



UNITY FOODS LIMITED
— food for life! —

FARM TO FORK

3rd Quarterly Report March 2021-22
(UNAUDITED)





UNITY FOODS LIMITED

— food for life! —

**Condensed Interim Financial
Statements (Unaudited)**

**Quarterly Report
31 March 2022**

CONTENTS



04	Company Information
06	Directors' Review Report to the Members -(English & Urdu)
20	Condensed Interim Unconsolidated Statement of Financial Position
21	Condensed Interim Unconsolidated Statement of Profit or Loss
22	Condenses Interim Unconsolidated Statement of Comprehensive Income
23	Condensed Interim Unconsolidated Statement of Changes in Equity
24	Condensed Interim Unconsolidated Statement of Cash Flows
25	Notes to the Condensed Interim Unconsolidated Financial Statements
32	Condensed Interim Consolidated Statement of Financial Position
33	Condensed Interim Consolidated Statement of Profit or Loss
34	Condensed Interim Consolidated Statement of Comprehensive Income
35	Condensed Interim Consolidated Statement of Changes in Equity
36	Condensed Interim Consolidated Statement of Cash Flows
37	Notes to the Condensed Interim Consolidated Financial Statements

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 Mr. Amir Shehzad	Chairman- Independent Chief Executive Non- Executive Independent Independent* Non-Executive Independent Executive Director*
--------------------	--	--

*Directors Elections were held on April 01, 2022 and Mr. Amir Shehzad Executive Director joined and Mr. Saad Amanullah Khan (Independent Director) quit the Board.

As on March 31, 2022, the Composition of the Board committees were as follows:

Audit Committee	Mr. Saad Amanullah Khan Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Ms. Tayyaba Rasheed	Chairman
Human Resources & 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

Following the Directors Elections' on April 01, 2022, the Board Committees were reconstituted as follows:

Audit Committee	Ms. Tayyaba Rasheed Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Mr. Amir Shehzad	Chairperson
Human Resources & Remuneration Committee	Ms. Tayyaba Rasheed Mr. Amir Shehzad Mr. Muneer S. Godil Mr. Abdul Majeed Ghaziani	Chairperson
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.	+92 21 34373605-607, 34388666, 34387666
Email	info@unityfoods.pk
Website	www.unityfoods.pk
Business	Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and processing of 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, 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 Feed Mill Plot no. A-55 & 56, Industrial Zone, Port Qasim Karachi



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

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

The Company is cognizant of the macroeconomic headwinds 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 proceeds of rights issue of PKR 5.4 billion concluded in February of 2022 have now been fully deployed towards working capital requirement of 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 around PKR 329 mn during the third quarter.

Since December 2021 to-date, the State Bank of Pakistan has increased the policy rate by 350 basis points (100 basis points increase in December 2021 and 250 basis points 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 major components that have added to this cost is license fee of SAP 4 Hana software.

Despite all the challenges due to macroeconomic instability, the Company has remained profitable and has closed the Nine months net sale over PKR 56.7 billion and a net profit of PKR 1.98 billion.

Environmental, Social and Governance (ESG)

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 feeds 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 Nine 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 months 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.

The company is well underway in establishing itself as a national food staples company and in this regard has added the following new products 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 the new Board and the Committees are as under:

S.no	Name	Position
01	Mr. Sulaiman Sadruddin Mehdi	Chairman
02	Mr. Muhammad Farrukh	Chief Executive Officer
03	Mr. Abdul Majeed Ghaziani	Non - Executive Director
04	Mr. Muneer S. Godil	Independent Director
05	Mr. Amir Shehzad	Executive Director
06	Ms. Tayyaba Rasheed	Independent Director
07	Ms. Lee Hong Hwa	Non - Executive Director

Board Audit Committee

S.no	Name	Position
01	Ms. Tayyaba Rasheed	Chairperson
02	Mr. Abdul Majeed Ghaziani	Member
03	Mr. Muneer S. Godil	Member
04	Mr. Amir Shehzad	Member

Board Human Resources & Remuneration Committee

S.no	Name	Position
01	Ms. Tayyaba Rasheed	Chairperson
02	Mr. Amir Shehzad	Member
03	Mr. Abdul Majeed Ghaziani	Member
04	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.

Financial Results

Summary of financial results of the Company for Nine months and third quarter 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



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 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	ISO14001:2015 Environmental 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





Acknowledgements

We would like to acknowledge all our stakeholders specially the shareholders and bankers for their confidence and trust in the Company, that has helped the Company grow significantly over last four years and the Company has expanded its business successfully beyond edible oil to flour and other products. We look forward for this continued support.

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 team for their hard work. 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
April 27, 2022

Abdul Majeed Ghaziani
Director





ISO 2018:45001 پیشہ ورانہ صحت اور حفاظت کے انتظام کے نظام					
---	---	---	---	---	--

اعترافات

ہم اپنے مختلف اسٹیک ہولڈرز بشمول شیئر ہولڈرز، بینکرز اور دیگر کامپنی پر اعتماد اور بھروسے کا اعتراف کرتے ہیں جس کی وجہ گزشتہ چار سالوں میں کمپنی کو خوردنی تیل اور آٹے اور دیگر مصنوعات سے آگے اپنے کاروبار کو ایک بڑی وسعت دینے کے ساتھ ترقی میں مدد دی۔ ہم ان اسٹیک ہولڈرز کی جانب سے اس غیر متزلزل حمایت اور اعتماد کے آنے والے وقت میں منتظر ہیں۔

ہم پاکستان اسٹاک ایکسچینج لمیٹڈ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کی مسلسل حمایت تعاون کا بھی شکریہ ادا کرنا چاہیں گے۔ ہمیں امید ہے کہ یہ تعاون مستقبل میں بھی جاری رہے گا۔

ہم اپنے انسانی وسائل کی محنت کو بھی تسلیم کرتے ہیں جو انہوں نے شاندار آپریشنل نمونہ کو حاصل کرنے میں مدد کی ہے۔ ہم اپنے ملازمین سے آگے بڑھتے ہوئے اعلیٰ اہداف کے حصول کے لیے مسلسل کوششوں کی توقع کرتے ہیں۔

بورڈ کی جانب سے۔

جناب عبدالمجید غازیانی
ڈائریکٹر

محمد فرخ
چیف ایگزیکٹو

کراچی۔

27 اپریل 2022



یونٹی فوڈز اور اس کی ذیلی کمپنی سنرج فوڈز کے سرٹیفیکیشن کی موجودہ صورتحال درج ذیل ہے۔

صابن کا پلانٹ	سنرج فوڈز (پورٹ قاسم)	آئل ریفاٹری (PQR)	سالوینٹ پلانٹ (کوٹری)	سنرج فوڈز (میمار پلانٹ)	
ISO 9001 (کوالٹی مینجمنٹ سسٹم)	ISO 9001 (کوالٹی مینجمنٹ سسٹم)	ISO 9001 (کوالٹی مینجمنٹ سسٹم)	ISO 9001 (کوالٹی مینجمنٹ سسٹم)	ISO 9001 (کوالٹی مینجمنٹ سسٹم)	
	آئی ایس او 22000 (فوڈ سیفٹی مینجمنٹ سسٹم)				
-	-	ایچ اے سی سی پی	-	-	معیارات
-	-	آر ایس پی او	-	-	
		ایف ایس ایس سی 22000	ایف ایس ایس سی 22000		
	3733PS اور UAE/GSO 1-2055 (حلال) فوڈ مینجمنٹ سسٹم)				
:ISO14001 2015 ماحولیاتی انتظام کا نظام	:ISO14001 2015 ماحولیاتی انتظام کا نظام	:ISO14001 2015 ماحولیاتی انتظام کا نظام	:ISO14001 2015 ماحولیاتی انتظام کا نظام	:ISO14001 2015 ماحولیاتی انتظام کا نظام	



مالی نتائج

31 مارچ 2022 کو ختم ہونے والے نو ماہ اور تیسری سہ ماہی کے مالی نتائج کا خلاصہ درج ذیل ہے۔

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



3	جناب عبدالمجید غازیانی	نان اگیزیکٹو ڈائریکٹر
4	جناب منیر ایس گوڈیل	آزاد ڈائریکٹر
5	جناب عامر شہزاد	اگیزیکٹو ڈائریکٹر
6	مس طیبه رشید	آزاد ڈائریکٹر
7	مس لی ہونگ ہوا	نان اگیزیکٹو ڈائریکٹر

بورڈ آڈٹ کمیٹی

نمبر	نام	پوزیشن
1	مس طیبه رشید	چیر پرسن
2	جناب عبدالمجید غازیانی	ممبر
3	جناب منیر ایس گوڈیل	ممبر
4	جناب عامر شہزاد	ممبر

بورڈ ہیومن ریسورسز اینڈ ریہونریشن کمیٹی

نمبر	نام	پوزیشن
1	مس طیبه رشید	چیر پرسن
2	جناب عامر شہزاد	ممبر
3	جناب عبدالمجید غازیانی	ممبر
4	جناب منیر ایس گوڈیل	ممبر

قول و اقرار اور غیر متوقع صورتحال:

بیلنس شیٹ کی تاریخ اور اس رپورٹ کے دوران، کمپنی کی مالی صورتحال پر کمپنی میں کوئی ایسی بڑی تبدیلی رونما نہیں ہوئی ہے۔





سن رنج فوڈز (پرائیویٹ) لمیٹڈ

سن رنج نے اپنے موجودہ مالی سال کے پہلے نو ماہ 4 بلین روپے سے زیادہ کی فروخت کی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 59 فیصد زائد ہے۔ اس نو ماہ کی مدد کے دوران کمپنی نے تقریباً 180 ملین روپے کا نقصان اٹھایا۔ اس نقصان کی وجہ سیلنگ اور ڈسٹری بیوشن اور ایڈمنسٹریشن اخراجات کے تحت بڑھتے ہوئے اخراجات ہیں جو کمپنی کے اپنے برانڈ میں سرمایہ کاری کرنے اور اپنے توسیعی کاموں کے لیے مضبوط ٹیم بنانے کا نتیجہ ہیں۔

کمپنی اپنے آپ کو ایک قومی سطح کی فوڈ اسٹریٹجی کمپنی کے طور پر قائم کرنے میں اچھی طرح سے کام کر رہی ہے اور اس سلسلے میں اس نے پچھلی سہ ماہی میں اپنی نو مصنوعات کی لائن میں درج ذیل نئی مصنوعات شامل کی ہیں:

1- آٹے کی مختلف اقسام

- (a) سن رنج پریکیم کواٹھی سو جی
- (b) سن رنج پریکیم کواٹھی میسن
- (c) سن رنج ہائی فائبر 2x

2- دیگر ضروری اشیاء

- (a) سن رنج آؤڈائزڈ نمک
- (b) سن رنج کرشٹل شوگر

مذکورہ بالا کے علاوہ، کمپنی نے "ویلیو بنڈلز" اور "رمضان ویلیو بنڈلز" بھی متعارف کروائے ہیں جس کے تحت صارفین مسابقتی قیمتوں پر اپنے ماہانہ کھانے کی اشیاء کو ایک بنڈل میں خرید سکتے ہیں۔

کمپنی اعلیٰ درجے کی فوڈ کمپنی بننے کے اپنے ہدف کو حاصل کرنے کے لیے اپنے برانڈ میں سرمایہ کاری جاری رکھے ہوئے ہے۔

بورڈ اور کمیٹیوں میں تبدیلیاں

ڈائریکٹرز کے انتخابات 1 اپریل 2022 کو ہوئے اور نئے بورڈ اور کمیٹیاں مندرجہ ذیل ہیں۔

نمبر	نام	پوزیشن
1	جناب سلیمان صدر الدین مہدی	چیرمین
2	جناب محمد فرخ	چیف ایگزیکٹو آفیسر



1.98 بلین روپے کا خالص منافع حاصل کیا ہے۔

ماحولیاتی، سوشل اینڈ گورننس (ای ایس جی)

کمپنی بمسرت اعلان کرتی ہے کہ پچھلی سہ ماہی میں اس نے ای ایس جی کا Sustainability Assurance Certificate حاصل کیا ہے۔ جنوری، 2022 میں کمپنی نے اپنی پہلی ای ایس جی رپورٹ تیار کی، جو جی آر آئی G4 معیارات کے تحت تیار کی گئی، جس میں 1 جنوری 2021 سے 31 جنوری 2022 تک کے عرصے کے لیے اس کی پائیداری کی معلومات شامل ہیں۔ رپورٹ کا آڈٹ ایس جی ایس۔ دنیا کی معروف سرٹیفیکیشن کمپنی نے کیا ہے۔

کمپنی نے 2021 کے وسط میں اپنا ای ایس جی سفر شروع کیا، جس میں اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) پر توجہ مرکوز کی گئی۔ ان 17 ترجیحی اہداف میں سے جو دنیا کے کئی اہم مسائل کا احاطہ کرتے ہیں، کمپنی نے شروع میں 5 اہداف کا انتخاب کیا یعنی بھوک کا خاتمہ؛ اچھی صحت اور بہبود؛ معیاری تعلیم؛ صنفی مساوات؛ اور مہذب کام اور اقتصادی ترقی ہے۔

پائیدار ترقی میں یونٹی فوڈز کے تعاون کی ایک جھلک درج ذیل ہے جو معاشرے میں مثبت سماجی و اقتصادی قدر لاسکتی ہے:

طاقتور پاکستان ایک مہتممی جو کمپنی کی مکمل ملکیتی ذیلی کمپنی سن راج فوڈز کی طرف سے شروع کی گئی تھی جس کا مقصد پاکستان میں غذائی قلت کے خلاف لڑنا تھا۔

سوپ کچنز کمپنی کی طرف سے اپنے پلانٹ کے مقام کے قریب چلائی جا رہی ہے جو روزانہ تقریباً دو ہزار لوگوں کو کھانا کھلاتے ہیں۔

اسکول آف کراچی، کراچی شہر کے مضافات میں پسماندہ علاقے میں واقع اسکول کو یونٹی فوڈز نے معیاری تعلیم کو فروغ دینے کے لیے اپنایا تھا۔ کمپنی کے تعاون میں ادارے اور طلباء دونوں کے لیے مالی مدد، معیاری اساتذہ کی تعداد میں اضافہ اور ان کے معاوضے میں بہتری، کمپیوٹر لیبارٹری کا قیام؛ اسکول کو توانائی پیدا کرنے میں خود کفیل بنانے کے لیے ماحول دوست سولر پینلز کی تنصیب شامل ہے۔

پیشہ ورانہ تربیتی پروگرام معاشرے کے کم مراعات یافتہ طبقے سے تعلق رکھنے والی خواتین کے لیے پیشہ ورانہ تربیت کا پروگرام منعقد کیا جا رہا ہے تاکہ گھر میں رہنے والی خواتین کو ایسے ہنر کے ساتھ باختیار بنایا جاسکے جس کی مدد سے وہ معاشرے میں پائیدار سماجی و اقتصادی قدر لاسکیں۔

تربیت اور تعلیم ملازمین کے لیے سوچے سمجھے تربیت کی ضرورت کے ساتھ تجزیہ کے تحت منعقد کیے گئے۔ مزید برآں یونیورسٹیوں کے طلباء کے تعلیمی دورے کا بھی اہتمام کیا گیا۔



ڈائریکٹرز کی جائزہ رپورٹ

یونٹی فوڈز لمیٹڈ (کمپنی یا "یونٹی فوڈز") کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2022 کو ختم ہونے والے نو ماہ اور سہ ماہی کے لیے ڈائریکٹرز کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

یونٹی فوڈز لمیٹڈ

کمپنی نے تیسری سہ ماہی میں اپنی خالص فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں 6 فیصد سے زائد کا مسلسل اضافہ دکھایا ہے۔ تیسری سہ ماہی میں تقریباً 2 بلین روپے کی سیلز کی اور تقریباً 893.2 ملین روپے کے خالص منافع کے ساتھ، کمپنی نے بالترتیب 9.3 فیصد اور 4.5 فیصد کے مجموعی مارجن اور خالص مارجن حاصل کیا۔

کمپنی ان معاشی چیلنجز سے بخوبی واقف ہے جن کا سامنا کہ اسے اشیاء کی بین الاقوامی قیمتوں میں اضافے اور امریکی ڈالر کے مقابلے میں مقامی کرنسی کی کمزوری کی صورت میں کرنا پڑ رہا ہے اور اس لیے وہ انویسٹری کے انتظام اور اخراجات کے حوالے سے انتہائی سخت اقدام کر رہی ہے۔

فروری 2022 میں مکمل کے کیے گئے 5.4 ارب روپے کے رابنٹ ایٹو سے حاصل شدہ رقم کو کمپنی کے ورکنگ کیپیٹل کی مد میں استعمال کیا جا چکا ہے۔

روپیہ اس سہ ماہی کے دوران دباؤ کا شکار رہا اور اس کی قدر میں تقریباً 4% کمی واقع ہوئی۔ 31 مارچ 2022 کو ایک امریکی ڈالر کی قدر 183.47 روپے کے برابر تھی۔ اس دباؤ کی وجہ سے تیسری سہ ماہی میں کرنسی کے تبادلے کے زمرے میں تقریباً 329 ملین روپے کا نقصان ہوا۔

دسمبر 2021 سے اب تک، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 350 پیس پوائنٹس کا اضافہ کیا ہے (دسمبر 2021 میں 100 پیس پوائنٹس کا اضافہ اور اپریل 2022 میں 250 پیس پوائنٹس کا اضافہ)۔ اس سے 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے مالیاتی چارجز میں اضافہ ہوا ہے۔ 250 پیس پوائنٹس کا دوسرا اضافہ اگلی سہ ماہی میں اس کے مالیاتی چارجز میں مزید اضافہ کرے گا۔ کاروبار کرنے کی لاگت میں اضافے کے منفی اثرات کا مقابلہ کرنے کے لیے، کمپنی اپنے فروخت اور تقسیم کے اخراجات کو کم کرنے میں کامیاب رہی ہے۔ تاہم انتظامی اخراجات میں اب تک اضافہ ہوا ہے۔ اس لاگت میں شامل ہونے والے اجزاء میں سے ایک بڑا حصہ ایس اے پی Hana4 سافٹ ویئر کی لائسنس فیس ہے۔

میکرو اکنامک عدم استحکام کے باوجود کمپنی منافع بخش رہی ہے اور اس نے نو ماہ میں 56.7 بلین روپے سے زیادہ کی خالص فروخت اور تقریباً



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2022

	Note	31 March 2022 (Unaudited)	30 June 2021 (Audited)
		----- (Rupees) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	8,012,328,578	7,759,129,877
Right-of-use assets		79,094,669	192,881,614
Intangible assets		51,701,545	9,321,846
Long-term deposits		28,421,976	20,938,286
Investment in a subsidiary company		827,640,674	827,640,674
		8,999,187,442	8,809,912,297
Current assets			
Stock-in-trade		18,802,837,920	10,752,535,480
Stores and spares		102,921,296	38,402,176
Trade debts		16,449,011,934	12,290,844,147
Advances, deposits and prepayments		362,736,557	117,644,803
Other receivables		76,329,127	85,642,353
Sales tax receivable		3,019,999	400,635,324
Taxation - net of provision		3,861,536,111	2,865,729,672
Short term investments		9,731,500,964	6,858,985,954
Cash and bank balances		513,604,045	318,042,746
		49,903,497,953	33,728,462,655
TOTAL ASSETS		58,902,685,395	42,538,374,952
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 1,200,000,000 (30 June 2021: 1,000,000,000) ordinary shares of Rs. 10/- each	6	12,000,000,000	10,000,000,000
Share capital - issued, subscribed and paid-up capital		11,940,500,000	9,940,500,000
Capital reserve - share premium		3,342,801,305	-
Revenue reserve - unappropriated profit		5,418,599,850	3,438,779,398
		20,701,901,155	13,379,279,398
Non-current liabilities			
Long term loans	7	255,787,060	163,358,284
Lease liabilities		52,026,632	107,744,457
Deferred grant		58,987,318	10,853,424
Deferred tax liability		172,427,539	64,772,714
		539,228,549	346,728,879
Current liabilities			
Current portion of long term loans	7	156,232,247	183,805,051
Current portion of lease liabilities		46,482,349	98,031,835
Current portion of deferred grant		15,264,580	16,074,244
Trade and other payables		21,345,249,769	13,631,498,677
Accrued mark-up		208,284,973	188,730,879
Short term borrowings		15,889,372,766	14,693,556,982
Unclaimed dividend		669,007	669,007
		37,661,555,691	28,812,366,675
TOTAL EQUITY AND LIABILITIES		58,902,685,395	42,538,374,952
Contingencies and commitments	8		

The annexed notes from 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer





CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the nine months period ended 31 March 2022

	Note	Nine months period ended		Three months period ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
----- (Rupees) -----					
Net sales	9	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)
Gross profit		5,401,249,904	3,939,464,784	1,861,974,217	1,451,035,679
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)
Profit before taxation		2,207,838,469	2,899,484,749	945,998,417	1,194,933,468
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)
Profit for the period		1,979,820,452	2,659,109,291	893,239,890	1,135,318,611
Earnings per share - basic and diluted	10	1.97	Restated 3.14	0.81	Restated 1.18

The annexed notes from 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (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) -----			
Profit for the period	1,979,820,452	2,659,109,291	893,239,890	1,135,318,611
Other comprehensive income	-	-	-	-
Total comprehensive income	1,979,820,452	2,659,109,291	893,239,890	1,135,318,611

The annexed notes from 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months period ended 31 March 2022

	<u>Share capital</u>	<u>Capital reserves</u>	<u>Revenue reserves</u>	
	Issue, subscribed and paid-up capital	Share premium	Unappropriated profit	Total
	----- (Rupees) -----			
Balance as at 30 June 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)
	4,500,000,000	-	(72,601,151)	4,427,398,849
Total comprehensive income for the nine months period ended 31 March 2021				
Profit for the period	-	-	2,659,109,291	2,659,109,291
Other comprehensive income for the period	-	-	-	-
	-	-	2,659,109,291	2,659,109,291
Balance as at 31 March 2021 (unaudited)	9,940,500,000	-	2,995,699,114	12,936,199,114
Balance as at 30 June 2021 (audited)	9,940,500,000	-	3,438,779,398	13,379,279,398
Transactions with owners recorded directly in equity				
Issuance of right shares	2,000,000,000	3,400,000,000	-	5,400,000,000
Transaction cost incurred on the issuance of right shares	-	(57,198,695)	-	(57,198,695)
	2,000,000,000	3,342,801,305	-	5,342,801,305
Total comprehensive income for the nine months period ended 31 March 2022				
Profit for the period	-	-	1,979,820,452	1,979,820,452
Other comprehensive income for the period	-	-	-	-
	-	-	1,979,820,452	1,979,820,452
Balance as at 31 March 2022 (unaudited)	11,940,500,000	3,342,801,305	5,418,599,850	20,701,901,155

The annexed notes from 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine months period ended 31 March 2022

	Note	Nine months period ended	
		31 March 2022	31 March 2021
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	11	(1,100,466,734)	(2,353,574,409)
Taxes paid		(1,116,169,631)	(674,516,515)
Long term deposits paid		(7,483,690)	-
Net cash flows from operating activities		(2,224,120,055)	(3,028,090,924)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(470,071,855)	(3,896,382,014)
Disposal of property, plant and equipment		2,228,832	3,414,000
Purchases of intangible asset		(44,618,416)	(1,125,673)
Short term investments - net		(2,869,415,006)	(5,470,092,439)
Profit received on short term investments		288,825,983	63,775,057
Net cash used in investing activities		(3,093,050,462)	(9,300,411,069)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(1,943,020,863)	6,566,020,004
Long term loan received		259,247,536	274,860,310
Long term loan repaid		(147,359,190)	-
Rentals paid against right-of-use assets		(73,155,307)	(36,801,644)
Lease liabilities - net		-	(1,305,679)
Dividend paid		-	(78,605)
Finance cost paid		(1,064,618,312)	(514,926,885)
Proceeds from the issuance of right shares		5,400,000,000	4,500,000,000
Transaction cost against issuance of right shares		(57,198,695)	(72,601,151)
Net cash generated from financing activities		2,373,895,169	10,715,166,350
Net decrease in cash and cash equivalents		(2,943,275,348)	(1,613,335,643)
Cash and cash equivalents at beginning of the period		(938,797,367)	(102,132,974)
Cash and cash equivalents at end of the period	11.1	(3,882,072,715)	(1,715,468,617)

The annexed notes from 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

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 16 June 1991. Shares of the Company are listed in Pakistan Stock Exchange since 01 February 1994. The principal business activity of the Company is edible oil extraction, refining, sales 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. A-55 & 56, Industrial Zone, Port Qasim | Feed Mill |
| - 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, N37/A, 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:

- | | |
|----------------------------------|-----------------------------|
| Sunridge Foods (Private) Limited | Percentage of holding: 100% |
|----------------------------------|-----------------------------|

2 BASIS OF PREPARATION & MEASUREMENT

2.1 Statement of Compliance

2.1.1 These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim unconsolidated financial statements do not include all the information as required in annual financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2021.

2.1.3 The comparative condensed interim unconsolidated statement of financial position presented in these condensed interim unconsolidated financial statements have been extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2021, whereas the comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from the un-audited condensed interim unconsolidated financial statements for the period ended 31 March 2021.



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

2.1.4 These condensed interim unconsolidated financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment, if any.

2.1.5 These condensed interim unconsolidated financial statements are un audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention unless stated otherwise.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupee of rupees, unless stated otherwise.

3 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 annual audited unconsolidated financial statements for the year ended 30 June 2021.

3.1 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 01 July 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.

3.2 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 01 July 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.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim unconsolidated 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.

4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited unconsolidated financial statements as at and for the year ended 30 June 2021.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements as at and for the year ended 30 June 2021.





NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

	Note	31 March 2022 (Unaudited) ----- (Rupees) -----	30 June 2021 (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,638,901,055	5,704,554,574
Capital work-in-progress (CWIP)	5.2	2,373,427,523	2,054,575,303
		8,012,328,578	7,759,129,877
5.1 Operating fixed assets			
Written down value (WDV) - opening		5,704,554,574	2,733,661,828
Additions during the period - (at cost)			
- Lease hold land		-	624,293,130
- Building on lease/ free hold land		70,273,422	1,324,946,795
- Plant and machinery		43,554,211	1,068,790,021
- Furniture, fixture and office equipment		23,503,262	16,812,819
- Computer and auxilliary equipment		8,804,971	12,426,645
- Motor vehicles		5,083,769	89,948,077
		151,219,635	3,137,217,487
Disposals during the period - (WDV)			
- Plant and machinery		-	(5,225,419)
- Furniture, fixture and office equipment		-	(377,910)
- Computer and auxilliary equipment		(230,000)	-
- Motor vehicles		(1,145,526)	(3,361,332)
		(1,375,526)	(8,964,661)
Depreciation charge for the period		(215,497,628)	(157,360,080)
Written down value (WDV) - closing		5,638,901,055	5,704,554,574
5.2 Capital work-in-progress (CWIP)			
Balance as of 01 July		2,054,575,303	597,263,138
Additions during the period / year		378,734,201	4,471,388,499
Transferred / adjustments during the period / year		(59,881,981)	(3,014,076,334)
Closing balance		2,373,427,523	2,054,575,303
6 SHARE CAPITAL			
Authorized share capital			
1,200,000,000 (June 30, 2021: 1,000,000,000) ordinary shares of Rs. 10/- each	6.1	12,000,000,000	10,000,000,000
Issued, subscribed and paid-up capital			
1,194,050,000 (June 30, 2021: 994,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	6.2	11,940,500,000	9,940,500,000
6.1			
The authorized share capital of the Company has been enhanced from Rs. 10 billion to Rs. 12 billion. As a consequence, the Memorandum and Articles of Association of the Company have also been revised.			
6.2			
The Board of Directors in their meeting held on 13 November 2021 approved to raise further capital by issuance of right shares at a value of Rs. 27 per share (premium of Rs. 17 per share) to its existing shareholders in the proportion of 20.13% right share for every 100 ordinary shares held. The process of rights issue was completed during the period and a total of 200,000,000 shares were issued. Through this issue, an amount of Rs. 5,400 million was raised comprising of Rs. 2,000 million and Rs. 3,400 million in respect of ordinary share capital and share premium, respectively.			



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

7 LONG TERM LOANS	Note	31 March 2022 (Unaudited)	30 June 2021 (Audited)
		----- (Rupees) -----	
Financing under SBP Scheme - non-shariah arrangements		144,951,197	281,530,016
Financing under ITERF Scheme - shariah arrangement	7.1	267,068,110	65,633,319
		412,019,307	347,163,335
Current portion shown under current liabilities		(156,232,247)	(183,805,051)
		255,787,060	163,358,284

7.1 The Company has obtained long term financing from Al Baraka Bank (Pakistan) Limited under ITERF "Islamic Temporary Economic Refinance Facility" refinance scheme by State Bank of Pakistan. The facility is secured with exclusive charge over the imported machineries under the expansion projects with 25% margin and lien over bank account under ITERF. During the period additional tranche of Rs. 259.247 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. These are repayable in quarterly installments commencing from June 2023.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 The increase in Gas Tariff through Notification dated October 23, 2020 was challenged by the Company whereby the Honorable High Court (HC) has granted interim relief through its order dated 30 November 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the HC till further orders. The Company has deposited security cheques of the disputed amount Rs. 9.62 million accumulated till 31 March 2022.

8.1.2 A petition has been filed by the Company against SECP & others in the High Court of Sindh seeking declaration that the impugned order dated 27 December 2019 by SECP for the appointment of inspector(s) to conduct inspection on all aspects of the Company including the books of accounts for the period from 01 July 2017 to 30 June 2019 be declared illegal with a pray to set aside the investigation against the Company. The Court passed interim order suspending the operation of the impugned order to the extent of the appointment of inspectors, with the direction that, if any of the officer is authorized by the Commission, the Company shall co-operate by providing every document that is asked for by such authorized officer. The matter is at the stage of hearing of applications. The Company, including on the basis of the opinion of the legal advisors, believe that it has a good arguable case and there is no likelihood of unfavorable outcome of this litigation.

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

8.1.4 Tax related contingencies

The Additional Commissioner Inland Revenue (ADCIR) issued notice to amend the assessment for the tax year 2018 u/s 122 (9) of the Income Tax Ordinance, 2001 herein after referred to as "the Ordinance". The proceeding initiated u/s 122(5A) of the Ordinance culminated vide order dated 03 January 2022 whereby demand of tax amounting to Rs. 33.81 million on trading of cooking oil u/s 148A was raised and expenses of Rs. 39.82 million have been declared as inadmissible resulting in a decrease in taxable loss for the tax year. In addition, refundable income tax was reduced by Rs. 4.80 million. The Company has filed an appeal against the said order before the Commissioner Inland Revenue and the Company, including on the basis of the opinion of its tax advisor, expects a favourable outcome.

As a consequence of correspondence with the Assistant Commissioner Inland Revenue u/s 176 & 177(6), the Assistant Commissioner Inland Revenue issued a notice on 29 December 2021 to amend the assessment for the tax year 2019 u/s 122(9) of the Ordinance. The proceeding initiated u/s 177 & 122(9) of the Ordinance culminated vide order dated 13 January 2022 whereby demand of tax amounting to Rs. 79.82 million on trading of cooking oil u/s 148A was raised and expenses amounting to Rs. 36.65 million was declared as inadmissible resulting in a decrease of taxable loss for the tax year. In addition, refundable income tax was reduced by Rs. 4.34 million. The Company has filed an appeal against the said order before the Commissioner Inland Revenue and including on the basis of the view of the tax lawyer, expects a favourable outcome.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

8.2 Commitments

- 8.2.1** Commitments under letter of credit for raw materials as at 31 March 2022 amounted to Rs. 3,759 million (30 June 2021: Rs. 6,093.50 million). Above facility is the part of the borrowing limits.
- 8.2.2** Guarantee issued at the period-end on behalf of the Company amounted to Rs. 685.577 million (30 June 2021: Rs. 290 million). Above facility is the part of the borrowing limits.
- 8.2.3** Commitments under agreement for the implementation of a new software amounted to Rs. 42 million as at 31 March 2022 (30 June 2021: Rs. 42 million).

9 NET SALES

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees) -----			
Local sales	56,561,817,224	47,876,670,660	19,801,217,400	18,785,581,502
Export sales	115,811,843	310,075,496	115,811,843	-
	<u>56,677,629,067</u>	<u>48,186,746,156</u>	<u>19,917,029,243</u>	<u>18,785,581,502</u>

10 EARNINGS PER SHARE

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees) -----			
Profit for the period	<u>1,979,820,452</u>	<u>2,659,109,291</u>	<u>893,239,890</u>	<u>1,135,318,611</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares outstanding during the period	<u>1,005,900,352</u>	<u>Restated 845,824,835</u>	<u>1,096,001,245</u>	<u>Restated 961,829,263</u>
	----- (Rupees) -----			
Basic and diluted earnings per share	<u>1.97</u>	<u>Restated 3.14</u>	<u>0.81</u>	<u>Restated 1.18</u>



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

11 CASH GENERATED FROM OPERATIONS

	Nine months period ended	
	31 March 2022	31 March 2021
	----- (Rupees) -----	
Profit before taxation	2,207,838,469	2,899,484,749
Adjustments for non-cash items:		
Depreciation on operating fixed assets	215,497,628	106,044,182
Depreciation on right-of-use assets	67,755,905	48,882,064
Amortization on intangible assets	2,238,717	1,902,595
Amortization on deferred government grants	(16,142,645)	(19,551,176)
Exchange loss/ (gain) - unrealized	272,401,957	(216,873,187)
Provision against doubtful debts	144,079,251	12,522,788
Gain on revaluation of mutual fund units - unrealized	(3,100,004)	-
Gain on disposal of fixed assets	(853,306)	(1,512,373)
Gain on disposal of right-of-use asset	(532,787)	-
Dividend income	(211,582,530)	-
Income from short term investments	(272,297,267)	(171,032,065)
Finance cost	1,113,058,730	589,511,569
	3,518,362,118	3,249,379,146
Working capital changes		
(Increase)/ decrease in current assets:		
Stock-in-trade	(8,050,302,440)	(1,845,088,782)
Stores and spares	(64,519,120)	26,093,499
Trade debts	(4,302,247,038)	(7,441,708,592)
Advances, deposits and prepayments	(245,091,754)	(75,134,928)
Other receivables	204,367,040	34,306,383
Sales tax receivable	397,615,325	(292,248,367)
	(12,060,177,987)	(9,593,780,787)
Increase/ (decrease) in current liabilities:		
Trade and other payables	7,441,349,135	3,990,827,232
Cash used in operating activities	(1,100,466,734)	(2,353,574,409)
11.1 Cash and cash equivalents comprise of:		
Cash and bank balances	513,604,045	304,727,620
Short term borrowings - running finance (secured)	(4,395,676,760)	(2,020,196,237)
	(3,882,072,715)	(1,715,468,617)



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

12 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. Remuneration of key management personnel are in accordance with the terms of their employment. Provident Fund contributions are in accordance with the services rules. All other transaction with related parties are under agreed terms.

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

Transactions with related parties (unaudited)

			Nine months period ended	
			31 March 2022	31 March 2021
			------(Rupees)-----	
Name of related party	Nature of relationship	Nature of transaction		
Sunridge Foods (Private) Limited	Subsidiary	Sales	23,597,910	906,660,175
		Sales proceeds	-	868,385,979
		Purchases	70,723,448	149,616,835
		Payments	75,803,962	-
Unity Feeds (Private) Limited	Common directorship	Sales	81,640,763	73,027,149
		Sales proceeds	152,559,456	96,813,892
Provident fund	Staff retirement benefit fund	Contribution paid	27,828,688	16,248,641
Directors and executives	Key management personnel	Remuneration	104,473,280	33,990,000

Balances with related parties

			Balance as at	
			31 March 2022 (Unaudited)	30 June 2021 (Audited)
			------(Rupees)-----	
Name of related party	Nature of relationship	Nature of balance		
Sunridge Foods (Private) Limited	Subsidiary	Trade debt	23,597,910	-
		Trade credit	6,658,265	11,738,779
Unity Feeds (Private) Limited	Common directorship	Trade debt	-	70,918,693
Provident fund	Staff retirement benefit fund	Net contribution payable	2,008,787	2,239,746

13 GENERAL

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.

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 27 April 2022.



Director



Chief Executive Officer



Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2022

	Note	31 March 2022 (Unaudited)	30 June 2021 (Audited)
		------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,894,715,261	8,663,518,820
Right-of-use assets		83,345,429	198,043,252
Intangible assets		333,180,776	290,842,478
Long term deposits		34,284,522	25,780,831
		10,345,525,988	9,178,185,381
Current assets			
Stock-in-trade		21,039,918,941	11,767,752,193
Stores and spares		102,921,296	38,402,176
Trade debts		17,109,653,602	12,508,420,427
Advances, deposits and prepayments		515,528,823	139,027,298
Other receivables		77,130,671	86,420,577
Sales tax receivable		10,882,182	400,635,324
Taxation - net of provision		3,885,915,278	2,877,586,894
Short term investments		9,731,500,964	6,858,985,954
Cash and bank balances		553,043,771	330,464,916
		53,026,495,528	35,007,695,759
TOTAL ASSETS		63,372,021,516	44,185,881,140
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 1,200,000,000 (30 June 2021: 1,000,000,000) ordinary shares of Rs. 10/- each		12,000,000,000	10,000,000,000
Share capital - issued, subscribed and paid-up capital	6	11,940,500,000	9,940,500,000
Capital reserve - share premium		3,342,801,305	
Revenue reserve - unappropriated profit		5,047,266,370	3,247,910,090
		20,330,567,675	13,188,410,090
Non-current liabilities			
Long term loans	7	256,038,237	171,547,909
Lease liabilities		56,612,795	113,215,439
Staff retirement benefits		8,764,344	5,513,100
Deferred grant		58,987,318	11,172,954
Deferred tax liability		101,646,838	1,110,446
		482,049,532	302,559,848
Current liabilities			
Current portion of long term loans	7	168,410,969	199,367,074
Current portion of lease liabilities		47,613,493	98,927,742
Current portion of deferred grant		15,900,167	17,341,943
Trade and other payables		24,164,295,854	13,982,556,582
Contract liabilities		33,373,915	45,171,820
Accrued mark-up		208,284,973	214,320,052
Short term borrowings		17,920,855,931	16,136,556,982
Unclaimed dividend		669,007	669,007
		42,559,404,309	30,694,911,202
TOTAL EQUITY AND LIABILITIES		63,372,021,516	44,185,881,140
Contingencies and commitments	8		

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the nine months period ended 31 March 2022

Note	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)
Gross profit	5,698,466,954	4,357,630,950	1,918,741,626	1,685,282,501
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)
Profit before taxation	2,029,424,012	3,114,828,624	879,792,685	1,340,513,591
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)
Profit for the period	1,799,356,280	2,868,153,531	823,682,974	1,275,288,635
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

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

As at 31 March 2022

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	------(Rupees)-----			
Profit for the period	1,799,356,280	2,868,153,531	823,682,974	1,275,288,635
Other comprehensive income	-	-	-	-
Remeasurement gain on staff retirement benefits	-	1,202,490	-	776,051
Total comprehensive income	1,799,356,280	2,869,356,021	823,682,974	1,276,064,686
Total Comprehensive income attributable to:				
Owners of the Holding Company	1,799,356,280	2,804,179,535	823,682,974	1,232,433,403
Non-controlling interest	-	65,176,486	-	43,631,283
	1,799,356,280	2,869,356,021	823,682,974	1,276,064,686

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months period ended 31 March 2022

Attributable to equity holders of the Holding Company

	Share capital	Capital reserves	Revenue reserves	Sub-total	Non-controlling interest	Total equity
	Issue, subscribed and paid-up capital	Share premium	Unappropriated profit			
(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)
	4,500,000,000	-	(72,601,151)	4,427,398,849	-	4,427,398,849
Total comprehensive income for the nine months period ended 31 March 2021						
Profit for the period	-	-	2,803,349,817	2,803,349,817	64,803,714	2,868,153,531
Other comprehensive income for the period	-	-	829,718	829,718	372,772	1,202,490
	-	-	2,804,179,535	2,804,179,535	65,176,486	2,869,356,021
Balance as at 31 March 2021 (unaudited)	9,940,500,000	-	3,144,363,394	13,084,863,394	105,111,023	13,189,974,417
Balance as at 30 June 2021 (audited)	9,940,500,000	-	3,247,910,090	13,188,410,090	-	13,188,410,090
Transactions with owners recorded directly in equity						
Issuance of right shares	2,000,000,000	3,400,000,000	-	5,400,000,000	-	5,400,000,000
Transaction cost incurred on the issuance of right shares	-	(57,198,695)	-	(57,198,695)	-	(57,198,695)
	2,000,000,000	3,342,801,305	-	5,342,801,305	-	5,342,801,305
Total comprehensive income for the nine months period ended 31 March 2022						
Profit for the period	-	-	1,799,356,280	1,799,356,280	-	1,799,356,280
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	1,799,356,280	1,799,356,280	-	1,799,356,280
Balance as at 31 March 2022 (unaudited)	11,940,500,000	3,342,801,305	5,047,266,370	20,330,567,675	-	20,330,567,675

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine months period ended 31 March 2022

	Note	Nine months period ended	
		31 March 2022	31 March 2021
------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	11	(468,690,654)	(2,763,912,867)
Taxes paid		(1,137,960,850)	(683,181,038)
Long term deposits paid		(8,503,691)	(200,000)
Staff gratuity paid		(112,258)	(2,485,517)
Net cash used in operating activities		(1,615,267,453)	(3,449,779,422)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(1,475,967,143)	(4,457,891,255)
Disposal of property, plant and equipment		2,228,832	6,413,868
Purchases of intangible assets		(44,618,416)	(1,059,696)
Short term investments - net		(2,869,415,006)	(5,470,092,439)
Profit received on short term investments		288,825,983	63,775,057
Net cash used in investing activities		(4,098,945,750)	(9,858,854,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(1,943,020,863)	6,566,020,004
Long term loan received		259,247,536	281,129,840
Long term loan repaid		(158,680,939)	-
Rentals paid against right-of-use assets		(74,435,973)	(36,801,644)
Lease liabilities - net		-	(1,772,468)
Loan repaid to related party - net		-	(75,490,811)
Dividend paid		-	(78,605)
Finance cost paid		(1,216,438,824)	(531,003,659)
Proceeds from issuance of right shares		5,400,000,000	4,500,000,000
Transaction cost against issuance of right shares		(57,198,695)	(12,163,324)
		-	(72,601,151)
Net cash generated from financing activities		2,209,472,242	10,617,238,182
Net decrease in cash and cash equivalents		(3,504,740,961)	(2,691,395,705)
Cash and cash equivalents at the beginning of the period		(2,369,375,196)	(181,559,891)
Cash and cash equivalents at the end of the period	11.1	(5,874,116,157)	(2,872,955,596)

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

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"). 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 16 June 1991. Shares of the Holding Company are listed in Pakistan Stock Exchange since 01 February 1994. The principal business activity of the Holding Company is manufacturing to edible oil extraction, refining, sales 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:

Address	Purpose	In Use of
Karachi		
-Unity Tower, Plot No. 8-C, Block-6, -Plot No. A-48, Eastern Industrial Zone, -Plot No. A-55 & 56, Industrial Zone, Port Qasim	Registered Office of the Holding Company Oil Refinery Feed Mill	Unity Foods Limited Unity Foods Limited Unity Foods Limited
-Plot No. D-51 & D52 Industrial Zone, Port Qasim	For Capacity Expansion	Unity Foods Limited
-Plot No. W2/1/67 & 68 Industrial Zone, Port Qasim	For Capacity Expansion	Unity Foods Limited
-4th floor, 73-C, Jami Commercial Street No. 8, DHA Phase VII.	Registered Office of the Subsidiary Company	Sunridge Foods (Private) Limited
-C6, North west zone, Port Qasim	Pesa Flour Plant	Sunridge Foods (Private) Limited
-Plot No H/14 , Phase II , Gulshan-e-Maymar, Site Area , Super Highway.	Flour Mill Plant	Sunridge Foods (Private) Limited
Kotri, District Hyderabad		
-Plot No. N-27/ B, SITE Area.	Edible Oil Extraction Plant and Pelletizing Mills	Unity Foods Limited
Hub, Balochistan		
383 and C-384 Hub Industrial Estate, Lasbella	Soap plant	Unity Foods Limited

2 BASIS OF PREPARATION AND MEASUREMENT

2.1 STATEMENT OF COMPLIANCE

2.1.1 These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These consolidated condensed interim financial statements do not include all the information as required in annual financial statements and should be read in conjunction with the annual consolidated audited financial statements of the Company as at and for the year ended 30 June 2021.

2.1.3 The comparative consolidated condensed interim statement of financial position presented in these consolidated condensed interim financial statements have been extracted from the audited annual consolidated financial statements of the Company for the year ended June 30, 2021, whereas the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended 31 March 2021.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

2.1.4 These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except as stated otherwise.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupee of rupees, unless stated otherwise.

3 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 annual audited consolidated financial statements for the year ended 30 June 2021.

3.1 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 01 July 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 consolidated financial statements.

3.2 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 01 July 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 consolidated financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim consolidated financial statements is 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.

4.2 The significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 30 June 2021.

4.3 The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended 30 June 2021.





NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

	Note	31 March 2022 (Un-audited)	30 June 2021 (Audited)
------(Rupees)-----			
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	6,480,829,446	6,318,337,712
	Capital work-in-progress (CWIP)	3,413,885,815	2,345,181,108
		9,894,715,261	8,663,518,820
5.1	Operating fixed assets		
	Written down value (WDV) - opening	6,318,337,712	3,005,956,547
	Additions during the period / year- (at cost)		
	- Lease hold land	206,002,010	745,670,130
	- Building on lease / free hold land	74,868,565	1,402,878,506
	- Plant and machinery	75,444,341	1,227,782,586
	- Furniture, fixture and office equipment	35,818,948	17,200,292
	- Computer and auxiliary equipment	8,804,971	14,890,850
	- Motor vehicles	6,323,601	95,990,682
		407,262,436	3,504,413,046
	Disposals during the period / year - (WDV)		
	- Plant and machinery	-	(5,225,419)
	- Furniture, fixture and office equipment	-	(377,910)
	- Computer and auxiliary equipment	(230,000)	-
	- Motor vehicles	(1,145,526)	(5,560,352)
		(1,375,526)	(11,163,681)
	Depreciation charged during the period/ year	(243,395,176)	(180,868,200)
	Written down value (WDV) - closing	6,480,829,446	6,318,337,712
5.2	Capital work-in-progress (CWIP)		
	Balance as of 01 July	2,345,181,108	610,192,212
	Additions during the period/ year	1,340,790,923	5,074,677,739
	Transferred / adjustments during the period/ year	(272,086,216)	(3,339,688,843)
	Closing balance	3,413,885,815	2,345,181,108
6	SHARE CAPITAL		
	Authorized share capital		
	1,200,000,000 (June 30, 2021: 1,000,000,000) ordinary shares of Rs. 10/- each	12,000,000,000	10,000,000,000
	Issued, subscribed and paid-up capital		
	1,194,050,000 (June 30, 2021: 994,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	11,940,500,000	9,940,500,000
6.1	The authorized share capital of the Holding Company has been enhanced from Rs. 10 billion to Rs. 12 billion. As a consequence, the Memorandum and Articles of Association if the Company have also been revised.		
6.2	The Board of Directors in their meeting held on 13 November 2021 approved to raise further capital by issuance of right shares at a value of Rs. 27 per share (premium of Rs. 17 per share) to its existing shareholders in the proportion of 20.13% right share for every 100 ordinary shares held. The process of rights issue was completed during the period and a total of 200,000,000 shares were issued. Through this issue, an amount of Rs. 5,400 million was raised comprising of Rs. 2,000 million and Rs. 3,400 million in respect of ordinary share capital and share premium, respectively.		

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

	Note	31 March 2022 (Un-audited)	30 June 2021 (Audited)
		------(Rupees)-----	
7	LONG TERM LOANS		
	Financing under SBP Scheme - non-shariah arrangements	157,381,096	305,281,664
	Financing under ITERF Scheme - shariah arrangement	267,068,110	65,633,319
		424,449,206	370,914,983
	Current portion shown under current liabilities	(168,410,969)	(199,367,074)
		256,038,237	171,547,909

7.1 The Holding Company has also obtained long term financing from Al Baraka Bank (Pakistan) Limited under ITERF "Islamic Temporary Economic Refinance Facility" refinance scheme by State Bank of Pakistan, the facility is secured with exclusive charge over the imported machineries under the expansion projects with 25% margin and lien over bank account under ITERF. During the period additional tranche of Rs. 88.413 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. The facility is valid upto September 2031. These are repayable in quarterly installments commencing from June 2023.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

The Holding Company

8.1.1 The increase in Gas Tariff through Notification dated October 23, 2020 was challenged by the Company whereby the Honorable High Court (HC) has granted interim relief through its order dated 30 November 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the HC till further orders. The Company has deposited security cheques of the disputed amount Rs. 9.62 million accumulated till 31 March 2022.

8.1.2 A petition has been filed by the Company against SECP & others in the High Court of Sindh seeking declaration that the impugned order dated 27 December 2019 by SECP for the appointment of inspector(s) to conduct inspection on all aspects of the Company including the books of accounts for the period from 01 July 2017 to 30 June 2019 be declared illegal with a pray to set aside the investigation against the Company. The Court passed interim order suspending the operation of the impugned order to the extent of the appointment of inspectors, with the direction that, if any of the officer is authorized by the Commission, the Company shall co-operate by providing every document that is asked for by such authorized officer. The matter is at the stage of hearing of applications. The Company, including on the basis of the opinion of the legal advisors, believe that it has a good arguable case and there is no likelihood of unfavorable outcome of this litigation.

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

8.1.4 Tax related contingencies

The Additional Commissioner Inland Revenue (ADCIR) issued notice to amend the assessment for the tax year 2018 u/s 122 (9) of the Income Tax Ordinance, 2001 herein after referred to as "the Ordinance". The proceeding initiated u/s 122(5A) of the Ordinance culminated vide order dated 03 January 2022 whereby demand of tax amounting to Rs. 33.81 million on trading of cooking oil u/s 148A was raised and expenses of Rs. 39.82 million have been declared as inadmissible resulting in a decrease in taxable loss for the tax year. In addition, refundable income tax was reduced by Rs. 4.80 million. The Company has filed an appeal against the said order before the Commissioner Inland Revenue and the Company, including on the basis of the opinion of its tax advisor, expects a favourable outcome.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

As a consequence of correspondence with the Assistant Commissioner Inland Revenue u/s 176 & 177(6), the Assistant Commissioner Inland Revenue issued a notice on 29 December 2021 to amend the assessment for the tax year 2019 u/s 122(9) of the Ordinance. The proceeding initiated u/s 177 & 122(9) of the Ordinance culminated vide order dated 13 January 2022 whereby demand of tax amounting to Rs. 79.82 million on trading of cooking oil u/s 148A was raised and expenses amounting to Rs. 36.65 million was declared as inadmissible resulting in a decrease of taxable loss for the tax year. In addition, refundable income tax was reduced by Rs. 4.34 million. The Company has filed an appeal against the said order before the Commissioner Inland Revenue and including on the basis of the view of the tax lawyer, expects a favourable outcome.

The Subsidiary Company

As of reporting date, there are no contingencies to report in these condensed interim consolidated financial statement.

8.2 Commitments

The Holding Company

- 8.2.1** Commitments under letter of credit for raw materials as at 31 March 2022 amounted to Rs. 3,579 million (30 June 2021: Rs. 6,093.50 million). Above facility is the part of the borrowing limits.
- 8.2.2** Guarantee issued at the period-end on behalf of the Company amounted to Rs. 685.577 million (30 June 2021: Rs. 290 million). Above facility is the part of the borrowing limits.
- 8.2.3** Commitments under agreement for the implementation of a new software amounted to Rs. 42 million as at 31 December 2021 (30 June 2021: Rs. 42 million).

The Subsidiary Company

As of reporting date, there are no commitments to report in these condensed interim financial statement.

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
9 NET SALES	------(Rupees)-----			
Local sales	59,816,047,967	49,485,286,395	21,118,204,992	20,026,370,996
Export sales	1,001,257,667	310,075,496	115,811,843	-
	60,817,305,634	49,795,361,891	21,234,016,835	20,026,370,996
10 EARNINGS PER SHARE	------(Number of shares)-----			
Profit for the period	1,799,356,280	2,803,349,817	823,682,974	1,231,897,928
Weighted average number of ordinary shares outstanding during the period	1,005,900,352	Restated 845,824,835	1,096,001,245	Restated 961,829,263
	------(Rupees)-----			
Basic and diluted earnings per share	1.79	Restated 3.31	0.75	Restated 1.28



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

11 CASH FLOWS FROM OPERATING ACTIVITIES	31 March 2022	31 March 2021
	----- (Rupees) -----	
Profit before taxation	2,029,424,012	3,114,828,624
Adjustments for non-cash items:		
Depreciation on operating fixed assets	243,395,176	121,357,421
Depreciation on right-of-use assets	68,666,783	49,792,942
Amortization on intangible assets	2,280,117	1,902,595
Amortization on deferred government grant	(17,094,287)	(20,511,533)
Exchange loss / (gain) - unrealized	272,401,958	(216,873,187)
Expected credit loss	144,079,251	14,043,310
Provision for staff gratuity	3,363,502	3,731,053
Gain on disposal of operating fixed assets	(853,306)	(3,160,842)
Gain on revaluation of mutual fund units - unrealized	(3,100,004)	-
Gain on disposal of right-of-use asset	(532,787)	-
Dividend income	(211,582,530)	-
Income from short term investment	(272,297,267)	(171,032,065)
Finance cost	1,240,022,276	638,180,655
	3,498,172,894	3,532,258,973
Changes in working capital		
(Increase)/ decrease in current assets:		
Stock-in-trade	(9,272,166,748)	(2,072,083,670)
Stores and spares	(64,519,120)	26,093,499
Trade debts	(4,745,312,426)	(7,884,935,250)
Advances, deposits and prepayments	(376,501,525)	(330,452,980)
Other receivables	204,343,720	34,585,555
Sales tax receivable	389,753,142	(292,248,367)
	(13,864,402,957)	(10,519,041,213)
Increase/ (decrease) in current liabilities:		
Trade and other payables	9,909,337,314	4,204,751,017
Contract liabilities	(11,797,905)	18,118,356
	9,897,539,409	4,222,869,373
Cash used in operating activities	(468,690,654)	(2,763,912,867)
11.1 Cash and cash equivalents comprise of:		
Cash and bank balances	553,043,771	367,240,641
Short term borrowings - running finance (secured)	(6,427,159,928)	(3,240,196,237)
	(5,874,116,157)	(2,872,955,596)



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31 March 2022

12 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. Remuneration of key management personnel are in accordance with the terms of their employment. Provident Fund contributions are in accordance with the services rules. All other transaction with related parties are under agreed terms.

Transactions with related parties (un-audited)

Name of related party	Nature of relationship	Nature of transaction	Nine months period ended	
			31 March 2022	31 March 2021
			------(Rupees)-----	
Unity Feeds (Private) Limited	Common directorship	Sales	81,640,763	73,027,149
		Sales proceeds	152,559,456	96,813,892
		Advance made for purchases	-	250,000,000
		Advance repaid	-	250,000,000
Unity Enterprises (Private) Limited	Common directorship	Loan Repaid	-	75,490,811
Unity Packages (Private) Limited	Common directorship	Commission paid	-	1,310,596
Provident fund	Staff retirement benefit fund	Contribution paid	27,828,688	16,248,641
Directors and executives	Key management personnel	Remuneration paid	121,985,806	33,990,000

Balances with related parties

Name of related party	Nature of relationship	Nature of balance	Balance as at	
			31 March 2022 (Un-audited)	30 June 2021 (Audited)
			------(Rupees)-----	
Unity Feeds (Private) Limited	Common directorship	Trade debtor	-	70,918,693
Provident fund	Staff retirement benefit fund	Net contribution payable	2,008,787	2,239,746

13 GENERAL

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.

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 27 April 2022.



Director



Chief Executive Officer



Chief Financial Officer

UNITY TOWER

8 C, Block-6, P.E.C.H.S, Karachi 75400, Pakistan
Phone +92-21-34373605-7
Email: info@unityfoods.pk
www.unityfoods.pk