of the Committee Meetings”.

(A statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the aforesaid Special Business is attached to this notice).

Other Business:

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

Place: Karachi

By Order of the Board
Dated: October 03, 2019
Syed Muhammad Tariq Nabeel Jafri
Company Secretary

Notes:

- i) The Share Transfer Books of the Company shall remain closed from October 18, 2019 to October 24, 2019 (both days inclusive) for determining the entitlement of shareholders for attending the Annual General Meeting.
- ii) Physical Transfers received by the Company at the close of business on October 17, 2019 will be treated as being in time for the purpose of attending the meeting.
- iii) Members entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend, speak and vote on him /her behalf. The proxy need not to be a member of the Company.
- iv) Forms of proxy to be valid must be properly filled in/ executed and received by the company not later than forty eight hours before the commencement of the meeting.
- v) Shareholders who have deposited their shares into the Central Depository Company of Pakistan Limited will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan. Such shareholders must bring their original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the meeting. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNIC or the Passport of the beneficial owners. Additionally, (i) the proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form; (ii) attested copies of CNIC or the passport of the proxy shall be furnished with the proxy form; and (iii) the proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- vi) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. If proxies are granted by such corporate shareholders the same must be accompanied with the Board of Directors' resolution / power of attorney with specimen signatures.
- vii) Members are requested to immediately notify any change in their addresses to the Company's registrar and share transfer agent.
- viii) Pursuant to SECP Circular No 10 of 2014 dated May 21, 2014, if Company receives consent from members holding aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 5 days prior to the date of Annual General Meeting. The Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Share Registrar Office of the Company i.e. F. Share Registrar Services (SMC-Pvt.) Limited Office No. 1705, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi.

I/We, of being a member of Unity Foods Limited, holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at (Please insert name of the City)

Signature of member

ix) Payment of Cash Dividend through Electronic Mode

In terms of section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address mentioned above, electronic dividend mandate on E- Dividend Form which is available on website of the Company i.e. 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 order to make process of payment of cash dividend more efficient.

x) Deduction of Income tax from dividend at Revised Rates

Pursuant to the provisions of Finance Act, 2017 effective July 01, 2017, the deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as per applicable tax rate. Income Tax will be deducted on the basis of Active Tax Payers List as posted on the website of Federal Board of Revenue.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by filers and non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a filer or as a non-filer and tax will be deducted according to his shareholding. If the share is not ascertainable, then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the share registrar of the Company.

Folio / CDC Account No.	Total Shares	Principal Shareholder (Name, CNIC and Shareholding Proportion)	Joint Shareholder (Name, CNIC and Shareholding Proportion)



xi) **Unclaimed dividend**

Shareholders who by any reason could not collect their dividend are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividends outstanding for a period of 3 years or more from the due date shall be deposited to the credit of Federal Government.

xii) **Placement of Financial Statements**

The Company has placed the Audited Financial Statements for the year ended June 30, 2019 along with Auditors and Directors Report thereon and Chairman's Review Report on its website: www.unityfoods.pk.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the ordinary resolution contained in the notice pertaining to the Special Business to be transacted at the Annual General Meeting of Unity Foods Limited to be held on October 24, 2019.

To approve Directors Remuneration of Unity Foods Limited as per Article 43 of the Articles of Association of the Company

The Board in its meeting held on October 01, 2019 has recommended for Shareholders approval, Directors Remuneration. In this regard, it has been recommended that Rs. 50,000/- will be paid to each member of the Board of Directors of Unity Foods Limited for attending each Board Meeting and Rs. 30,000/- will be paid to each members for attending each Committees Meeting”.

The directors of the Company have no vested interest, direct or indirect in the above mentioned Special Business except to the extent of payment of fee.



UNITY FOODS LIMITED

FINANCIAL HIGHLIGHTS

SIX YEARS AT GLANCE

OPERATING DATA	2019	2018	2017	2016	2015	2014
	----- RUPEES -----					
Sales	14,097,237,284	2,782,172,064	-	-	-	-
Cost of goods sold	(12,820,034,063)	(2,534,098,638)	-	-	-	-
Gross profit	1,277,203,221	248,072,426	-	-	-	-
Operating profit / (loss)	562,929,180	149,637,697	(4,343,650)	(3,001,104)	(3,298,642)	72,738,395
Profit / (loss) before taxation	274,721,618	97,797,326	(4,343,650)	(3,001,104)	(3,298,642)	72,738,395
Profit / (loss) after taxation	255,074,520	121,516,425	(4,343,650)	(3,001,104)	(3,241,359)	72,681,112

FINANCIAL DATA

Paid up capital	5,440,500,000	1,690,500,000	40,500,000	40,500,000	40,500,000	40,500,000
Equity balance	5,694,467,178	1,773,917,658	2,401,233	6,744,883	9,745,987	12,987,346
Fixed assets	3,090,175,592	1,527,524,826	-	-	-	-
Current assets	7,371,378,588	3,015,913,659	2,984,752	6,787,283	9,798,987	13,027,346
Current liabilities	4,771,159,003	2,793,264,926	608,519	67,400	78,000	65,000

KEY RATIOS

Gross margin (%)	9.06	8.92	-	-	-	-
Operating margin (%)	3.99	5.38	-	-	-	-
Net profit (%)	1.81	4.37	-	-	-	-
Return on Capital (%)	4.48	6.85	(180.89)	(44.49)	(33.26)	559.63
Current ratio (%)	1.54	1.08	0.20	0.01	0.01	0.00
Earning per share (Rs.)	1.03	1.18	(1.07)	(0.74)	(0.80)	17.95
Cash Dividend (%)	1.00	5.00	-	-	-	-

PRODUCTION CAPACITY

Metric Tonnes

Edible Oil Refinery - SITE	54,000	54,000	-	-	-	-
Edible Oil Refinery - PQ	180,000	-	-	-	-	-
Solvent Extraction Plant	162,000	162,000	-	-	-	-



UNITY FOODS LIMITED
— food for life! —

SPECIALTY FATS BUSINESS SEGMENT

CELEBRATING THE SWEET LIFE



SPECIALTY FATS

CHAIRMAN'S REVIEW REPORT

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

I am pleased to report that the Board has done an excellent job towards protection of the interest of various stakeholders of the Company.

The Board announced its second right issue this year in less than two years taking the paid up capital of the Company to PKR 5,440.5 million. The issue was undertaken to fund the rapid expansion and diversification of operations of the Company. Less than two years back the paid up capital of the Company was about PKR 40 million. The balance sheet footing of the Company as on June 30, 2019 has risen to PKR 10,466 million.

The Company has expanded its refining operations through acquisition of another oil refinery in Port Qasim raising its refining capacity from 150 tpd to 650 tpd. Besides oil refining the Company has also decided to explore other areas of operating activities including a hydrogenation plant producing Vanaspati ghee, a chemical refinery producing refined soft oils to be part of Company's branded consumer packs for soybean and canola oils, the output of this unit will also be utilized in other business units including hydro plant, margarine & shortening plant and fractionation units.

The Company also plans to expand its storage capacity to cater to the growing business volumes and has identified a terminal at Port Qasim, which is an ideal location to establish a storage unit for import of Palm Oil. The terminal is expected to have approximately 45,000 metric tons capacity, which will allow UFL to hold inventory and thereby control costs. Once established, UFL will be able to hedge its overall risk profile associated with international market prices and foreign exchange rate fluctuations to a greater extent.

These projects are being funded through the proceeds of right issue and I am pleased to report that Company is ahead of its planned scheduled of project implementation. A detailed report of the project is being submitted to PSX and SECP on quarterly basis.

During the year, directors' elections were held on April 01, 2019. Following are the changes that took place following the elections:

	July 1, 2018	April 01, 2019	June 30, 2019
1	Mr. Muhammad Farrukh	Mr. Muhammad Farrukh	Mr. Muhammad Farrukh
2	Mr. A. Majeed Ghaziani	Mr. A. Majeed Ghaziani	Mr. A. Majeed Ghaziani
3	Mr. Safdar Sajjad	Ms. Hina Safdar	Ms. Hina Safdar
4	Mr. Abdul Hafeez	Ms. Maria Abdul Hafeez	Ms. Maria Abdul Hafeez
5	Mr. Sheikh Ali Baakza	Mr. Sheikh Ali Baakza	Mr. Sheikh Ali Baakza
6	Mr. Muneer S. Godil	Mr. Muneer S. Godil	Mr. Muneer S. Godil
7	Mr. Mohammad Zain Sardar	Ms. Tayyaba Rasheed	Ms. Tayyaba Rasheed

*Changes. Mr. Mohammad Zain Sardar resigned from the Board on October 09, 2018 and Mr. Amir Shehzad was appointed in his place to fill the casual vacancy. Mr. Amir held the post for the remaining term till April1, 2019.

The details of Committees constituted by the Board following the elections are provided below.

Board Audit Committee

July 1, 2018 to April 1, 2019	Designation	April 2, 2019 to June 30, 2019	Designation
Mr. Muneer S. Godil	Chairman	Mr. Muneer S. Godil	Chairman
Mr. Safdar Sajjad	Member	Mr. Abdul Majeed Ghaziani	Member
Mr. Abdul Hafeez	Member	Ms. Maria Hafeez	Member

Board Human Resources & Remuneration Committee

July 1, 2018 to April 1, 2019	Designation	April 2, 2019 to June 30, 2019	Designation
Mr. Muneer S. Godil	Chairman	Mr. Muneer S. Godil	Chairman
Mr. Safdar Sajjad	Member	Mr. Muhammad Farrukh	Member
Mr. Abdul Hafeez	Member	Ms. Hina Safdar	Member

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

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

Ms. Tayyaba is a senior investment banker and is presently associated with Faysal Bank Limited. She has also worked in CIBG with National Bank of Pakistan and Bank Alfalah. She is a highly qualified banker with over 17 years diversified corporate and investment banking experience. Her appointment as independent director is expected to diversify the board and bring new ideas to assist in realizing Company's goals and will contribute towards more effective role of the Board in various others areas like corporate governance practices and improvement in the overall performance of the Company.

The blend of experience at the Board level has immensely benefitted the Company in expansion and diversification initiative.

During the year, six Board meetings were held while the audit committee met four times and the Human Resources and Remuneration Committee held two meetings. All these meetings were fully participated in by the members except absence of three directors from the Board meeting held on April 30, 2019.

The Company's human resource base has also been expanded and now the top management is able to decentralize various operating, financing and other activities at senior management level.

The Board has ensured compliance of the Code of Corporate Governance in true letter and spirit as the Company has completed first full year of operations.

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

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

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

At present an Internal Audit department is in place to discharge the internal audit function.

I thank the Board members for their support extended to the management that helped realize the key milestones the Company has achieved during the year.



Abdul Majeed Ghaziani
Chairman
October 01, 2019



دوران سال، چھ بورڈ میٹنگز کا انعقاد کیا گیا جبکہ آڈٹ کمیٹی چار مرتبہ اور افرادی قوت (HR&R) و مشاہرہ کمیٹی کی دو میٹنگز منعقد ہوئیں۔ مورخہ 30 اپریل، 2019 کو منعقد ہونے والی بورڈ میٹنگ میں تین ڈائریکٹرز کی غیر حاضری کے علاوہ تمام میٹنگز میں اراکین کی جانب سے مکمل شرکت کی گئی۔

کمپنی کے ہیومن ریسورس بیس میں بھی توسیع کی جا چکی ہے اور اب انتظامیہ، آپریٹنگ، فنانسنگ اور دیگر امور کو سینئر مینجمنٹ کی سطح پر منتقل کرنے کے قابل ہو گئی ہے۔

آپریٹنگ کے پہلے سال کی تکمیل پر بورڈ نے کمپنی کے ضابطہ کار پر عمل درآمد کو یقینی بنایا ہے۔

بورڈ انٹرنل آڈٹ اور کنٹرول فنکشنز کی اہمیت کو بخوبی سمجھتا ہے اور انتظامیہ کی جانب سے متعلقہ کنٹرولز کے اعلیٰ معیار پر عمل درآمد کو یقینی بنانے کے لیے بورڈ نے کئی اقدامات کئے ہیں۔ اس حوالے سے کچھ اہم اقدامات میں درج ذیل شامل ہیں:

کمپنی کے انٹرنل فنکشنل کنٹرولز کی نگرانی Abacus کنسلٹنگ کی جانب سے لگائے گئے SAP سے کی جاتی ہے۔ انتظامیہ نے کمپنی کے SOPs تیار کرنے کے لیے EY Ford Rhodes کی خدمات حاصل کی تھیں۔

EY Ford Rhodes نے Gap Analysis کا تجزیہ کرتے ہوئے مختلف سسٹمز اور طریقوں بشمول اکاؤنٹنگ اور انٹرنل کنٹرول میں بہتری لانے کے لیے تبدیلیاں ترمیمات تجویز کی تھیں۔

اس وقت انٹرنل آڈٹ ڈپارٹمنٹ، انٹرنل آڈٹ امور کی انجام دہی کے لیے معمور ہے۔

میں، انتظامیہ سے بھرپور تعاون کرنے پر بورڈ کے اراکین کا شکریہ ادا کرتا ہوں، جس سے ہمیں اس سال کے دوران کمپنی کے اہم اہداف کو حاصل کرنے میں مدد ملی۔

عبدالحمید غازیانی

چیئر مین

01 اکتوبر، 2019

* تبدیلی: جناب محمد زین سردار نے 09 اکتوبر، 2018 کو بورڈ سے استعفی دے دیا اور جناب عامر شہزاد کو اس اسامی کو پُر کرنے کے لیے ان کی جگہ تعینات کیا گیا تھا۔ جناب عامر اپریل، 2019 تک کی بقیہ مدت کے لیے اس اسامی پر فائز رہے۔

امتحانات کے نتیجے میں بورڈ کی جانب سے قائم شدہ کمیٹیوں کی تفصیلات ذیل میں فراہم کی گئی ہیں:

بورڈ آڈٹ کمیٹی

عہدہ	02 اپریل، 2019 تا	عہدہ	01 جولائی، 2018 تا
چیئر مین	30 جون، 2019	چیئر مین	01 اپریل، 2019
رکن	جناب منیر ایس گوڈیل	رکن	جناب منیر ایس گوڈیل
رکن	جناب عبدالمجید غازیانی	رکن	جناب صفدر سجاد
	مسماة ماریہ حفیظ	رکن	جناب عبدالحفیظ

بورڈ افرادی قوت (HR) اور مشاہرہ (Remuneration) کمیٹی

عہدہ	02 اپریل، 2019 تا	عہدہ	01 جولائی، 2018 تا
چیئر مین	30 جون، 2019	چیئر مین	01 اپریل، 2019
رکن	جناب منیر ایس گوڈیل	رکن	جناب منیر ایس گوڈیل
رکن	جناب محمد فرخ	رکن	جناب صفدر سجاد
	مسماة حنا صفدر	رکن	جناب عبدالحفیظ

آڈٹ کمیٹی تین اراکین پر مشتمل ہے اور اس کا چیئر مین ایک خود مختار ڈائریکٹر ہے جبکہ دیگر دو اراکین نان ایگزیکٹو ڈائریکٹرز ہیں۔ افرادی قوت (HR) اور مشاہرہ (Remuneration) کمیٹی تین اراکین پر مشتمل ہے اور اس کا چیئر مین ایک خود مختار ڈائریکٹر ہے، جبکہ دیگر دو اراکین میں ایک نان ایگزیکٹو ڈائریکٹر اور CEO شامل ہیں۔

مسماة طیبہ ایک سینئر انویسٹمنٹ بینکر ہیں اور اس وقت فیصل بینک لمیٹڈ کے ساتھ منسلک ہیں۔ انہوں نے نیشنل بینک آف پاکستان اور بینک الفلاح کے ساتھ CIBG میں بھی کام کیا ہے۔ وہ کارپوریٹ اور انویسٹمنٹ بینکنگ کے شعبہ جات میں 17 سال کے وسیع تجربے کی حامل ایک اعلیٰ تعلیم یافتہ اور قابل بینکر ہیں۔ بورڈ نے انڈیپنڈنٹ ڈائریکٹر کی حیثیت سے تقرری میں تنوع اور کمپنی کے اہداف کے حصول نیز دیگر مختلف شعبہ جات جیسے کارپوریٹ گورننس پریکٹسز میں بورڈ کے مزید موثر کردار کی ادائیگی اور کمپنی کی مجموعی کارکردگی کو بہتر بنانے میں معاونت کی غرض سے نئے آئیڈیاز پیش کرنے کے حوالے سے ان کی بطور خود مختار ڈائریکٹر تقرری متوقع ہے۔

بورڈ کی سطح پر مختلف تجربات کے امتزاج سے کمپنی کو اپنے توسیعی اور ترقیاتی اقدامات میں بڑے پیمانے پر فائدہ پہنچا ہے۔



چیمبر مین ریویو رپورٹ

میں، یونٹی فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی پر چیمبر مین کی ریویو رپورٹ جمع کرانے اور کمپنی کے اہداف کے حصول میں بورڈ کے مؤثر کردار پر خوشی کا اظہار کرتا ہوں۔

مجھے یہ بتاتے ہوئے خوشی ہے کہ بورڈ نے کمپنی کے مختلف حصہ داروں کے مفادات کے تحفظ کے لیے بہترین کام کیا ہے۔

بورڈ نے اس سال کمپنی کے ادا شدہ سرمایہ کو 5,440.5 ملین پاکستانی روپے پر لے جاتے ہوئے دو سال سے کم مدت میں، دوسرے رائٹ ایشو کا اعلان کیا۔ حصص کا یہ اجراء، کمپنی میں تیزی سے ہونے والی توسیع اور مختلف امور کو فنڈ فراہم کرنے کے لیے کی گئی۔ دو سال قبل، کمپنی کا ادا شدہ سرمایہ تقریباً 40 ملین پاکستانی روپے تھا۔ 30 جون، 2019 کی بیلنس شیٹ کی سطح بڑھ کر 10,466 ملین پاکستانی روپے ہو گئی ہے۔ کمپنی نے پورٹ قاسم پرائیک اور آئل ریفاؤنڈری کے حصول کے ذریعے ریفاؤنڈنگ آپریشنز کو توسیع دیتے ہوئے اپنی مجموعی ریفاؤنڈنگ کی صلاحیت کو 150 tpd سے بڑھا کر 650 tdp کر دیا ہے۔ آئل ریفاؤنڈنگ کے علاوہ کمپنی نے آپریشن سرگرمیوں کے دیگر شعبہ جات میں توسیع کا فیصلہ کیا ہے، ان میں بناسپتی گھی بنانے والا ہائیڈروجنیشن پلانٹ، سویا مین اور کنولا کے تیل کے لیے کمپنی کے برانڈڈ کنزرویو مرپیکس کا حصہ بننے والے ریفاؤنڈ (کشید شدہ) سافٹ آئلز بنانے والی نیوٹرالائزیشن ریفاؤنڈری شامل ہیں، اس یونٹ سے حاصل ہونے والی پیداوار کو دیگر کاروباری یونٹس بشمول ہائیڈرو پلانٹ، مارجرین اور شارٹنگ پلانٹ نیز فریکیشنیشن یونٹس میں بھی استعمال کیا جائے گا۔

کمپنی نے بڑھتے ہوئے کاروباری حجم کے بہتر انداز میں بندوبست کے لیے اپنی ذخیرہ کرنے کی صلاحیت میں اضافے کا بھی منصوبہ بنایا ہے اور پورٹ قاسم پرائیک ٹرمینل کی نشاندہی کی ہے جو کہ پام آئل کی درآمد کے حوالے سے اسٹوریج یونٹ کے قیام کے لیے ایک بہترین جگہ ہے۔ اس ٹرمینل کی گنجائش تقریباً 45,000 میٹرک ٹن متوقع ہے، جس سے UFL کو خام مال ذخیرہ کرنے اور اس پر لاگت کو کنٹرول کرنے میں مدد ملے گی۔ اس ٹرمینل کے قیام کے بعد، UFL بین الاقوامی مارکیٹ قیمتوں اور روپے کی قدر میں اتار چڑھاؤ سے منسلک اپنے تمام رسک پروفائل کو کنٹرول کرنے کے قابل ہو جائے گا۔

ان منصوبوں کے لئے رقوم رائٹ ایشو سے فراہم کی جا رہی ہے اور مجھے یہ بتاتے ہوئے خوشی ہے کہ کمپنی اپنے طے شدہ شیڈول پراجیکٹ کے اطلاق کی جانب تیزی سے بڑھ رہی ہے۔ پراجیکٹ کی مفصل رپورٹ PSX اور SECP میں سہ ماہی (کوآٹر) بنیادوں پر جمع کرائی جا رہی ہے۔

دوران سال ڈائریکٹرز کے انتخابات یکم اپریل، 2019 کو منعقد ہوئے تھے۔ انتخابات کے نتیجے میں مندرجہ ذیل تبدیلیاں واقع ہوئی ہیں:

نمبر شمار	01 جولائی، 2018	01 اپریل، 2019	30 جون، 2019
1-	جناب محمد فرخ	جناب محمد فرخ	جناب محمد فرخ
2-	جناب عبدالحمید غازیانی	جناب عبدالحمید غازیانی	جناب عبدالحمید غازیانی
3-	جناب صفدر سجاد	مسماة حنا صفدر	مسماة حنا صفدر
4-	جناب عبدالحمید	مسماة ماریہ عبدالحمید	مسماة ماریہ عبدالحمید
5-	جناب شیخ علی باکڑا	جناب شیخ علی باکڑا	جناب شیخ علی باکڑا
6-	جناب منیر ایس گوڈیل	جناب منیر ایس گوڈیل	جناب منیر ایس گوڈیل
7-	* جناب محمد زین سردار	مسماة طیبہ رشید	مسماة طیبہ رشید



UNITY FOODS LIMITED
food for life!

ANIMAL FEED BUSINESS SEGMENT

PURE™

پیورکھلاؤ، پیداوار اور منافع بڑھاؤ



Directors' Report

On behalf of the Board of Directors I am pleased to present the Directors' Report for the year ended June 30, 2019.

Alhamdulillah, we are pleased to report that during the year your Company has made significant progress in all areas including expansion and diversification of operations and debt and equity financing, sales and asset acquisition.

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

Capital Raising

In February, the Board announced a 221.83% right issue at par and raised PKR 3,750 million. The proceeds were realized in May and are being deployed as per plan. As a result the paid up capital of the Company rose from PKR 1,690,500,000 to PKR 5,440,500,000 constituting 544,050,000 shares of PKR 10 each. This was the second rights issue in as many years. As on June 30, 2019 the total assets of the Company stood at PKR 10,466 m. The proceeds of the right issue are being utilized under various CAPEX heads and the Company has already acquired 500 tpd Crude Palm Oil Refinery in Port Qasim. Remaining proceeds are expected to be utilized over next one year as mentioned in detail in the Rights Issue announcement.

The Company is committed to provide to the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange, quarterly progress report on utilization of proceeds and in this regard shall submit the first report for the quarter ended September 30, 2019 in month of October. The Company has very successfully enhanced its debt capital base while avoiding any long term debt. It has engaged various leading financial institutions in raising working capital and other loans. State Bank of Pakistan, the Central Bank of the country has pursued a contractionary monetary policy to curb inflation and has raised the discount rate from 6.5% in July 2018 to 12.25% in June 2019. The increase in interest expense, as a result of this surge in discount rate, has dented profitability of the Company and financial cost has risen from PKR 51.8 m to PKR 288 m between FY 2018 and 2019. It may please be noted that the quantum of interest expenses has risen also due to more aggressive borrowing primarily to fund working capital. With a five-fold year-on-year increase in sales, working capital had to be expanded. The short term borrowings of the Company surged from PKR 616 m as on June 30, 2018 and PKR 2,567 m on June 30, 2019.

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

Operations

During April-June quarter this year, the Company has incurred capital expenditure of about PKR 922 million. As already shared with our shareholders, the Company has completed the acquisition of 500 tons per day capacity Crude Palm Oil Refinery ("CPO"). This refinery is situated at Port Qasim, Karachi. With this acquisition, the total edible oil refinery capacity of the Company will reach 650 metric tons per day which will greatly help the Company in expanding its oil business both through bulk and branded sale. The Refinery has already commenced commercial operations.

Post commencement of operations, your company has also introduced two new brands, namely Zauqeen and Ehtemaam, targeting the discount segment of the edible oil consumer market. We believe that with the introduction of stricter regulatory requirements pertaining to sale of edible oil, there will be increased demand in the discount segment for good quality, hygienic processed edible oil. With this in mind, your Company has prepared itself and have already introduced the above brands and we are happy to inform you that the off-take of these brands has been better than anticipated. The CPO project is spread over an area of 5 acres of land along with 80,000 square feet building and a storage capacity of 6,270 metric tons of Crude Oil. The state-of-the-art project includes Oil Tek Refinery capable to process 500 MT tons per day of Crude Palm Oil.

Expansion of Port Qasim Oil Refinery:

Acquisition of this refinery has paved the way for UFL's strategy to expand its horizon into branded division of edible oils completing the entire product range and allowing UFL to cater to all business segments including General Trade, Industrial and Bulk.

This will allow your Company to realize its long-term vision of integrating the business value chain. As part of the Company's planned embellishments into UFL's Port Qasim Refinery, it intends to add the following Plant & Machinery units:

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

There is progress in negotiations with the supplier, for the Margarine and Shortening plant. The management is confident that it will meet the timeline mentioned at the time of rights issue, with respect to commencement of operations of this plant.

Hydrogenation Plant

Hydrogenation Plant is used in processing and manufacturing of Ghee (Vanaspati). Outputs of Ghee unit have a strong market in Pakistan. To be able to cater to a larger market within edible oils segment, UFL's planned Ghee unit will form a blend of oils and will convert it into pasty and grainy textured ghee which can be sold in consumer packs as well as to Industrial consumers including Bakery, HORECA (Hotels, Restaurants & Caterers), Confectionary manufacturers, etc. This business unit will also produce essential raw inputs for Margarine & Shortening Segment.

Chemical Refinery

This plant will refine Soft Oils (namely Crude Soybean Oil and Crude Canola Oil) to produce refined products. These refined oils will be part of UFL's branded consumer packs for both soybean and canola oils. Further, the output from this unit will be utilized in other business units including Hydro Plant, Margarine & Shortening Plant, and Fractionation (Ghee Conversion) Unit. The oil extracted from soybean seed and canola seed from the Company's Kotri Solvent Plant will be utilized for this refining unit.



Fractionation Plant

UFL intends to be prepared to launch a "Trans Fat Free" product in line with its core competence to provide healthy products. The fractionation plant the Company intends to acquire will have a capacity of 200 Metric Tons per Day.

Establishment of Oil Terminal

UFL intends to establish an edible oil terminal. The terminal will be located at Port Qasim, which is an ideal location to establish a storage unit for import of Palm Oil. The terminal is expected to have approximately 45,000 metric tons capacity, which will allow UFL to hold inventory and thereby control costs.

These additions into Port Qasim Refinery are inter linked; such that the output of one plant is input of others. UFL's production, finance, sales, and research teams under senior management's guidance have conducted feasibilities for these supplementary units such that their production levels and product mix is harmonized, the business units are profitable, and all output is utilized efficiently. This will result in sustainable growth within UFL's Edible Oil Division. The final impact of this Capital Expenditure is to realize UFL's Vision to own and control the most sophisticated Edible Oil refinery process in Pakistan. With added benefits of the Company's certifications, UFL's products will be internationally competitive, creating further avenues for future business development.

Directors' Remuneration

The Board in its meeting has recommended the remuneration for the Board members and this will be presented in annual general meeting scheduled for October 24, 2019 for shareholders' approval. The remuneration include meeting fee to be paid to the directors including Chief Executive, for the meetings of the Board and the Committees of the Board.

The Environment

The Company's operations in edible oil extraction and refining have minimal adverse impact on environment. Further, the management has taken steps that has facilitated operations under highest standards of environmental protection.

Changes on the Board and the Committees of the Board

During the period from July 1, 2018 to June 30, 2019 following persons held the position of directors.

	July 1, 2018	*April 01, 2019	June 30, 2019
1	Mr. Muhammad Farrukh	Mr. Muhammad Farrukh	Mr. Muhammad Farrukh
2	Mr. A. Majeed Ghaziani	Mr. A. Majeed Ghaziani	Mr. A. Majeed Ghaziani
3	Mr. Safdar Sajjad	Ms. Hina Safdar	Ms. Hina Safdar
4	Mr. Abdul Hafeez	Ms. Maria Abdul Hafeez	Ms. Maria Abdul Hafeez
5	Mr. Sheikh Ali Baakza	Mr. Sheikh Ali Baakza	Mr. Sheikh Ali Baakza
6	Mr. Muneer S. Godil	Mr. Muneer S. Godil	Mr. Muneer S. Godil
7	**Mr. Mohammad Zain Sardar	Ms. Tayyaba Rasheed	Ms. Tayyaba Rasheed

* The directors' elections were held on April 1, 2019.

**Changes. Mr. Mohammad Zain Sardar resigned from the Board on October 09, 2018 and Mr. Amir Shehzad was appointed in his place to fill the casual vacancy. Mr. Amir held the post for the remaining term till April 1, 2019.

The details of Committees constituted by the Board following the elections are provided below.

Board Audit Committee

July 1, 2018 to April 1, 2019	Designation	April 2, 2019 to June 30, 2019	Designation
Mr. Muneer S. Godil	Chairman	Mr. Muneer S. Godil	Chairman
Mr. Safdar Sajjad	Member	Mr. Abdul Majeed Ghaziani	Member
Mr. Abdul Hafeez	Member	Ms. Maria Hafeez	Member

Board Human Resources & Remuneration Committee

July 1, 2018 to April 1, 2019	Designation	April 2, 2019 to June 30, 2019	Designation
Mr. Muneer S. Godil	Chairman	Mr. Muneer S. Godil	Chairman
Mr. Safdar Sajjad	Member	Mr. Muhammad Farrukh	Member
Mr. Abdul Hafeez	Member	Ms. Hina Safdar	Member

There has been no change on the Board or the committees of the Board between June 30, 2019 and the date of this report.

Ms. Tayyaba is a senior investment banker and is presently associated with Faysal Bank Limited. She has also worked in CIBG with National Bank of Pakistan and Bank Al-Falah. She is a highly qualified banker with over 17 years diversified corporate and investment banking experience. Her appointment as independent director is expected to assist the Board in realizing its expansion plans and is expected to contribute towards more effective role of the Board that will in turn impact the overall performance of the Company.

Risks and Uncertainties

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

Pattern of Shareholding

The pattern of shareholding is given on page 76 of the Annual Report of the Company.

Internal Control

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

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

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

EY Ford Rhodes, Chartered Accountants firm was also hired to carryout Gap Analysis and they recommended changes for improvement in various systems including Accounting and Internal Control. The Internal Audit function of the Company was outsourced to EY during 2018. Currently, the internal audit is being performed by the internal audit department.

Commitments and Contingencies

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

Financial Results

During the year, the Company posted earnings of PKR 255 million (an EPS of PKR 1.03). In line with the policy of the board to share the profits of the Company with their shareholders, a cash dividend of PKR 0.10 per share has been announced by the Board in its meeting held on October 1 for the year ended June 30, 2019.

Summary of financial operations of the Company for financial year ended June 30, 2019 is provided below:

	(Rupees)
Net Sales	14,097,237,284
Cost of Sales	(12,820,034,063)
Gross Profit	1,277,203,221
Selling and Distribution Expenses	(356,514,340)
Administrative Expenses	(180,917,399)
Other Operating Expenses	(177,992,759)
Other Income	1,150,457
Operating Profit Before Finance Cost	562,929,180
Finance Cost	(288,207,562)
Profit Before Taxation	274,721,618
Taxation	(19,647,098)
Profit After Taxation	255,074,520
EPS (Basic and Diluted)*	1.03

* The EPS has been calculated on weighted average number of shares keeping in view the 375 million shares issued on April 30, 2019 following right issue.

Compliance & Certifications

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

	Oil Refinery (SITE, KARACHI)	Solvent Plant (KOTRI)	Oil Refinery (PORT QASIM PLANT)
Standards	ISO 9001 (Quality Management System)	ISO 9001 (Quality Management System)	ISO 9001 (Quality Management System)
	ISO 22000 (Food Safety Management System)	ISO 22000 (Food Safety Management System)	ISO 22000 (Food Safety Management System)
	HACCP	HACCP	HACCP
	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)
			ISO 45001:2018 Occupational Health & Safety Management System

Corporate Social Responsibility

The Board realizes its duty towards the society and plans to play its due role towards the corporate social responsibility. In this regard, during the year the Company sponsored a cricket tournament named Deaf Super League T-20, of deaf and dumb people. The Company was the principal donor of the tournament.

Acknowledgements

Alhamdulillah, we thank our various stakeholders including the shareholders, bankers and others in helping the Company grow from meagre base just two years back to a large integrated chain of businesses in edible oil and related products. Without their support, it was not possible to achieve these successes in such a short span of time. We look forward to this unwavering support and confidence from these stakeholders to help the Company grow further and expand its product portfolio. We would also like to thank the Pakistan Stock Exchange, the SECP and the CDC for their continued support and cooperation towards the Company. We hope that this support would continue in the future as well.

We also acknowledge the efforts of our dedicated and talented team of executives, staff and workers for the role they played in realizing the objectives and aims. We expect continued efforts from our employees to attain higher goals going forward.

For and on behalf of the Board,



Muhammad Farrukh
Chief Executive
Karachi:
October 01, 2019



Abdul Majeed Ghaziani
Chairman



سماجی بہبود کی ذمہ داری

بورڈ، معاشرے کے حوالے سے اپنے فرائض سے باخبر ہے اور کارپوریٹ سماجی بہبود کی ذمہ داری کی جانب اپنے بھرپور کردار کی ادائیگی کے لیے منصوبہ سازی کرتا ہے۔ اس حوالے سے اس سال کے دوران کمپنی نے ڈیف سپر لیگ-20 کے نام سے، گونگے اور بہرے لوگوں کے ایک ٹورنامنٹ کو اسپانسر کیا۔ کمپنی اس ٹورنامنٹ کا اہم ڈونر تھی۔

اظہار تشکر

الحمد للہ، ہم اپنے ان تمام حصے داران بشمول حصص یافتگان (شیئر ہولڈرز) مینکریز اور دیگر کاشکر یہ ادا کرتے ہیں، جنہوں نے دو سال قبل چھوٹے پیمانے کی بنیاد پر شروع کئے گئے ادارے کو خوردنی تیل اور متعلقہ پراڈکٹس کی ایک بڑی مربوط کاروباری چین بنانے کے عمل میں مدد کی۔ ان کی مدد کے بغیر، اس قلیل مدت میں ان کامیابیوں کا حصول ممکن نہ تھا۔ ہم کمپنی کو مزید ترقی دینے اور اس کی پراڈکٹ کے پورٹ فولیو میں توسیع کے لیے آئندہ بھی ان اسٹیک ہولڈرز سے اسی طرح ثابت قدمی کے ساتھ معاونت کی توقع کرتے ہیں۔

ہم پاکستان اسٹاک ایکسچینج، SECP اور CDC کی جانب سے کمپنی کی مسلسل معاونت اور تعاون پر ان کا تہ دل سے شکریہ ادا کرتے ہیں۔ ہم امید کرتے ہیں کہ یہ تعاون آئندہ بھی جاری رہے گا۔

ہم اس دوران اپنے پر خلوص اور صلاحیتوں سے بھرپور ایگزیکٹوز، اسٹاف اور ورکرز کی ٹیم کی جانب سے کی جانے والی سخت محنت پر، ان کے بھی مشکور و ممنون ہیں۔ ہم مزید آگے بڑھتے ہوئے نئی منازل کے حصول کے لیے اپنے ملازمین سے اسی طرح کی کوششوں کی توقع کرتے ہیں۔

حسب الحکم بورڈ


عبدالمجید غازیبانی
چیرمین



محمد فرخ
چیف ایگزیکٹو
کراچی

30 اپریل، 2019



30 جون 2019 کو ختم ہونے والے مالی سال کے حوالے سے کمپنی کے مالیاتی امور کا خلاصہ ذیل میں فراہم کیا گیا ہے:

(Rupees)	
14,097,237,284	مجموعی فروخت (صافی)
(12,820,034,063)	فروخت کی لاگت
1,277,203,221	مجموعی نفع
(356,514,340)	فروخت کی اور ترسیل کے اخراجات
(180,917,399)	انتظامی اخراجات
(177,992,759)	دیگر آپریٹنگ اخراجات
1,150,457	دیگر آمدنی
562,929,180	قبل از مالیاتی لاگت آپریٹنگ نفع
(288,207,562)	مالیاتی لاگت
274,721,618	قبل از محصول (ٹیکس) نفع
(19,647,098)	محصول (ٹیکسیشن)
255,074,520	نفع بعد از محصول (ٹیکسیشن)
1.03	EPS (بنیادی اور غیر منکثر)*

* EPS کا حساب، رائٹ ایشر کے بعد 30 اپریل، 2019 کو جاری شدہ 375 ملین حصص (شیرز) کو مد نظر رکھتے ہوئے، حصص (شیرز) کی اوسط تعداد کی بنیاد پر کیا گیا ہے۔

تعمیل اور تصدیق

پراڈکٹ سیفٹی، حفظانِ صحت کے اصولوں سے مطابقت اور کام کرنے کے بہتر ماحول کے حوالے سے کمپنی کے ارادے اور فیصلے کے تسلسل میں، ہمیں یہ بتاتے ہوئے خوشی ہے کہ کمپنی نے دوران سال آکوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم (جدید معیار) کے ساتھ مندرجہ ذیل اسناد کا میابانی سے حاصل کی ہیں۔

آئل ریفاٹری (پورٹ قاسم پلانٹ)	سالوینٹ پلانٹ (کوٹری)	آئل ریفاٹری (سائٹ کراچی)
ISO 9001 (کوالٹی مینجمنٹ سسٹم)	ISO 9001 (کوالٹی مینجمنٹ سسٹم)	ISO 9001 (کوالٹی مینجمنٹ سسٹم)
ISO 22000 (نوڈ سیفٹی مینجمنٹ سسٹم)	ISO 22000 (نوڈ سیفٹی مینجمنٹ سسٹم)	ISO 22000 (نوڈ سیفٹی مینجمنٹ سسٹم)
HACCP	HACCP	HACCP
PS 3733 & GSO/UAE 2055-1 (حلال نوڈ مینجمنٹ سسٹم)	PS 3733 & GSO/UAE 2055-1 (حلال نوڈ مینجمنٹ سسٹم)	PS 3733 & GSO/UAE 2055-1 (حلال نوڈ مینجمنٹ سسٹم)
ISO 45001:2018 آکوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم		



شیر ہولڈنگ کا نمونہ / مثال

شیر ہولڈنگ کا نمونہ / مثال، کمپنی کی سالانہ رپورٹ میں صفحہ نمبر 76 پر دی گئی ہے۔

انٹرنل کنٹرول

انتظامیہ نے کمپنی کے انٹرنل آڈٹ اور کنٹرول کو مستحکم کرنے کی غرض سے مندرجہ ذیل اہم اقدامات کئے ہیں:

کمپنی کے انٹرنل فنانشل کنٹرولز کی نگرانی SAP سے کی جاتی ہے۔ اس سسٹم کو Abacus کنسلٹنگ نے تیار کیا اور لگایا تھا۔

کمپنی نے SOPs تیار کرنے کے لیے EY Ford Rhodes کی خدمات حاصل کی تھیں اور ان کا اطلاق کیا جا چکا ہے۔

EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس فرم کی خدمات کو GAP Analysis کے لئے بھی حاصل کی گئی تھی انہوں نے مختلف سسٹمز اور طریقوں بشمول اکاؤنٹنگ اور انٹرنل کنٹرول میں بہتری لانے کے لیے تبدیلی / ترمیمات تجویز دی تھیں۔

سال 2018 کے دوران کمپنی کے انٹرنل آڈٹ کے امور کی انجام دہی کا کام بیرونی ادارے EY کو تفویض کیا گیا تھا۔ اس وقت انٹرنل آڈٹ ڈپارٹمنٹ، انٹرنل آڈٹ امور کی انجام دہی کے لیے معمور ہے۔

ضمانت / وعدے اور امکانات

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

مالیاتی نتائج

دوران سال، کمپنی نے 255 ملین پاکستانی روپے کی آمدن (EPS 103) کا اندراج کیا۔ حصص یافتگان (شیر ہولڈرز) کے ساتھ منافع جات کو شیر کرنے کے حوالے سے کمپنی کی پالیسی کے تسلسل میں، یکم اکتوبر، 2019 کو منعقد شدہ اجلاس میں بورڈ کی جانب سے 30 جون، 2019 کو ختم ہونے والے سال کے حوالے سے 0.10 روپے فی حصص (شیر) کے منافع منقسمہ کا اعلان کیا گیا ہے۔

30 جون، 2019 کو ختم ہونے والے مالی سال کے حوالے سے کمپنی کے مالیاتی امور کا خلاصہ ذیل میں فراہم کیا گیا ہے:



ڈائریکٹر کا مشاہرہ

اپنی میٹنگ میں بورڈ نے ڈائریکٹر کے مشاہدے کی سفارش کی ہے جسے 24 اکتوبر 2019 کو سالانہ عام اجلاس میں حصص یافتگان کی منظوری کے لئے پیش کیا جائے گا۔ مشاہدے میں چیف ایگزیکٹو، ڈائریکٹر کی بورڈ اور کمیٹی میٹنگ کی فی (Fee) شامل ہے۔

* ڈائریکٹر کے انتخابات یکم اپریل، 2019 کو منعقد ہوئے تھے۔

** ترمیمات: جناب محمد زین سردار نے 10 اکتوبر، 2018 کو بورڈ سے استعفیٰ دے دیا اور جناب عامر شہزاد کو اس عارضی اسامی کو پُر کرنے کے لیے ان کی جگہ تعینات کیا گیا تھا۔ جناب عامر یکم اپریل، 2019 تک کی بقیہ مدت کے لیے اس اسامی پر فائز رہے۔

انتخابات کے نتیجے میں بورڈ کی جانب سے قائم شدہ کمیٹیوں کی تفصیلات ذیل میں فراہم کی گئی ہیں:

بورڈ آڈٹ کمیٹی

عہدہ	02 اپریل، 2019 تا	عہدہ	01 جولائی، 2018 تا
چیئر مین	جناب منیر ایس گوڈیل	چیئر مین	جناب منیر ایس گوڈیل
رکن	جناب عبدالحمید غازیانی	رکن	جناب صفدر سجاد
رکن	مسماة ماریہ حفیظ	رکن	جناب عبدالحمید حفیظ

بورڈ افرادی قوت (HR) اور مشاہرہ (Remuneration) کمیٹی

عہدہ	02 اپریل، 2019 تا	عہدہ	01 جولائی، 2018 تا
چیئر مین	جناب منیر ایس گوڈیل	چیئر مین	جناب منیر ایس گوڈیل
رکن	جناب محمد فرخ	رکن	جناب صفدر سجاد
رکن	مسماة حنا صفدر	رکن	جناب عبدالحمید حفیظ

30 جون، 2019 اور رپورٹ ہذا کی تاریخ کے درمیان بورڈ یا بورڈ کی کمیٹیوں میں کوئی تبدیلی نہیں کی گئی ہے۔

مسماة طیبہ ایک سینئر انویسٹمنٹ بینکر ہیں اور اس وقت فیصل بینک لمیٹڈ کے ساتھ منسلک ہیں۔ انہوں نے نیشنل بینک آف پاکستان اور بینک الفلاح کے ساتھ CIBG میں بھی کام کیا ہے۔ وہ کارپوریٹ اور انویسٹمنٹ بینکنگ کے شعبہ جات میں 17 سال کے وسیع تجربے کی حامل ایک اعلیٰ تعلیم یافتہ اور قابل بینکر ہیں۔ بورڈ میں انڈیپنڈنٹ ڈائریکٹر کی حیثیت سے انکی تفرری میں تنوع اور کمپنی کے توسیع منصوبوں اور دیگر مختلف شعبہ جات میں بورڈ کے مزید مؤثر کردار کی ادائیگی اور کمپنی کی مجموعی کارکردگی کو بہتر بنانے میں معاونت کرے گی۔

اندیشہ (Risks) اور غیر یقینی صورتحال

کمپنی کے امور کے بیچوں اور دیگر میٹریل کی درآمدات پر منحصر ہونے کی وجہ سے کمپنی خاص طور پر زرمبادلہ کی شرح میں رسک یا غیر یقینی صورتحال سے دوچار رہتی ہے۔ ہر چند یہ کہ، کمپنی اپنی کچھ آمدن برآمدات سے بھی حاصل کرتی ہے جو روپے کی قدر میں کمی سے بڑھتے ہوئے درآمداتی رسک کو کسی قدر کم ہے۔ انتظامیہ اس رسک کو محدود کرنے اور اس پر قابو پانے کی ہر ممکن کوشش کرتی ہے اور کمپنی کے منافع پر کرنسی کے اتار چڑھاؤ کے اثرات کو کم سے کم کرنے میں کامیاب رہی ہے۔



سے سویا بین کے بیج اور کنولا بیج سے نکالا جانے والے آئل کو اس ریفاائننگ یونٹ کے لیے استعمال کیا جائے گا۔

فریکشینیشن پلانٹ

UFL صحت بخش پراڈکٹس کی فراہمی کی غرض سے اپنے بنیادی خواص کے ساتھ "ٹرانس فیٹ فری" پراڈکٹ کے آغاز کی تیاری کا ارادہ رکھتا ہے۔ جس فریکشینیشن پلانٹ کو کمپنی حاصل کرنے کا ارادہ رکھتی ہے اس کی پیداواری صلاحیت 200 میٹرک ٹن یومیہ ہے۔

آئل ٹریمنل کا قیام

UFL، ایک خوردنی تیل ٹریمنل کے قیام کا ارادہ رکھتا ہے۔ یہ ٹریمنل پورٹ قاسم پر واقع ہوگا، جو پام آئل کی درآمدات کے حوالے سے اسٹوریج یونٹ کے قیام کے لیے ایک بہترین جگہ ہے۔ اس ٹریمنل کی گنجائش تقریباً 45,000 میٹرک ٹن متوقع ہے، جس سے UFL کو خام مال کو ذخیرہ کر کے لاگت کو کنٹرول کرنے میں مدد ملے گی۔

پورٹ قاسم ریفاائنری پر شروع کئے جانے والے تمام منصوبے آپس میں مربوط ہیں، یعنی ایک پلانٹ کی پیداوار کسی دوسرے پلانٹ کے لیے خام مال کے طور پر استعمال ہوتی ہے۔ UFL کی پراڈکشن، فنانس، سیلز اور ریسرچ ٹیمز نے انتظامیہ کی راہنمائی میں ان اضافی یونٹس کی جائزہ رپورٹ بنائی ہیں تاکہ ان کی پیداواری سطح اور پراڈکٹس کم ہم آہنگ ہوں، کاروباری یونٹس منافع بخش ہوں اور تمام پیداوار کو موثر طریقے سے استعمال کیا جائے اس کے نتیجے میں UFL کے خوردنی تیل کے ڈویژن میں مستحکم بڑھوتری ہوگی۔ ان اخراجات کے حتمی اثرات کے نتیجے میں UFL اپنے مقصد کو حاصل کرے گا جسکے تحت یہ پاکستان میں سب سے زیادہ نفیس خوردنی آئل ریفاائننگ پراسس کو کنٹرول کرنا چاہتا ہے۔ کمپنی کی سٹریٹجیکلیشنز کے اضافی فوائد کے ساتھ UFL کی پراڈکٹس بین الاقوامی طور پر مسابقتی دوڑ کا حصہ ہوں گی اور اس سے مستقبل کے کاروباری ترقی کے حوالے سے مزید راہیں ہموار ہوں گی۔

ماحول پر اثرات

کمپنی کی جانب سے خوردنی تیل نکالنے اور اسے کشید (ریفاائن) کرنے کے عمل کے ماحول پر بہت ہی کم منفی اثرات مرتب ہوتے ہیں۔ مزید برآں، انتظامیہ نے ایسے اقدامات کیے ہیں جو ماحول کو محفوظ رکھنے کے اعلیٰ معیارات کی تعمیل ممکن بناتے ہیں۔

بورڈ اور بورڈ کی کمیٹیز میں ہونے والی ترمیمات:

یکم جولائی، 2018 سے 30 جون، 2019 تک کی مدت کے دوران مندرجہ ذیل افراد ڈائریکٹرز کے عہدے پر فائز رہے۔

نمبر شمار	01 جولائی، 2018	*01 اپریل، 2019	30 جون، 2019
1-	جناب محمد فرخ	جناب محمد فرخ	جناب محمد فرخ
2-	جناب عبدالمجید غازیانی	جناب عبدالمجید غازیانی	جناب عبدالمجید غازیانی
3-	جناب صفدر سجاد	مسماة حنا صفدر	مسماة حنا صفدر
4-	جناب عبدالحفیظ	مسماة ماریہ عبدالحفیظ	مسماة ماریہ عبدالحفیظ
5-	جناب شیخ علی باکڑا	جناب شیخ علی باکڑا	جناب شیخ علی باکڑا
6-	جناب منیر ایس گوڈیل	جناب منیر ایس گوڈیل	جناب منیر ایس گوڈیل
7-	**جناب محمد زین سردار	مسماة طیبہ رشید	مسماة طیبہ رشید

جائے گی، جس سے کمپنی کو وافر مقدار میں تھوک اور پرچون کی سطح پر تیل کی فروخت کے کاروبار کو وسعت دینے میں بہت مدد ملے گی۔ جولائی 2019 میں ریفاٹری اپنے کام کا آغاز پہلے ہی کر چکی ہیں۔

تیل کی فروخت کے کام کے آغاز کے بعد، آپ کی کمپنی نے ذوقین اور اہتمام کے نام سے نچلے طبقے کے صارفین کے لئے دو نئے برانڈز کو بھی متعارف کرایا ہیں۔ ہمیں یقین ہے کہ خوردنی تیل کی فروخت کے حوالے سے سخت مطلوبہ تواند کو متعارف کرانے سے، مارکیٹ بالخصوص اعلیٰ معیار، حفظان صحت کے اصولوں کے مطابق تیار شدہ خوردنی تیل کی طلب میں اضافہ ہوگا۔ اسی بات کو ذہن میں رکھتے ہوئے آپ کی کمپنی نے خود کو تیار کیا ہے اور مذکورہ برانڈز کو پہلے ہی متعارف کرایا جا چکا ہے اور ہمیں یہ بتا کر خوشی ہے کہ ان برانڈز کی مانگ ہماری توقع سے کئی بہتر ہو گئی ہے۔

CPO پراجیکٹ 80,000 مربع فٹ کی عمارت اور 6,270 میٹرک ٹن کروڈ آئل کے ذخیرہ کی گنجائش کے ساتھ 15 یکڑ رقبے پر پھیلا ہوا پراجیکٹ ہے۔ اعلیٰ معیار کے اس پراجیکٹ میں 500 میٹرک ٹن یومیہ خام آئل کو پراسس کرنے کی صلاحیت کی حامل آئل Tek ریفاٹری شامل ہے۔

پورٹ قاسم آئل ریفاٹری کی توسیع

اس ریفاٹری کے حصول کے ساتھ ہی، تمام تر پراڈکٹ ریجن کو مکمل کرنے کو راہ ہموار ہوئی ہیں اور UFL کو تمام کاروباری طبقات بشمول جنرل ٹریڈ، انڈسٹریل اور بلک کی ضروریات کو پورا کرنے کی سہولت حاصل ہو گئی ہے۔

اس کے ذریعے آپ کی کمپنی کو اپنے بزنس ویلیو چین سے مربوط طویل المدت مقصد پر گرفت حاصل کرنے میں مدد ملے گی۔ کمپنی کی منصوبہ شدہ ترقی کے تحت UFL کی پورٹ قاسم ریفاٹری میں شامل کرنے کے جزو کے طور پر، کمپنی مذکورہ ذیل پلانٹ اور مشینری یونٹس کے اضافے کا ارادہ رکھتی ہے:

آپ کی کمپنی نے توسیعی منصوبے پر رائٹس ایٹو کے بعد سے بہتر طور پر ترقی کی ہے۔ ہمیں آپ کو یہ بتاتے ہوئے خوشی ہے کہ ہمارا ہائیڈروجنیشن (گھی) پلانٹ کام کا آغاز کر چکا ہے۔ اس کے ساتھ ہی ہم اپنے صارفین کو مصنوعات کی مکمل ریجن کی فراہمی کے لیے کوشاں ہیں، جس کے نتیجے میں ہمیں مارکیٹ میں مزید موثر انداز میں جگہ بنانے میں مدد ملے گی۔ اس کی مارکیٹ، ہیشول بیکری، HORECA (ہوٹلز، ریستورانٹ، کیٹرائز، پکوان والے)، کنفیکشنری مینو فیکچررز وغیرہ دونوں طرح کے صارفین پر مشتمل ہے۔ اس کاروباری یونٹ سے مارجرین اور شارٹنگ کے لیے ضروری خام مال بھی پیدا ہوگا۔

مارجرین اور شارٹنگ پلانٹ کے حوالے سے فراہم کنندگان کے ساتھ گفت و شنید کا عمل جاری ہے۔ انتظامیہ کو یقین ہے کہ یہ اس پلانٹ کے آپریشنز کی شروعات کے رائٹس ایٹو کے مذکورہ وقت کی ٹائم لائن کے مطابق ہوگی۔

ہائیڈروجنیشن پلانٹ

ہائیڈروجن کاربائیڈ (Hydrogenation) پلانٹ، گھی (بنا سبٹی) کی پراسسنگ اور تیاری میں استعمال کیا جاتا ہے۔ گھی یونٹس کی پیداوار کی پاکستان میں ایک بہت مضبوط مارکیٹ ہے۔ خوردنی تیل کے شعبے میں ایک بڑی مارکیٹ کی ضروریات کو پورا کرنے کے قابل ہونے کے لیے، UFL کا منصوبہ شدہ گھی یونٹ آئلز کا ایک امتزاج تیار کرے گا اور اسے اور دانے دار گھی میں تبدیل کر دے گا۔ جنہیں کنزیومر پیکیس میں اور صنعتی صارفین بشمول بیکری، HORECA (ہوٹلز، ریستورانٹس اور پکوان والے) کنفیکشنری مینو فیکچررز وغیرہ کو فروخت کیا جائے گا۔ یہ کاروباری یونٹ مارجرین اور شارٹنگ کے لیے اہم خام مال بھی فراہم کرے گا۔

کیمیکل ریفاٹری

یہ پلانٹ پراڈکٹس کی فراہمی کے لیے سافٹ آئلز (جن کے نام کروڈ سویا بین آئل اور کروڈ کنولا آئل ہیں) کو ریفاٹن کرے گا۔ یہ ریفاٹنڈ آئلز، سویا بین اور کنولا آئل کے حوالے سے UFL کے برانڈز کنزیومر پیکیس کا جزو ہوں گے۔ علاوہ ازیں اس یونٹ سے حاصل ہونے والی پیداوار کو دیگر کاروباری یونٹس بشمول ہائیڈرو پلانٹ، مارجرین اور شارٹنگ پلانٹ نیز فریکیشنیشن پلانٹ (گھی میں تبدیلی) میں استعمال کیا جائے گا۔ کمپنی کے کوٹری سالوینٹ پلانٹ



ڈائریکٹرز رپورٹ

میں، بورڈ آف ڈائریکٹرز کی جانب سے 30 جون، 2019 کو ختم ہونے والے سال کے حوالے سے ڈائریکٹرز رپورٹ بخوشی پیش کرتا ہوں۔ الحمد للہ ہمیں یہ بتاتے ہوئے خوشی ہے کہ کمپنی نے تمام شعبہ جات بشمول کاروبار میں توسیع اور تنوع نیز قرض، سرمایہ کاری، سیلز اور اثاثہ جات کی خرید، میں قابل ذکر ترقی کی ہے۔

یہ بات بھی قدرے حوصلہ افزا ہے کہ تمام شعبہ جات میں توسیع کے باوجود، کمپنی نے کسی قسم کا طویل المدت قرض نہیں لیا اور طویل المدت قرض کی اصل رقم کی واپس ادائیگی کی عدم موجودگی میں زلفند کے انتظام و انصرام کو بہتر طور پر چلانے میں مدد ملی۔

اصل سرمائے میں اضافہ

فروری میں بورڈ نے %221.83 رائٹ ایشو کا اعلان کیا اور 3,750 ملین پاکستانی روپے کا سرمایہ حاصل کیا۔ حصول شدہ سرمایہ مئی کے مہینے میں وصول ہوئے اور اس کو منصوبے کے مطابق استعمال کیا جا رہا ہے۔ اس کے نتیجے میں کمپنی کا ادا شدہ سرمایہ 1,690,500,000 پاکستانی روپے سے بڑھ کر 5,440,500,000 پاکستانی روپے ہو گیا، جو کہ -/10 پاکستانی روپے فی حصص کے حساب سے مجموعی طور پر 544,050,000 حصص (شیرز) بنتے ہیں۔ یہ دو سالوں میں دوسرا رائٹ ایشو تھا۔ 30 جون، 2019 کو کمپنی کے مجموعی اثاثہ جات 10,466 ملین پاکستان روپے پر پہنچ گئے ہیں۔ رائٹ ایشو سے ہونے والی رقم کو مختلف CAPEX کی مد میں استعمال کیا جا رہا ہے اور کمپنی پہلے ہی پورٹ قاسم پر 500 tpd غیر صاف شدہ آئل ریفاٹری حاصل کر چکی ہے۔ بقیہ رقم کو آئندہ ایک سال میں استعمال کئے جانے کی توقع ہے، جیسا کہ رائٹ ایشو کے اعلان میں مفصل طور پر مذکور ہے۔

کمپنی، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کو سہ ماہی (کوارٹر) بنیاد پر رائٹ ایشو سے ملنے والی رقم کے استعمال کی رپورٹ اکتوبر کے مہینے میں فراہم کرنے کی پابند ہے اور اس حوالے سے، 30 ستمبر، 2019 کو ختم ہونے والی سہ ماہی (کوارٹر) کے حوالے سے پہلی رپورٹ اکتوبر کے مہینے میں فراہم کی جائے گی۔

کمپنی نے کسی بھی طویل المدت قرض سے اجتناب کرتے ہوئے اپنے ڈیٹ کیپٹل میں بہت کامیابی کے ساتھ اضافہ کیا ہے۔ کمپنی نے ورکنگ کیپٹل اور دیگر قرضہ جات کو حاصل کرنے کے لئے کئی اہم مالیاتی اداروں کے ساتھ کام کیا ہے۔ اسٹیٹ بینک آف پاکستان، جو کہ ملک کا مرکزی بینک ہے، نے افراط زر کو کنٹرول کرنے کے لیے تخفیفی مالیاتی پالیسی پر عمل کیا ہے اور جولائی 2018 کے 6.5 فیصد شرح سود کو بڑھا کر جون 2019 میں 12.25 فیصد کر دیا ہے۔ شرح سود میں ہونے والے اس اضافے کے نتیجے میں، سودی اخراجات میں اضافے سے کمپنی کے منافع جات کو ضرب پہنچی ہے اور مالی سال 2018 اور 2019 کے درمیان مالیاتی لاگت 51 ملین روپے سے بڑھ کر 288 ملین روپے ہو گئی ہے۔ یہ بھی نوٹ کیا جائے کہ سودی اخراجات کا حجم ورکنگ کیپٹل کے لئے حاصل کئے گئے قرض کی وجہ سے بھی بڑھا۔ پچھلے سال کے مقابلے میں سیلز میں پانچ گنا، ہونے والے اضافے کے ساتھ، ورکنگ کیپٹل کو بڑھانا ناگزیر تھا۔ کمپنی کے قلیل المدت قرضہ جات کے 30 جون، 2018 کے 616 ملین روپے سے بڑھ کر 30 جون، 2019 کو 2567 ملین روپے ہو گیا۔

کمپنی کے امور کے حالات اور اس کے کاروبار کا شفاف جائزہ آپریشنز:

اس سال اپریل۔ جون سہ ماہی (کوارٹر) کے درمیان، کمپنی نے تقریباً 922 پاکستانی روپے کے سرمایہ جاتی اخراجات کئے ہیں۔ جیسا کہ ہم اپنے حصص یافتگان کو پہلے ہی مطلع کر چکے ہیں کمپنی نے 500 ٹن یومیہ پیداواری صلاحیت کی کروڈ پام آئل ریفاٹری ("CPO") کے حصول کا کام مکمل کر لیا ہے۔ یہ ریفاٹری پورٹ قاسم کراچی میں واقع ہے۔ اس کے حصول کے ساتھ ہی کمپنی کی خوردنی تیل ریفاٹری کی مجموعی پیداواری صلاحیت 650 ٹن یومیہ تک پہنچ

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of Company : **UNITY FOODS LIMITED**

Year Ending : **JUNE 30, 2019**

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

1. The total number of directors are Seven as per the following:
 - a. Male : Four
 - b. Female: Three

2. The Composition of the Board is as follows:

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

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

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

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

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

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

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

9. The Board has arranged Directors Training program for the following:
- ◆ Mr. Muhammad Farrukh - Chief Executive and Director
 - ◆ Mr. Abdul Majeed Ghaziani - Chairman and Non-Executive Director
 - ◆ Mr. Muneer S. Godil - Independent Director
 - ◆ Ms. Maria Abdul Hafeez - Non Executive Director
 - ◆ Ms. Hina Safdar - Non Executive Director
 - ◆ Ms. Tayyaba Rasheed - Independent Director (already completed Directors Training Programme when elected in the Election of Directors on April 01, 2019)
 - ◆ Mr. Amir Shehzad (Executive Director)- Head of Investment.

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

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

*Mr. Jalees Edhi has been appointed as Chief Financial Officer (CFO) on May 03, 2019 in place of Mr. Muhammad Farrukh Jangra. Subsequently after year end, Mr. Muhammad Farhan was appointed as Head of Internal Audit on August 26, 2019 in place of Mr. Saqib Zubair.

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

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

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

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

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

- | | |
|----------------------------------|-------------------------------|
| a. Audit committee | Four Meetings during the year |
| b. HR and Remuneration Committee | Two Meetings during the year |

The details of Committees constituted by the Board following the elections are provided below.

Board Audit Committee

July 1, 2018 to April 1, 2019	Designation	April 2, 2019 to June 30, 2019	Designation
Mr. Muneer S. Godil	Chairman	Mr. Muneer S. Godil	Chairman
Mr. Safdar Sajjad	Member	Mr. Abdul Majeed Ghaziani	Member
Mr. Abdul Hafeez	Member	Ms. Maria Hafeez	Member

Board Human Resources & Remuneration Committee

July 1, 2018 to April 1, 2019	Designation	April 2, 2019 to June 30, 2019	Designation
Mr. Muneer S. Godil	Chairman	Mr. Muneer S. Godil	Chairman
Mr. Safdar Sajjad	Member	Mr. Muhammad Farrukh	Member
Mr. Abdul Hafeez	Member	Ms. Hina Safdar	Member

There has been no change on the Board or the committees of the Board between June 30, 2019 and the date of this report.

15. The Board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. The Company is following the requirements and regulations laid down in section 208 of the Companies Act, 2017 except for the definition of "Related Party", compliance of which is dependent on the clarification from the SECP. The Company has presented the details of all related party transactions as disclosed in the financial statement before the Board Audit Committee and upon their recommendation to the Board of Directors for review and approval.
19. We confirm that all other requirements of the Regulations have been complied with.



Abdul Majeed Ghaziani
Chairman



Muhammad Farrukh
Chief Executive

Karachi :
Dated : October 01, 2019

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Unity Foods Limited (the Company) for the year ended June, 30 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra

Karachi:
Dated: October 01, 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITY FOODS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Unity Foods Limited (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 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 Matter(s)

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

Following are the Key audit matter(s):



S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Sales</p> <p>Refer to note 5.13 and 19 to the financial statements which shows that revenue of the company substantially increased.</p> <p>The Company recognized revenue of Rs. 14,097.23 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2019 as compared to Rs. 2,782.17 million last year.</p> <p>We identified recognition of sales as a key audit matter because sales is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the risk and rewards.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none"> ● obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; ● assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards; ● comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents; and ● comparing a sample of sale transactions recorded around the year with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period; ● comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and ● scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2	<p>Capitalization of Property, Plant and Equipment</p> <p>As disclosed in note 6.4 to the financial statements, the Company has incurred substantial amount of capital expenditure of Rs. 1,620.95 million during the year for enhancement of production capacity.</p> <p>We focused on capital expenditure incurred during the year as this represents a significant</p>	<p>Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> ● understanding the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system and impaling policies consistently



	<p>transaction for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> ● testing, on sample basis, the costs incurred on various items with supporting documentation and contracts; ● assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and ● inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.
<p>3.</p>	<p>Existence and valuation of stock in trade:</p> <p>As disclosed in note 9 to the accompanying financial statements, the stock in trade balance has been substantially increased and constitutes 30.59 % of total assets of the Company. The cost of Raw material, work in process (WIP) and finished goods is determined at average manufacturing cost including a proportion of production overheads.</p> <p>We focused on stock in trade as it is a significant portion of Company's total assets and it requires management judgement in determining an appropriate costing basis and assessing its total cost.</p>	<p>Our audit procedures included the following:</p> <p>We performed a range of audit procedures with respect to inventory items including, amongst others physical observation of inventory counts, testing valuation methods and their appropriateness in accordance with the applicable accounting standards. We also tested the calculations of per unit cost of finished goods and WIP and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</p> <p>We also assessed the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.</p>
<p>4.</p>	<p>Trade Debts</p> <p>Refer to note 10 to the financial statements.</p> <p>As at 30 June 2019, the Company's gross trade debtors were Rs. 3,063.57 million</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> ● obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control process (including credit account application approvals and credit limit review), debt collections process and making allowance for ECLs.; ● testing the accuracy of trade receivable ageing report, on a sample basis, by comparing individual balances in the report with underlying documentation to ensure the balances appearing in the ageing report were classified within appropriate ageing bracket;



		<ul style="list-style-type: none"> ● assessing the historical accuracy of Credit loss if any under IFRS 9 by examining the utilization or release of previously recorded provisions for doubtful debts.
<p>5.</p>	<p>Borrowings and finance costs</p> <p>Refer notes 16 and 25 to the financial statements.</p> <p>The Company has obtained a range of financing facilities from different financial institutions with varying terms and tenure and incurred substantial cost.</p> <p>This was considered to be a key audit matter as these affects Company's gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● We assessed the design and operating effectiveness of the Company's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs; ● We obtained confirmations of borrowings as at 30 June 2019 directly from the financial institutions; ● We tested the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan and ● We assessed the adequacy of the Company's compliance with the loan covenants and the disclosure in the financial statements.
<p>6.</p>	<p>The Company's exposure to litigation risk</p> <p>On 24 May 2018 the Company and the former directors received a notice from Habib Bank Limited relating to Suo Moto Notice of Supreme Court on Loan write off pertaining to the period 2007. The former management on their own behalf and on behalf of the Company have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that the due amounts were paid by the then management to National bank of Pakistan and Habib Bank Limited. The case is yet to be decided. The current management believes that no liability or payment accrues against the Company. Accordingly, no provisioning has been provided in these financial statements.</p> <p>Due to the uncertainty involved in the outcome of this case we have identified this as key audit matter.</p>	<p>Our procedures in relation to this matter included:</p> <ul style="list-style-type: none"> ● Obtained and reviewed details of the significant pending legal case and discussed the same with Company's management; ● Circulated confirmations to the company's external legal counsel for their views on open legal/tax matters; ● Reviewed correspondence of the company with the relevant authorities; ● Evaluated rationale provided by the company and opinion of the external legal counsel. <p>Reviewed the disclosures made in the financial statements in respect of such contingencies.</p>



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

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

Chartered Accountants

Karachi :

Date : October 01, 2019

Unity Foods Limited
Statement of Financial Position
As at June 30, 2019

	<i>Note</i>	2019	2018
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,081,521,153	1,521,820,847
Intangible assets	7	8,654,439	5,703,979
Long term deposit		-	25,000
Deferred tax	8	4,072,001	23,719,099
		3,094,247,593	1,551,268,925
Current assets			
Stock-in-trade	9	3,201,229,920	1,479,257,110
Stores, spares and loose tools		30,913,536	-
Trade debts	10	3,063,574,186	1,148,211,099
Advances, deposits and short term prepayments	11	30,920,000	107,098,427
Other receivables		1,050,000	30,995,650
Sales tax receivable		292,485,386	143,749,417
Taxation - net of provision		711,161,726	96,643,514
Cash and bank balances	12	40,043,834	9,958,442
		7,371,378,588	3,015,913,659
Total assets		<u>10,465,626,181</u>	<u>4,567,182,584</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
1,000,000,000 (2018: 170,000,000) ordinary shares of Rs. 10/- each		<u>10,000,000,000</u>	<u>1,700,000,000</u>
Issued, subscribed and paid-up capital	13	5,440,500,000	1,690,500,000
Un-appropriated profit		253,967,178	83,417,658
		5,694,467,178	1,773,917,658
Current liabilities			
Trade and other payables	14	1,983,666,956	1,744,791,482
Accrued mark-up	15	39,065,955	9,549,688
Short term borrowings	16	2,567,371,277	616,198,108
Unclaimed dividend		1,188,311	-
Loan from related party	17	179,866,504	422,725,648
		4,771,159,003	2,793,264,926
Contingencies and commitments	18		
Total equity and liabilities		<u>10,465,626,181</u>	<u>4,567,182,584</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chariman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Statement of Profit or Loss Account
As at June 30, 2019

	<i>Note</i>	2019	2018
		------(Rupees)-----	
Net Sales	19	14,097,237,284	2,782,172,064
Cost of sales	20	<u>(12,820,034,063)</u>	<u>(2,534,098,638)</u>
Gross profit		1,277,203,221	248,073,426
Selling and distribution expenses	21	<u>(356,514,340)</u>	<u>(55,590,338)</u>
Administrative expenses	22	<u>(180,917,399)</u>	<u>(55,078,582)</u>
Other operating expenses	23	<u>(177,992,759)</u>	<u>(21,840,927)</u>
		<u>(715,424,498)</u>	<u>(132,509,847)</u>
Other income	24	<u>1,150,457</u>	<u>34,074,118</u>
Operating profit before finance cost		562,929,180	149,637,697
Finance cost	25	<u>(288,207,562)</u>	<u>(51,840,371)</u>
Profit before taxation		274,721,618	97,797,326
Taxation	26	<u>(19,647,098)</u>	<u>23,719,099</u>
Profit after taxation		<u>255,074,520</u>	<u>121,516,425</u>
Basic and diluted earnings per share	27	<u>1.03</u>	<u>1.18</u>

The annexed notes from 1 to 36 form an intergral part of these financial statements.



Chariman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Statement of Comprehensive Income
For the year ended June 30, 2019

	2019	2018
	------(Rupees)-----	
Profit after taxation for the year	255,074,520	121,516,425
Other comprehensive income		
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>255,074,520</u></u>	<u><u>121,516,425</u></u>

The annexed notes from 1 to 36 form an intergral part of these financial statements.



Chariman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi



Unity Foods Limited
Statement of Cash Flows
For the year ended June 30, 2019

	<i>Note</i>	2019	2018
------(Rupees)-----			
Cash flows from operating activities			
Profit before taxation		274,721,618	97,797,326
Adjustments for:			
Depreciation		61,255,356	22,721,668
Amortization		1,425,303	196,689
Finance cost		<u>288,207,562</u>	<u>51,840,371</u>
		625,609,839	172,556,054
Changes in working capital			
(Increase)/Decrease in current assets:			
Stock in trade		(1,752,886,347)	(1,479,257,110)
Trade debts		(1,915,363,087)	(1,148,211,099)
Sales tax receivable		(148,735,969)	(143,749,417)
Advances, deposits and short term prepayments		76,178,427	(107,098,427)
Other receivables		<u>29,945,650</u>	<u>(29,988,631)</u>
		(3,710,861,326)	(2,908,304,684)
Increase in current liabilities:			
Trade and other payables		238,875,474	1,744,182,963
Un-claimed dividend		<u>1,188,311</u>	-
		240,063,785	1,744,182,963
Cash used from operating activities		(2,845,187,702)	(991,565,667)
Taxes paid		(614,518,215)	(96,416,848)
Finance cost paid		(258,691,294)	(42,290,684)
Net cash used in operating activities		(3,718,397,211)	(1,130,273,199)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,620,955,660)	(1,544,542,515)
Purchase of intangible asset		(4,375,763)	(5,900,668)
Long term deposits		25,000	-
Net cash used in investing activities		(1,625,306,423)	(1,550,443,183)
Cash flows from financing activities			
Proceeds from short term borrowing - net		1,616,731,099	938,923,756
Dividend paid		(84,525,000)	-
Proceeds from issue of right shares		3,750,000,000	1,650,000,000
Net cash generated from financing activities		5,282,206,099	2,588,923,756
Net decrease in cash and cash equivalents		(61,497,535)	(91,792,626)
Cash and cash equivalents at beginning of the year		(90,041,558)	1,751,068
Cash and cash equivalents at end of the year		(151,539,093)	(90,041,558)
CASH AND CASH EQUIVALENTS COMPRISE OF:			
Cash and bank balances	12	40,043,834	9,958,442
Short term borrowings from bank - running finance (secured)	16	(191,582,927)	(100,000,000)
		(151,539,093)	(90,041,558)

The annexed notes from 1 to 36 form an intergral part of these financial statements.



Chariman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Statement of Changes in Equity
For the year ended June 30, 2019

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	----- (Rupees) -----		
Balance as at July 01, 2017	40,500,000	(38,098,767)	2,401,233
Profit after taxation for the year	-	121,516,425	121,516,425
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	121,516,425	121,516,425
Transactions with owners			
Issuance of right shares	1,650,000,000	-	1,650,000,000
Balance as at June 30, 2018	1,690,500,000	83,417,658	1,773,917,658
Final dividend at 5% (i.e. Rs. 0.5 per share) for the year ended June 30, 2018	-	(84,525,000)	(84,525,000)
Transactions with owners			
Issuance of right shares	3,750,000,000	-	3,750,000,000
Profit after taxation for the year	-	255,074,520	255,074,520
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	255,074,520	255,074,520
Balance as at June 30, 2019	5,440,500,000	253,967,178	5,694,467,178

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chariman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Notes to the Financial Statements
For the year ended June 30, 2019

1. THE COMPANY AND ITS OPERATIONS

1.1 Unity Foods Limited (the "Company") was incorporated in Pakistan as a Private Limited Company under the Companies Ordinance, 1984 in 1991 and subsequently converted into a Public Limited company on June 16, 1991. Shares of the company are listed on the Pakistan Stock Exchange on February 01, 1994. The principal business of the company has been changed from yarn manufacturing to edible oil extraction, refining and related businesses. The registered office of the company is situated at Unity Tower, Plot # 8 C, Block-6, P.E.C.H.S., Karachi.

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

Address	Purpose
<p>Karachi Unity Tower Plot No. 8-C, Block-6, P.E.C.H.S. Plot No. E-32, SITE Area. Plot No. A-48, Eastern Industrial Zone, Port Muhammad Bin Qasim, Karachi, Malir Bin Qasim Town.</p>	<p>Registered Office Oil Refinery Oil Refinery</p>
<p>Kotri, District Hyderabad Plot No. N-27-B, SITE Area, Plot No. N-27-C, SITE Area, Plot No. N-37-A, SITE Area,</p>	<p>} Edible Oil Extraction Plant and Pellitising Mills</p>

2. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and event please refer to the directors' report. Furthermore;

- a) Issued right shares in the proportion of 221.83 Right Shares for every 100 shares held by the shareholders at the rate of Rs. 10 per share. Total shares issued under this transaction were 375,000,000, raising the total number of shares to 544,050,000. A sum of Rs. 3,750,000,000/- were raised through right shares.
- b) Purchase of a piece of land in Eastern Industrial Zone, Port Qasim, Karachi measuring acres of land, installed machinery of crude palm oil refinery and ghee/cooking oil, and all other assets including ancillary cost amounting to Rs. 300 million. Apart from this the capital expenditure during the year amounted to Rs. 1,236.07 million (refer note 06 for details).

3. BASIS OF PREPARATION

3.1 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 as applicable in Pakistan comprise of:

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

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

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for recognition of certain staff retirement benefits at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All amounts have been rounded off to nearest rupees, unless otherwise indicated.

3.4 Use Of Estimates And Judgements

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

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

- Property, plant and equipment and depreciation (refer note 5.1)
- Intangible assets and amortization (refer note 5.3)
- Stock-in-trade (refer note 5.11)
- Taxation (refer note 5.12)
- Impairment (refer note 5.16)
- Contingent liabilities (refer note 5.17)
- Employee benefits (refer note 5.18)

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

4.1 Effective in current year and are relevant to the Company.

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

4.1.1 IFRS 9: Financial Instruments

IFRS 9 Financial Instruments was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i- Classification and measurement of financial assets and financial liabilities

The revised provisions on the Classification and measurement of financial assets (applicable mainly to trade receivables and other receivables) and financial liabilities mainly creditors and interest-bearing debt) have not affected company's financial information. Consequently, the comparative figures have not been restated on the introduction of IFRS 9.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2018.

		Original Classification under IAS 39	New Classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
		----- (Rupees) -----			
Financial assets	Note				
Trade Debts	(a)	Loans & Receivables	Amortised cost	1,148,211,099	1,148,211,099
Loans and deposits	(a)	Loans & Receivables	Amortised cost	107,098,427	107,098,427
Other receivables	(a)	Loans & Receivables	Amortised cost	30,995,650	30,995,650
Cash and Bank balances	(a)	Loans & Receivables	Amortised cost	9,958,442	9,958,442

There is no retrospective application of changes in classification of financial assets due to adoption of IFRS 9 on the amounts presented for 30 June 2018:

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities.

ii- Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement basis:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Company's financial assets include mainly trade debts, deposits, advances, other receivables and bank balances

The Company's trade receivables do not contain a significant financing component (as determined in terms of the requirements of IFRS 15 "Revenue from Contracts with Customers"), therefore, the Company is using simplified approach, that does not require the Company to track the changes in credit risk, but, instead, requires to recognise a loss allowance based on lifetime ECLs at each reporting date.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

iii- Transition

The Company has used the exemption not to restate comparative periods and any adjustments on adoption of IFRS 9 are to be recognized in statement of changes in equity as on July 1, 2018.

However, the adoption of IFRS 9 did not have any impact on opening retained earnings as on July 1, 2018. Accordingly, the comparative information is presented as per the requirements of IAS 39.

4.1.2 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' is effective for accounting period beginning on or after July 1, 2018. This standard has replaced IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers.

The IFRS 15 establish a five-steps mode to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires the entities to exercise judgment, taking in to consideration all of the relevant facts and circumstances when applying each step of the model to contracts with the customers. Hence, the Company has concluded that the impact of adoption of revenue recognition model as laid down in IFRS 15 is not material.

There is no material impact of transition to IFRS 15 on the financial position of the Company and there is no effect on the accounting policies of the Company in respect of revenue from contracts with Customers.

4.2 Amendments to standards effective in current year and not relevant to the Company

		effective date (annual periods beginning on or after
IFRS 2	Share-based payments	January 01, 2018
IFRS 4	Insurance contract	January 01, 2018
IFRS 40	Investment property	January 01, 2018

4.3 Standards / Amendments not yet effective

The following amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards:

IFRS 3	Business Combinations - Amendment requiring an entity to Premeasure its previously held interest at fair value when it obtains control of a business that is a joint operation.	January 01, 2019
IFRS 3	Business Combinations - The amendments narrowed and clarified the definition of a business, the amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test.	January 01, 2020
IFRS 9	Financial Instruments - Prepayment Features with Negative Compensation and modifications of financial liabilities. The amendment allow debt instruments with negative compensation prepayment features to be measured at amortised cost or fair value through other comprehensive income. The amendment also clarified that gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognized in profit or loss.	January 01, 2019
IFRS 11	Joint Arrangement - The proposed amendments is to eliminate diversity in practice in the accounting for previously held interests in the assets and liabilities of a joint operation in transactions in which an entity obtains control, or joint control, of a joint operation that meets the definition of a business.	January 01, 2019
IFRS 16	Leases - IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.	January 01, 2019
IFRS 17	Insurance Contracts - address the principles for the recognition, measurement, presentation and disclosure of Insurance contracts. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.	January 01, 2019
IAS 1	Presentation of Financial Statements - amendments to its definition of material to make it easier for companies to make materiality judgements. The materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.	January 01, 2019

IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - The amendments are intended to make the definition of material easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.	January 01, 2019
IAS 12	Income tax - Recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised. The amendment clarifies that all income tax consequences of dividends (including payments on financial instruments Classified as equity) are recognized consistently with the transaction that generates the distributable profits.	January 01, 2019
IAS 19	Employee benefits - The amendments require an entity: To use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after plan amendment, curtailment and settlement when entity measure its net defined benefit liability, and; To recognise in profit or loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of impact of the asset ceiling.	January 01, 2019
IAS 23	Borrowing Costs - to clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowings made specifically to obtain that qualifying asset as part of the funds that it has borrowed.	January 01, 2019
IAS 28	Investment in Associates and Joint Ventures - clarification that an entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture measuring an associate or joint venture at fair value. The amendment clarifies that an entity applies IFRS 9 'Financial Instruments' long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented except as disclosed in note 5.4 and 5.8 to these financial statements.

5.1 Property, plant and equipment and depreciation

Initial Recognition

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

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



Measurement

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

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

- c) Borrowing costs, if any.

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

Subsequent expenditure

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

Depreciation

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

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

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

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the profit and loss account, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to retained earnings.

5.2 Capital work-in-progress

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

5.3 Intangible assets

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

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



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

5.4 Trade debts, advances and other receivables

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

5.5 Cash and cash equivalents

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

5.6 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant asset.

5.7 Trade and other payables

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

5.8 Offsetting of financial assets and financial liabilities

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

5.9 Foreign currency translation

Transactions in foreign currencies are converted into functional currency (PKR) at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are recognized in the profit and loss account.

5.10 Store and spares

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

The Company reviews the carrying amount of stores and spares on a periodic basis and provision is made for slow moving and obsolescence on periodic basis.

5.11 Stock-in-trade

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

5.12 Taxation

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

Current

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

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

Deferred

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

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

5.13 Revenue recognition

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

5.14 Income on bank deposits and finance cost

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

5.15 Provisions

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

5.16 Impairment of Non-Financial assets

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

5.17 Contingent liabilities

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

5.18 Employee benefits

5.18.1 Defined contribution plan - Provident fund

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

5.19 Financial instruments

5.19.1 Classification and Initial Measurement

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

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

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

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

Financial assets at FVOCI

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

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

Financial assets measured at amortized cost

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

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

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

Financial assets at FVTPL

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

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

5.19.2 Subsequent Measurement

(a) Financial assets at FVOCI

These assets are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

(b) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

(c) Financial assets measured at amortized cost

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

5.19.3 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss (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 the statement of profit or loss.

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

5.20 Offsetting

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

5.21 Impairment

The Company recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

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

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

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

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

5.22 Proposed dividend and transfer between reserves

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

5.23 Earnings per share

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

5.24 Related party transactions

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

6. PROPERTY, PLANT AND EQUIPMENT

	Note	2019	2018
		------(Rupees)-----	
Operating fixed assets	6.1	2,302,995,149	1,398,635,143
Capital work-in-progress	6.4	778,526,004	123,185,704
		<u>3,081,521,153</u>	<u>1,521,820,847</u>

6.1 Operating fixed assets

	Lease hold land	Free hold land	Building on lease / free hold land	Plant and machinery	Furniture, fixtures and office equipments	Computer and auxiliary equipments	Vehicles	Total
	------(Rupees)-----							
Balance as at July 1, 2018								
Cost	424,591,053	20,815,016	226,427,683	733,087,428	9,036,877	3,870,847	3,527,907	1,421,356,811
Accumulated depreciation	(2,773,806)	-	(3,929,609)	(15,215,616)	(295,532)	(292,970)	(214,135)	(22,721,668)
Net book value	421,817,247	20,815,016	222,498,074	717,871,812	8,741,345	3,577,877	3,313,772	1,398,635,143
Additions / adjustments	278,000,000	-	130,307,228	532,832,609	13,111,923	5,305,398	6,058,202	965,615,360
Depreciation charge	(6,310,079)	-	(9,569,198)	(39,626,657)	(3,105,519)	(1,833,392)	(810,510)	(61,255,355)
Balance as at 30 June, 2019 (NBV)	<u>693,507,168</u>	<u>20,815,016</u>	<u>343,236,104</u>	<u>1,211,077,764</u>	<u>18,747,749</u>	<u>7,049,883</u>	<u>8,561,464</u>	<u>2,302,995,149</u>
Depreciation rate (% per annum)	1.12 - 1.14	-	4	5	20	25	20	

Description	Reclassified from	Reclassified to	2018
Property Plant & Equipment	Lease hold land	Free hold land	<u>20,815,016</u>

	Lease hold land	Free hold land	Building on lease / free hold land	Plant and machinery	Furniture, fixtures and office equipments	Computer and auxiliary equipments	Vehicles	Total
	------(Rupees)-----							
Balance as at July 1, 2017								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-
Additions / adjustments	424,591,053	20,815,016	226,427,683	733,087,428	9,036,877	3,870,847	3,527,907	1,421,356,811
Depreciation charge	(2,773,806)	-	(3,929,609)	(15,215,616)	(295,532)	(292,970)	(214,135)	(22,721,668)
Balance as at 30 June, 2018 (NBV)	<u>421,817,247</u>	<u>20,815,016</u>	<u>222,498,074</u>	<u>717,871,812</u>	<u>8,741,345</u>	<u>3,577,877</u>	<u>3,313,772</u>	<u>1,398,635,143</u>
Depreciation rate (% per annum)	1.12 - 1.14	-	4	5	20	25	20	

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

	2019	2018
	------(Rupees)-----	
Cost of sales	55,099,968	20,766,343
Selling and distribution expenses	345,130	391,065
Administrative expenses	5,810,258	1,564,260
	61,255,356	22,721,668

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

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

6.4 Capital work-in-progress - at cost

	As at 1 July 2018	Additions / Adjustments	Transfers / Adjustments	As at 30 June 2019
	------(Rupees)-----			
Leasehold land	500,000	278,000,000	(278,000,000)	500,000
Building on lease/free hold land	20,128,266	326,780,249	(117,392,129)	229,516,386
Plant and machinery	2,527,438	917,267,642	(485,339,768)	434,455,312
Advance to contractor against plant and machinery	100,030,000	-	-	100,030,000
Office Equipment & Furniture	-	4,305,917	-	4,305,917
Motor Vehicle	-	9,718,389	-	9,718,389
	123,185,704	1,536,072,197	(880,731,897)	778,526,004
	As at 1 July 2017	Additions / Adjustments	Transfers / Adjustments	As at 30 June 2018
Leasehold land	-	500,000	-	500,000
Building on lease/free hold land	-	20,128,266	-	20,128,266
Plant and machinery	-	2,527,438	-	2,527,438
Advance to contractor against plant and machinery	-	100,030,000	-	100,030,000
	-	123,185,704	-	123,185,704

	Note	2019	2018
------(Rupees)-----			
7. INTANGIBLE ASSETS			
Net book value as at 1 July		5,703,979	-
Additions		4,375,763	5,900,668
Amortization		(1,425,303)	(196,689)
Net book value as at 30 June		8,654,439	5,703,979
Amortization rate (% per annum)		20%	20%
8. DEFERRED TAXATION - NET			
Deferred tax asset in respect of:			
Brought forward / current year losses		93,068,335	71,559,114
Deferred tax liability in respect of:			
Accelerated tax depreciation		(88,996,334)	(47,840,015)
		4,072,001	23,719,099
9. STOCK-IN-TRADE			
Raw and Packing materials - in hand		1,027,341,898	478,587,665
- in transit		403,477,410	617,624,013
		1,430,819,308	1,096,211,678
Traded goods - in hand		366,646,673	47,017,883
- in transit		50,243,144	154,729,604
		416,889,817	201,747,487
Work-in-process		132,382,894	141,530,436
Finished goods		1,221,137,901	39,767,509
		3,201,229,920	1,479,257,110
10. TRADE DEBTS			
Considered good - unsecured		3,063,574,186	1,148,211,099
10.1 Related parties from whom trade debts are due as under:			
Unity Feeds (Private) Limited	10.1.1 & 10.1.2	264,939,935	173,859,164

10.1.1 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 264.94 million (2018: Rs. 173.86 million).



Chariman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

10.2.2 The ageing of the trade debts receivable from related parties as at the reporting date are as under:

	Note	2019	2018
----- (Rupees) -----			
Not yet due		148,366,364	106,762,995
Past due 1-60 days		116,573,571	67,096,169
Total		<u>264,939,935</u>	<u>173,859,164</u>
11. ADVANCES, DEPOSITS AND SHORT - TERM PREPAYMENTS			
Advances Considered good			
- Suppliers	11.1	3,143,458	103,504,808
- Employees		4,112,358	1,267,633
Security deposits		14,820,089	1,789,945
Short term prepayment		8,844,095	536,041
		<u>30,920,000</u>	<u>107,098,427</u>
11.1 These advances and trade deposits are non interest bearing.			
12. CASH AND BANK BALANCES			
With banks - Conventional banking			
- in saving account		186,560	420,716
- in current accounts		18,461,332	4,351,649
		<u>18,647,892</u>	<u>4,772,365</u>
With banks - Islamic banking			
- in current accounts		20,655,225	4,694,862
Cash in hand		740,717	491,215
		<u>40,043,834</u>	<u>9,958,442</u>

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019		2018	
(Number of shares)		------(Rupees)-----	
169,050,000	4,050,000	Ordinary shares of Rs. 10 each fully paid in cash	1,690,500,000
375,000,000	165,000,000	Right shares issued during the year	3,750,000,000
544,050,000	169,050,000		5,440,500,000
			1,690,500,000

During the year the Company issued additional shares at Rs. 10 per share

	Number of Shares	Amount of share capital of Rs 10 each
Balance as at 01 July 2018	169,050,000	1,690,500,000
Issuance during the year	375,000,000	3,750,000,000
Balance as at 30 June 2019	544,050,000	5,440,500,000

As at June 30, 2019 Associated company Unity Wilmar Agro (Private) Limited held 11.01% (2018: 0%), Modarabas and mutual funds held 3.22% (2018: 2.09%) Directors, CEO their spouse and minor children held 53.51% (2018: 57.27%) while Institutions held 3.61% (2018: 7.21%) others held 1.05% (2018: 0.59%) and individuals held 27.60% (2018: 33%). Voting rights, board selection, & other shareholders rights are in proportion to their shareholding.

14 TRADE AND OTHER PAYABLES

Note	2019	2018
	------(Rupees)-----	
Trade creditors	1,775,348,319	1,656,994,507
Accrued liabilities	41,137,567	12,087,843
Sales tax payable	118,087,122	21,552,800
Withholding tax payable	15,621,225	2,569,149
Provident fund payable	14.1 13,149,978	1,065,104
Workers Welfare Fund	5,494,432	1,995,864
Workers Profit Participation Fund	14.2 14,667,337	5,252,273
Others	160,976	43,273,942
	1,983,666,956	1,744,791,482

14.1 Provident Fund

Un-Audited

Size of the trust	14,150,978	1,065,104
Cost of investments	-	-
Fair value of investment	-	-

This amount of Rs. 13.15 million is held with Unity Foods Limited as on June 30, 2019

14.2 Workers' Profit Participation Fund

Opening balance as at July 01	14.2.1 5,252,273	-
Interest on fund utilized in company's business	656,534	-
Allocation for the year	14,010,803	5,252,273
Paid during the year	(5,252,273)	-
Closing balance as at June 30, 2019	14,667,337	5,252,273

14.2.1 Interest on workers profit participation fund has been provided at the rate of 15% (2018 : NIL) per annum.

15 ACCRUED MARK-UP

Mark-up accrued on :		
- Loan from related party	1,334,650	1,334,650
- Running finance and short term loans	15.1 37,731,305	8,215,038
	39,065,955	9,549,688

15.1 This includes mark-up accrued amounting to Rs. 12.649 million (2018: Rs.4.32 million) on shariah arrangement.

	Note	2019	2018
		----- (Rupees) -----	
16. SHORT TERM BORROWINGS - SECURED			
Conventional			
Finance against imported merchandise	16.1	1,258,795,560	175,228,000
Short term running finance	16.2	191,582,927	100,000,000
Islamic			
Short term running facilities under Islamic mode	16.3	1,116,992,790	340,970,108
		<u>2,567,371,277</u>	<u>616,198,108</u>

16.1 Post Import facilities (Finance against imported merchandise, Finance against trust receipt etc.) facility from conventional side of commercial banks under mark-up arrangement amounts to Rs. 1,258.7 million (2018: Rs. 175.2 million). During the year, mark-up on such arrangements ranged between 3 months KIBOR plus 0.50% to 3 Months KIBOR plus 2% (2018: 0.50% - 2%) per annum.

16.2 Short term running finance available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 191.5 million (2018: Rs. 100 million). During the year, mark-up on such arrangements is 3 months KIBOR plus 1.0% - 2.0% (2018: 2.0%) per annum.

16.3 Funded facilities (Isitinsa, Wakala, Murabaha etc.) available from islamic banks amounted to Rs. 1,116.9 million (2018: Rs. 340.9 million). During the year, mark-up on such arrangements ranged between 3 Months KIBOR plus 0.8% to 3 KIBOR plus 1.70% (2018: 1.25% - 1.50%) per annum.

Conventional

Post Import funded facilities and running finance are secured by way of pledge over imported goods, and hypothecation charge over current and fixed assets of the company.

Islamic

Funded facilities under Islamic mode are secured by way of pledge over imported goods, and hypothecation charge over current and fixed assets of the company.

17 This represents loan obtained from a related party for meeting the working capital requirements. The loan carries interest at the rate of 3 months KIBOR plus 0.50%. However, after March 31, 2018 the markup is waived by the lender. (2018: Rs. 1.3 million) and it is payable on demand.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

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

18.2 Commitments

Commitments under letters of credit for raw materials as at June 30, 2019 amounted to Rs. 592.0 million (2018: Rs. 765.89 million).

	Note	2019	2018
		------(Rupees)-----	
19. NET - SALES			
Local		13,182,493,089	1,972,283,149
Export		1,024,810,374	821,824,708
		<u>14,207,303,463</u>	<u>2,794,107,857</u>
Sales tax		(96,534,322)	(21,552,800)
Trade discount		(32,945,055)	(1,812,970)
		(129,479,377)	(23,365,770)
Toll manufacturing		19,413,198	11,429,977
		<u>14,097,237,284</u>	<u>2,782,172,064</u>
20. COST OF SALES			
Opening stock of finished goods (including traded goods)		241,514,997	-
Cost of goods manufactured	20.1	10,225,555,519	1,085,152,731
Purchases of trading goods		3,990,991,265	1,690,460,904
		<u>14,458,061,781</u>	<u>2,775,613,635</u>
Closing stock of finished goods (including traded goods)		(1,638,027,718)	(241,514,997)
		<u>12,820,034,063</u>	<u>2,534,098,638</u>
20.1 Opening stock of raw material and work-in-process		1,237,742,114	-
Purchases		10,064,700,922	2,202,326,984
Salaries, wages and benefits	20.1.1	91,298,338	28,509,123
Rent, rates and taxes		28,866,352	11,233,945
Fuel, power and electricity		202,243,810	32,954,461
Insurance		24,811,378	1,542,273
Security and janitorial		4,528,639	638,092
Postage, telephone and internet		1,013,331	-
Printing, stationery and office supplies		322,298	-
Vehicle, travelling and conveyance		731,700	1,025,100
Transport - Freight		34,801,106	-
Toll manufacturing expenses		14,545,304	1,468,259
Depreciation	6.2	55,099,968	19,003,405
Repair and maintenance		15,887,878	6,146,366
Others		12,164,583	18,046,837
		<u>11,788,757,721</u>	<u>2,322,894,845</u>
Closing stock of raw material, packing and work-in-process		(1,563,202,202)	(1,237,742,114)
Cost of goods manufactured		<u>10,225,555,519</u>	<u>1,085,152,731</u>

20.1.1 Salaries, wages and benefits include Rs. 4,896,405/- for the year ended June 30, 2019 (2018: Rs. 710,069) in respect of staff retirement benefits.



	Note	2019	2018
------(Rupees)-----			
21. SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	21.1	73,376,650	5,253,000
Freight and forwarding		151,333,939	47,259,840
Travelling, conveyance and entertainment		16,186,725	1,587,275
Depreciation	6.2	345,130	391,065
Amortization		285,061	39,338
Electricity, gas and water		523,917	-
Printing, stationery and office supplies		1,080,669	-
Repairs and maintenance		213,955	-
Distributor expenses		35,521,766	-
Rents, rates and taxes		10,671,255	-
Insurance		2,238,563	160,156
Postage, telephone and internet		1,031,887	33,913
Advertising and sales promotion		59,142,516	629,964
Others		4,562,307	235,787
		<u>356,514,340</u>	<u>55,590,338</u>

21.1 Salaries, wages and benefits include Rs. 3,394,283/- for the year ended June 30, 2019 (2018: Rs. 67,646) in respect of staff retirement benefits.

22. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits		91,759,266	22,317,128
Rents, rates and taxes	22.1	224,686	264,060
Travelling, conveyance and entertainment		20,162,331	1,512,275
Electricity, gas and water		8,825,021	443,263
Postage, telephone and internet		1,847,440	751,853
Insurance		1,541,521	640,623
Repairs and maintenance		1,794,362	915,593
Advertising and sales promotion		2,251,033	-
Auditors' remuneration		1,450,000	815,400
Legal and professional	22.2	17,456,698	4,475,829
Fees and subscription		12,908,732	18,445,785
Security charges		3,367,800	816,180
Donations		400,000	17,733
Depreciation	6.2	5,810,258	1,564,260
Amortization		1,140,242	157,351
Printing, stationery and office supplies		3,007,034	479,613
Others		6,970,974	1,461,636
		<u>180,917,399</u>	<u>55,078,582</u>

22.1 Salaries, wages and benefits include Rs. 5,860,290/- for the year ended June 30, 2019 (2018: Rs. 287,389) in respect of staff retirement benefits.

22.2 Auditors' remuneration	Note	2019	2018
------(Rupees)-----			
Audit services			
Audit fee		1,000,000	540,000
Half yearly review		250,000	100,000
Review of Code of Corporate Governance		100,000	-
Out of pocket expenses		50,000	-
		<u>1,400,000</u>	<u>640,000</u>
Non-audit services			
Certifications for regulatory purposes		50,000	175,400
		<u>1,450,000</u>	<u>815,400</u>



23. OTHER OPERATING EXPENSES	Note	2019	2018
------(Rupees)-----			
Exchange loss		157,830,990	14,592,790
Provision for :			
- workers' welfare fund		5,494,432	1,995,864
- workers' profit participation fund		<u>14,667,337</u>	<u>5,252,273</u>
		<u><u>177,992,759</u></u>	<u><u>21,840,927</u></u>
24. OTHER INCOME			
Income / return on financial assets			
Income on bank deposits - conventional		81,460	7,598,379
Income from non-financial assets			
Scrap sales		3,689,354	2,283,739
Others	24.1	<u>(2,620,357)</u>	<u>24,192,000</u>
		<u><u>1,150,457</u></u>	<u><u>34,074,118</u></u>
24.1	This represents settlement amount resulting from wash out of contract regarding the purchase of seeds.		
25. FINANCE COST			
Interest on - Non - Shariah arrangement			
- short term loans /running finances		88,023,459	14,997,254
Bank charges		27,447,152	7,888,153
Right issue expenses		<u>66,855,699</u>	<u>21,227,789</u>
		<u>182,326,310</u>	<u>44,113,196</u>
Profit on - Shariah arrangement			
- short term loans		<u>105,881,252</u>	<u>7,727,175</u>
		<u><u>288,207,562</u></u>	<u><u>51,840,371</u></u>
26. TAXATION			
Current			
- for the year	26.1	-	-
- for prior years		-	-
		-	-
Deferred		<u>(19,647,098)</u>	<u>(23,719,099)</u>
		<u><u>(19,647,098)</u></u>	<u><u>(23,719,099)</u></u>

26.1 Tax expense for the year is not calculated due the application of Section 65E of Income Tax Ordinance, 2001. Therefore, relationship between income tax expense and accounting profit is not presented. Further, comparison of last three years of income tax provision with tax assessed is presented below:

Accounting period	Tax year	Provision for taxation	Tax assessed
June 30, 2018	2018	-	-
June 30, 2017	2017	-	-
June 30, 2016	2016	-	-
June 30, 2015	2015	57,283	57,283

26.2 The Board of Directors in their meeting held on 01 October 2019 have recommended sufficient cash dividend for the year ended June 30, 2019 for the consideration and approval of the shareholders of the Company in the forthcoming annual general meeting which complies with the above stated requirements. Accordingly, no provision for tax on undistributed profit has been recognised in these financial statements for the year ended June 30, 2019.

27. BASIC AND DILUTED EARNINGS PER SHARE	2019	2018
	----- (Rupees) -----	
Profit after taxation	<u>255,074,520</u>	<u>121,516,425</u>
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	<u>248,518,408</u>	<u>103,186,499</u>
	----- (Rupees) -----	
Basic and diluted earnings per share	<u>1.03</u>	<u>1.18</u>

28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

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

28.1 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 without considering the fair value of the collateral available there against.

Exposure to credit risk

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

	Note	2019	2018
		----- (Rupees) -----	
Deposits		14,820,089	1,814,945
Trade debts	10	3,063,574,186	1,148,211,099
Bank balances	12	39,303,117	9,467,227
		<u>3,117,697,392</u>	<u>1,159,493,271</u>

Trade debts

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

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

	2019	2018
	------(Rupees)-----	
Domestic	3,063,574,186	916,219,512
Export	-	231,991,587
	<u>3,063,574,186</u>	<u>1,148,211,099</u>

The ageing of trade debts at the balance sheet date is:

	2019	2018
	------(Rupees)-----	
Not past due	1,502,285,318	785,000,500
Past due 1 - 30 days	933,599,434	255,605,760
Past due 30 - 60 days	627,689,434	107,604,839
	<u>3,063,574,186</u>	<u>1,148,211,099</u>

Management believes that no impairment is required due to the fact that debtors' balances are maximum outstanding for three months.

Bank balances

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

Deposits

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

Concentration of credit risk

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

28.2 Liquidity risk

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

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

	2018			
	Carrying amount	Contractual maturities	Maturity up to one year	Maturity up to two to five years
----- (Rupees) -----				
Non-derivative financial liabilities				
Trade and other payables	1,744,791,482	1,744,791,482	1,744,791,482	-
Accrued mark-up	9,549,688	9,549,688	9,549,688	-
Short term borrowings	616,198,108	616,198,108	616,198,108	-
Loan from related party	422,725,648	422,725,648	422,725,648	-
	2,793,264,926	2,793,264,926	2,793,264,926	-
	-	-	-	-
Derivative financial liabilities	2,793,264,926	2,793,264,926	2,793,264,926	-

28.3 Market risk

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

28.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The foreign currency risk of the Company is minimal as the export bills are immediately realized via sale to bank. Other than this, Company is not exposed to currency risk as there are no foreign currency balances outstanding as at year end.

28.3.2 Interest rate risk

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

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

Financial assets and liabilities include balances of Rs 0.1866 million (2018: Rs 0.421 million) and Rs. 2,834 million (2018: Rs 1,039 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes

At June 30, 2019, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 20.12 million (2018: Rs 7.27 million) higher / lower, mainly as a result of higher/lower interest income from these financial liabilities.

28.3.3 Other price risk

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

Capital risk management

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

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

29. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The chief executive officer and directors have waived their remunerations and meeting fees for the year.

	Executives	
	2019	2018
	------(Rupees)-----	
Managerial remuneration	66,503,699	6,586,009
House rent	29,926,870	2,963,704
Medical	6,650,369	658,601
Retirement benefits	4,388,187	498,812
	<u>107,469,125</u>	<u>10,707,126</u>
Number of persons	<u>38</u>	<u>5</u>

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Transactions with related parties

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

	2019	2018
	----- (Rupees) -----	
Associated companies		
<u>Unity Feeds (Private) Limited</u>		
Sales	1,017,133,846	173,859,164
Purchases	500,122,351	525,412,490
Purchases of capital assets	-	839,760,000
Loan from related parties		
<u>Fehmida Amin - Mother of director</u>		
Loan received	4,792,740,300	705,725,648
Loan repaid	5,035,599,444	283,000,000
Provident fund		
Contribution paid to provident fund	8,111,758	-
Key management personnel		
Remuneration	38,100,000	7,231,169
Balances with related parties		
Associated companies		
<u>Unity Feeds (Private) Limited</u> - against sale of goods	264,939,935	173,859,164
- against purchase of goods	-	63,348,827
Loan from related parties		
<u>Fehmida Amin - Mother of director</u>	179,866,504	422,725,648
Provident fund	13,149,978	-

30.1 Name of the Related Party

Relationship and percentage of Shareholding

Reliance Exim (Pvt) Ltd.	Associated Company by nature of common directorship
Agro Allianz Limited	Associated Company by nature of common directorship
Unity Enterprises (Pvt) Ltd	Associated Company by nature of common directorship
Unity Feeds (Pvt) Ltd.	Associated Company by nature of common directorship
Unity Wilmar Food (Pvt) Ltd	Associated Company by nature of common directorship
Unity Wilmar Packages (Pvt) Ltd.	Associated Company by nature of common directorship
Unity Wilmar Agro (Pvt) Ltd	Associated Company by nature of common directorship
Ace International (Pvt) Ltd.	Associated Company by nature of common directorship
Karachi Steel Industries (Pvt) Ltd.	Associated Company by nature of common directorship
North Star International (Pvt) Ltd.	Associated Company by nature of common directorship
Portstar services (Pvt) Ltd.	Associated Company by nature of common directorship

31. CAPITAL RISK MANAGEMENT

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

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

32. MEASUREMENT OF FAIR VALUES

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

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

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2019			2019			
	Carrying amount		Total	Fair value			Total
	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	
----- (Rupees) -----							
Financial assets not measured at fair value							
Deposit	14,820,089	-	14,820,089	-	-	-	-
Trade debts	3,063,574,186	-	3,063,574,186	-	-	-	-
Other receivables	1,050,000	-	1,050,000	-	-	-	-
Bank balances	39,303,117	-	39,303,117	-	-	-	-
	3,118,747,392	-	3,118,747,392	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	1,983,666,956	1,983,666,956	-	-	-	-
Accrued mark-up	-	39,065,955	39,065,955	-	-	-	-
Short term borrowings	-	2,567,371,277	2,567,371,277	-	-	-	-
	-	4,590,104,188	4,590,104,188	-	-	-	-
----- (Rupees) -----							
2018							
	Carrying amount		Total	Fair value			Total
	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	
----- (Rupees) -----							
Financial assets not measured at fair value							
Deposit	1,814,945	-	1,814,945	-	-	-	-
Trade debts	1,148,211,099	-	1,148,211,099	-	-	-	-
Other receivables	30,995,650	-	30,995,650	-	-	-	-
Bank balances	9,467,227	-	9,467,227	-	-	-	-
	1,190,488,921	-	1,190,488,921	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	1,744,791,482	1,744,791,482	-	-	-	-
Accrued mark-up	-	9,549,688	9,549,688	-	-	-	-
Short term borrowings	-	616,198,108	616,198,108	-	-	-	-
	-	2,370,539,278	2,370,539,278	-	-	-	-



33. ANNUAL PRODUCTION CAPACITY

Production capacity as at year end was as follows:

	2019	2018
	Metric Tonnes	
Edible oil refinery - SITE	54,000	54,000
Edible oil refinery - PQ	180,000	-
Solvent Extraction Plant	162,000	162,000

The actual production for the year was:

Edible oil refinery	22,588	5,735
Edible oil refinery - PQ	26,347	-
Solvent Extraction Plant	76,410	6,284

Operations in edible oil refinery plant at Port Qasim Refinery was started in the month of April 2019.

34. OPERATING SEGMENT

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

The information with respect to operating segment is stated below:

- 34.1** Major revenue is generated from sales of Soyabean Oil and Soya Meal which represents 39.15% (2018:57%) of total revenue, whereas remaining revenue is generated from Palm Oliem 20.09% (2018:17%), Palm Oil 23.54%(2018:11%), Canola Meal 5.49%(2018:09%) and Canola Oil 6.88%(2018:6%), remaining various product 4.85% (2018:0%).

All non current assets of the Company as at June 30, 2019 are located in Pakistan.

7.21 % sales of the company relate to customer outside Pakistan (direct and indirect exports).

(2018: 29% sales of the company relate to customer outside Pakistan - direct and indirect exports)

35. GENERAL

35.1 Number of employees

	2019	2018
Total number of employees at the year end	122	39
Average number of employees during the year	81	30
Total number of factory employees as at year end	263	171
Average number of factory employees during the year	217	150

35.2 Non adjusting event after balance sheet date

The Board of Directors of the Company in their meeting held on 01 October 2019 has proposed a final cash dividend of Rs. 0.10 per share amounting to Rs. 54.40 million.(2018: 0.50 per share amounting to Rs. 84.525 million) for the year ended June 30, 2019. The approval of the Members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on 24 October 2019. The financial statements for the year ended June 30, 2019 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2020.

35.3 Corresponding figures

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

36. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors meeting held on october 01, 2019.

Chariman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

UNITY FOODS LIMITED
Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2019

Number of Share Holders	From	Share Holding	To	Total Shares Held
200	1	-	100	5,154
746	101	-	500	350,048
764	501	-	1000	749,665
1935	1001	-	5000	5,525,343
720	5001	-	10000	5,695,133
286	10001	-	15000	3,688,544
216	15001	-	20000	3,940,779
141	20001	-	25000	3,271,694
67	25001	-	30000	1,899,515
75	30001	-	35000	2,460,848
53	35001	-	40000	2,043,697
29	40001	-	45000	1,252,860
62	45001	-	50000	3,049,748
25	50001	-	55000	1,308,797
20	55001	-	60000	1,170,985
31	60001	-	65000	1,967,527
13	65001	-	70000	890,643
11	70001	-	75000	804,238
12	75001	-	80000	936,468
18	80001	-	85000	1,478,692
13	85001	-	90000	1,157,961
8	90001	-	95000	743,715
34	95001	-	100000	3,376,130
2	100001	-	105000	207,639
3	105001	-	110000	322,337
4	110001	-	115000	448,692
1	115001	-	120000	116,000
5	125001	-	130000	638,974
4	130001	-	135000	528,390
9	135001	-	140000	1,244,244
7	140001	-	145000	1,003,304
5	145001	-	150000	745,500
6	150001	-	155000	910,800
1	155001	-	160000	158,500
4	160001	-	165000	648,344
3	165001	-	170000	504,695
3	170001	-	175000	517,500
1	175001	-	180000	178,999
1	180001	-	185000	182,500
3	185001	-	190000	563,048
3	190001	-	195000	578,596
6	195001	-	200000	1,200,000
4	210001	-	215000	846,695
1	220001	-	225000	225,000
1	230001	-	235000	231,500
1	245001	-	250000	250,000
1	255001	-	260000	257,000
3	260001	-	265000	786,500
2	265001	-	270000	538,500
2	275001	-	280000	557,999
1	285001	-	290000	287,376
1	290001	-	295000	291,995
3	295001	-	300000	900,000
1	305001	-	310000	307,000
1	310001	-	315000	315,000
1	315001	-	320000	318,609
2	320001	-	325000	643,654
2	330001	-	335000	667,000
2	345001	-	350000	700,000



2	350001	-	355000	704,510
1	375001	-	380000	375,500
1	385001	-	390000	390,000
1	390001	-	395000	395,000
2	395001	-	400000	800,000
2	400001	-	405000	802,154
2	410001	-	415000	827,424
1	425001	-	430000	429,500
2	440001	-	445000	889,813
1	445001	-	450000	450,000
2	470001	-	475000	945,559
1	485001	-	490000	488,000
2	495001	-	500000	1,000,000
1	500001	-	505000	501,500
1	525001	-	530000	530,000
1	535001	-	540000	537,452
1	545001	-	550000	550,000
1	570001	-	575000	575,000
1	575001	-	580000	577,681
1	605001	-	610000	607,500
1	640001	-	645000	643,655
1	645001	-	650000	645,264
1	660001	-	665000	661,047
1	665001	-	670000	668,000
1	675001	-	680000	677,447
2	695001	-	700000	1,398,000
1	700001	-	705000	704,500
1	705001	-	710000	710,000
1	740001	-	745000	742,838
1	780001	-	785000	783,274
1	835001	-	840000	839,457
1	845001	-	850000	849,000
1	850001	-	855000	852,843
1	895001	-	900000	899,238
1	965001	-	970000	965,483
1	995001	-	1000000	1,000,000
1	1155001	-	1160000	1,159,845
1	1180001	-	1185000	1,183,118
1	1195001	-	1200000	1,200,000
1	1225001	-	1230000	1,227,500
1	1245001	-	1250000	1,250,000
1	1285001	-	1290000	1,287,311
1	1370001	-	1375000	1,372,500
1	1430001	-	1435000	1,430,524
1	1500001	-	1505000	1,500,139
1	1560001	-	1565000	1,560,040
1	1740001	-	1745000	1,744,500
1	1750001	-	1755000	1,755,000
1	1835001	-	1840000	1,838,000
1	1845001	-	1850000	1,845,117
1	2000001	-	2005000	2,003,194
1	2015001	-	2020000	2,019,061
1	2025001	-	2030000	2,025,669
1	2650001	-	2655000	2,651,000
1	2730001	-	2735000	2,735,000
1	2865001	-	2870000	2,868,278
1	2895001	-	2900000	2,896,450
1	3895001	-	3900000	3,897,174
1	6150001	-	6155000	6,152,500
1	11710001	-	11715000	11,712,846
3	33400001	-	33405000	100,206,982
1	42115001	-	42120000	42,116,488
1	48360001	-	48365000	48,363,634
1	59905001	-	59910000	59,905,187
1	142135001	-	142140000	142,136,230

5,654

544,050,000



**PATTERN OF SHAREHOLDING
FOR THE YEAR ENDED JUNE 30, 2019**

SR. No.	SHAREHOLDERS' CATEGORY	No. of Shares Held	Percentage
1	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES UNITY WILMAR AGRO (PRIVATE) LIMITED	59,905,187 59,905,187	11.01
2	MODARBAS AND MUTUAL FUNDS	17,533,221	3.22
	CDC - TRUSTEE MEEZAN ISLAMIC FUND	11,712,846	
	CDC - TRUSTEE MEEZAN TAHAFUZ PENSION FUND - EQUITY SUB FUND	2,025,669	
	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1,159,845	
	CDC - TRUSTEE MEEZAN BALANCED FUND	742,838	
	GOLDEN ARROW SELECTED STOCKS FUND LIMITED	645,264	
	FIRST UDL MODARBA	473,609	
	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	287,376	
	CDC - TRUSTEE FAYSAL MTS FUND - MT	262,000	
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	63,000	
	MC FSL TRUSTEE JS - INCOME FUND	55,000	
	CDC - TRUSTEE FIRST HABIB INCOME FUND - MT	51,000	
	CDC - TRUSTEE AKD INDEX TRACKER FUND	39,774	
	CDC - TRUSTEE FIRST HABIB INCOME FUND	10,000	
	CDC - TRUSTEE NIT INCOME FUND - MT	5,000	
3	DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN	29,106,339	53.51
	MR. MUHAMMAD FARRUKH -CHIEF EXECUTIVE OFFICER AND DIRECTOR	46,458,475	
	MR. ABDUL MAJEED GHAZIANI- DIRECTOR	33,402,328	
	MS. MARIA ABDUL HAFEEZ - DIRECTOR	141,741	
	MS. HINA SAFDAR - DIRECTOR	141,741	
	MR. SHEIKH ALI BAAKZA -DIRECTOR	142,136,230	
	MS. TAYYABA RASHEED - DIRECTOR	500	
	MR. MUNEEB S. GODIL - DIRECTOR	1,609	
	MS. SALMA MAJEED	2,019,061	
	MR. SAFDAR SAJJAD	33,402,327	
	MR. ABDUL HAFEEZ	33,402,327	
4	EXECUTIVE MR. JALEES EDHI- CHIEF FINANCIAL OFFICER	3,218	0.00
5	NIT AND ICP	-	-
6	PUBLIC SECTOR COMPANIES & CORPORATIONS	-	-
7	JOINT STOCK COMPANIES	14,831,541	2.73
	JS GLOBAL CAPITAL LIMITED	2,826,000	
	PEARL SECURITIES LIMITED	1,845,117	
	TAURUS SECURITIES LIMITED	1,744,500	
	MRA SECURITIES LIMITED	926,774	
	WESTBURY (PVT) LTD	852,843	
	MAYARI SECURITIES (PVT) LIMITED	704,500	
	ALTAQ ADAM SECURITIES (PVT) LTD.	698,000	
	SOFIAN BUSINESS CORPORATION (PVT) LIMITED	677,447	
	BULK MANAGEMENT PAKISTAN (PVT) LTD.	577,681	
	DJM SECURITIES (PVT) LIMITED	550,000	
	SHERMAN SECURITIES (PVT) LIMITED	501,500	
	Y.H. SECURITIES (PVT) LTD.	429,500	
	INTERMARKET SECURITIES LIMITED - MF	300,000	
	ABA ALI HABIB SECURITIES (PVT) LIMITED - MT	236,000	
	MULTILINE SECURITIES (PVT) LIMITED - MF	211,000	
	M. J. MEMON SECURITIES (PVT) LIMITED.	172,000	
	MOHAMMAD MUNIR M. AHMED KHANANI SEC. (PVT.) LTD.	163,913	
	RS HOLDINGS (PVT) LIMITED	138,888	
	PREMIER CABLES (PVT) LIMITED	117,000	
	ZAFAR SECURITIES (PVT) LTD.	109,000	
	ADAM SECURITIES LIMITED	102,500	
	DALAL SECURITIES (PVT) LTD.	100,000	
	BAWA SECURITIES (PVT) LTD. - MF	88,500	



SEVEN STAR SECURITIES (PVT) LTD.	75,500	
N. U. A. SECURITIES (PVT) LIMITED - MF	75,000	
BMA CAPITAL MANAGEMENT LTD. - MF	63,000	
BHAYANI SECURITIES (PVT) LTD.	50,500	
AL-RAHIM TRADING COMPANY (PVT) LIMITED	50,000	
MUHAMMAD SHAFI TANNERIES (PVT) LTD	50,000	
STANDARD CAPITAL SECURITIES (PVT) LIMITED - MF	50,000	
BEST SECURITIES (PVT) LIMITED - MF	40,000	
AHSAM SECURITIES (PVT) LIMITED	38,091	
GROWTH SECURITIES (PVT) LTD.	36,000	
DAWOOD EQUITIES LTD.	27,000	
ARABIAN SEA ENTERPRISES LIMITED	25,000	
TPS PAKISTAN (PRIVATE) LIMITED	22,527	
AZEE SECURITIES (PRIVATE) LIMITED	15,590	
DARSON SECURITIES (PVT) LIMITED	13,000	
HH MISBAH SECURITIES (PRIVATE) LIMITED	13,000	
ARIF HABIB LIMITED - MF	12,000	
TRUST SECURITIES & BROKERAGE LIMITED - MF	11,000	
A. H. M. SECURITIES (PRIVATE) LIMITED	10,000	
AMER COTTON MILLS (PVT) LTD	10,000	
PARAMOUNT COMMODITIES (PVT) LIMITED	10,000	
PATEL SECURITIES (PVT) LTD.	10,000	
M. F. STOCKS (PVT) LIMITED	8,000	
PRUDENTIAL DISCOUNT & GUARANTEE HOUSE LIMITED	8,000	
Z.A. GHAFAR SECURITIES (PVT) LTD.	7,500	
AXIS GLOBAL LIMITED - MF	5,000	
MAKDA (PVT) LIMITED	4,500	
MAAN SECURITIES (PVT) LIMITED	3,814	
SHAFFI SECURITIES (PVT) LIMITED	3,290	
VENUS SECURITIES (PVT) LIMITED - MF	3,000	
UHF CONSULTING (PVT) LIMITED	2,000	
ZILLION CAPITAL SECURITIES (PVT) LTD.	2,000	
NATIONAL EXPORT CORPORATION (PVT) LIMITED	1,609	
TAXORE (PVT) LIMITED	1,500	
THE KINGSTAR (PVT.) LIMITED	1,000	
HAMEED SHAFI HOLDINGS (PVT) LTD.	456	
MAPLE LEAF CAPITAL LIMITED	1	
8 BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARBAS AND PENSION FUNDS	4,790,162	0.88
NATIONAL BANK OF PAKISTAN	2,896,450	
ASKARI BANK LIMITED	965,483	
MEEZAN BANK LIMITED	661,047	
BANK ALFALAH LIMITED	200,000	
DAWOOD FAMILY TAKAFUL LIMITED	35,000	
HABIB BANK AG ZURICH, DEIRA DUBAI	32,182	
9 OTHERS	5,710,059	1.05
LSE FINANCIAL SERVICES LIMITED - MT	1,755,000	
HAMDARD LABORATORIES (WAQF) PAKISTAN	1,500,139	
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	1,372,500	
DADABHOY FOUNDATION	849,000	
ABDOOLALLY EBRAHIM & CO .(HK) LTD	150,300	
TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	30,020	
WATEEN TELECOM LIMITED STAFF GRATUITY FUND	22,000	
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	16,000	
KIRAN FOUNDATION	10,000	
TRUSTEE-INTERNATIONAL KNITWEAR LIMITED STAFF PROVIDENT FUND	5,000	
PAK MASONIC INSTITUTION	100	
10 INDIVIDUALS (GENERAL PUBLIC)	150,170,273	27.60
	Total: 544,050,000	100.00
SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS IN THE COMPANY		
MR. SHEIKH ALI BAAKZA - DIRECTOR	142,136,230	26.13
UNITY WILMAR AGRO (PRIVATE) LIMITED	59,905,187	11.01

E- DIVIDEND MANDATE FORM

MANDATORY CREDIT OF DIVIDEND INTO BANK ACCOUNT

To : _____

Dear Sir / Madam,

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

SHAREHOLDER'S DETAILS

Name of the Shareholder: _____

Folio / CDC Participant ID & Sub Acc.No / CDC IAS Account : _____

CNIC / NICOP No. (Please attach copy) _____

Passport No. (in case of Foreign Shareholder) (Please attach copy) _____

Land Line Phone No. _____

Cell phone No. _____

Email Address: _____

SHAREHOLDER'S BANK DETAILS

Title of Bank Account: _____

Bank Account Number: _____

Bank's Name : _____

Branch Name and Address : _____

International Bank Account Number (IBAN) (24 digit)

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

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

Note:

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

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

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

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

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

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

Option 1 - VIA EMAIL

Name of the Member: _____

CNIC No. / Passport No: _____

Folio / CDC Participant ID / Sub Investor Account Number : _____

Valid Email Address: _____

(to receive Annual Audited Accounts and Notice of General Meeting(s) through email instead of hard copy /CD/DVD/USB

Option 2 - HARD COPY

Name of the Member: _____

CNIC No. / Passport No: _____

Folio / CDC Participant ID / Sub Investor Account Number : _____

Mailing Address: _____

(to receive Annual Audited Accounts and Notice of General Meeting(s) through hard copy instead of hard copy /CD/DVD/USB

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

Member's Signature

Date : _____



UNITY FOODS LIMITED

— food for life! —

**UNITY FOODS LIMITED
PROXY FORM
29TH ANNUAL GENERAL MEETING**

I/We _____ of _____ in the district of _____ being member(s) of UNITY FOODS LIMITED holding _____ ordinary shares as per Share Register Folio no. _____ and /or CDC Participant ID No. _____ and A/c No. _____ (for members who have shares in CDS) hereby appoint _____ of _____ or failing him /her _____ of _____ who is / are also member (s) of UNITY FOODS LIMITED vide Registered Folio No. _____ as my /our proxy in my /our absence to attend, act and vote for me / us and on my /our behalf at the Annual General Meeting of the Company to be held on Thursday, October 24, 2019 at 10:00 a.m. and /or any adjournment thereof.

Signature _____

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

Signed on _____

Affix Five Rupees
Revenue Stamp

1. Witness Signature _____

2. Witness Signature _____

Name _____

Name _____

CNIC _____

CNIC _____

NOTE:

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

The Company Secretary

Unity Foods Limited

Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S., Karachi

AFFIX
CORRECT
POSTAGE

یونیتی فوڈز لمیٹڈ پراکسی فارم 29واں سالانہ اجلاس عام

میں /ہم کے _____ ضلع _____، یونٹی فوڈز لمیٹڈ کے رکن / اراکین ہونے کے ناطے شیئر رجسٹر فوئیو نمبر _____ اور ایسا سی ڈی سی شریک آئی ڈی نمبر _____ اور اکاؤنٹ نمبر _____ (ان اراکین کے لیے جن کے حصص (شیئرز) سی ڈی سی میں ہیں) کے مطابق _____ عمومی حصص (شیئرز) کے حامل ہیں، بذریعہ ہذا _____ کے _____ یا ان کی ناکامی کی صورت میں _____ کے _____ جو کہ رجسٹر فوئیو نمبر _____ کے تحت یونٹی فوڈز لمیٹڈ کے رکن (اراکین) بھی ہے / ہیں، کو اپنی / ہماری غیر حاضری میں، اپنی / ہماری جانب سے جمعرات، 24 اکتوبر، 2019 کو صبح 10:00 بجے اور ایسا پر کسی تاخیر کی صورت میں منعقد ہونے والے سالانہ اجلاس عام میں اپنے / ہمارے پراکسی کے طور پر حاضر ہونے، عمل کرنے اور ووٹ دینے کے لیے مقرر کرنا ہوں / کرتے ہیں۔

پانچ روپے کار یونیوا شامپ
چسپاں کریں

دستخط: _____

(دستخط رجسٹرار کے پاس نمونہ دستخط کے مطابق ہونے چاہیے)

دستخط تاریخ: _____

1- دستخط گواہ _____
2- دستخط گواہ _____

نام: _____

سی این آئی سی: _____

نوٹ:

- 1- کوئی بھی ایسا شخص جو بذات خود کچھ کارکن نہ ہو، وہ پراکسی کے طور پر کام نہیں کرے گا، ماسوائے اس شخص کے، جس کی رکنیت نہ ہوتے ہوئے بھی کچھ اس کی تقرری کر سکتی ہو۔
- 2- بینک یا کچھ کی صورت میں پراکسی فارم کو ان کی عمومی مہر اور ان کے مچاؤ شخص کے دستخط کے ساتھ مکمل کیا جانا لازم ہے۔
- 3- اگر پراکسی فارم، مختار نامہ کے تحت دستخط شدہ ہو تو ایسی صورت میں اس مختار نامہ / اجازت کی ایک مصدقہ نقل، پراکسی فارم کے ساتھ لازمی جمع کرائی جائے۔
- 4- باضابطہ طور پر مکمل شدہ پراکسی فارم لازمی طور پر اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل، کمپنی کے رجسٹرڈ دفتر واقع یونٹی ٹاور، پلاٹ C-8، بلاک-6، پی ای سی ایچ ایس، کراچی، میں موصول ہو جائیں۔
- 5- اگر کوئی رکن ایک سے زائد پراکسی کا تقرر کرتا ہے اور کمپنی کے پاس کسی رکن کی جانب سے آئیڈ سے زائد پراکسی کی دستاویزات جمع کرائی جاتی ہیں تو اس صورت میں پراکسی کی ایسی تمام دستاویزات کو ناقابل قبول قرار دے دیا جائے گا۔
- 6- CDC اکاؤنٹ ہولڈرز کی صورت میں:

- (i) پراکسی فارم پردہ واپان دستخط کریں گے، جن کے نام، پتے اور سی این آئی سی نمبرز فارم پر مذکور ہوں گے۔
- (ii) پراکسی فارم کے ساتھ ہینڈلڈ آئٹمز کے سی این آئی سی یا سپورٹ کی مصدقہ نقل منسلک کی جائیں گی۔
- (iii) اجلاس کے وقت پراکسی اپنا سی این آئی سی یا اصل پاسپورٹ فراہم کرے گا۔

کمپنی سیکریٹری،

یونٹی فوڈز لمیٹڈ

یونٹی ٹاور، پلاٹ نمبر C-8، بلاک-6، پی ای سی ایچ ایس، کراچی

درست پونچھ
چسپاں کریں



UNITY FOODS LIMITED

— food for life! —

UNITY TOWER

8-C, Block-6, P.E.C.H.S., Karachi 75400, Pakistan
Tel: +92 21 34373605 - 607 | Fax: +92 21 34373608
Email: info@unityfoods.pk
www.unityfoods.pk