



UNITY FOODS LIMITED
food for life!

Bringing joy to the table

Half Yearly
Report - Dec
31, 2022



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Vision

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

Mission

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

Core Values

- Our company-wide ethics comprise of integrity, excellence, innovation, teamwork, passion, ownership & safety
- We value honesty, trustworthiness and high ethical standards
- We strive for excellence in everything we do
- We value innovative efforts, ideas and methods to continually improve our business processes
- We work as one team and are passionate about delivering our corporate goals
- We pay careful consideration to the health and safety of our team members at the workplace





Company Information

Board of Directors

Lt. Gen. Omar Mahmood Hayat (Retd) Chairman-Non Executive Director
Mr. Muhammad Farrukh Chief Executive Officer
Mr. Abdul Majeed Ghaziani Non-Executive Director
Mr. Muneer S. Godil Independent Director
Ms. Lie Hong Hwa Non-Executive Director
Mr. Amir Shehzad Executive Director
Dr. Safdar Ali Butt Independent Director

Audit Committee

Mr. Muneer S. Godil Chairman
Dr. Safdar Ali Butt
Mr. Abdul Majeed Ghaziani

Human Resources & Remuneration Committee

Dr. Safdar Ali Butt Chairman
Mr. Muhammad Farrukh
Mr. Abdul Majeed Ghaziani
Mr. Muneer S. Godil

Chief Financial Officer

Mr. Jalees Edhi

Company Secretary

Mr. Umar Shahzad

Head of Internal Audit (Acting)

Mr. Imran Ahmed Khan

External Auditor

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
2-B, ATS Centre, 30-West, Block "A"
Fazal-ul-Haq Road, Blue Area, Islamabad
Phone No., 0092-051-2878530-32, 2822785
Other Offices – Karachi, Lahore, Peshawer

Bankers

Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
Soneri Bank Limited
MCB Islamic 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
Summit 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 *Digital Custodian Company Limited (DCCL)

Karachi Office
4th Floor, Pardesi House, Old Queens Road, Karachi
Phone +92 21 32419770 & 32430485
Fax +92 21 32416371
Email share.registrar@digitalcustodian.co
Website https://digitalcustodian.co

Lahore Office
508-LSE Plaza, Kashmir Egerton Road, Lahore
Phone +92 42 36304406
Email share.registrar@digitalcustodian.co
Website https://digitalcustodian.co

*Digital Custodian Company Limited (DCCL) has been appointed as the new Share Registrar / Transfer Agent (RTA) in place of F.D.Registrar Services (Private) Limited with effect from **March 15, 2023**.

Registered Office Unity Tower, 8-C, PECHS
Block-6, Karachi -75400.

Phone No. +92 21 34373605-607, 34388666, 34387666

Other Office Ground Floor, TAMC Building, Plot No. 27-C-3,
M.M. Alam Road, Gulberg-III, Lahore

Phone No. +92 42-35772837
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 0023133
National Tax Number 0698412-6
Contact Person Mr. Umar Shahzad (Company Secretary)

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

DIRECTORS' REVIEW REPORT

On behalf of the Board of Directors of Unity Foods Limited (Unity Foods or the Company), we are pleased to present the Directors' Review Report for the half year ended December 31, 2022.

MACROECONOMIC CHALLENGES

The first half of FY 2023 was marked by significant macroeconomic challenges, including delays in the Extended Fund Facility from the International Monetary Fund (IMF), which has hindered economic activity in the country. Inflation reached historic highs during the period, with the Pakistani rupee depreciating to its lowest ever at 226 to a USD at the close of the reporting period. The Central Bank of Pakistan raised the discount rate to counter high inflation, which raised the cost of borrowing and adversely impacted the profitability of companies. Post-December 2022, the discount rate has been increased twice and today it stands at 20%. The decline in remittances, depressed but continued imports, and declining exports also led to a decline in foreign exchange reserves. To control reserves and prevent potential sovereign default, the State Bank discouraged imports, which further hampered economic activity due to shortage of imported raw material and plant and machinery. The economic stalemate fueled by poor political outlook discouraged new investment in the country.

FINANCIAL PERFORMANCE

Net Consolidated Turnover for the period under review was PKR 47,211 million, a 19.3% increase compared to the same period last year, driven by improved consumer pack conversion compared to the same period last year. For the October December quarter, the Company's consolidated net sales crossed PKR 25 billion mark. This was the highest net sales for a single quarter in Company's history. The Company remains an apex supplier to multiple companies across Pakistan and preserves its contributions to Pakistan's food value chain.

After significant price drops during the 1Q FY 23, international prices of palm oil in 2Q FY 23 saw a period of stable prices in the range of USD 900-USD 1000 CNF Karachi. The local market also followed suit with price stability improving confidence across the business. Gross Profits stood at PKR 3,912 million, and gross margins were 8.3%, showing improvement quarter on quarter. Despite the price drops, the Company actively planned its supply network divisions and maintained its core operational profitability.

During the period, the Company's foreign exchange losses on its international supplier credit line stood at PKR 1,954 million, owing to the depreciation of the Pakistani rupee against the US dollar for the period under review. The Company incurred a net loss of PKR 446 million during HY FY 2023, reversing the negative impact of 1Q FY 23. Finance Costs for the period were PKR 1,195 million owing to rising interest rates. With the depreciation of pak rupee against USD, the overall business funding requirement is expected to increase in the short-medium term.

Overall, Unity Foods faced significant challenges during the first half of FY 2023 due to macroeconomic factors. Despite these challenges, the Company was able to improve its operating performance. It is imperative to note that the Company's core business remains stable and profitable., thanks to active planning and supply network divisions. The Company remains committed to improve its performance in the upcoming quarters and is confident in its ability to continue to navigate challenging economic conditions.

KEY OPERATING AND FINANCIAL HIGHLIGHTS (CONSOLIDATED)

PKR MN, except per share data	6 months ended December 2022	6 months ended December 2021	3 months ended December 2022	3 months ended December 2021
Net Sales	47,211	39,583	25,673	21,342
Gross Profits	3,912	3,780	2,989	2,359
Profit before Interest & Tax	744	1,977	2,631	1,538
Net (loss) / Profit	(446)	976	1,726	1,010
EPS/ (LPS)	(0.37)	1.01	1.45	1.05
Total Assets	74,954	53,510	74,954	53,510
Total Equity	20,265	17,162	20,265	17,162

Ratio Analysis	6 months ended December 2022	6 months ended December 2021	3 months ended December 2022	3 months ended December 2021
Gross Margins	8.29%	9.55%	11.64%	11.05%
EBIT Margins	1.57%	4.99%	10.25%	7.20%
Net Margins	-0.95%	2.46%	6.72%	4.73%
Asset Turnover	0.68	0.81	0.68	0.81
Current Ratio	1.10	1.22	1.10	1.22

SUNRIDGE FOODS (PVT) LIMITED

During the first half of the fiscal year, Sunridge Foods (Pvt.) Ltd. (Sunridge Foods or the company), a wholly owned subsidiary of Unity Foods Limited, demonstrated significant improvement in its performance. Net sales rose to over PKR 4.6 billion compared to the same period last year when turnover was PKR 2.9 billion, representing a 59% increase year-on-year. Gross margins increased 2.26 times compared to the same period last year, reaching 17%. After-tax profit stood at PKR 177 million, compared to a loss of PKR 111 million during the corresponding period last year.

The company's overall improvement in the staples category can be attributed to its ability to understand precise customer requirements and consistently deliver on them. Sunridge Foods has improved its supply in the central region of Pakistan through the acquisition of a facility in Punjab. The diversified product portfolio has also supported unit economics and reduced costs of delivery. High-capacity utilization indicates strong demand for the brand across Pakistan, positioning Sunridge Foods as the premier supplier of staples in the country.

UNI-FOOD INDUSTRIES LIMITED

During 3Q FY 2023, Sunridge Foods completed the acquisition of Uni-Food Industries, a move that will strengthen its product portfolio through integration opportunities. The acquisition allow Sunridge Foods to venture into value-added goods, including cupcakes and assorted confectionery products in the near term. The intelligent production line and imported plant and machinery are in line with Sunridge Foods' standards of facility infrastructure and demonstrate its commitment to quality and hygiene. Sunridge Foods is expected to leverage its existing customer network of diversified products to boost sales and capture downstream margins.

OUTLOOK

The challenging macroeconomic situation and unclear political environment, coupled with rising inflation and deteriorating real wages, has disrupted improvements in the standard of living for the majority of Pakistanis. We expect this challenging business environment to continue at least in the short term. Despite market corrections, the rupee remains weak against the dollar, and an import-dependent economy is bound to trigger further inflation spirals, adding to the plight of natural disasters that have occurred in recent months. The country may also face a tough harvest across certain commodities, requiring market intervention and further support in prices and reforms.

Management's efforts over the past five years have made Unity Foods Limited a consistent supplier to the market and strengthened the Company's capability to post profits. The installation of state-of-the-art infrastructure, combined with brands embedded within the food value chain of Pakistan, will pave the way for sustained profitability in the long run.

ACKNOWLEDGEMENTS

Alhamdulillah, we are humbled and grateful to our various stakeholders including the shareholders, bankers and others for the faith reposed in the Company that has helped the remarkable growth over last five years, with Company expanding its business beyond edible oil and flour into other commodities. We thank them for their relentless support, as without their backing it was not possible to achieve these successes in such a short span of time. We look forward to this unwavering support and confidence from these stakeholders to help the Company grow further and expand its product portfolio.

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

For and on behalf of the Board,



Muhammad Farrukh
Chief Executive

Karachi
March 27, 2023



Abdul Majeed Ghaziani
Director

مالی سال 2023 کی تیسری سہ ماہی کے دوران، سنرج فوڈز نے یونی فوڈ انڈسٹریز لمیٹڈ کا حصول مکمل کیا، یہ ایک ایسا اقدام ہے جو انضمام کے مواقع کے ذریعے اس کی مصنوعات کے پورٹ فولیو کو مضبوط کرتا ہے۔ اس کمپنی کے حصول سے سنرج فوڈز کی اعلیٰ قدر کی اشیاء، بشمول کپ کیکیٹس اور مختلف کنفییکشنری مصنوعات کی قریبی مدت میں کاروبار کرنے کا موقع ملے گا۔ معیاری پیداواری سہولت اور درآمد شدہ پلانٹ اور مشینری سنرج فوڈز کے بنیادی ڈھانچے کے معیار کے مطابق ہیں اور معیار اور حفظان صحت کی اہمیت کو اجاگر کرتے ہیں۔ سنرج فوڈز کو توقع ہے کہ وہ فروخت کو بڑھائے گا اور صارفین کی سطح پر منافع کے حصول کے لیے اپنی متنوع مصنوعات کے اپنے موجودہ کسٹمر نیٹ ورک سے فائدہ اٹھائے گا۔

نقطہ نظر

منفی اور سخت میکرو اکنامک صورتحال اور غیر واضح سیاسی ماحول کے ساتھ ساتھ بڑھتی ہوئی مہنگائی اور حقیقی اجرتوں میں کمی نے پاکستانیوں کی اکثریت کے معیار زندگی میں بہتری کو متاثر کیا ہے۔ ہم سمجھتے ہیں کہ یہ مشکل کاروباری ماحول کم از کم مختصر مدت میں جاری رہے گا۔ مارکیٹ میں اصلاحات کے باوجود، روپیہ ڈالر کے مقابلے میں بے حد کمزور ہے، اور درآمدات پر منحصر معیشت کے لئے مہنگائی کو مزید تیز کرنے کے علاوہ کوئی چارہ نہیں، جس میں حالیہ مہینوں میں قدرتی آفات کی وجہ سے مزید اضافہ ہوا ہے۔ ملک کو بعض اجناس کی فصل میں کمی کا سامنا بھی کرنا پڑ سکتا ہے، جس کے لیے مارکیٹ کی مداخلت اور قیمتوں اور اصلاحات میں مزید مدد کی ضرورت ہے۔

پچھلے پانچ سالوں میں انتظامیہ کی کوششوں نے یونی فوڈز لمیٹڈ کو مارکیٹ میں ایک مستقل سپلائر اور منافع حاصل کرنے کے قابل بنایا ہے۔ پاکستان کی فوڈ ویلیو چین میں برانڈز کی شمولیت کے ساتھ مل کر جدید ترین بنیادی ڈھانچے کی تنصیب طویل مدت میں پائیدار منافع کی راہ ہموار کرے گی۔

اعترافات

الحمد للہ، ہم اپنے مختلف اسٹیک ہولڈرز بشمول شیئرز، ہولڈرز، بینکرز اور کمپنی پر بھروسہ کرنے والے دیگر افراد کے شکر گزار ہیں جنہوں نے گزشتہ پانچ سالوں میں کمپنی کے کاروبار کو خورونی تیل، اور آٹے سے آگے بڑھاتے ہوئے دیگر اجناس تک پھیلا یا ترقی میں مدد کی۔ ہم ان کے انتھک تعاون کے لیے ان کا شکریہ ادا کرتے ہیں کیونکہ اس حمایت کے بغیر اتنے کم وقت میں یہ کامیابیاں حاصل کرنا ممکن نہیں تھا۔ ہم ان اسٹیک ہولڈرز کی جانب سے اس غیر متزلزل حمایت اور اعتماد کی آگے بھی امید رکھتے ہیں تاکہ کمپنی کو مزید بڑھنے اور اس کے مصنوعات کے پورٹ فولیو کو وسعت دینے میں مدد ملے۔

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

ہم اپنے پر عزم انسانی وسائل کی ان کوششوں اور محنت کو تسلیم کرتے ہیں جو انہوں نے شاندار نتائج حاصل کرنے کے لئے کی گئی غیر معمولی کوششوں کے لئے کیں۔ ہم اپنے ملازمین سے آگے بڑھتے ہوئے اعلیٰ اہداف کے حصول کے لیے مسلسل کوششوں کی توقع کرتے ہیں۔

بورڈ کی جانب سے،



عبدالمجید غازیانی
ڈائریکٹر



محمد فرخ
چیف ایگزیکٹو

کراچی: 27 مارچ 2023

کلیدی آپریٹنگ اور مالیاتی جھلکیاں (مجموعی)

دسمبر 2022 کو ختم ہونے والے 6 ماہ	دسمبر 2021 کو ختم ہونے والے 6 ماہ	دسمبر 2022 کو ختم ہونے والے 3 ماہ	دسمبر 2021 کو ختم ہونے والے 3 ماہ	ملین پاکستانی روپے (علاوہ فی شیئر ڈیٹا)
47,211	39,583	21,342	25,673	خالص فروخت
3,912	3,780	2,359	2,989	مجموعی منافع
744	1,977	1,538	2,631	سود اور ٹیکس سے قبل منافع
(446)	976	1,010	1,726	خالص (نقصان)/منافع
(0.37)	1.01	1.05	1.45	ای پی ایس / (ایل پی ایس)
74,954	53,510	53,510	74,954	مجموعی اثاثے
20,265	17,162	17,162	20,265	کل ایکویٹی

دسمبر 2022 کو ختم ہونے والے 6 ماہ	دسمبر 2021 کو ختم ہونے والے 6 ماہ	دسمبر 2022 کو ختم ہونے والے 3 ماہ	دسمبر 2021 کو ختم ہونے والے 3 ماہ	تناسب کا تجزیہ
8.29%	9.55%	11.05%	11.64%	گراس مارجن
1.57%	4.99%	7.20%	10.25%	EBIT مارجن
-0.95%	2.46%	4.73%	6.72%	نیٹ مارجن
0.68	0.81	0.81	0.68	اثاثوں کا ٹرن اوور
1.10	1.22	1.22	1.10	مختصر مدتی تناسب

سبزین فوڈز (پرائیویٹ) لمیٹڈ

مالی سال کی پہلی ششماہی کے دوران، سبزین فوڈز (پرائیویٹ) لمیٹڈ (سبزین فوڈز یا کمپنی)، جو کہ یونٹی فوڈز لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے، نے اپنی کارکردگی میں نمایاں بہتری کا مظاہرہ کیا۔ گزشتہ سال کی اسی مدت کے مقابلے میں خالص فروخت بڑھ کر 4.6 بلین روپے ہو گئی جب کاروبار 2.9 بلین روپے تھا، جو سال بہ سال 59% اضافے کی نمائندگی کرتا ہے۔ مجموعی مارجن پچھلے سال کی اسی مدت کے مقابلے میں 2.26 گنا بڑھ کر 17% تک پہنچ گیا۔ بعد از ٹیکس منافع 177 ملین روپے رہا، جو پچھلے سال کی اسی مدت کے دوران 111 ملین روپے کا نقصان تھا۔

بنیادی غذا کے زمرے میں کمپنی کی مجموعی بہتری کو صارفین کی اصل ضروریات کو سمجھنے اور انہیں مسلسل پورا کرنے کی صلاحیت سے منسوب کیا جاسکتا ہے۔ سبزین فوڈز نے پنجاب میں ایک سہولت کے حصول کے ذریعے پاکستان کے وسطی علاقے میں اپنی سپلائی کو بہتر بنایا ہے۔ متنوع مصنوعات نے یونٹ اکٹا کس اور ڈیلپوری کے اخراجات کو کم کرنے میں بھی مدد کی ہے۔ پیداواری صلاحیت کا استعمال پورے پاکستان میں برانڈ کی مضبوط مانگ کی نشاندہی کرتا ہے، اور اسے سبزین کو ملک میں بنیادی غذا کے ایک اہم سپلائر کے طور پر پہچان دی ہے۔

ڈائریکٹرز کی جائزہ رپورٹ

یونٹی فوڈز لمیٹڈ (یونٹی فوڈز یا کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 دسمبر 2022 کو ختم ہونے والے ششماہی کے لیے ڈائریکٹرز کی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

میکرو اکنامک چیلنجز

مالی سال 2023 کی پہلی ششماہی اہم میکرو اکنامک چیلنجز کی زد میں رہی جن میں بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کی جانب سے توسیعی فنڈ سہولت میں تاخیر بھی شامل ہے، جس نے ملک میں اقتصادی سرگرمیوں میں رکاوٹ ڈالی ہے۔ اس عرصے کے دوران افراط زر کی شرح تاریخ کی بلند ترین سطح پر پہنچ گئی، رپورٹنگ کی مدت کے اختتام پر پاکستانی روپیہ گرا اپنی کم ترین سطح، فی امریکی ڈالر 226 روپے پر آ گیا۔ پاکستان کے مرکزی بینک نے بلند افراط زر کا مقابلہ کرنے کے لیے شرح سود میں اضافہ کیا، جس سے قرضے کی لاگت میں اضافہ ہوا اور کمپنیوں کے منافع پر منفی اثر پڑا۔ دسمبر 2022 کے بعد، شرح سود میں دوبارہ اضافہ کیا گیا ہے اور آج یہ 20% ہے۔ ترسیلات زر میں کمی، کم ہوتی ہوئی لیکن مسلسل درآمدات، اور گرتی ہوئی برآمدات بھی زرمبادلہ کے ذخائر میں کمی کا باعث بنیں۔ ذخائر کو کنٹرول کرنے اور مملکت ریاستی ڈیفالٹ کو روکنے کے لیے اسٹیٹ بینک نے درآمدات کی حوصلہ شکنی کی جس نے درآمدی خام مال اور پلانٹ اور مشینری کی کمی کی وجہ سے معاشی سرگرمیوں کو مزید متاثر کیا۔ خراب سیاسی صورت حال کی وجہ سے پیدا ہونے والے معاشی تعطل نے ملک میں نئی سرمایہ کاری کی حوصلہ شکنی کی۔

مالیاتی کارکردگی

زیر جائزہ مدت کے لیے خالص مجموعی فروخت 47,211 ملین روپے تھی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 19.3 فیصد اضافہ ہے، اور یہ بہتر صارف پیک کی تبدیلی کی وجہ سے ہوئی۔ اکتوبر دسمبر کی سہ ماہی کے لیے، کمپنی کی مجموعی خالص فروخت 25 بلین روپے سے زائد رہی۔ یہ کمپنی کی تاریخ میں کسی ایک سہ ماہی کے لیے سب سے زیادہ خالص فروخت تھی۔ کمپنی پاکستان بھر میں متعدد کمپنیوں کی سب سے اعلیٰ فراہم کنندہ بنی ہوئی ہے اور پاکستان کی فوڈ ویلیو چین میں اپنے حصے کو محفوظ رکھے ہوئے ہے۔

مالی سال 2023 کی پہلی سہ ماہی کے دوران قیمتوں میں نمایاں کمی کے بعد، اس سال کی دوسری سہ ماہی میں پام آئل کی بین الاقوامی قیمتوں نے امریکی ڈالر 900- امریکی ڈالر 1,000 CNF کراچی کی حد میں مستحکم رہیں۔ مقامی مارکیٹ نے بھی قیمتوں میں استحکام کے ساتھ کاروبار میں اعتماد کو بہتر بنایا۔ مجموعی منافع 3,912 ملین پاکستانی روپے تھا، اور مجموعی مارجن 8.3% تھے، جو کہ گذشتہ سہ ماہی کے مقابلے میں بہتر ہے۔ قیمتوں میں کمی کے باوجود، کمپنی نے اپنے سپلائی نیٹ ورک ڈویژنوں کی فعال طور پر منصوبہ بندی کی اور اپنے بنیادی آپریشنل منافع کو برقرار رکھا۔

اس عرصے کے دوران، امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں کمی کی وجہ سے کمپنی کے بین الاقوامی سپلائی کرڈٹ لائن پر 1,954 ملین روپے زرمبادلہ کے نقصانات ہوئے۔ مالی سال 2023 کے پہلے چھ ماہ کے دوران کمپنی کو 446 ملین روپے کا خالص نقصان ہوا، جس نے مالی سال 2023 کی پہلی سہ ماہی کے منفی اثرات کو تبدیل کیا۔ اس مدت کے لیے مالیاتی لاگت 1,195 ملین روپے تھی جس کی وجہ سود کی بڑھتی ہوئی شرح ہے۔ امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے قلیل درمیانی مدت میں مجموعی کاروباری فنڈنگ کی ضرورت میں اضافہ متوقع ہے۔

مجموعی طور پر، یونٹی فوڈز کو مالی سال 2023 کی پہلی ششماہی کے دوران میکرو اکنامک عوامل کی وجہ سے اہم چیلنجز کا سامنا کرنا پڑا۔ ان چیلنجز کے باوجود، کمپنی اپنی آپریشنل کارکردگی کو بہتر بنانے میں کامیاب رہی۔ یہ نوٹ کرنا ضروری ہے کہ، فعال منصوبہ بندی اور سپلائی نیٹ ورک ڈویژن کی بدولت کمپنی کا بنیادی کاروبار مستحکم اور منافع بخش رہے۔ کمپنی آئندہ سہ ماہیوں میں اپنی کارکردگی کو بہتر بنانے کے لیے پرعزم ہے اور اسے چیلنجنگ معاشی حالات کا سامنا کرنے کی اپنی صلاحیت پر اعتماد ہے۔

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Unity Foods Limited
Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Unity Foods Limited as at December 31, 2022 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "Condensed Interim Unconsolidated Financial Statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The condensed interim unconsolidated financial statements of the Unity Foods Limited for six months period ended December 31, 2021 was reviewed by another firm of Chartered Accountants who had expressed an unqualified conclusion thereon vide their reports dated March 01, 2022.

The figures for the three months period ended December 31, 2022 and 2021 in the condensed interim unconsolidated financial statements have not been reviewed and we do not express a conclusion on them. The engagement partner on the review resulting in this independent auditor's review report is **Shah Naveed Saeed**.


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Islamabad

Dated: March 29, 2023

UDIN: CR2022105966JK4Wq1w

Condensed Interim Unconsolidated Statement of Financial Position

As at December 31, 2022

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000')	
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,336,332	8,477,955
Right-of-use assets		50,394	71,849
Intangible assets	6	49,840	75,333
Long term deposits		37,002	32,963
Long-term loans	7	3,690,500	23,395
Deferred taxation - net	8	316,049	79,030
Long-term investment in a subsidiary company	9	2,827,641	827,641
		16,307,758	9,588,166
Current assets			
Stock-in-trade	10	19,237,949	11,222,630
Stores and spares		59,672	40,716
Trade debts	11	25,563,384	21,946,839
Advances, deposits and prepayments	12	2,183,086	285,234
Other receivables	13	789,341	89,806
Sales tax receivable		-	262,555
Current portion of long-term loan	7	3,432	19,116
Taxation - net of provision		4,882,935	4,222,764
Short term investments	14	3,327,683	10,224,837
Cash and bank balances	15	243,981	718,318
		56,291,463	49,032,815
TOTAL ASSETS		72,599,221	58,620,981
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Share Capital 1,200,000,000 (June 30, 2022: 1,200,000,000) ordinary shares of Rs. 10/- each		12,000,000	12,000,000
Share capital		11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		5,192,735	5,816,048
		20,533,235	21,156,548
Non-current liabilities			
Long term financing	16	527,856	248,932
Diminishing musharika arrangement		1,866	1,965
Lease liabilities	17	4,986	36,246
Deferred government grants	18	220,015	55,769
		754,723	342,912
Current liabilities			
Current portion of long term financing	16	56,447	118,488
Current portion of diminishing musharika arrangement		231	241
Current portion of lease liabilities	17	56,780	48,527
Current portion of deferred government grant	18	48,936	13,510
Trade and other payables	19	29,691,733	20,686,951
Contract liabilities		36,385	18,289
Accrued mark-up		420,843	332,703
Short term borrowings	20	20,999,383	15,902,167
Unclaimed dividend		525	645
		51,311,263	37,121,521
TOTAL EQUITY AND LIABILITIES		72,599,221	58,620,981
Contingencies and commitments	21		

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Director


Chief Executive


Chief Financial Officer

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

For the six months period ended December 31, 2022

		Six months period ended		Three months period ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note		(Rupees in '000')			
Net sales	22	42,805,700	36,760,600	23,283,545	20,174,098
Cost of sales		(39,677,220)	(33,221,324)	(20,737,968)	(17,859,775)
Gross profit		3,128,480	3,539,276	2,545,577	2,314,323
Selling and distribution expenses		(645,624)	(387,005)	(287,619)	(223,234)
Administrative expenses		(396,527)	(289,745)	(215,596)	(172,256)
Exchange gain / (loss)		(1,954,343)	(1,097,462)	274,712	(413,656)
Other expenses		-	(93,870)	-	(89,838)
		(2,996,494)	(1,868,082)	(228,503)	(898,984)
Other income		285,789	325,076	111,743	172,208
		417,775	1,996,270	2,428,817	1,587,547
Finance cost		(1,122,779)	(734,428)	(616,016)	(376,822)
(Loss) / profit before taxation		(705,004)	1,261,842	1,812,801	1,210,725
Taxation					
Current		(155,328)	(84,173)	(101,126)	(46,679)
Deferred		237,019	(91,086)	(92,884)	(48,800)
		81,691	(175,259)	(194,010)	(95,479)
(Loss) / profit for the period		(623,313)	1,086,583	1,618,791	1,115,246
(Loss) / earnings per share - basic and diluted (Rupees)	23	(0.52)	Restated 1.13	1.36	Restated 1.16

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Director


Chief Executive


Chief Financial Officer

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the six months period ended December 31, 2022

	Six months period ended		Three months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note	(Rupees in '000')			
(Loss) / profit for the period	(623,313)	1,086,583	1,618,791	1,115,246
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	(623,313)	1,086,583	1,618,791	1,115,246

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes In Equity (Un-audited)

For the six months period ended December 31, 2022

Share capital	Reserves		Advance against ordinary shares	Total	
	Capital	Revenue			
	Share premium	Unappropriated profit			
(Rupees in '000')					
Balance as at June 30, 2021 (audited)	9,940,500	-	3,438,779	-	13,379,279
Transactions with owners recorded directly in equity					
Advance against future issuance of right shares	-	-	-	3,021,873	3,021,873
Transaction cost incurred on issuance of right shares	-	-	(24,292)	-	(24,292)
	-	-	(24,292)	3,021,873	(2,997,581)
Total comprehensive income for the six months period ended December 31, 2021					
Profit for the six months period	-	-	1,086,583	-	1,086,583
Other comprehensive income for the six months period	-	-	-	-	-
	-	-	1,086,583	-	1,086,583
Balance as at December 31, 2021 (unaudited)	9,940,500	-	4,501,070	3,021,873	17,463,440
Balance as at June 30, 2022 (audited)	11,940,500	3,400,000	5,816,048	-	21,156,548
Total comprehensive income for the six months period ended December 31, 2022					
Loss for the six months period	-	-	(623,313)	-	(623,313)
Other comprehensive income for the six months period	-	-	-	-	-
	-	-	(623,313)	-	(623,313)
Balance as at December 31, 2022 (unaudited)	11,940,500	3,400,000	5,192,735	-	20,533,235

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the six months period ended December 31, 2022

	Note	Six months period ended	
		December 31, 2022	December 31, 2021
(Rupees in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operating activities	24	(4,585,581)	3,136,240
Taxes paid		(815,499)	(749,439)
Long term deposits paid		(4,039)	(5,611)
Net cash flows from operating activities		(5,405,119)	2,381,190
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(1,032,582)	(369,289)
Investment in subsidiary		(2,000,000)	-
Disposal of property, plant and equipment		3,035	529
Purchases of intangible asset - net		(24,639)	(27,352)
Short term investments - net		6,999,669	(1,516,472)
Profit received on short term investments		167,277	189,731
Net cash flows from investing activities		4,112,760	(1,722,853)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		6,908,505	(3,644,906)
Long term financing - net		430,102	(9,826)
Long term loan given		(3,651,421)	-
Rentals paid against right-of-use assets and diminishing musharika		(23,116)	(54,964)
Dividend paid		(120)	-
Finance cost paid		(1,034,639)	(682,934)
Advance received against future issue of right shares		-	3,021,873
Transaction cost against issuance of right shares / future issue of right shares		-	(24,292)
Net cash flows from financing activities		2,629,311	(1,395,049)
Net increase / (decrease) in cash and cash equivalents		1,336,952	(736,712)
Cash and cash equivalents at beginning of the period		(4,197,137)	(938,797)
Cash and cash equivalents at end of the period	24.1	(2,860,185)	(1,675,509)

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months period ended December 31, 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 has been changed from yarn manufacturing to 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 Pelletizing 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;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues 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 financial statements are unaudited. However a limited scope review of these condensed interim unconsolidated financial statements have been carried out by the auditors, as required under section 237 of Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange Limited.

2.1.3 These condensed interim unconsolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year-end June 30, 2022.

2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared;

- under the historical cost convention except otherwise stated.
- following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These condensed interim unconsolidated financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All amounts have been rounded to the nearest thousand Rupees, unless stated otherwise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the audited unconsolidated financial statements for the year ended June 30, 2022.

3.2 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2022. However, these do not have any significant impact on Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The significant estimates and judgements made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended June 30, 2022.

4.2 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2022.

5	PROPERTY, PLANT AND EQUIPMENT	Note	December 31,	June 30,
			2022	2022
			(Un-audited)	(Audited)
(Rupees in '000')				
	Operating fixed assets	5.1	6,330,482	6,439,106
	Capital work-in-progress (CWIP)	5.2	3,005,850	2,038,848
			<u>9,336,332</u>	<u>8,477,954</u>

5.1	Operating fixed assets - details of addition and disposals during the period	Note	Six months period ended	
			December 31,	December 31,
			2022	2021
(Rupees in '000')				
Additions during the period - (at cost)				
	Building		-	70,273
	Plant and machinery		15,319	29,598
	Furniture, fixture and office equipment		14,498	10,313
	Computer and auxiliary equipment		5,776	7,600
	Motor vehicles		29,987	5,084
			<u>65,580</u>	<u>122,868</u>
Disposals during the period - (WDV)				
	Computer and auxiliary equipment		-	(230)
	Motor vehicles		(871)	(272)
			<u>(871)</u>	<u>(502)</u>
	Depreciation charged for the period		<u>(173,334)</u>	<u>(142,839)</u>

		December 31,	June 30,
		2022	2022
	Note	(Un-audited)	(Audited)
(Rupees in '000')			
5.2 Capital work-in-progress (CWIP)			
Land - leasehold		569,855	320,920
Building on lease / free hold land		632,795	423,228
Plant and machinery		1,772,779	1,249,650
Furniture, fixtures and office equipment		28,548	14,335
Vehicles		1,873	30,716
		<u>3,005,850</u>	<u>2,038,848</u>
5.2.1 Movement in capital work-in-progress is as follows:			
Balance at beginning of the period / year		2,038,848	2,054,575
Additions during the period / year		993,315	871,643
Transferred / adjustments during the period / year		(26,313)	(887,370)
Balance at end of the period / year		<u>3,005,850</u>	<u>2,038,848</u>

6 INTANGIBLE ASSETS

Computer software and ERP system	6.1	49,709	6,301
Systems under development		131	69,032
Written down value (WDV) - closing		<u>49,840</u>	<u>75,333</u>
6.1	During the period the Company has implemented and has gone live with SAP S4 HANA on cloud and represents the total cost of implementation excluding the cost appropriated to the Subsidiary Company.		

		December 31,	June 30,
		2022	2022
	Note	(Un-audited)	(Audited)
(Rupees in '000')			
7 LONG-TERM LOANS			
Loan to employees and executives		26,858	42,511
Less: Current portion shown under current assets		(3,432)	(19,116)
Balance at end of the period / year		<u>23,426</u>	<u>23,395</u>
Long term loan to the Subsidiary Company	7.1	3,667,074	-
		<u>3,690,500</u>	<u>23,395</u>
7.1	Through an agreement dated December 6, 2022, the Company has agreed to make an investment in the form of long term loan of Rs. 5 billion for its subsidiary Company, Sunridge Foods (Pvt) Limited to be made available from Dec 6, 2022 to February, 12, 2023 which will be repayable in six half yearly equal installments after 2 years grace period. The markup shall be charged on outstanding loan amount at the floating rate of 3M KIBOR plus 1.03% p.a. or average borrowing cost of the Company whichever is higher. During the period the Company has disbursed the loan amounting to Rs. 3.667 billion by way of loan against such facility.		
7.2	The above loan has been made in accordance with the requirements of Companies Act, 2017.		

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note		
		(Rupees in '000')	
8 DEFERRED TAXATION - NET			
Deferred tax asset in respect of:			
Allowance for impairment of financial assets		11,599	11,599
Unrealized loss on short term investment		-	13,213
Lease liabilities		17,912	24,584
Minimum tax		61,013	-
Unrealized exchange loss		536,316	308,151
Deferred tax liability in respect of:			
Accelerated tax depreciation		(294,865)	(257,679)
Accelerated tax amortization		591	(2)
Right of use assets		(14,614)	(20,836)
Unrealized gain on short term investment		(1,902)	-
Deferred tax asset		316,049	79,030
9 LONG-TERM INVESTMENT			
Investment in subsidiary (unquoted) - at cost			
Sunridge Foods (Private) Limited	9.1	2,827,641	827,641

9.1 During the period, the Company subscribed 44,444,444 right shares at Rs. 45/- per share (including premium of Rs. 35/- per share) amounting to Rs. 2,000 million issued by the Subsidiary Company. The shares were allotted after the reporting period.

9.2 The above investments have been made in accordance with the requirements of Companies Act, 2017.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note		
		(Rupees in '000')	
10 STOCK-IN-TRADE			
Raw and packing materials			
In hand		3,006,204	7,208,214
In transit		15,092,741	2,235,575
		18,098,945	9,443,789
Finished goods		1,139,004	1,778,841
		19,237,949	11,222,630

		December 31,	June 30,
		2022	2022
	Note	(Un-audited)	(Audited)
11	TRADE DEBTS	(Rupees in '000')	
	Unsecured		
	Balance at beginning of the period / year	25,603,379	21,986,834
	Allowance for impairment - expected credit loss	(39,995)	(39,995)
	Balance at end of the period / year - net (considered good)	<u>25,563,384</u>	<u>21,946,839</u>
11.1	Details of related parties from whom trade debts are due are as under:		
	Sunridge Foods (Private) Limited - subsidiary	<u>16,377</u>	<u>29,886</u>
12	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Advances - considered good		
	To suppliers	250,311	267,474
	Margin against letter of credit	1,908,787	-
	Security deposits	10,906	3,153
	Prepayments	13,082	14,607
		<u>2,183,086</u>	<u>285,234</u>
12.1	This represents 100% cash margin against letter of credits opened for import of stock-in-trade.		
13	OTHER RECEIVABLES		
	This includes Rs. 733.60 million (June 30, 2022: Nil) paid on behalf of the Subsidiary Company against acquisition of plant and machinery.		
		December 31,	June 30,
		2022	2022
		(Un-audited)	(Audited)
		(Rupees in '000')	
14	SHORT TERM INVESTMENTS		
	At fair value through profit or loss		
	Mutual funds	830,124	4,574,891
	At amortized cost		
	Term deposit receipts	2,497,559	5,649,946
		<u>3,327,683</u>	<u>10,224,837</u>
14.1	This represents investments in the units of HBL Cash Fund. These are pledged against the Company's borrowing and guarantee on behalf of the Company.		
14.2	These carry profit at 6.5% to 15.5% (June 30, 2022: 6.5% to 14.47%) having maturity between six to twelve months.		
15	CASH AND BANK BALANCES		
	Bank balances - conventional banking		
	Saving account - conventional bank	19,953	2,732
	Current account - conventional bank	174,739	18,817
		<u>194,692</u>	<u>21,549</u>
	Bank balances - Islamic banking		
	Saving account - Islamic Bank	2,468	196,093
	Current account - Islamic bank	41,970	497,473
		<u>44,438</u>	<u>693,566</u>
	Cash in hand	4,851	3,203
		<u>243,981</u>	<u>718,318</u>
15.1	Profit on saving accounts ranges from 6% to 9.25% against Islamic and from 12.25% to 14.50% against conventional (June 30 2022: from 2.76% to 9.11% against Islamic and 5.5% to 12.25% against conventional) per annum.		

		December 31,	June 30,
		2022	2022
	Note	(Un-audited)	(Audited)
(Rupees in '000')			
16 LONG TERM FINANCING			
Financing under SBP Scheme - non-shariah arrangements		-	97,562
Financing under ITERF Scheme - shariah arrangement	16.1	584,303	269,858
		584,303	367,420
Less: Current portion shown under current liabilities		(56,447)	(118,488)
Balance at end of the period / year		527,856	248,932

16.1 The Company has also obtained long term financing from Al baraka Bank (Pakistan) Limited and Dubai Islamic Bank 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. 510.233 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% to 18.15% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. The differential mark-up has been recognized as government grant which is being amortized to other income over the period of the facility. The facility is valid up to September 2031. These are repayable in quarterly installments of Rs. 11.99 million commencing from June 2023.

		December 31,	June 30,
		2022	2022
	Note	(Un-audited)	(Audited)
(Rupees in '000')			
17 LEASE LIABILITIES			
Present value of future minimum lease payments		61,766	84,773
Less: current portion shown under current liabilities		(56,780)	(48,527)
Balance at end of the period / year		4,986	36,246
18 DEFERRED GOVERNMENT GRANT			
As at 01 July		69,279	26,928
Recognized during the period / years		213,192	63,467
Amortized during the period / year	18.1	(13,520)	(21,116)
As at 31 December 2022 / 30 June 2022		268,951	69,279
Less: current portion shown under current liabilities		(48,936)	(13,510)
Balance at end of the period / year		220,015	55,769

18.1 This represents grant recognized on additional tranche received against ITERF facility (refer note 16.1).

		December 31,	June 30,
		2022	2022
	Note	(Un-audited)	(Audited)
(Rupees in '000')			
19 TRADE AND OTHER PAYABLES			
Trade creditors	19.1	28,227,743	18,625,818
Accrued liabilities		1,199,105	1,826,366
Sales tax payable		27,615	-
Withholding sales tax payable		3,264	3,752
Withholding income tax payable		44,187	46,361
Provident fund		1,635	1,985
Worker's welfare fund		47,272	47,272
Worker's profit participation fund		137,456	131,430
Others		3,456	3,967
		29,691,733	20,686,951

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		(Rupees in '000')	
19.1	This amount includes the following balances with related parties:		
	Sunridge Foods (Private) Limited	15,267	47,487
	Wilmar Trading PTE Limited	19,579,492	15,058,218
20	SHORT TERM BORROWINGS - SECURED		
	Under conventional arrangements		
	Finance against imported merchandise	20.1 3,488,907	4,423,499
	Short term running finance	20.2 3,104,166	4,915,455
		6,593,073	9,338,954
	Under Islamic arrangements		
	Short term finance	20.3 & 20.4 14,406,310	6,563,213
		20,999,383	15,902,167

20.1 Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from commercial banks under mark-up arrangements amounted to Rs. 34,400 million (30 June 2022: Rs. 21,910 million). At period end, the applicable mark-up rates ranged between 16.32% to 18.46% per annum. These facilities are valid up to 30 June 2023 and are from 3 months to 6 months.

20.2 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 8,500 million (June 30, 2022: Rs. 8,700 million). At period-end, the applicable mark-up rates ranged between 16.41% to 16.96% per annum.

20.3 Short term facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 12,700 million (30 June 2022: Rs. 12,700 million). At period end, the applicable mark-up rates ranged between 15.70% to 16.98% per annum. These facilities are valid up to June 30, 2023.

20.4 Short term running musharakah available from Al Baraka Bank Limited under mark-up arrangements amounted to Rs. 2,000 million (June 30, 2022: Rs. 2,000 million). Mark-up on these arrangements is three month KIBOR plus 1% (June 30, 2022: three month KIBOR plus 1%). At period end, the applicable mark-up rate was 16.71% per annum.

20.5 Above facilities are secured by way of hypothecation charge over current and fixed assets of the Company and pledge of imported goods amounting to Rs. 16.16 billion.

20.6 At the period end, Company had no foreign currency borrowing and the available facility was Rs. 6,850 million.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

As at December 31, 2022, there is no material change in the status of matters reported as contingencies in note 27 of the audited annual financial statements of the Company for the year ended June 30, 2022.

21.2 Commitments

21.2.1 Commitments under letter of credit for raw materials as at December 31, 2022 amounted to Rs. 8,508 million (June 30, 2022: Rs. 5,869 million).

21.2.2 Guarantee issued at the period end on behalf of the Company amounted to Rs. 1,320 million (June 30, 2022: Rs. 880 million). Above facility is the part of the borrowing limits.

	Six months period ended		Three months period ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021

(Rupees in '000')

22 NET SALES

Local sales	42,295,409	36,760,600	23,248,072	20,174,098
Export sales	510,291	-	35,473	-
	<u>42,805,700</u>	<u>36,760,600</u>	<u>23,283,545</u>	<u>20,174,098</u>

23 (LOSS) / EARNINGS PER SHARE

(Loss) / profit for the period	<u>(623,313)</u>	<u>1,086,583</u>	<u>1,618,791</u>	<u>1,115,246</u>
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----- (Number of shares) -----

Weighted average number of ordinary shares outstanding during the period	<u>1,194,050,000</u>	Restated <u>961,829,263</u>	<u>1,194,050,000</u>	Restated <u>961,829,263</u>
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----- (Rupees) -----

Basic and diluted (loss) / earnings per share	<u>(0.52)</u>	Restated <u>1.13</u>	<u>1.36</u>	Restated <u>1.16</u>
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	Note	Six months period ended	
		December 31, 2022	December 31, 2021
(Rupees in '000')			
24 CASH GENERATED FROM OPERATIONS			
Profit before taxation		(705,004)	1,261,842
Adjustments for non-cash items:			
Depreciation on operating fixed assets		173,334	142,839
Depreciation on right-of-use assets		21,455	52,292
Amortization on intangible assets		7,794	1,444
Amortization on deferred government grants		(13,547)	(10,807)
Exchange loss - unrealized		1,849,364	343,732
Provision against doubtful debts		-	144,079
Gain on revaluation of mutual fund units - unrealized		(15,215)	(13,379)
Gain on disposal of fixed assets		(2,164)	(27)
Gain on disposal of right-of-use asset		-	(533)
Dividend income		(103,633)	(99,854)
Income from short term investments		(133,211)	(191,747)
Interest Income on related party Loan		(17,733)	-
Finance cost		1,122,779	734,428
		2,184,219	2,364,309
Working capital changes:			
(Increase) / decrease in current assets:			
Stock-in-trade		(8,015,319)	(2,473,473)
Stores and spares		(18,956)	(5,860)
Trade debts		(3,616,545)	(671,944)
Advances, deposits and prepayments		(1,897,852)	(219,598)
Other receivables		(657,196)	37,161
Sales tax receivable		262,555	359,553
		(13,943,313)	(2,974,161)
Increase in current liabilities:			
Trade and other payables		7,155,417	3,746,092
Contract liabilities		18,096	-
		7,173,513	3,746,092
Cash flows from / (used in) operations		(4,585,581)	3,136,240
24.1 Cash and cash equivalents comprise of:			
Cash and bank balances		243,981	4,179,855
Short term borrowings - running finance (secured)		(3,104,166)	(5,855,364)
		(2,860,185)	(1,675,509)

25 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 transactions with related parties are under agreed terms.

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

Transactions with related parties (unaudited)

Name of the related party and relationship with the Company	Nature of transaction	Note	Six months period ended	
			December 31, 2022	December 31, 2021
(Rupees in '000')				
Subsidiary				
- Sunridge Foods (Private) Limited	Sales		11,059	374
	Purchases		197,670	70,836
	Payment made on behalf of the Subsidiary Company against purchase of SAP S4 Hana		42,339	-
	Payment made on behalf of the Subsidiary Company against purchase of plant and machinery		733,601	-
	Long term investment made against right issue		2,000,000	-
	Payment of loan to the Subsidiary Company		3,667,074	-
	Interest income earned		17,733	-
Associated Company				
Unity Feeds (Private) Limited	Sales		-	81,641
Associated Company				
- Wilmar Trading Pte Limited	Purchases		18,899,911	17,784,663
Staff retirement benefit fund				
- Provident fund	Contribution paid		19,880	17,524
Key management personnel				
- Directors and executives	Remuneration		61,202	27,388
- Directors substantial shareholders	Advance against further issuance of shares		-	3,020,150

26 GENERAL

26.1 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.

26.2 Figures have been rounded-off to the nearest thousand Rupees, unless otherwise stated.

27 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 27 March, 2023.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Consolidated Statement of Financial Position

As at December 31, 2022

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		(Rupees in '000')	
ASSETS			
Non-current assets			
Property, plant and equipment	5	14,083,262	11,109,577
Right-of-use assets		50,394	71,848
Intangible assets	6	371,124	356,856
Long term deposits		63,135	40,546
Long - term loans	7	29,876	29,162
Long term investments	8	665,059	-
Deferred taxation - net	9	422,553	249,308
		15,685,403	11,857,297
Current assets			
Stock-in-trade	10	21,473,956	12,697,007
Stores and spares		73,434	40,716
Trade debts	11	26,529,063	22,499,673
Advances, deposits and prepayments	12	2,507,783	368,763
Other receivables		87,342	92,878
Sales tax receivable		-	268,522
Current portion of long-term loan		3,432	19,116
Taxation - net of provision		4,882,224	4,227,796
Short term investments	13	3,327,683	10,224,837
Cash and bank balances	14	383,431	916,422
		59,268,348	51,355,730
Total assets		74,953,751	63,213,027
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Share Capital 1,200,000,000 (June 30, 2022: 1,200,000,000) ordinary shares of Rs. 10/- each		12,000,000	12,000,000
Share capital		11,940,500	11,940,500
Share premium		3,400,000	3,400,000
Unappropriated profit		4,924,247	5,370,498
		20,264,747	20,710,998
Non-current liabilities			
Long term Financing	15	527,856	248,931
Diminishing musharika arrangement		1,866	1,965
Lease liabilities	16	4,986	36,246
Staff retirement benefits		25,388	16,046
Deferred government grant	17	220,015	55,768
		780,111	358,956
Current liabilities			
Current portion of long term Financing	15	56,447	126,678
Current portion of diminishing musharika arrangement		231	241
Current portion of lease liabilities	16	56,780	48,527
Current portion of deferred government grant	17	48,936	13,830
Trade and other payables	18	30,217,894	21,054,678
Contract liabilities		78,457	2,774,287
Accrued mark-up		469,460	351,740
Short term borrowing	19	22,980,163	17,772,447
Unclaimed dividend		525	645
		53,908,893	42,143,073
Total equity and liabilities		74,953,751	63,213,027
Contingencies and commitments	20		

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


Director


Chief Executive


Chief Financial Officer

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

For the six months period ended December 31, 2022

Note	Six months period ended		Three months period ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	(Rupees in '000')			
Net sales	47,211,051	39,583,289	25,673,392	21,341,970
Cost of sales	(43,298,573)	(35,803,563)	(22,684,016)	(18,983,328)
Gross profit	3,912,478	3,779,726	2,989,376	2,358,642
Selling and distribution expenses	(939,434)	(682,151)	(452,222)	(319,085)
Administrative expenses	(527,488)	304,935)	(282,103)	(179,542)
Exchange (loss) / gain	(1,954,343)	(1,060,902)	274,712	(377,095)
Other expenses	(18,796)	(93,870)	(11,024)	(89,787)
	(3,440,061)	(2,141,858)	(470,637)	(965,509)
Other income	271,100	339,283	112,635	144,428
	743,517	1,977,151	2,631,374	1,537,561
Finance cost	(1,194,919)	(827,520)	(669,835)	(428,522)
(Loss) / Profit before taxation	(451,402)	1,149,631	1,961,539	1,109,039
Taxation				
Current	(168,095)	(90,091)	(106,859)	(50,384)
Deferred	173,246	(83,867)	(128,891)	(48,800)
	5,151	(173,958)	(235,750)	(99,184)
(Loss) / profit for the period	(446,251)	975,673	1,725,789	1,009,855
(Loss) / earnings per share - basic and diluted (Rupees)	(0.37)	Restated 1.01	1.45	Restated 1.05

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


Director


Chief Executive


Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the six months period ended December 31, 2022

Note	Six months period ended		Three months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(Rupees in '000')			
(Loss) / profit for the period	(446,251)	975,673	1,725,789	1,009,855
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	(446,251)	975,673	1,725,789	1,009,855

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)

For the six months period ended December 31, 2022

	Share capital	Reserves		Advance against ordinary shares	Total
		Capital	Revenue		
		Share premium	Unappropriated profit		
(Rupees in '000')					
Balance as at June 30, 2021 (audited)	9,940,500	-	3,247,910	-	13,188,410
Transactions with owners recorded directly in equity					
Advance against future issuance of right shares	-	-	-	3,021,873	3,021,873
Transaction cost incurred on issuance of right shares	-	-	(24,292)	-	(24,292)
	-	-	(24,292)	3,021,873	2,997,581
Total comprehensive income for the six months period ended December 31, 2021					
Profit for the six months period	-	-	1,725,789	-	1,725,789
Other comprehensive income for the six months period	-	-	-	-	-
	-	-	1,725,789	-	1,725,789
Balance as at December 31, 2021 (unaudited)	9,940,500	-	4,949,407	3,021,873	17,911,780
Balance as at June 30, 2022 (audited)	11,940,500	3,400,000	5,370,498	-	20,710,998
Total comprehensive loss for the six months period ended December 31, 2022					
Loss for the six months period	-	-	(446,251)	-	(446,251)
Other comprehensive income for the six months period	-	-	-	-	-
	-	-	(446,251)	-	(446,251)
Balance as at December 31, 2022 (unaudited)	11,940,500	3,400,000	4,924,247	-	20,264,747

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the six months period ended December 31, 2022

	Note	Six months period ended	
		December 31, 2022	December 31, 2021
Cash (used in) / generated from operating activities		(Rupees in '000')	
	23	(7,451,907)	3,053,860
Taxes paid		(823,232)	(764,089)
Long term deposits paid		(22,589)	(6,631)
Long term loans - net		14,969	-
Staff gratuity paid		(2,293)	(74)
Net cash flows generated from operating activities		(8,285,052)	2,283,066
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(3,196,950)	(706,147)
Disposal of property, plant and equipment		3,035	529
Long term investment purchases of intangible assets		(665,059)	(27,352)
Short term investments - net		6,999,669	(1,516,472)
Profit received on short term investments		167,277	189,731
Net cash flows generated from investing activities		3,240,600	(2,059,711)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		6,908,505	(3,644,906)
Long term financing - net		421,912	88,414
Long term loan repaid		-	(95,296)
Rentals paid against right-of-use assets and diminishing musharika		(23,116)	(54,111)
Dividend paid		(120)	-
Finance cost paid		(1,094,931)	(813,120)
Advance received against future issue of right shares		-	3,021,873
Transaction cost against issuance of right shares / future issue of right shares		-	(24,292)
Net cash flows generated from financing activities		6,212,250	(1,521,438)
Net increase / (decrease) in cash and cash equivalents		1,167,798	(1,298,083)
Cash and cash equivalents at the beginning of the period		(5,869,313)	(2,369,375)
Cash and cash equivalents at the end of the period	23.1	(4,701,515)	(3,667,458)

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the six months period ended December 31, 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 has been changed from yarn 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:

Addresses	Purpose
Karachi, Sindh	
- Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.	Registered Office of the Holding Company
- Plot # D-51 & D-52, Industrial Zone, Port Qasim.	For Capacity Expansion of Holding Company
- Plot # W2/1/67 & 68, Industrial Zone, Port Qasim.	For Capacity Expansion of Holding Company
- Plot No. A-48, Industrial Zone, Port Qasim	Oil Refinery of the Holding Company
- C6, North west zone, Port Qasim	Registered office / Pesa Flour Plant of the Subsidiary Company
- Plot No. A-55 & 56, Industrial Zone, Port Qasim	Feed Mill of the Holding Company
- Industrial Plot no. H/14, Site Super Highway, Phase II, Karachi	Flour Mill of the Subsidiary Company
- Plot No. 18-C & 18-C/1, Block-6, P.E.C.H.S.	For construction of office building of the Subsidiary Company
Kotri, District Hyderabad, Sindh	
- Plot No. N-25 & N-27/B, SITE Area	Edible Oil Extraction Plant, Refinery and Pellitising Mills of the Holding Company
Hub, Balochistan	
- Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella	Soap plant - of the Holding Company
Lahore, Punjab	
- Muhammad Pura / Dhamkay, Tehsil Sharaqpur, District Sheikhpura	Flour and rice mill of the Subsidiary Company

2 BASIS OF PREPARATION AND MEASUREMENT

2.1 Statement of compliance

2.1.1

These condensed interim 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;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues 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 consolidated financial statements are unaudited and do not include all the information required for annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year end June 30, 2022.

2.2 Basis of measurement

These condensed interim consolidated financial statements have been prepared;

- (i) under the historical cost convention except otherwise stated.
- (ii) following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless stated otherwise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 June 30, 2022.

3.2 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 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 June 30, 2022.

4.2 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 June 30, 2022.

		December 31,	June 30,
		2022	2022
		(Un-audited)	(Audited)
		(Rupees in '000')	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	5.1 8,436,522	8,474,949
	Capital work-in-progress (CWIP)	5.2 5,646,740	2,634,628
		14,083,262	11,109,577
Six months period ended			
		December 31,	December 31,
		2022	2021
		(Rupees in '000')	
5.1	Operating fixed assets - details of addition and disposals during the period		
	Additions during the period - (at cost)		
	Lease hold land	-	206,002
	Building	9,420	70,273
	Plant and machinery	88,646	37,501
	Furniture, fixture and office equipment	30,325	19,438
	Computer and auxilliary equipment	14,359	7,600
	Motor vehicles	42,087	5,084
		184,837	345,898
	Disposals during the period - (WDV)		
	Computer and auxilliary equipment	-	(230)
	Motor vehicles	(871)	(272)
		(871)	(502)
	Depreciation charge for the period	(222,394)	(160,732)

		December 31,	June 30,
		2022	2022
	Note	(Un-audited)	(Audited)
(Rupees in '000')			
5.2			
Capital work-in-progress (CWIP)			
Land - leasehold		1,701,444	499,920
Building on lease / free hold land		1,183,559	1,022,988
Plant and machinery		2,731,098	1,066,669
Furniture, fixtures and office equipment		28,766	14,335
Vehicles		1,873	30,716
		5,646,740	2,634,628
Balance at beginning of the period / year		2,634,628	2,345,181
Additions during the period/ year		3,079,862	1,533,949
Transferred / adjustments during the period/ year		67,750)	(1,244,502)
Balance at end of the period / year		5,646,740	2,634,628
6			
INTANGIBLE ASSETS			
Computer Software and ERP system	6.1	89,744	6,575
Systems under development		131	69,032
Goodwil		281,249	281,249
Written down value (WDV) - closing		371,124	356,856
6.1	During the period the Group has implemented and has gone live with SAP S4 HANA on cloud.		
7			
LONG - TERM LOANS			
Loan to employees and executives		33,308	48,278
Less: Current portion shown under current assets		(3,432)	(19,116)
Balance at end of the period / year		29,876	29,162
8			
LONG TERM INVESTMENTS			
During the period the Subsidiary Company has entered into share purchase agreement dated July 6, 2022, with the shareholders of Unifoods Industries Limited to purchase 185,978,770 shares of Rs. 10 each at price of Rs. 6.45 per share			
As at reporting date the Subsidiary Company paid advance against purchase of shares amounting to Rs. 665.06 million. The transaction is completed subsequent to the the reporting period.			

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		(Rupees in '000')	
9	DEFERRED TAXATION - NET		
	Deferred tax asset in respect of:		
	Unabsorbed tax losses	138,975	201,059
	Allowance for impairment of financial assets	22,499	22,499
	Unrealized loss on short term investment	-	13,213
	Staff retirement benefits	7,362	4,653
	Lease liabilities	17,912	24,584
	Minimum tax	86,890	13,110
	Unrealized exchange loss	536,316	308,151
	Deferred tax liability in respect of:		
	Accelerated tax depreciation	(370,884)	(317,125)
	Right of use assets	14,614	(20,836)
	Unrealized gain on short term investment	(1,902)	-
	Deferred tax asset	422,553	249,308
10	STOCK-IN-TRADE		
	Raw and packing materials		
	In hand	4,940,029	8,577,017
	In transit	15,092,741	2,235,575
		20,032,770	10,812,592
	Traded / semi-finished goods	5,111	-
	Finished goods	1,436,075	1,884,415
		21,473,956	12,697,007
11	TRADE DEBTS		
	Unsecured		
	Balance at beginning of the period / year	26,606,645	22,577,255
	Allowance for impairment - expected credit loss	(77,582)	(77,582)
	Balance at end of the period / year - net (considered good)	26,529,063	22,499,673
12	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Advances - considered good		
	To suppliers	567,412	346,100
	To employees	-	596
	Margin against letter of credit	1,908,787	-
	Security deposits	13,642	5,889
	Prepayments	17,942	16,178
		2,507,783	368,763
12.1	This represents 100% cash margin against letter of credits opened for import of stock-in-trade.		
13	SHORT TERM INVESTMENTS		
	At fair value through profit or loss		
	Mutual funds	830,124	4,574,891
	At amortized cost		
	Term deposit receipts	2,497,559	5,649,946
		3,327,683	10,224,837

13.1 This represents investments in the units of HBL Cash Fund. These are pledged against the Holding Company's borrowing and guarantee on behalf of the Holding Company.

13.2 These carry profit at 6.5% - 15.5% (June 30, 2022: 6.5% to 14.47%) having maturity between six to twelve months.

14	CASH AND BANK BALANCES	December 31,	June 30,
		2022 (Un-audited)	2022 (Audited)
		(Rupees in '000')	
Bank balances - conventional banking			
	Saving account - conventional bank	55,442	196,093
	Current account - conventional bank	207,962	575,260
		263,404	771,353
Bank balances - Islamic banking			
	Saving account - islamic Bank	70,683	23,293
	Current account - islamic bank	41,970	115,057
		112,653	138,350
Cash in hand		7,374	6,719
		383,431	916,422

14.1 Profit on saving accounts ranges from 6% to 9.25% against Islamic and from 12.25% to 14.50% against conventional (June 30, 2022: from 2.76% to 9.11% against Islamic and 5.5% to 12.25% against conventional) per annum.

15	LONG TERM LOANS	Note	December 31,	June 30,
			2022 (Un-audited)	2022 (Audited)
			(Rupees in '000')	
	Financing under SBP Scheme - non-shariah arrangements		-	105,751
	Financing under ITERF Scheme - shariah arrangement	15.1	584,303	269,858
			584,303	375,609
	Current portion shown under current liabilities		(56,447)	(126,678)
	Balance at end of the period / year		527,856	248,931

15.1 The Holding Company has obtained long term financing from Al baraka Bank (Pakistan) Limited and Dubai Islamic Bank 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. 510.233 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% to 18.15% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. The differential mark-up has been recognized as government grant which is being amortized to other income over the period of the facility. The facility is valid upto September 2031. These are repayable in quarterly installments of Rs. 11.99 million commencing from June 2023.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		(Rupees in '000')	
16	LEASE LIABILITIES		
	Present value of future minimum lease payments	61,766	84,773
	Less: current portion shown under current liabilities	(56,780)	(48,527)
	Balance at end of the period / year	<u>4,986</u>	<u>36,246</u>
17	DEFERRED GOVERNMENT GRANT		
	As at July 01	69,598	28,515
	Recognized during the period/ year	213,192	63,467
	Amortized during the period/ year	(13,840)	(22,384)
	Balance at end of the period / year	<u>268,950</u>	<u>69,598</u>
	Current portion	(48,936)	(13,830)
	Balance at end of the period / year	<u>220,014</u>	<u>55,768</u>
17.1	This represents grant recognized on additional tranche received against ITERF facility (refer note 15.1).		
18	TRADE AND OTHER PAYABLES		
	Trade creditors	28,645,664	18,921,075
	Accrued liabilities	1,282,466	1,993,317
	Sales tax payable	20,504	-
	Provision for taxation	-	-
	Withholding sales tax payable	4,190	3,752
	Withholding income tax payable	56,087	51,513
	Provident fund	1,635	1,985
	Worker's welfare fund	61,260	47,272
	Worker's profit participation fund	142,632	131,798
	Others	3,456	3,965
		<u>30,217,894</u>	<u>21,154,677</u>
18.1	This amount includes the following balances with related parties:		
	Wilmar Trading Pte Limited	<u>19,579,492</u>	<u>15,058,218</u>
19	SHORT TERM BORROWINGS - SECURED		
	Under conventional arrangements		
	Finance against imported merchandise	3,488,907	4,423,499
	Short term running finance	3,104,166	4,915,455
		<u>6,593,073</u>	<u>9,338,954</u>
	Under Islamic arrangements		
	Short term finance	14,406,310	6,563,213
	Short term running finance	1,980,780	1,870,280
		<u>16,387,090</u>	<u>8,433,493</u>
		<u>22,980,163</u>	<u>17,772,447</u>

- 19.1** Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from commercial banks under mark-up arrangements amounted to Rs. 34,400 million (June 30, 2022: Rs. 21,910 million). At year end the applicable mark-up rates ranged between 16.32% to 18.46% per annum. These facilities are valid upto June 30, 2023 and are from 3 months to 6 months.
- 19.2** Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 8,500 million (June 30, 2022: Rs. 8,700 million). At year-end the applicable mark-up rates ranged between 16.41% to 16.96% per annum.
- 19.3** Short term facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 12,700 million (30 June 2022: Rs. 12,700 million). At year end the applicable mark-up rates ranged between 15.70% to 16.98% per annum. These facilities are valid upto June 30, 2023.
- 19.4** Short term running mushrasah available from Al Baraka Bank Limited under mark-up arrangements amounted to Rs. 2,000 million (June 30, 2022: Rs. 2,000 million). Mark-up on these arrangements is three month KIBOR plus 1% (June 30, 2022: three month KIBOR plus 1%). At year end the applicable mark-up rate was 16.71% per annum.
- 19.5** Represents Istisna finance obtained from a commercial bank, having a limit of Rs. 2,000 million (2022: Rs. 2,000 million) out of which Rs. 19.220 million (June 30, 2022: Rs. 129.720 million) remains unutilised at the reporting date. The rate of profit is relevant KIBOR + spread range of (+1% to -1%) effectively 0.75%. These arrangements are secured against lien over cash / TDR of the Company and its holding company.
- 19.5** Above facilities are secured by way of hypothecation charge over current and fixed assets of the Company and pledge of imported goods amounting to Rs. 16.16 billion.
- 19.6** At the period end Group Company had no foreign currency borrowing and the available facility was Rs. 6,850 million.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

The Holding Company

As at December 31, 2022, there is no material change in the status of matters reported as contingencies in note 29 of the audited annual consolidated financial statements of the Company for the year ended June 30, 2022.

The Subsidiary Company

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

20.2 Commitments

The Holding Company

20.2.1 Commitments under letter of credit for raw materials as at December 31, 2022 amounted to Rs. 8,508 million (June 30, 2022: Rs. 5,869 million).

20.2.2 Guarantee issued at the year end on behalf of the Company amounted to Rs. 1,320 million (June 30, 2022: Rs. 880 million). Above facility is the part of the borrowing limits.

The Subsidiary Company

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

Six months period ended		Three months period ended	
December 31,	December 31	December 31,	December 31
2022	2021	2022	2021

(Rupees in '000')

21 NET SALES

Local sales	46,700,760	38,697,843	25,637,919	21,291,961
Export sales	510,291	885,446	35,473	50,009
	<u>47,211,051</u>	<u>39,583,289</u>	<u>25,673,392</u>	<u>21,341,970</u>

22 (LOSS) / EARNINGS PER SHARE

(Loss) / profit for the period	<u>(446,251)</u>	<u>975,673</u>	<u>1,725,789</u>	<u>1,009,855</u>
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------(Number of shares)-----

	Restated	Restated	Restated	Restated
Weighted average number of ordinary shares outstanding during the period	<u>1,194,050,000</u>	<u>961,829,263</u>	<u>1,194,050,000</u>	<u>961,829,263</u>

------(Rupees)-----

Basic and diluted (loss) / earnings per share	<u>(0.37)</u>	<u>1.01</u>	<u>1.45</u>	<u>1.05</u>
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23 CASH FLOWS FROM OPERATING ACTIVITIES

December 31,	June 30,
2022	2022
(Un-audited)	(Audited)

(Rupees in '000')

Profit before taxation	(451,402)	1,149,631
------------------------	-----------	-----------

Adjustments for non-cash items:

Depreciation on operating fixed assets	222,394	160,732
Depreciation on right-of-use assets	21,455	52,900
Amortization on intangible assets	10,765	1,472
Amortization on deferred government grant	(13,867)	(11,447)
Exchange loss - unrealized	1,849,364	343,732
Expected credit loss	-	144,080
Provision for staff gratuity	11,635	1,440
Gain on disposal of operating fixed assets	(2,164)	(27)
Gain on revaluation of mutual fund units - unrealized	(15,215)	(13,379)
Gain on disposal of right-of-use asset	-	(533)
Dividend income	(103,633)	(99,854)
Income from short term investment	(150,944)	(191,747)
Finance cost	1,212,652	827,520
	<u>2,591,040</u>	<u>2,364,520</u>

Changes in working capital

(Increase) / decrease in current assets:

Stock-in-trade	(8,776,949)	(1,651,601)
Stores and spares	(32,718)	(5,860)
Trade debts	(4,043,433)	(866,811)
Advances, deposits and prepayments	(2,139,020)	(610,655)
Other receivables	(685,725)	37,139
Sales tax receivable	261,410	359,553
	<u>(15,416,435)</u>	<u>(2,738,235)</u>

Increase/ (decrease) in current liabilities:

Trade and other payables	8,069,315	3,472,747
Sales tax payable	18,096	-
Contract liabilities	(2,713,923)	(45,172)
	<u>5,373,488</u>	<u>3,427,575</u>

Cash flows from operating activities

	<u>(7,451,907)</u>	<u>3,053,860</u>
--	--------------------	------------------

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	(Rupees in '000')	
23.1 Cash and cash equivalents comprise of:		
Cash and bank balances	383,431	4,238,047
Short term borrowings - running finance (secured)	(5,084,946)	(7,905,505)
	<u>(4,701,515)</u>	<u>(3,667,458)</u>

24 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 transactions with related parties are under agreed terms.

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

	Six months period ended	
	December 31, 2022	December 31, 2021
(Rupees in '000')		
<u>Transactions with related parties (un-audited)</u>		
Name of the related party and relationship with the Company	Nature of transaction	
Associated Company		
- Unity Feeds (Private) Limited	Sales	81,641
Associated Company		
- Wilmar Trading Pte Limited	Purchases	17,784,663
Staff retirement benefit fund		
- Provident fund	Contribution paid	17,524
Key management personnel		
- Directors and executives	Remuneration	63,570
- Directors substantial shareholders	Advance against further issuance of shares	3,020,150

25 GENERAL

25.1 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.

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

26 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 27 March, 2023.


Director


Chief Executive


Chief Financial Officer



UNITY TOWER

8-C Block-6, P.E.C.H.S., Karachi 75400, Pakistan

Phone: 03000 DASTAK (327825)

+92 21 34373605-607, 34388666, 34387666, +92 42-35772837

Email: info@unityfoods.pk

www.unityfoods.pk