



UNITY FOODS LIMITED  
— food for life! —

UNITY FOODS LIMITED

UNITY TOWER,  
Plot # 8 C, Block-6, P.E.C.H.S,  
Karachi 75400, Pakistan  
Phone: +92 21 34373605-7  
Fax : 92 21 34373608  
Email : info@unityfoods.pk  
Website : www.unityfoods.pk

October 27, 2021

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

**Financial Results for the Quarter Ended September 30, 2021**

We have to inform you that the Board of Directors of our Company in their meeting held on **October 27, 2021 at 01:30 p.m.** at the Registered Office of the Company at **Unity Tower, 8-C, Block-6, PECHS, Karachi** has recommended the following:

- |      |   |     |
|------|---|-----|
| i)   | <b>CASH DIVIDEND</b>                            | Nil |
| ii)  | <b>BONUS SHARES</b>                             | Nil |
| iii) | <b>RIGHT SHARES</b>                             | Nil |
| iv)  | <b>ANY OTHER ENTITLEMENT / CORPORATE ACTION</b> | Nil |
| iv)  | <b>ANY OTHER PRICE SENSITIVE INFORMATION</b>    | Nil |

The financial results of the Company are attached.

The Quarterly Report of the Company for the period ended September 30, 2021 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,

Syed Muhammad Tariq Nabeel Jafri  
Company Secretary





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**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**For the Quarter Ended September 30, 2021**

	September 30, 2021	September 30, 2020
	------(Rupees)-----	
Net sales	16,586,501,751	12,169,277,409
Cost of sales	(15,361,549,244)	(11,167,087,618)
<b>Gross profit</b>	<b>1,224,952,507</b>	<b>1,002,189,791</b>
Selling and distribution expenses	(163,770,955)	(172,711,704)
Administrative expenses	(117,489,032)	(70,315,669)
Other operating (expenses) / income	(687,838,143)	12,020,506
	(969,098,130)	(231,006,867)
Other income	152,867,892	16,932,265
	408,722,269	788,115,189
Finance cost	(357,606,161)	(146,470,386)
<b>Profit before taxation</b>	<b>51,116,108</b>	<b>641,644,803</b>
<b>Taxation</b>		
Current	(37,494,546)	(23,613,864)
Deferred	(42,286,484)	(27,232,414)
	(79,781,030)	(50,846,278)
<b>(Loss) / profit after taxation</b>	<b>(28,664,922)</b>	<b>590,798,525</b>
<b>Basic and diluted (loss) / earnings per share</b>	<b>(0.03)</b>	<b>0.93</b>

  
Company Secretary



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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**For the Quarter Ended September 30, 2021**

	September 30, 2021	September 30, 2020
	------(Rupees)-----	
Net sales	18,241,318,941	12,580,304,091
Cost of sales	(16,820,236,136)	(11,482,541,991)
<b>Gross profit</b>	<b>1,421,082,805</b>	<b>1,097,762,100</b>
Selling and distribution expenses	(363,066,026)	(209,073,921)
Administrative expenses	(125,392,790)	(74,935,770)
Other operating (expenses) / income	(687,888,769)	8,810,115
	<b>(1,176,347,585)</b>	<b>(275,199,576)</b>
Other income	194,854,485	17,404,732
	<b>439,589,705</b>	<b>839,967,256</b>
Finance cost	(398,997,642)	(153,717,840)
<b>Profit before taxation</b>	<b>40,592,063</b>	<b>686,249,416</b>
<b>Taxation</b>		
Current	(39,707,781)	(24,303,400)
Deferred	(35,066,923)	(27,232,414)
	<b>(74,774,704)</b>	<b>(51,535,814)</b>
<b>(Loss) / profit after taxation</b>	<b>(34,182,641)</b>	<b>634,713,602</b>
<b>(Loss) / profit attributable to:</b>		
Owners of the Holding Company	(34,182,641)	621,099,928
Non-controlling interest	-	13,613,674
	<b>(34,182,641)</b>	<b>634,713,602</b>
<b>Basic and diluted (loss) / earnings per share</b>	<b>(0.03)</b>	<b>0.98</b>





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## Directors' Review Report

On behalf of the Board of Directors of Unity Foods Limited (the Company) we are pleased to present the Directors' Review Report for the first quarter ended September 30, 2021.

During the quarter, the Company's unconsolidated topline stood at PKR 16.6 billion which is an impressive growth of over 36.3% over three months ended September 30, 2020. Despite turbulent times, your Company continues to excel and grow and has been successful in achieving a gross profit of PKR 1.2 billion. However, owing to unprecedented and unpredictable rupee devaluation during the quarter, our bottom-line has been adversely affected by PKR 683.8 million which comprises of PKR 292.7 million realized exchange loss whereas the remaining PKR 391.1 million represents unrealized exchange loss. As a result, the Company has incurred a net loss of PKR 28.7 million for the period. The unrealized loss corresponds to inventory held by the Company at cost having higher Net Realizable Value (NRV) on the balance sheet date. The impact of such losses, till the time of realization, may vary (positively or negatively) in line with exchange rate movement.

Your Company is cognizant of this inherent and exogenous risk and is in discussions with its suppliers and lenders to evaluate potential structures under which its FCY exposure will be limited and resultantly reduce profit volatility owing to exchange fluctuations.

During the quarter, Sunridge Foods (Pvt) Ltd., the 100% owned subsidiary of Unity Foods, posted sales of PKR 1.7 billion with gross profit of PKR 196 million and a net loss of PKR 5.5 million. Sales grew over 4 times compared to the quarter ended September 2020 owing largely to rapid expansion of our brand, higher volumes and rising local prices. Sunridge's selling and distribution expenses have also increased by over 400% largely on account of brand building activities that will have a positive impact on the market share going forward.

On a consolidated basis, our sales stood at around PKR 18.2 billion.

KEY FINANCIAL HIGHLIGHTS (Consolidated)	1QFY22	1QFY21	FY21	FY20
Net Sales	18,241	12,580	68,831	30,480
Gross Profits	1,421	1,098	5,651	2,100
Operating Profits	933	814	4,004	1,122
Net Income/ (Loss)	(34)	635	3,338	214
Earnings/ (Loss) per Share	(0.03)	0.98	3.61	0.36
Total Assets	46,517	26,877	44,186	19,541
Total Equity	13,154	10,955	13,188	5,893





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## **Risks and Uncertainties**

The new financial year has brought exceptional challenges to the global economy as commodity and energy price surge remain relentless as we report. This, coupled with devaluation, as explained above, has sprouted new challenges for the Company. While our Industrial and Commercial Sales continue to provide a natural hedge to the business, the management remains vigilant and is actively managing the business to keep adverse impacts to a minimum.

## **Future Outlook**

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

The Company will also continue to develop its client base in the Industrial and Commercial segment from where it can derive steady cashflows. With Covid vaccination program moving forward smoothly in the country, the Company expects HORECA sector to achieve full strength and complement the already supportive demand.

## **Appointment of Auditor**

The Board has recommended appointment of KPMG Taseer Hadi & Co., Chartered Accountants as external auditor of the Company for the financial year ending June 30, 2022.

## **Commitments and Contingencies**

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

## **Acknowledgements**

Alhamdulillah, we are humbled and grateful to our various stakeholders including the shareholders, bankers and others in the faith imposed in the Company that helped our growth over last four years. We thank them for their relentless support, as without this it would not have been possible to achieve these successes in such a short span of time. We look forward to this unwavering support and confidence from our stakeholders to help the Company grow further and expand our product portfolio.



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We also acknowledge the efforts and hard work of our committed human resource for the extraordinary efforts they have put in to bring to fruition the outstanding results. We expect continued efforts from our employees to attain higher goals going forward.

For and on behalf of the Board,

Muhammad Farrukh  
Chief Executive

Abdul Majeed Ghaziani  
Director

Karachi  
October 27, 2021