



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

April 28, 2022

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

Dear Sir,

**Financial Results for the Quarter and Nine Months Period Ended March 31, 2022**

We have to inform you that the Board of Directors of our Company in their meeting held on **April 27, 2022 at 11:00 a.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 March 31, 2022 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,

Syed Muhammad Tariq Nabeel Jafri  
Company Secretary





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## Unity Foods Limited

### Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)

For the nine months period ended 31 March 2022

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees)			
Net sales	56,677,629,067	48,186,746,156	19,917,029,243	18,785,581,502
Cost of sales	(51,276,379,163)	(44,247,281,372)	(18,055,055,026)	(17,334,545,823)
<b>Gross profit</b>	<b>5,401,249,904</b>	<b>3,939,464,784</b>	<b>1,861,974,217</b>	<b>1,451,035,679</b>
Selling and distribution expenses	(559,529,639)	(857,133,467)	(172,524,317)	(322,374,698)
Administrative expenses	(461,234,176)	(228,617,714)	(171,488,819)	(74,542,171)
Exchange (loss)/ gain	(1,425,973,487)	649,633,753	(328,511,440)	388,622,132
Other expenses	(164,497,139)	(214,714,738)	(70,627,166)	(93,691,597)
	(2,611,234,441)	(650,832,166)	(743,151,742)	(101,986,334)
Other income	530,881,736	200,363,700	205,806,179	100,282,694
	3,320,897,199	3,488,996,318	1,324,628,654	1,449,332,039
Finance cost	(1,113,058,730)	(589,511,569)	(378,630,237)	(254,398,571)
<b>Profit before taxation</b>	<b>2,207,838,469</b>	<b>2,899,484,749</b>	<b>945,998,417</b>	<b>1,194,933,468</b>
Taxation				
Current	(120,363,192)	(166,544,181)	(36,189,955)	(64,702,298)
Deferred	(107,654,825)	(73,831,277)	(16,568,572)	5,087,441
	(228,018,017)	(240,375,458)	(52,758,527)	(59,614,857)
<b>Profit for the period</b>	<b>1,979,820,452</b>	<b>2,659,109,291</b>	<b>893,239,890</b>	<b>1,135,318,611</b>
Earnings per share - basic and diluted	1.97	Restated 3.14	0.81	Restated 1.18





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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**

For the nine months period ended 31 March 2022

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees)			
Net sales	60,817,305,634	49,795,361,891	21,234,016,835	20,026,370,996
Cost of sales	(55,118,838,680)	(45,437,730,941)	(19,315,275,209)	(18,341,088,495)
<b>Gross profit</b>	<b>5,698,466,954</b>	<b>4,357,630,950</b>	<b>1,918,741,626</b>	<b>1,685,282,501</b>
Selling and distribution expenses	(927,266,556)	(995,724,250)	(245,115,984)	(379,910,110)
Administrative expenses	(500,790,889)	(241,916,203)	(195,856,096)	(88,749,065)
Exchange (loss) / gain	(1,425,973,487)	649,633,753	(365,071,928)	388,622,132
Other expenses	(164,641,940)	(231,687,278)	(70,771,967)	(95,147,288)
	(3,018,672,872)	(819,693,978)	(876,815,975)	(175,184,331)
Other income	590,462,207	215,072,307	251,179,352	112,238,561
	3,270,256,289	3,753,009,279	1,293,105,003	1,622,336,731
Finance cost	(1,240,832,277)	(638,180,655)	(413,312,318)	(281,823,140)
<b>Profit before taxation</b>	<b>2,029,424,012</b>	<b>3,114,828,624</b>	<b>879,792,685</b>	<b>1,340,513,591</b>
Taxation				
Current	(129,632,466)	(172,843,816)	(39,541,139)	(70,312,397)
Deferred	(100,435,266)	(73,831,277)	(16,568,572)	5,087,441
	(230,067,732)	(246,675,093)	(56,109,711)	(65,224,956)
<b>Profit for the period</b>	<b>1,799,356,280</b>	<b>2,868,153,531</b>	<b>823,682,974</b>	<b>1,275,288,635</b>
Profit attributable to:				
Owners of the Holding Company	1,799,356,280	2,803,349,817	823,682,974	1,231,897,928
Non-controlling interest	-	64,803,714	-	43,390,707
	1,799,356,280	2,868,153,531	823,682,974	1,275,288,635
Earnings per share - basic and diluted	1.79	Restated 3.31	0.75	Restated 1.28





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## Directors' Review Report

On behalf of the Board of Directors of Unity Foods Limited (the 'Company' or "Unity Foods") we are pleased to present the Directors' Review Report for the Nine Months and third Quarter ended March 31, 2022.

### Unity Foods Limited

Alhamdulillah, the Company has shown a steady growth of over 6% in its net sales in the third quarter of the current financial year compared to same period last financial year. With a healthy, unconsolidated topline sales of almost PKR 20 billion and a net profit of PKR 893.2 million for the third quarter, the Company clocked in a gross margin and net margin of 9.3% and 4.5% respectively.

The Company is cognizant of the macroeconomic headwind that it continues to face with higher international commodity prices and weakening local currency against the US Dollar and is therefore running a tight ship with respect to inventory management and costs.

The company would like to confirm that the proceeds of rights of PKR 5.4 billion concluded in February of 2022 have now been fully deployed as working capital support to the Company.

Rupee remained under pressure this quarter as well, where it depreciated by around 4% to close at PKR 183.47 to 1 US Dollar as on March 31, 2022. This continued pressure has resulted in a further exchange loss of PKR around 329 mn during the 3<sup>rd</sup> quarter.

In addition to the above, since December of 2021 to-date, the State Bank of Pakistan has increased the policy rate by 350 basis points (100 basis points increase in December of 2021 and 250 basis points increase in April 2022). This has increased the financial charges for the Company for the quarter ended March 31, 2022. The second increase of 250 basis points will further increase its financial charges in the next quarter. To counter the adverse effects of increase in cost of doing business, the Company has been able to reduce its selling and distribution expenses. Administrative expenses, however have increased this year to-date. One of the components that have added to this cost is license fee of SAP 4 Hana software.

Considering all the challenges that the Company has faced due to macroeconomic instability, it has remained profitable and has closed the 9 months of current financial year with a net sale of over PKR 56.7 billion and a net profit of PKR 1.98 billion.



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## Environmental, Social and Governance (ESG) Plan

The company is pleased to announce that it has obtained the ESG Sustainability Assurance Certificate in the last quarter. In January, 2022 the Company produced its first ESG Report, prepared under GRI G4 standards, containing its sustainability information for the period January 1, 2021, to January 31, 2022. The report has been audited by SGS – world's leading certification company.

The Company embarked on its ESG journey in mid-2021, focusing on the UN's Sustainable Development Goals (SDGs). Of those 17 priority goals that cover several important issues of the world, it selected 5 goals at the outset i.e., Zero Hunger; Good Health and Well-Being; Quality Education; Gender Equality; and Decent Work & Economic Growth.

Following is a glimpse of Unity Food's contribution to the sustainable human development which can bring positive socio-economic value to the society:

**Taqatwar Pakistan** was a campaign launched by Company's wholly owned subsidiary, Sunridge Foods with the purpose to fight against malnutrition in Pakistan.

**Soup Kitchens** are being operated by the Company close to its plants' location that daily feed around 2,000 persons.

**School of Karachi**, a school in underdeveloped area in the outskirts of Karachi city was adopted by Unity Foods to promote quality education. The Company's contribution included financial support to both institution and students, increase in the number of quality teachers and improving their remuneration; establishing computer laboratory; installation of solar panels to make the school self-sufficient in generating energy and minimizing carbon-footprint.

**Vocational training program** is being organized for women from the less privileged segment of the society to empower stay-home women with skills with which they can bring sustainable socio-economic value to the community.

**Training and Education** sessions were conducted for the employees under a thought-out training need analysis; moreover, educational visit of students from universities were also organized.

## Sunridge Foods (Private) Limited

Sunridge closed its first 9 months of its current financial year with sales of over PKR 4 billion which is an increase of 59% compared to same period last year. The company has booked a loss of PKR 180 million during the nine-month period under report. This loss is attributed to increased spending under selling and distribution and administration expenses which are a result of the company investing in its brand and building stronger team for its expanding operations.



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The company is well underway in establishing itself as a national food staples company and in this regard has added the following new products in its expanding product line in the last quarter:

**1. Flour variants**

- a. Sunridge Premium Quality Suji
- b. Sunridge Premium Quality Besan
- c. Sunridge High Fiber 2x

**2. Other essential commodities**

- a. Sunridge Iodized Salt
- b. Sunridge Crystal Sugar

In addition to the above, the company has also introduced "Value Bundles" and "Ramzan Value Bundles" whereby consumers can buy their monthly food essentials in a bundle at competitive prices.

The company continues to invest in its brand to achieve its target of becoming a top tier food company.

**Changes on the Board and the Committees of the Board**

Directors' Elections were held on April 1, 2022, and new Board and the Committees comprising following directors.

Name	Position
Mr. Sulaiman Sadruddin Mehdi	Chairman
Mr. Muhammad Farrukh	Chief Executive Officer
Mr. Abdul Majeed Ghaziani	Non- Executive Director
Mr. Muneer S. Godil	Independent Director
Mr. Amir Shehzad	Executive Director
Ms. Tayyaba Rasheed	Independent Director
Ms. Lee Hong Hwa	Non- Executive Director



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#### Board Audit Committee

	Name	Position
	Ms. Tayyaba Rasheed	Chairperson
	Abdul Majeed Ghaziani	Member
	Mr. Muneer S. Godil	Member
	Mr. Amir Shehzad	Member

#### Board Human Resources & Remuneration Committee

	Name	Position
	Ms. Tayyaba Rasheed	Chairperson
	Mr. Amir Shehzad	Member
	Abdul Majeed Ghaziani	Member
	Mr. Muneer S. Godil	Member

#### 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.



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## Financial Results

Summary of financial results of the Company for Nine months and third quarter ended March 31, 2022 and three months ended March 31, 2022 are provided below:

KEY FINANCIAL HIGHLIGHTS (Un Consolidated) PKR 'millions'	Nine Months ended		Three Months ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Net Sales	56,678	48,187	19,917	18,786
Gross Profits	5,401	3,939	1,862	1,451
Net Income	1,980	2,659	893	1,135
Earnings per Share (PKR)	1.97	3.14	0.81	1.18

KEY FINANCIAL HIGHLIGHTS (Consolidated) PKR 'millions'	Nine Months ended		Three Months ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Net Sales	60,817	49,795	21,234	20,026
Gross Profits	5,698	4,358	1,919	1,685
Net Income	1,799	2,868	824	1,275
Earnings per Share (PKR)	1.79	3.31	0.75	1.28



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Following is the present status of certifications of Unity Foods and its subsidiary Sunridge Foods.

	Sunridge Foods(Maymar plant )	Solvent Plant (Kotri)	Oil Refinery (PQR)	Sunridge Foods (Port Qassim)	Soap plant
Standards	ISO 9001 (Quality Management System)	ISO 9001 (Quality Management System)	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)	ISO 22000 (Food Safety Management System)	
	-	-	HACCP	-	-
	-	-	RSPO	-	-
	-	-	FSSC 22000	FSSC 22000	-
	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	-
	ISO14001:2015 Environmental management system	ISO14001:2015Environmental management system	ISO14001:2015 Environmental management system	ISO 14001:2015 Environmental management system	ISO 14001:2015 Environmental management system
	ISO 45001:2018 Occupational Health & Safety Management System	ISO 45001:2018 Occupational Health & Safety Management System	ISO 45001:2018 Occupational Health & Safety Management System	ISO 45001:2018 Occupational Health & Safety Management System	ISO 45001:2018 Occupational Health & Safety Management System



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### Acknowledgements

We would like to thank all our stakeholders including the shareholders, bankers and others in confidence and trust they all reposed in the Company that helped growth over last four years with Company expanding its business beyond edible oil and into flour and other products. Without their support, it was 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 these stakeholders to help the Company grow further and expand its product portfolio.

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

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

For and on behalf of the Board.

Muhammad Farrukh  
Chief Executive

Abdul Majeed Ghaziani  
Director

Karachi

April 27, 2022