



UNITY FOODS LIMITED
— food for life! —

FARM TO FORK

1st Quarterly Report 2021-22
(Un-audited)





UNITY FOODS LIMITED

— food for life! —

**Condensed Interim Financial
Statements (Un-audited)**

**For the Quarter Ended
September 30, 2021**

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COMPANY INFORMATION

Company Information

| | | |
|---|--|--|
| Board of Directors | Mr. Sulaiman Sadruddin Mehdi Mr. Muhammad Farrukh Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Mr. Saad Amanullah Khan Ms. Lie Hong Hwa Ms. Tayyaba Rasheed | Chairman- Independent Chief Executive Non- Executive Independent Independent Non-Executive Independent |
| Audit Committee | Mr. Saad Amanullah Khan Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Ms. Tayyaba Rasheed | Chairman |
| Human Resource & Remuneration Committee | Ms. Tayyaba Rasheed Mr. Saad Amanullah Khan Mr. Muneer S. Godil Mr. Abdul Majeed Ghaziani | Chairperson |
| Investment Committee | Mr. Sulaiman Sadruddin Mehdi Ms. Tayyaba Rasheed Mr. Abdul Majeed Ghaziani | Chairman |
| Chief Financial Officer | Mr. Jalees Edhi | |
| Company Secretary | Syed Muhammad Tariq Nabeel Jafri | |
| External Auditor | KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building no. 2 Beaumont Road Karachi 75530 | |
| Head of Internal Audit | Chaudhary Waqas Shoukat | |
| Bankers | Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited Habib Bank Limited Bank Al –Habib Limited MCB Bank Limited Meezan Bank Limited Bank Al Falah Limited Dubai Islamic Bank Limited Askari Bank Limited United Bank Limited Bank Islami Pakistan Limited Bank of Punjab | |

| | |
|---|--|
| | Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited JS Bank Limited |
| Legal Advisor | Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9 Kehkashan, Clifton, Karachi -75500 Phone # +92-21-111-682-529 |
| Share Registrar | F.D. Share Registrar (Pvt.) Ltd 17th Floor, Saima Trade Tower A, I.I Chundrigar Road, Karachi Phone # +92-21-32271905-6 |
| Registered Office | Unity Tower, 8-C, PECHS Block-6, Karachi 75400. |
| Phone No. Fax No. Email Website Business | +92 21 34373605-607, 34388666, 34387666 +92 21 34373608 info@unityfoods.pk www.unityfoods.pk Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and processing of by-products. |
| Status of Company Company Registration number National Tax Number Contact Person Phone No. Email | Public Listed Company (PLC) K-0023133 0698412-6 Syed Muhammad Tariq Nabeel Jafri +92-21-34373605-607 info@untiyfoods.pk |
| Factories | Solvent Extraction Plant, Chemical Refinery and Pellitising Mills N-25 & N-27 /B Site Area, Kotri District Hyderabad |
| | Oil Refinery A-48, (Chemical Area), Eastern Industrial Zone, Port Qasim Authority, Karachi |
| | Soap Plant C-375, C-376, C-377, C-382, C-383, C-384 Hub Industrial Trading Estate, District Lasbella Hub Balochistan |

VISION

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

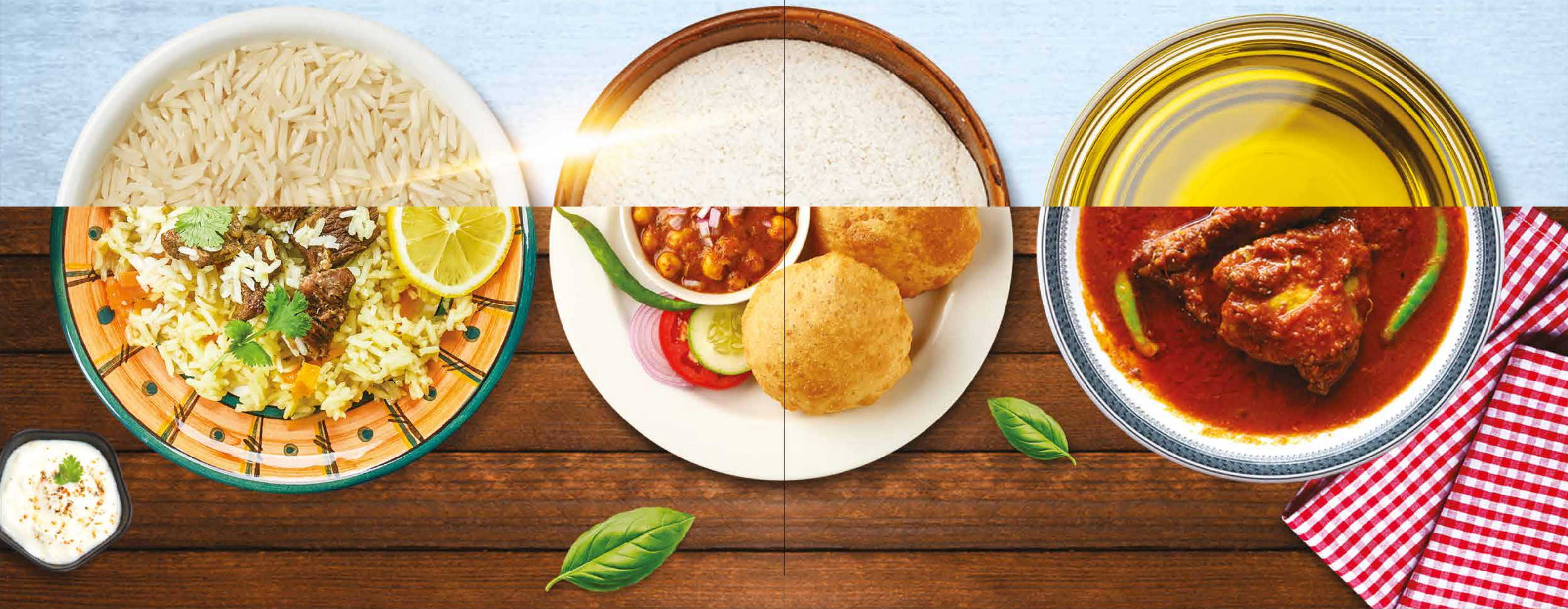
MISSION

Enhance food security in Pakistan by developing sustainable and efficient farm to fork food supply chain system.

CORE VALUES

Our values define who we are and the way we work.

- Our values - defining who we are and the way we work, comprise of Integrity, Excellence, Innovation, Teamwork, Passion, Ownership and safety
- We value honesty, trustworthiness and high ethical standards
- We strive for excellent performance in everything we do, and value innovative efforts, ideas, and methods to continually improve our business processes
- We work as one team and are passionate towards delivering our corporate goal
- We pay careful consideration to the health and safety of our team members at the workplace



OUR RECIPE FOR UNITY FOODS

Unity Foods Limited aims to provide food for life. We transform crops into products that serve the vital global needs of the food sector in this ever-growing world. We have diversified our business portfolio to operate in an assorted agro product mix for a global breadbasket, handling various agro commodities to connect them from farm to the dining table.

Our products include Edible Oil, Flour, Lentils & Pulses, Sugar, Industrial Fats, and various Feed ingredients for the poultry and livestock sector. Along with innovation, we provide customized solutions to industries handling food and feed products to help them enhance their performance and profitability.



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 PKR196 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 Profit/ (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 |

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.

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



مستقبل کے خدو خال

کمپنی اب ان مارکیٹس میں مضبوطی پر توجہ مرکوز کر رہی ہے جہاں اس نے مصنوعات کی زیادہ سے زیادہ رسائی حاصل کی ہے۔ یہ اپنے سپلائرز اور ڈسٹری بیوٹرز دونوں کے ساتھ ہموار اور موثر سپلائی چین مینجمنٹ کے لیے تعلقات استوار کرتی رہے گی جبکہ صارفین کے حوالے سے اپنے مارکیٹ شیئر کو بڑھاتی رہے گی۔

کمپنی اپنے کلائنٹس کو انڈسٹریل/کمرشل سیکشن میں بھی ترقی دیتی رہے گی جہاں سے وہ مستحکم کیش فلو حاصل کر سکتی ہے۔ ملک میں کوویڈ ویکسینیشن پروگرام آسانی سے آگے بڑھنے کے ساتھ، کمپنی توقع کرتی ہے کہ HORECA سیکٹر مکمل طور پر متحرک ہوگا اور پہلے سے موجود طلب کو بڑھائے گا۔

آڈیٹرز کی تقرری

بورڈ نے 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو بطور بیرونی آڈیٹرز تقرری کے لیے تجویز دی ہے۔

وعدے اور ہنگامی حالات

بیلنس شیٹ کی تاریخ اور اس رپورٹ کی تاریخ کے مابین کمپنی کے امور کی مالی حیثیت کو متاثر کرنے والے وعدوں میں کوئی بڑی تبدیلی نہیں آئی ہے۔

اظہار تشکر

الحمد للہ، ہم اپنے تمام اسٹیک ہولڈرز بشمول شیئر ہولڈرز، بینکرز اور دیگر کاشکریہ ادا کرتے ہیں جنہوں نے گزشتہ چار سالوں کے دوران ہونے والی ترقی میں مدد فراہم کی۔ ہم ان کی مسلسل مدد کے لیے مشکور ہیں کیونکہ ان کی مدد کے بغیر اس قلیل مدت میں ان کامیابیوں کا حصول ممکن نہیں تھا۔ ہم کمپنی کو مزید ترقی دینے اور اس کی پروڈکٹ کے پورٹ فولیو میں توسیع کے لیے آئندہ بھی ان اسٹیک ہولڈرز سے اسی طرح معاونت و راہنمائی کی توقع رکھتے ہیں۔

ہم اس دوران اپنے پر خلوص اور صلاحیتوں سے بھرپور انسانی وسائل کے بہت شکرگزار ہیں جنہوں نے اپنی لگن اور انتھک محنت کے ساتھ ادارے کے غیر معمولی نتائج کے حصول میں اہم کردار ادا کیا۔ ہم امید کرتے ہیں کہ آپ آگے بڑھتے ہوئے نئی منازل کے حصول کے لیے اسی طرح جانفشانی سے محنت کرتے رہیں گے۔



عبد المجید غازیانی
ڈائریکٹر



محمد فرخ
چیف ایگزیکٹو

حسب الحکم بورڈ

کراچی:

27 اکتوبر 2021

ڈائریکٹرز کی جانب سے جائزہ

ہم یونٹی فوڈز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے نہایت مسرت کے ساتھ 30 ستمبر 2021 کو ختم ہونے والی کمپنی کی پہلی سہ ماہی کی ڈائریکٹرز جائزہ رپورٹ پیش کر رہے ہیں۔

اس سہ ماہی کے دوران، کمپنی کی ٹاپ لائن فروخت 16.6 بلین روپے رہی جو کہ گزشتہ سال 30 ستمبر 2020 کو ختم ہونے والی تین ماہ کی سہ ماہی کے مقابلے میں 36.3 فیصد زائد رہی ہیں۔ مشکل حالات کے باوجود، آپ کی کمپنی نے ترقی اور بہتری کا سلسلہ جاری رکھا۔ تاہم روپے کی قدر میں بے مثال اور غیر متوقع کمی کی وجہ سے کمپنی کے نقد منافع پر 683.8 بلین روپے کے منفی اثرات مرتب ہوئے۔ جن میں 292.7 بلین روپے کا موجودہ کرنسی تبادلے کا نقصان اور 391.1 بلین روپے کا ممکنہ کرنسی تبادلے کا نقصان شامل ہے۔ اس کے نتیجے میں اس سہ ماہی کے دوران کمپنی کو تقریباً 28.7 بلین روپے کا نقد نقصان ہوا۔ ممکنہ کرنسی تبادلے کا نقصان کمپنی میں بیلنس شیٹ کی تاریخ کے وقت موجود خام مال کی قیمت سے مطابقت رکھتا ہے۔ جس کی موجودہ ویلیو قیمت خرید سے زائد ہے، اس نقصان کا حقیقی تعین اس وقت ہوگا جب یہ خام مال فروخت کیا جائے گا۔ اور نقصان اُس وقت کی کرنسی کی شرح تبادلہ پر منحصر ہے۔

کمپنی اس بیرونی اور بنیادی رسک سے پوری طرح آگاہ ہے اور مال مہیا کرنے والوں اور قرض مہیا کرنے والوں سے رابطے میں ہے تاکہ ایسا نظام ترتیب دیا جاسکے، جس کے تحت غیر ملکی کرنسی پر انحصار کم کیا جاسکے اور نتیجے کے طور پر کرنسی کی شرح میں اتار چڑھاؤ کی وجہ سے منافع میں کمی پیشی کو محدود کیا جاسکے۔

اس سہ ماہی کے دوران، سن رج فوڈز (پرائیوٹ) لمیٹڈ، جو کہ یونٹی فوڈز کی 100 فیصد ملکیتی کمپنی ہے، اُس نے 1.70 بلین روپے کی فروخت اور 196 بلین روپے کا مجموعی منافع (Gross Profit) حاصل کیا جبکہ 5.5 بلین روپے کا نقد نقصان رپورٹ کیا۔ برانڈ میں توسیع، زیادہ حجم اور مقامی سطح پر قیمتوں میں اضافے کے سبب گزشتہ سال ستمبر 2020 کو ختم ہونے والی سہ ماہی کے مقابلے میں مجموعی فروخت میں 4 گنا اضافہ ہوا۔ برانڈ کی آگاہی کے لیے کی جانے والی سرگرمیوں کے سبب کمپنی کے فروخت اور تقسیم کاری کے اخراجات میں 400 فیصد اضافہ ہوا، توقع ہے کہ کمپنی کے مارکیٹ کے حصے پر اس کے مثبت اثرات مرتب ہوں گے۔

بحیثیت مجموعی، ہماری ٹاپ لائن سیلز 18.2 بلین روپے پر موجود ہیں؛

| اہم مالیاتی سرخیاں (منظم) | 1QFY22 | 1QFY21 | FY21 | FY20 |
|---------------------------|--------|--------|--------|--------|
| خالص فروخت | 18,241 | 12,580 | 68,831 | 30,480 |
| مجموعی منافع | 1,421 | 1,098 | 5,651 | 2,100 |
| آپریٹنگ منافع | 933 | 814 | 4,004 | 1,122 |
| خالص آمدنی / (نقصان) | (34) | 635 | 3,338 | 214 |
| آمدنی / (نقصان) فی حصص | (0.03) | 0.98 | 3.61 | 0.36 |
| ٹوٹل اثاثہ جات | 46,517 | 26,877 | 44,186 | 19,541 |
| ٹوٹل ایکویٹی | 13,154 | 10,955 | 13,188 | 5,893 |

اندیشے اور غیر یقینی صورتحال

نیامالی سال عالمی معیشت کے لیے غیر معمولی چیلنجز لایا ہے جو کہ اجناس اور توانائی کی قیمتوں میں اضافے سے ظاہر ہے اور جس میں ہماری اس رپورٹ کی تیاری کے وقت تک کوئی تبدیلی نہیں آئی ہے۔ اس کے ساتھ روپے کی قدر میں کمی نے، جس کا اوپر تفصیل کے ساتھ ذکر کیا گیا ہے، کمپنی کے لیے نئے چیلنجز کھڑے کیے ہیں۔ اگرچہ ہماری صنعتی اور تجارتی فروخت کاروبار کو ایک قدرتی تحفظ فراہم کرتی ہے تاہم منجھٹ کاروبار کو نہایت زریک سوچ کے ساتھ چلا رہی ہے تاکہ منفی اثرات کو کم سے کم سطح پر رکھا جاسکے۔

Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2021

| | Note | September 30, 2021 (Un-audited) ------(Rupees)----- | June 30, 2021 (Audited) |
|---|------|---|----------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 7,723,537,767 | 7,759,129,877 |
| Right-of-use assets | | 168,384,865 | 192,881,614 |
| Intangible assets | | 8,671,574 | 9,321,846 |
| Long term deposits | | 21,930,527 | 20,938,286 |
| Long term investment | 6 | 827,640,674 | 827,640,674 |
| | | 8,750,165,407 | 8,809,912,297 |
| Current assets | | | |
| Stock-in-trade | | 10,709,188,746 | 10,752,535,480 |
| Stores and spares | | 55,065,111 | 38,402,176 |
| Trade debts | | 11,915,699,553 | 12,290,844,147 |
| Advances, deposits and prepayments | | 139,167,209 | 117,644,803 |
| Other receivables | | 43,103,216 | 85,642,353 |
| Sales tax receivable | | 393,287,611 | 400,635,324 |
| Taxation - net of provision | | 3,208,787,813 | 2,865,729,672 |
| Short term investments | 7 | 9,372,073,045 | 6,858,985,954 |
| Cash and bank balances | | 525,503,286 | 318,042,746 |
| | | 36,361,875,590 | 33,728,462,655 |
| Total assets | | 45,112,040,997 | 42,538,374,952 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Share capital | | 9,940,500,000 | 9,940,500,000 |
| Unappropriated profit | | 3,410,114,476 | 3,438,779,398 |
| | | 13,350,614,476 | 13,379,279,398 |
| Non-current liabilities | | | |
| Long term loans | 8 | 177,568,468 | 163,358,284 |
| Lease liabilities | | 82,178,906 | 107,744,457 |
| Deferred government grants | | 27,242,936 | 10,853,424 |
| Deferred tax - net | | 107,059,198 | 64,772,714 |
| | | 394,049,508 | 346,728,879 |
| Current liabilities | | | |
| Current portion of long term loans | | 193,011,955 | 183,805,051 |
| Current portion of lease liabilities | | 103,974,051 | 98,031,835 |
| Current portion of deferred government grants | | 15,433,146 | 16,074,244 |
| Trade and other payables | | 13,581,808,448 | 13,631,498,677 |
| Accrued mark-up | | 260,010,816 | 188,730,879 |
| Short term borrowings | | 17,212,469,590 | 14,693,556,982 |
| Unclaimed dividend | | 669,007 | 669,007 |
| | | 31,367,377,013 | 28,812,366,675 |
| Contingencies and commitments | 9 | | |
| Total equity and liabilities | | 45,112,040,997 | 42,538,374,952 |

The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer



Condensed Interim Unconsolidated Statement of Profit or Loss (Un-Audited)

For the Quarter Ended September 30, 2021

| | Note | September 30, 2021 ------(Rupees)----- | September 30, 2020 |
|--|------|---|--------------------|
| Net sales | 10 | 16,586,501,751 | 12,169,277,409 |
| Cost of sales | | (15,361,549,244) | (11,167,087,618) |
| Gross profit | | 1,224,952,507 | 1,002,189,791 |
| Selling and distribution expenses | | (163,770,955) | (172,711,704) |
| Administrative expenses | | (117,489,032) | (70,315,669) |
| Other operating (expenses) / income | 11 | (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) |
| Profit before taxation | | 51,116,108 | 641,644,803 |
| Taxation | | | |
| Current | | (37,494,546) | (23,613,864) |
| Deferred | | (42,286,484) | (27,232,414) |
| | | (79,781,030) | (50,846,278) |
| (Loss) / profit after taxation | | (28,664,922) | 590,798,525 |
| Basic and diluted (loss) / earnings per share | 12 | (0.03) | 0.93 |

The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Unconsolidated Statement of Comprehensive Income (Un-Audited)

For the Quarter Ended September 30, 2021

| | September 30, 2021 | September 30, 2020 |
|--|---------------------|--------------------|
| | ------(Rupees)----- | |
| (Loss) / profit after taxation | (28,664,922) | 590,798,525 |
| Other comprehensive income | - | - |
| Total comprehensive (loss) / income | (28,664,922) | 590,798,525 |

The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Unconsolidated Statement of Cash Flows (Un-Audited)

For the Quarter Ended September 30, 2021

| | Note | September 30, 2021 | September 30, 2020 |
|---|-------------|------------------------|------------------------|
| | | ------(Rupees)----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from / (used in) operating activities | 13 | 653,980,083 | (2,310,616,223) |
| Taxes paid | | (380,552,687) | (83,984,843) |
| Long term deposits paid | | (992,241) | - |
| Net cash generated from / (used in) operating activities | | 272,435,155 | (2,394,601,066) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment | | (35,373,745) | (114,996,474) |
| Short term investments | | (2,506,958,469) | (2,970,000,000) |
| Profit received on short term investments | | 222,259,361 | 2,523,863 |
| Net cash used in investing activities | | (2,320,072,853) | (3,082,472,611) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from short term borrowings - net | | 2,667,720,832 | 2,759,775,452 |
| Long term loan received | | 88,413,516 | 130,808,750 |
| Long term loan repaid | | (49,119,730) | - |
| Rentals paid against right-of-use assets | | (28,103,833) | (8,090,850) |
| Lease liabilities - net | | - | 4,972,003 |
| Finance cost paid | | (275,004,323) | (114,768,460) |
| Proceeds from issuance of right shares | | - | 4,500,000,000 |
| Transaction cost paid on issuance of right shares | | - | (72,601,151) |
| Net cash generated from financing activities | | 2,403,906,462 | 7,200,095,744 |
| Net increase in cash and cash equivalents | | 356,268,764 | 1,723,022,067 |
| Cash and cash equivalents at the beginning of the period | | (938,797,367) | (102,132,974) |
| Cash and cash equivalents at the end of the period | 13.1 | (582,528,603) | 1,620,889,093 |

The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended September 30, 2021

| | Share capital | Unappropriated profit (Rupees) | Total |
|--|----------------------|--------------------------------------|-----------------------|
| Balance as at June 30, 2020 (audited) | 5,440,500,000 | 409,190,974 | 5,849,690,974 |
| Transactions with owners recorded directly in equity | | | |
| Issuance of right shares | 4,500,000,000 | - | 4,500,000,000 |
| Transaction cost incurred on issuance of right shares | - | (72,601,151) | (72,601,151) |
| Total comprehensive income for the quarter ended September 30, 2020 | - | 590,798,525 | 590,798,525 |
| Balance as at September 30, 2020 (un-audited) | 9,940,500,000 | 927,388,348 | 10,867,888,348 |
| Balance as at June 30, 2021 (audited) | 9,940,500,000 | 3,438,779,398 | 13,379,279,398 |
| Total comprehensive loss for the quarter ended September 30, 2021 | - | (28,664,922) | (28,664,922) |
| Balance as at September 30, 2021 (un-audited) | 9,940,500,000 | 3,410,114,476 | 13,350,614,476 |

The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Notes to the Unconsolidated Financial Statements (Un-Audited)

For the Quarter Ended September 30, 2021

1 THE COMPANY AND ITS OPERATIONS

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

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

| Addresses | Purpose |
|---|---|
| Karachi, Sindh | |
| - Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S. | Registered Office of the Company |
| - Plot No. A-48, Industrial Zone, Port Qasim | Oil Refinery |
| - Plot No. D-51 & D52 Industrial Zone, Port Qasim | For Capacity Expansion |
| - Plot No. W2/1/67 & 68 Industrial Zone, Port Qasim | For Capacity Expansion |
| Kotri, District Hyderabad, Sindh | |
| - Plot No. N-25 & N-27/B, SITE Area | Edible Oil Extraction Plant, Refinery and Pellitising Mills |
| Hub, Balochistan | |
| - Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella | Soap plant |

1.3 The Company has the following subsidiary:

| Name | Percentage of shareholding |
|----------------------------------|----------------------------|
| Sunridge Foods (Private) Limited | 100% |

2 STATEMENT OF COMPLIANCE

These condensed interim unconsolidated financial statements of the Company for the three months period ended September 30, 2021 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) -34 “Interim Financial Reporting” and provisions issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and the directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements and should be read in conjunction with the Company’s annual audited unconsolidated financial statements for the year ended June 30, 2021

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 The preparation of these condensed interim unconsolidated financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying the Company’s accounting policies and key sources of estimations and uncertainties were the same as those that were applied to the annual audited unconsolidated financial statements for the year ended June 30, 2021.

3.2 The Company’s financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2021.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the audited unconsolidated financial statements for the year ended June 30, 2021.

4.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

| | Note | September 30, 2021 (Un-audited) | June 30, 2021 (Audited) |
|---|------|------------------------------------|----------------------------|
| | | ------(Rupees)----- | |
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 5,662,395,342 | 5,704,554,574 |
| Capital work-in-progress (CWIP) | 5.2 | 2,061,142,425 | 2,054,575,303 |
| | | <u>7,723,537,767</u> | <u>7,759,129,877</u> |
| 5.1 Operating fixed assets | | | |
| Written down value (WDV) - opening | | 5,704,554,574 | 2,733,661,828 |
| Additions during the period / year- (at cost) | | | |
| - Lease hold land | | - | 624,293,130 |
| - Building | | - | 1,324,946,795 |
| - Plant and machinery | | 16,445,808 | 1,068,790,021 |
| - Furniture, fixture and office equipment | | 4,249,021 | 16,812,819 |
| - Computer and auxilliary equipment | | 8,111,794 | 12,426,645 |
| - Motor vehicles | | - | 89,948,077 |
| | | 28,806,623 | 3,137,217,487 |
| Disposals during the period / year - (WDV) | | | |
| - Plant and machinery | | - | (5,225,419) |
| - Furniture, fixture and office equipment | | - | (377,910) |
| - Motor vehicles | | - | (3,361,332) |
| | | - | (8,964,661) |
| Depreciation charged during the period/ year | | (70,965,855) | (157,360,080) |
| Written down value (WDV) - closing | | <u>5,662,395,342</u> | <u>5,704,554,574</u> |
| 5.2 Capital work-in-progress (CWIP) | | | |
| Opening balance | | 2,054,575,303 | 597,263,138 |
| Additions during the period/ year | | 6,567,122 | 4,471,388,499 |
| Transferred / adjustments during the period/ year | | - | (3,014,076,334) |
| Closing balance | | <u>2,061,142,425</u> | <u>2,054,575,303</u> |

| | Note | September 30, 2021 (Un-audited) ------(Rupees)----- | June 30, 2021 (Audited) |
|---|------|---|----------------------------|
| 6 LONG TERM INVESTMENT | | | |
| Unquoted - at cost | | | |
| Wholly Owned Subsidiary | | | |
| Investment in Sunridge Foods (Private) Limited | 6.1 | 827,640,674 | 827,640,674 |
| 6.1 The Company holds 100% shares of Sunridge Foods (Private) Limited. | | | |
| 7 SHORT TERM INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Mutual funds | 7.1 | 3,032,073,045 | 1,618,985,954 |
| At amortized cost | | | |
| Term deposit receipts | 7.2 | 6,340,000,000 | 5,240,000,000 |
| | | 9,372,073,045 | 6,858,985,954 |
| 7.1 This represents HBL Cash Fund Units redeemable along with dividend units at closing price of previous day NAV. Units amounting to Rs. 3,031.90 million (June 30, 2021: 1,618.82 million) is pledged as security against a loan of Rs. 2,980 million (June 30, 2021: 1,603.70 million) from Habib Bank Limited. | | | |
| 7.2 This carries profit at 6.5% - 7.2% (June 30, 2021: 6.5%) having maturity upto one year. | | | |
| 8 LONG TERM LOANS | Note | September 30, 2021 (Un-audited) ------(Rupees)----- | June 30, 2021 (Audited) |
| Financing under SBP Scheme - non-shariah arrangements | | 236,928,430 | 281,530,016 |
| Financing under ITERF Scheme - shariah arrangement | 8.1 | 133,651,993 | 65,633,319 |
| | | 370,580,423 | 347,163,335 |
| Current portion shown under current liabilities | | (193,011,955) | (183,805,051) |
| | | 177,568,468 | 163,358,284 |
| 8.1 There is no material change in the terms and conditions of long term loans as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2021. | | | |
| 9 CONTINGENCIES AND COMMITMENTS | | | |
| There are no significant changes in the status of contingencies and commitments as reported in note 23 to the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2021, except as disclosed below in note 9.1 and 9.2. | | | |
| 9.1 Contingencies | | | |
| In respect of the GIDC matter, as mentioned in note 23.1.1 of the annual audited unconsolidated financial statements for the year ended June 30, 2021, during the period, the Honorable Supreme Court of Pakistan (SCP) passed an interim order dated September 01, 2021, whereby granting an interim relief to the petitioners and directed that the impugned judgement of High Court of Sindh dated June 4, 2021 and recovery of the impugned levy shall remain suspended. The SCP further directed that the petitioners shall keep the bank guarantees valid and enforceable and shall furnish fresh bank guarantees equivalent to the amount of levy claimed by the respondents against release of all future consignments of imported goods till final judgement is passed by the SCP. | | | |

9.2 Commitments

Commitments under letter of credit for raw materials as at September 30, 2021 amounted to Rs. 3,303.15 million (June 30, 2021: Rs. 6,093.50 million).

| | September 30, 2021 | September 30, 2020 |
|---|-------------------------------|------------------------|
| | ------(Rupees)----- | |
| 10 NET SALES | | |
| Local sales | 16,586,501,751 | 11,859,201,913 |
| Export sales | - | 310,075,496 |
| | <u>16,586,501,751</u> | <u>12,169,277,409</u> |
| 11 OTHER OPERATING (EXPENSES) / INCOME | | |
| Exchange (loss) / gain | (683,806,198) | 57,600,273 |
| Worker's welfare fund | (1,043,186) | (12,839,371) |
| Worker's profit participation fund | (2,988,759) | (32,740,396) |
| | <u>(687,838,143)</u> | <u>12,020,506</u> |
| 12 EARNINGS PER SHARE | | |
| (Loss) / profit after taxation | <u>(28,664,922)</u> | <u>590,798,525</u> |
| | ------(Number of shares)----- | |
| Weighted average number of ordinary shares outstanding during the quarter | <u>994,050,000</u> | <u>636,984,783</u> |
| | ------(Rupees)----- | |
| Basic and diluted (loss) / earnings per share | <u>(0.03)</u> | <u>0.93</u> |
| 13 CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 51,116,108 | 641,644,803 |
| Adjustments for non-cash items: | | |
| Depreciation on operating fixed assets | 70,965,855 | 33,057,390 |
| Depreciation on right-of-use assets | 27,051,303 | 7,376,617 |
| Amortization on intangible assets | 650,272 | 602,930 |
| Amortization on deferred government grant | (5,524,241) | (5,696,669) |
| Exchange (gain)/ loss - unrealized | 391,073,263 | (22,789,021) |
| Gain on revaluation of mutual fund units - unrealized | (6,128,622) | - |
| Income from short term investment | (94,416,883) | (11,167,106) |
| Finance cost | 357,606,161 | 146,470,386 |
| | <u>792,393,216</u> | <u>789,499,330</u> |
| Changes in working capital | | |
| (Increase)/ decrease in current assets: | | |
| Stock-in-trade | 43,346,734 | 31,226,178 |
| Stores and spares | (16,662,935) | (1,989,464) |
| Trade debts | 375,144,594 | (2,346,286,330) |
| Advances, deposits and prepayments | (21,522,406) | (7,357,555) |
| Other receivables | (85,303,341) | 1,688,942 |
| Sales tax receivable | 7,347,713 | (135,801,354) |
| | <u>302,350,359</u> | <u>(2,458,519,583)</u> |
| Increase/ (decrease) in current liabilities: | | |
| Trade and other payables | (440,763,492) | (640,400,574) |
| Sales tax payable | - | (1,195,396) |
| | <u>(440,763,492)</u> | <u>(641,595,970)</u> |
| Cash generated from / (used in) operating activities | <u>653,980,083</u> | <u>(2,310,616,223)</u> |
| 13.1 Cash and cash equivalents comprise of: | | |
| Cash and bank balances | 525,503,286 | 1,620,889,093 |
| Short term borrowings - running finance (secured) | (1,108,031,889) | - |
| | <u>(582,528,603)</u> | <u>1,620,889,093</u> |

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

Transactions with related parties (un-audited)

| Transactions with related parties (un-audited) | | | For the quarter ended | |
|--|-------------------------------|-----------------------|-----------------------|--------------------|
| | | | September 30, 2021 | September 30, 2020 |
| Name of related party | Nature of relationship | Nature of transaction | ----- (Rupees) ----- | |
| Sunridge Foods (Private) Limited | Subsidiary | Purchases | 42,231,438 | - |
| | | Payments | 40,000,000 | - |
| Unity Feeds (Private) Limited | Common directorship | Sales | 81,640,763 | 29,789,940 |
| | | Sale proceeds | 70,918,693 | - |
| Provident fund | Staff retirement benefit fund | Contribution paid | 8,013,511 | 5,505,654 |
| Directors and executives | Key management personnel | Remuneration paid | 34,958,969 | 11,378,821 |

Balances with related parties

| Balances with related parties | | | Balance as at | |
|----------------------------------|-------------------------------|--------------------------|------------------------------------|----------------------------|
| | | | September 30, 2021 (Un-audited) | June 30, 2021 (Audited) |
| Name of related party | Nature of relationship | Nature of balance | ------(Rupees)----- | |
| Sunridge Foods (Private) Limited | Subsidiary | Trade creditor | 13,970,217 | 11,738,779 |
| Unity Feeds (Private) Limited | Common directorship | Trade debtor | 81,640,763 | 70,918,693 |
| Provident fund | Staff retirement benefit fund | Net contribution payable | 2,566,762 | 2,239,746 |

15 CORRESPONDING FIGURES

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

16 GENERAL

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

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on October 27, 2021.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2021

| | Note | September 30, 2021 (Un-audited) | June 30, 2021 (Audited) |
|---|------|------------------------------------|----------------------------|
| | | ------(Rupees)----- | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 8,809,069,398 | 8,663,518,821 |
| Right-of-use assets | | 173,242,877 | 198,043,252 |
| Intangible assets | | 290,178,405 | 290,842,478 |
| Long term deposits | | 27,793,073 | 25,780,830 |
| | | 9,300,283,753 | 9,178,185,381 |
| Current assets | | | |
| Stock-in-trade | | 11,093,027,794 | 11,767,752,193 |
| Stores and spares | | 55,065,111 | 38,402,176 |
| Trade debts | | 12,341,925,500 | 12,508,420,427 |
| Advances, deposits and prepayments | | 149,458,670 | 139,027,298 |
| Other receivables | | 43,904,760 | 86,420,577 |
| Sales tax receivable | | 393,287,611 | 400,635,324 |
| Taxation - net of provision | | 3,227,766,833 | 2,877,586,894 |
| Short term investments | 6 | 9,372,073,045 | 6,858,985,954 |
| Cash and bank balances | | 540,682,742 | 330,464,916 |
| | | 37,217,192,066 | 35,007,695,759 |
| Total assets | | 46,517,475,819 | 44,185,881,140 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Share capital | | 9,940,500,000 | 9,940,500,000 |
| Unappropriated profit | | 3,213,727,449 | 3,247,910,090 |
| | | 13,154,227,449 | 13,188,410,090 |
| Non-current liabilities | | | |
| Long term loans | 7 | 177,568,468 | 171,547,909 |
| Lease liabilities | | 87,394,758 | 113,215,439 |
| Staff Retirement Benefits | | 6,233,100 | 5,513,100 |
| Deferred government grants | | 27,242,936 | 11,172,954 |
| Deferred tax - net | | 36,278,497 | 1,110,446 |
| | | 334,717,759 | 302,559,848 |
| Current liabilities | | | |
| Current portion of long term loans | | 213,775,861 | 199,367,074 |
| Current portion of lease liabilities | | 104,942,949 | 98,927,742 |
| Current portion of deferred government grants | | 16,700,845 | 17,341,943 |
| Trade and other payables | | 13,807,987,728 | 13,982,556,582 |
| Accrued mark-up | | 260,010,816 | 214,320,052 |
| Short term borrowings | | 18,595,954,209 | 16,136,556,982 |
| Contract liabilities | | 28,489,196 | 45,171,820 |
| Unclaimed dividend | | 669,007 | 669,007 |
| | | 33,028,530,611 | 30,694,911,202 |
| Contingencies and commitments | 8 | - | - |
| Total equity and liabilities | | 46,517,475,819 | 44,185,881,140 |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Un-Audited)

For the Quarter Ended September 30, 2021

| | Note | September 30, 2021 | September 30, 2020 |
|--|------|------------------------|--------------------|
| | | ------(Rupees)----- | |
| Net sales | 9 | 18,241,318,941 | 12,580,304,091 |
| Cost of sales | | (16,820,236,136) | (11,482,541,991) |
| Gross profit | | 1,421,082,805 | 1,097,762,100 |
| Selling and distribution expenses | | (363,066,026) | (209,073,921) |
| Administrative expenses | | (125,392,790) | (74,935,770) |
| Other operating (expenses) / income | 10 | (687,888,769) | 8,810,115 |
| | | (1,176,347,585) | (275,199,576) |
| Other income | | 194,854,485 | 17,404,732 |
| | | 439,589,705 | 839,967,256 |
| Finance cost | | (398,997,642) | (153,717,840) |
| Profit before taxation | | 40,592,063 | 686,249,416 |
| Taxation | | | |
| Current | | (39,707,781) | (24,303,400) |
| Deferred | | (35,066,923) | (27,232,414) |
| | | (74,774,704) | (51,535,814) |
| (Loss) / profit after taxation | | (34,182,641) | 634,713,602 |
| (Loss) / profit attributable to: | | | |
| Owners of the Holding Company | | (34,182,641) | 621,099,928 |
| Non-controlling interest | | - | 13,613,674 |
| | | (34,182,641) | 634,713,602 |
| Basic and diluted (loss) / earnings per share | 11 | (0.03) | 0.98 |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Consolidated Statement of Comprehensive Income (Un-Audited)

For the Quarter Ended September 30, 2021

| | September 30, 2021 | September 30, 2020 |
|--|---------------------|--------------------|
| | ------(Rupees)----- | |
| (Loss) / profit after taxation | (34,182,641) | 634,713,602 |
| Other comprehensive income | - | - |
| Remeasurement gain on staff retirement benefits | - | 210,388 |
| Total comprehensive (loss) / income | (34,182,641) | 634,923,990 |
| Total comprehensive (loss) / income for the period attributable to: | | |
| Owners of the Holding Company | (34,182,641) | 621,245,096 |
| Non-controlling interest | - | 13,678,894 |
| | (34,182,641) | 634,923,990 |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Consolidated Statement of Cash Flows (Un-Audited)

For the Quarter Ended September 30, 2021

| | Note | September 30, 2021 ------(Rupees)----- | September 30, 2020 |
|---|-------------|---|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from / (used in) operating activities | 12 | 984,648,344 | (2,334,250,255) |
| Taxes paid | | (388,674,014) | (84,320,367) |
| Staff gratuity paid | | - | (657,100) |
| Long term deposits paid | | (992,241) | - |
| Net cash generated from / (used in) operating activities | | 594,982,089 | (2,419,227,722) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment | | (224,384,897) | (566,815,339) |
| Short term investments | | (2,506,958,469) | (2,970,000,000) |
| Long term deposits paid | | - | (200,000) |
| Profit received on short term investments | | 222,259,361 | 2,523,863 |
| Net cash used in investing activities | | (2,509,084,005) | (3,534,491,476) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from short term borrowings - net | | 2,580,329,764 | 2,759,775,452 |
| Long term loan received | | 88,413,516 | 141,945,893 |
| Long term loan repaid | | (53,220,052) | - |
| Rentals paid against right-of-use assets | | (28,103,833) | (8,090,850) |
| Lease liabilities - net | | (182,139) | 4,832,572 |
| Loan repaid to related party | | - | (75,490,811) |
| Finance cost paid | | (309,500,358) | (122,467,453) |
| Proceeds from issuance of right shares | | - | 4,500,000,000 |
| Transaction cost paid on issuance of right shares | | - | (72,601,151) |
| Net cash generated from financing activities | | 2,277,736,898 | 7,127,903,652 |
| Net increase in cash and cash equivalents | | 363,634,982 | 1,174,184,454 |
| Cash and cash equivalents at the beginning of the period | | (2,369,375,197) | (181,559,891) |
| Cash and cash equivalents at the end of the period | 12.1 | (2,005,740,215) | 992,624,563 |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Consolidated Statement of Changes in Equity

For the Quarter Ended September 30, 2021

| | Attributable to equity holders of the Holding Company | | | | Total Equity |
|--|---|-----------------------|-----------------------|----------------------------|-----------------------|
| | Share capital | Unappropriated profit | Total Reserves | Non - Controlling Interest | |
| | (Rupees) | | | | |
| Balance as at June 30, 2020 (audited) | 5,440,500,000 | 412,785,010 | 5,853,285,010 | 39,934,537 | 5,893,219,547 |
| Transactions with owners recorded directly in equity | | | | | |
| Issuance of right shares | 4,500,000,000 | - | 4,500,000,000 | - | 4,500,000,000 |
| Transaction cost incurred on issuance of right shares | - | (72,601,151) | (72,601,151) | - | (72,601,151) |
| Total comprehensive income for the quarter ended September 30, 2020 | - | 621,245,096 | 621,245,096 | 13,678,894 | 634,923,990 |
| Balance as at September 30, 2020 (un-audited) | 9,940,500,000 | 961,428,955 | 10,901,928,955 | 53,613,431 | 10,955,542,386 |
| Balance as at June 30, 2021 (audited) | 9,940,500,000 | 3,247,910,090 | 13,188,410,090 | - | 13,188,410,090 |
| Total comprehensive income for the quarter ended September 30, 2021 | - | (34,182,641) | (34,182,641) | - | (34,182,641) |
| Balance as at September 30, 2021 (un-audited) | 9,940,500,000 | 3,213,727,449 | 13,154,227,449 | - | 13,154,227,449 |

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Notes to the Consolidated Financial Statements (Un-Audited)

For the Quarter Ended September 30, 2021

1 THE GROUP AND ITS OPERATIONS

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

1.1 Unity Foods Limited

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

1.2 Sunridge Foods (Private) Limited

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

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

| Addresses | Purpose |
|--|--|
| Karachi, Sindh | |
| - Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S. | Registered Office of the Holding Company |
| - 4th floor, 73-C, Jami Commercial Street No. 8, DHA Phase VII | Registered Office of the Subsidiary Company |
| - Plot No. A-48, Industrial Zone, Port Qasim | Oil Refinery of the Holding Company |
| - C6, North west zone, Port Qasim | Pesa Flour Plant of the Subsidiary Company |
| - Plot No. D-51 & D52 Industrial Zone, Port Qasim | For Capacity Expansion of Holding Company |
| - Plot No. W2/1/67 & 68 Industrial Zone, Port Qasim | For Capacity Expansion of Holding Company |
| - Industrial Plot no. H/14, Site Super Highway, Phase II, Karachi | Flour Mill of the Subsidiary Company |
| Kotri, District Hyderabad, Sindh | |
| - Plot No. N-25 & N-27/B, SITE Area | Edible Oil Extraction Plant, Refinery and Pellitising Mills of the Holding Company |
| Hub, Balochistan | |
| - Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella | Soap plant - of the Holding Company |

2 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Group for the three months period ended September 30, 2021 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) -34 "Interim Financial Reporting" and provisions issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and the directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual audited consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2021.

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations

of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim consolidated financial statements, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimations and uncertainties were the same as those that were applied to the annual audited consolidated financial statements for the year ended June 30, 2021.

3.2 The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended June 30, 2021.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited consolidated financial statements for the year ended June 30, 2021.

4.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 01, 2021 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim consolidated financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

| | Note | September 30, 2021 (Un-audited) | June 30, 2021 (Audited) |
|---|------------|------------------------------------|----------------------------|
| | | ------(Rupees)----- | |
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 6,478,921,200 | 6,318,337,713 |
| Capital work-in-progress (CWIP) | 5.2 | 2,330,148,197 | 2,345,181,108 |
| | | 8,809,069,398 | 8,663,518,821 |
| 5.1 Operating fixed assets | | | |
| Written down value (WDV) - opening | | 6,318,337,713 | 3,005,956,547 |
| Additions during the period/ year- (at cost) | | | |
| - Lease hold land | | 206,002,010 | 745,670,130 |
| - Building | | - | 1,402,878,506 |
| - Plant and machinery | | 20,257,613 | 1,227,782,586 |
| - Furniture, fixture and office equipment | | 5,046,391 | 17,200,292 |
| - Computer and auxilliary equipment | | 8,111,794 | 14,890,851 |
| - Motor vehicles | | - | 95,990,682 |
| | | 239,417,808 | 3,504,413,047 |
| Disposals during the period/ year- (WDV) | | | |
| - Plant and machinery | | - | (5,225,419) |
| - Furniture, fixture and office equipment | | - | (377,910) |
| - Motor vehicles | | - | (5,560,352) |
| | | - | (11,163,681) |
| Depreciation charged during the period/ year | | (78,834,321) | (180,868,200) |
| Written down value (WDV) - closing | | 6,478,921,200 | 6,318,337,713 |

| 5.2 | Capital work-in-progress (CWIP) | Note | September 30, 2021 (Un-audited) ------(Rupees)----- | June 30, 2021 (Audited) |
|-----|---|------|---|----------------------------|
| | Opening balance | | 2,345,181,108 | 610,192,212 |
| | Additions during the period/ year | | 190,969,099 | 5,074,677,739 |
| | Transferred / adjustments during the period/ year | | (206,002,010) | (3,339,688,843) |
| | Closing balance | | 2,330,148,197 | 2,345,181,108 |

6 SHORT TERM INVESTMENTS

At fair value through profit or loss

| | | | |
|-----------------------|-----|---------------|---------------|
| Mutual funds | 6.1 | 3,032,073,045 | 1,618,985,954 |
| At amortized cost | | | |
| Term deposit receipts | 6.2 | 6,340,000,000 | 5,240,000,000 |
| | | 9,372,073,045 | 6,858,985,954 |

6.1 This represents HBL Cash Fund Units redeemable along with dividend units at closing price of previous day NAV . Units amounting to Rs. 3,031.90 million (June 30, 2021: 1,618.82 million) is pledged as security by the Holding Company against a loan of Rs. 2,980 million (June 30, 2021: 1,603.70 million) from Habib Bank Limited.

6.2 This carries profit at 6.5% - 7.2% (June 30, 2021: 6.5%) having maturity upto one year.

| 7 | LONG TERM LOANS | Note | September 30, 2021 (Un-audited) ------(Rupees)----- | June 30, 2021 (Audited) |
|---|---|------|---|----------------------------|
| | Financing under SBP Scheme - non-shariah arrangements | | 257,692,336 | 305,281,664 |
| | Financing under ITERF Scheme - shariah arrangement | 7.1 | 133,651,993 | 65,633,319 |
| | | | 391,344,329 | 370,914,983 |
| | Current portion shown under current liabilities | | (213,775,861) | (199,367,074) |
| | | | 177,568,468 | 171,547,909 |

7.1 There is no material change in the terms and conditions of long term loans as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2021.

8 CONTINGENCIES AND COMMITMENTS

There are no significant changes in the status of contingencies and commitments as reported in note 25 to the annual audited consolidated financial statements of the Group for the year ended June 30, 2021, except as disclosed in note 8.1 and 8.2 below.

8.1 Contingencies

In respect of the GIDC matter, as mentioned in note 25.1.1 of the annual audited unconsolidated financial statements for the year ended June 30, 2021, during the period, the Honorable Supreme Court of Pakistan (SCP) passed an interim order dated September 01, 2021, whereby granting an interim relief to the petitioners and directed that the impugned judgement of High Court of Sindh dated June 4, 2021 and recovery of the impugned levy shall remain suspended. The SCP further directed that the petitioners shall keep the bank guarantees valid and enforceable and shall furnish fresh bank guarantees equivalent to the amount of levy claimed by the respondents against release of all future consignments of imported goods till final judgement is passed by the SCP.

8.2 Commitments

Commitments under letter of credit for raw materials as at September 30, 2021 amounted to Rs. 3,303.15 million (June 30, 2021: Rs. 6,093.50 million).

| | September 30, 2021 | September 30, 2020 |
|---|-------------------------------|------------------------|
| | ------(Rupees)----- | |
| 9 NET SALES | | |
| Local sales | 17,405,882,093 | 12,270,228,595 |
| Export sales | 835,436,848 | 310,075,496 |
| | 18,241,318,941 | 12,580,304,091 |
| 10 OTHER OPERATING (EXPENSES) / INCOME | | |
| Exchange (loss) / gain | (683,806,198) | 57,600,273 |
| Worker's welfare fund | (1,043,186) | (13,735,671) |
| Worker's profit participation fund | (2,988,759) | (35,025,961) |
| Others | (50,626) | (28,526) |
| | (687,888,769) | 8,810,115 |
| 11 EARNINGS PER SHARE | | |
| (Loss) / profit after taxation | (34,182,641) | 621,099,928 |
| | ------(Number of shares)----- | |
| Weighted average number of ordinary shares outstanding during the quarter | 994,050,000 | 636,984,783 |
| | ------(Rupees)----- | |
| Basic and diluted (loss) / earnings per share | (0.03) | 0.98 |
| 12 CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 40,592,063 | 686,249,416 |
| Adjustments for non-cash items: | | |
| Depreciation on operating fixed assets | 78,834,321 | 37,207,306 |
| Depreciation on right-of-use assets | 27,354,929 | 7,680,243 |
| Amortization on intangible assets | 664,072 | 602,930 |
| Amortization on deferred government grant | (5,843,771) | (6,046,586) |
| Exchange loss / (gain) - unrealized | 391,073,263 | (22,789,022) |
| Gain on revaluation of mutual fund units - unrealized | (6,128,622) | - |
| Expected credit loss | - | 28,526 |
| Provision for staff gratuity | 720,000 | 1,416,051 |
| Profit on short term investment | (94,416,883) | (11,167,106) |
| Liability written back | (5,664,364) | - |
| Finance cost | 398,997,642 | 153,717,840 |
| | 826,182,650 | 846,899,598 |
| Changes in working capital | | |
| (Increase)/ decrease in current assets: | | |
| Stock-in-trade | 674,724,399 | 278,330,179 |
| Stores and spares | (16,662,935) | (1,989,464) |
| Trade debts | 164,263,489 | (2,421,553,255) |
| Advances, deposits and prepayments | (11,451,372) | (12,341,725) |
| Other receivables | (85,326,661) | 1,583,599 |
| Sales tax receivable | 7,347,713 | (135,801,354) |
| | 732,894,633 | (2,291,772,020) |
| Increase/ (decrease) in current liabilities: | | |
| Trade and other payables | (557,746,315) | (887,676,909) |
| Sales tax payable | - | (1,195,396) |
| Contract liabilities | (16,682,624) | (505,528) |
| | (574,428,939) | (889,377,833) |
| Cash generated from / used in operating activities | 984,648,344 | (2,334,250,255) |

September 30, 2021 September 30, 2020
----- (Rupees) -----

12.1 Cash and cash equivalents comprise of:

| | | |
|---|------------------------|--------------------|
| Cash and bank balances | 540,682,742 | 1,661,357,099 |
| Short term borrowings - running finance (secured) | (2,546,422,957) | (668,732,536) |
| | <u>(2,005,740,215)</u> | <u>992,624,563</u> |

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

Transactions with related parties (un-audited)

| Name of related party | Nature of relationship | Nature of transaction | For the quarter ended | |
|-------------------------------------|-------------------------------|-----------------------|-----------------------|--------------------|
| | | | September 30, 2021 | September 30, 2020 |
| | | | ----- (Rupees) ----- | |
| Unity Feeds (Private) Limited | Common directorship | Sales | 81,640,763 | 29,789,940 |
| | | Sales proceeds | 70,918,693 | - |
| Unity Enterprises (Private) Limited | Common directorship | Loan repaid | - | 75,490,811 |
| Provident fund | Staff retirement benefit fund | Contribution paid | 8,013,511 | 5,505,654 |
| Directors and executives | Key management personnel | Remuneration paid | 40,735,787 | 11,378,821 |

Balances with related parties

| Name of related party | Nature of relationship | Nature of balance | Balance as at | |
|-------------------------------|-------------------------------|--------------------------|------------------------------------|----------------------------|
| | | | September 30, 2021 (Un-audited) | June 30, 2021 (Audited) |
| | | | ----- (Rupees) ----- | |
| Unity Feeds (Private) Limited | Common directorship | Trade debtor | 81,640,763 | 70,918,694 |
| Provident fund | Staff retirement benefit fund | Net contribution payable | 2,566,762 | 2,239,746 |

14 CORRESPONDING FIGURES

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

15 GENERAL

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

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on October 27, 2021.



Director



Chief Executive



Chief Financial Officer

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