



UNITY FOODS LIMITED

— food for life! —



Committed to **Growth**

Quarterly Report
MARCH 2019



UNITY FOODS LIMITED

— food for life! —

Condensed Interim Financial Statement (Un-audited)
for the 3rd Quarter Ended
March 31, 2019

Dastak

Cooking Oil

Sehat ki Dastak...



UNITY FOODS LIMITED
food for life!



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www.unityfoods.pk



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Company Information

Board of Directors

| | |
|---------------------------|------------------------|
| Mr. Abdul Majeed Ghaziani | Chairman-Non-Executive |
| Mr. Muhammad Farrukh | Chief Executive |
| Ms. Hina Safdar * | Non-Executive |
| Mr. Muneer S. Godil | Independent |
| Ms. Maria Abdul Hafeez* | Non-Executive |
| Mr. Sheikh Ali Baakza | Non-Executive |
| Ms. Tayyaba Rasheed* | Independent |

* Director's Elections were held on April 1st, 2019. Ms. Hina Safdar and Ms. Maria Abdul Hafeez were elected as Non-Executive Director in place of Mr. Safdar Sajjad and Mr. Abdul Hafeez. Ms. Tayyaba Rasheed was elected as Independent Director in place of Mr. Aamir Shehzad. Other Directors were re elected. Audit and HR&R Committees were also reconstituted on April 1st, 2019.

Audit Committee

| | |
|---------------------------|----------|
| Mr. Muneer S. Godil | Chairman |
| Mr. Abdul Majeed Ghaziani | |
| Ms. Maria Abdul Hafeez | |

Human Resource & Remuneration Committee

| | |
|----------------------|----------|
| Mr. Muneer S. Godil | Chairman |
| Mr. Muhammad Farrukh | |
| Ms. Hina Safdar | |

Chief Financial Officer

Mr. Muhammad Farrukh Jhangda

Company Secretary

Syed Muhammad Tariq Nabeel Jafri

External Auditor

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
1st Floor, Modern Motors House
Beaumont Road
Karachi.
021-35671909

Bankers

Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
National Bank of Pakistan
MCB Bank Limited
Meezan Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Limited
Askari Banki Limited
United Bank Limited
Bank Islami Pakistan Limited
Bank of Punjab





| | |
|------------------------------------|---|
| 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 (SMC-Pvt) Ltd 17th Floor, Saima Trade Tower A, I.I Chundrigar Road, Karachi. Phone # +92-21 32271905-6 |
| Registered Office | Unity Tower, Plot # 8-C, Block-6, PECHS Karachi 75400. Phone No. +92 21 34373605-607, 34388666, 34387666 Fax No +92 21 34373608 |
| Email | info@unityfoods.pk |
| Website | www.unityfoods.pk |
| Business | Import of Oil Seeds, Solvent Extraction, Refining, Marketing of Edible Oil, processing of ancillary and 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 and Pellitising Mills N-27/B, Site Area, Kotri District Hyderabad Oil Refinery Plot # E-32 SITE Area, Karachi. |





UNITY FOODS LIMITED
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پیورکھلاؤ، پیداوار اور منافع بڑھاؤ





Directors' Review

On behalf of the Board of Directors, we are pleased to present the Directors' Review for the 3rd Quarter/nine-months ended March 31, 2019. The Board is delighted to announce Net Profit After Tax of PKR. 186.7 million and PKR 40.2 million for the nine months and quarter respectively on the back of sustained Domestic and Export Sales.

Your Company continues to strive to improve its topline sales as well as its margins and in this regard has embarked upon a well thought-out expansion plan of its edible oil refining process.

Alhamdulillah, during the third quarter the Company announced 221.83% Right Issue resulting in issuance of additional 375 million shares at par value. As we report, the right issue is on course and is expected to close in the month of May this year. The Company will raise PKR 3.75 billion from the right issue which will be deployed in expansion and growth of various projects.

Background of the projects to be installed under right issue is summarized below:

Acquisition of 500 Tons per day Capacity Edible Oil Refinery

As already shared with our shareholders, the Company has finalized acquisition of a 500 tons per day capacity Crude Palm Oil Refinery ("CPO"). This refinery is situated at Port Qasim, Karachi. With this acquisition, the total edible oil refinery capacity of the Company will reach 650 metric tons per day which will greatly help the Company in expanding its oil business both through bulk and branded sale. The Company plans to initiate operations at the newly acquired refinery by July of 2019.

The CPO project is spread over an area of 5.0 acres of land along with 55,000 square feet building and a storage capacity of 6,270 metric tons of Crude Oil. The state-of-the-art project includes Oil Tek Refinery capable to process 500 MT tons per day of Crude Palm Oil, all required utilities including Natural Gas, Electric Power, etc. are already installed at the site.

EXPANSION OF PORT QASIM OIL REFINERY

The addition of this refinery is part of UFL's strategy to expand its horizons into branded division of edible oils completing the entire product range and allowing UFL to cater to all business segments including General Trade, Industrial and Bulk.

This will allow your Company to realize its long-term vision of integrating the business value chain. As part of the Company's planned embellishments into UFL's Port Qasim Refinery, it intends to add the following Plant & Machinery units:

HYDROGENATION PLANT

Hydrogenation Plant is used in processing and manufacturing of Ghee (Banaspatti). Outputs of Ghee unit have a strong market in Pakistan. To be able to cater to a larger market within edible oils segment, UFL's planned Ghee unit will form a blend of oils and will convert it into pasty and grainy textured ghee which can be sold in consumer packs as well as to Industrial consumers including Bakery, HORECA (Hotels, Restaurants & Caterers), Confectionary manufacturers, etc. This business unit will also produce essential raw inputs for Margarine & Shortening Segment. The plant is expected to go live by July this year.

NEUTRALIZATION REFINERY

This plant will refine Soft Oils (namely Crude Soybean Oil and Crude Canola Oil) to produce refined products. These refined oils will be part of UFL's branded consumer packs for both soybean and canola oils. Further, the output from this unit will be utilized in other business units including Hydro Plant, Margarine & Shortening Plant, and Fractionation (Ghee Conversion) Unit. The oil extracted from soybean seed and canola seed from the Company's Kotri Solvent Plant will be utilized for this refining unit.





MARGARINE AND SHORTENING

Margarine and Shortening are part of specialty fats including complete range of Lauric and Non Lauric products. These products are used by confectionary Industry, biscuit and bakery manufacturers. UFL is already developing the local market (by virtue of importing consistent quality specialty fats), and its accessibility to the raw material products already being produced in Edible Oils segment makes it strategically possible to invest in local manufacturing of Specialty fats. UFL will be investing in a Gerstenberg Schröder plant for Margarine, Shortening and Specialty Fats with capacity of 10 Tons Per hour. This plant will have flexibility to produce customized products according to each customer’s individual requirement. The shift from imported to local market will be in place once UFL’s plant is operational (expected to go live by FY2020) and thus will create import substitution.

FRACTIONATION PLANT

UFL intends to be prepared to launch a “Trans Fat Free” product in line with its core competence to provide healthy products. The fractionation plant the Company intends to acquire will have a capacity of 200 Metric Tons per Day manufactured by “Desmet” of Germany. It covers portfolio of Ghee & Specialty Fats Segment and Virtual Trans Fat Free (VTF) products for branded and industrial consumers.

ESTABLISHMENT OF OIL TERMINAL

UFL intends to establish an edible oil terminal. The terminal will be located at Port Qasim, which is an ideal location to establish a storage unit for import of Palm Oil. The terminal is expected to have approximately 45,000 metric tons capacity, which will allow UFL to hold inventory and thereby control costs. Once established, UFL will be able to hedge its overall risk profile associated with international market prices and foreign exchange rate fluctuations to a greater extent.

These additions into Port Qasim Refinery are inter linked; such that the output of one plant is input of others. UFL’s production, finance, sales, and research teams under senior management’s guidance have conducted feasibilities for these supplementary units such that their production levels and product mix is harmonized, the business units are profitable, and all output is utilized efficiently. This will result in sustainable growth within UFL’s Edible Oil Division. The final impact of this Capital Expenditure is to realize UFL’s Vision to own and control the most sophisticated Edible Oil refining process in Pakistan. With added benefits of the Company’s certifications that your Company has already attained, UFL’s products will be internationally competitive, creating further avenues for future business development.

Certifications

The management believes in highest standards of production, safety, hygiene and other areas and in this regard has paid special attention to attaining certifications necessary to operate top of the line facilities. A summary of certifications relating to the various plants is provided below:

| | Oil Refinery | Solvent Plant | Port Qasim Plant |
|-----------|--|--|--|
| Standards | ISO 9001 (Quality Management System) | ISO 9001 (Quality Management System) | ISO 9001 (Quality Management System) |
| | ISO 22000 (Food Safety Management System) | ISO 22000 (Food Safety Management System) | ISO 22000 (Food Safety Management System) |
| | HACCP | HACCP | HACCP |
| | PS 3733 & GSO/UAE 2055 (Halal Food Management System) | PS 3733 & GSO/UAE 2055 (Halal Food Management System) | PS 3733 & GSO/UAE 2055 (Halal Food Management System) |



**Operational Results:**

The Company's financial results for the period are summarized below
Rs. in thousands except EPS

| | Nine Months ended 31-03-19 | Three Months ended 31-03-19 |
|--|---------------------------------------|--|
| Net Sales | 9,387,563 | 2,673,947 |
| Cost of Sales | (8,512,319) | (2,289,497) |
| Gross Profit | 875,245 | 384,450 |
| Selling, Marketing and Distribution Expenses | (226,406) | (119,400) |
| Administrative Expenses | (159,324) | (74,757) |
| Other Operating Expenses | (150,212) | (73,876) |
| Operating Profit | 339,303 | 116,417 |
| Other Income | 7,132 | 1,325 |
| Profit Before Interest and Taxes | 346,435 | 117,741 |
| Finance Cost | (144,831) | (56,225) |
| Profit Before Taxation | 201,604 | 61,516 |
| Taxation | (14,856) | (21,280) |
| Profit for the Period | 186,748 | 40,236 |
| EPS (Basic and Diluted) | 1.10 | 0.24 |

Acknowledgements

We would like to take this opportunity to thank the Pakistan Stock Exchange, the SECP and the CDC for their continued support and cooperation towards the Company. We hope that this support would continue in the future as well.

We would also like to thank our dedicated and talented team of executives, staff and workers for the hard work put in during the period. 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 30, 2019

Abdul Majeed Ghaziani
Chairman





ڈائیریکٹرز رپورٹ

ہم، بورڈ آف ڈائیریکٹرز کی جانب سے 31 مارچ 2019 کو ختم شدہ تیسری سہ ماہی/نومہ کے حوالے سے ڈائیریکٹرز کا تبصرہ/جائزہ بخوشی پیش کرتے ہیں۔ بورڈ، مقامی اور ایکسپورٹ سیلز کے توازن کی بنیاد پر نومہ اور سہ ماہی (کوارٹر کے حوالے سے بالترتیب 186.7 ملین پاکستانی روپے اور 40.2 ملین پاکستانی روپے کے بعد از محصول (ٹیکس) صائی (ٹیٹ) نفع کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔

آپ کی کمپنی اپنی سیلز اور ساتھ ہی منافع کی سطح کو بہتر بنانے کے لیے مسلسل کوشاں ہے اور اس حوالے سے کمپنی نے اپنے خوردنی تیل کے ریفاٹنگ پراسس کے ایک بہترین توسیعی منصوبے کا آغاز کیا ہے۔

الحمد للہ، تیسری سہ ماہی کے دوران کمپنی نے 221.83% رائٹ ایٹو کا اعلان کیا جو 375 ملین حصص (شیرز) بننے ہیں۔ اس وقت رائٹ ایٹو پر کام جاری ہے اور اس سال مئی میں اس کی تکمیل متوقع ہے۔ کمپنی رائٹ ایٹو سے 3.75 بلین پاکستانی روپے حاصل کرے گی، جو مختلف پراجیکٹس کی توسیع اور ترقی پر لگائے جائیں گے۔ رائٹ ایٹو کے تحت نصب کئے جانے والے پراجیکٹس کے پس منظر کا مختصر خاکہ درج ذیل ہے:

500 ٹن یومیہ پیداواری صلاحیت کی حامل خوردنی تیل کی ریفاٹری کا حصول

جیسا کہ ہم اپنے حصص یافتگان کو پہلے ہی مطلع کر چکے ہیں کہ کمپنی نے 500 ٹن یومیہ پیداواری صلاحیت کی کروڈ پام آئل ریفاٹری ("CPO") کے حصول کا کام مکمل کر لیا ہے۔ یہ ریفاٹری پورٹ قاسم کراچی میں واقع ہے۔ اس کے حصول کے ساتھ ہی کمپنی کی خوردنی تیل ریفاٹری کی مجموعی پیداواری صلاحیت 650 ٹن یومیہ تک پہنچ جائے گی، جس سے کمپنی کو وافر مقدار میں سیل اور برانڈ ڈیل دونوں کے ذریعے آئل کے کاروبار کو وسعت دینے میں بہت مدد ملے گی۔ کمپنی جولائی 2019 تک نئی حاصل شدہ ریفاٹری میں کام کے آغاز کا ارادہ رکھتی ہے۔ CPO پراجیکٹ، 55,000 مربع فٹ کی عمارت اور 6,270 میٹرک ٹن کروڈ آئل کے ذخیرہ کی گنجائش کے ساتھ 15.0 ایکڑ رقبے پر پھیلا ہوا ہے۔ یہ پراجیکٹ OIL TEK REFINERY کا تیار شدہ 500 میٹرک ٹن یومیہ کا جدید پلانٹ ہے اس میں تمام مطلوبہ ضروریات بشمول قدرتی گیس، الیکٹرک پاور وغیرہ سائٹ پر نصب شدہ ہیں۔

پورٹ قاسم آئل ریفاٹری کی توسیع

اس ریفاٹری میں اضافہ، تمام تر پراڈکٹ ریجن کو مکمل کرتے ہوئے اور UFL کو تمام کاروباری طبقات بشمول جنرل ٹریڈ، انڈسٹریل اور بلک کی ضروریات کو بہم پورا کرنے کی اجازت دیتے ہوئے برانڈ ڈیلڈ یونٹوں میں اپنے قدم براہجان کرنے کی حکمت عملی کا حصہ ہے۔ اس کے ذریعے آپ کی کمپنی کو اپنے بزنس ویلیو چین سے مربوط طویل المدت مقصد پر گرفت حاصل کرنے میں مدد ملے گی۔ کمپنی کی منصوبہ شدہ ترقی کو UFL کی پورٹ قاسم ریفاٹری میں شامل کرنے کے جزو کے طور پر، کمپنی مذکورہ ذیل پلانٹ اور مشینری یونٹس کے اضافے کا ارادہ رکھتی ہے:

ہائیڈروجنیشن پلانٹ

ہائیڈروجن کاری (Hydrogenation) پلانٹ، گھی (بناستی) کی پراسسنگ اور تیاری میں استعمال کیا جاتا ہے۔ گھی یونٹس کی پیداوار کی پاکستان میں ایک بہت مضبوط مارکیٹ ہے۔ خوردنی تیل کے شعبے میں ایک بڑی مارکیٹ کی ضروریات کو پورا کرنے کے قابل ہونے کے لیے، UFL کا منصوبہ شدہ گھی یونٹ آئلز کا ایک امتزاج تیار کرے گا اور اسے لیسڈ اور دانے دار گھی کی شکل میں تبدیل کر دے گا۔ جنہیں انفرادی میں اور صنعتی صارفین بشمول بیکری، HORECA (ہوٹل، ریسٹورانٹ اور پکوان)، کنفیکشری مینیوفیکچررز وغیرہ کو فروخت کیا جاسکتا ہے۔ یہ کاروباری یونٹ مارچرین اور شارٹنگ سیکٹیوں کے لیے اہم خام مال بھی بہم فراہم کرے گا۔ اس پلانٹ کی شروعات اس سال جولائی تک متوقع ہے۔

نیوٹرلائزیشن ریفاٹری

یہ پلانٹ سافٹ آئلز (یعنی کروڈ سویا بین آئل اور کروڈ کنولا آئل ہیں) کو ریفاٹ کرے گا۔ یہ ریفاٹنڈ آئلز، سویا بین اور کنولا آئل کے حوالے سے UFL کے برانڈڈ کنزرویٹیکس کا جزو ہوں گے۔ علاوہ ازیں اس یونٹ سے حاصل ہونے والی پیداوار کو دیگر کاروباری یونٹس بشمول ہائیڈرو پلانٹ، مارچرین اور شارٹنگ پلانٹ نیز فریڈیشنیشن (گھی بنانے کا) پلانٹ میں استعمال کیا جائے گا۔ کمپنی کے کوٹری سالوینٹ پلانٹ سے سویا بین سیڈ اور کنولا سیڈ سے نکالا جانے والے آئل کو اس ریفاٹنگ یونٹ کے لیے استعمال کیا جائے گا۔





مارجرین اینڈ شارٹنگ

مارجرین اور شارٹنگ اسپیشلیٹی فیس (بشمول Lauric اور Non Lauric پراڈکٹس کی مکمل ریج) کا جزو ہیں۔ یہ پراڈکٹس کنفیکشنری انڈسٹری ہسکٹ اور بیکری مینوفیکچررز استعمال کرتے ہیں UFL پہلے ہی مقامی مارکیٹ کو (متواتر معیاری اسپیشلیٹی فیس کی درآمدات کے ذریعے) بڑھا رہی ہے نیز خوردنی تیل کے شعبے میں پیداوار کرنے والا ادارہ ہونے کے ناطے، اس کی خام مال پراڈکٹس تک رسائی (نقصان دہ چکنائی سے پاک) اسپیشلیٹی فیس کی مقامی تیاری میں سرمایہ کاری کی حکمت عملی ممکن کو بناتی ہے۔ UFL، مارجرین، شارٹنگ اور اسپیشلیٹی فیس کی فی گھنٹہ 10 ٹن پیداواری صلاحیت کے لیے Gerstenberg Schröder پلانٹ میں سرمایہ کاری کرے گا۔ اس پلانٹ کی یہ خاصیت ہے کہ یہ ہر صارف کی انفرادی ضرورت کے مطابق کسٹمائزڈ پراڈکٹس فراہم کرے گی۔ اپورٹڈ سے مقامی مارکیٹ میں منتقلی کا یہ عمل UFL کے پلانٹ کی شروعات (جو مالی سال 2020 میں متوقع ہے) کے ساتھ ہوگا اور اس کے ذریعے اپورٹ کا متبادل مہیا ہوگا۔

فریکیشنیشن پلانٹ

UFL صحت بخش پراڈکٹس کی فراہمی کی غرض سے اپنے بنیادی خواص کے ساتھ "ٹرانس فیٹ فری" نقصان دہ چکنائی سے پاک پراڈکٹ کے آغاز کی تیاری کا ارادہ رکھتا ہے۔ جس فریکیشنیشن پلانٹ کو کمپنی حاصل کرنے کا ارادہ رکھتی ہے اس کی پیداواری صلاحیت 200 میٹرک ٹن یومیہ ہے اور یہ جرمنی کی Desmet کا تیار کردہ ہوگا۔ یہ پلانٹ گھی اور اسپیشلیٹی فیس کے پورٹ فولیو کے ساتھ ساتھ براؤنڈ اور صنتی صارفین کے لیے ورچول ٹرانس فیٹ فری (VTF) پراڈکٹس کا بھی احاطہ کرے گا۔

آئل ٹریٹمنٹ کا قیام

UFL، ایک خوردنی تیل ٹریٹمنٹ کے قیام کا ارادہ رکھتا ہے۔ یہ ٹریٹمنٹ پورٹ قاسم پروجیکٹ ہوگا، جو پام آئل کی درآمدات کے حوالے سے اسٹوریج پونٹ کے قیام کے لیے ایک بہترین جگہ ہے۔ اس ٹریٹمنٹ کی گنجائش تقریباً 45,000 میٹرک ٹن متوقع ہوگی، جس سے UFL کو مال ذخیرہ کرنے اور اس پر لاگت کو کنٹرول کرنے میں مدد ملے گی۔ اس ٹریٹمنٹ کے قیام کے بعد UFL بین الاقوامی مارکیٹ پر اس اور زرمبادلہ میں اتار چڑھاؤ سے منسلک خطرات کو قابو کرنے کے قابل ہو جائے گا۔

پورٹ قاسم ریفاٹری پر کئے جانے والے تمام اضافے آپس میں مربوط ہیں، جیسے کسی ایک پلانٹ کی پیداوار کسی دوسرے پلانٹ کے لیے خام مال کے طور پر استعمال ہوتی ہے۔ UFL کی پراڈکٹس، فانس، سیلز اور ریورس جیمز، انتظامیہ کی راہنمائی میں ان اضافی یونٹس کے لیے مکمل تحقیق کی ہے، جیسے ان کی پیداواری سطح اور پراڈکٹس کو ہم آہنگ کرنا، کاروباری یونٹس منافع بخش ہیں اور تمام پیداوار کو موثر طریقے سے استعمال کیا جاتا ہے۔ اس کے نتیجے میں UFL کے خوردنی تیل کے ڈویژن میں مستحکم بڑھوتری ہوگی۔ بڑے پیمانے پر ان اخراجات کے حتمی اثرات میں UFL کو وہ مقصد حاصل کرنا ہے جس کے تحت کمپنی پاکستان میں سب سے زیادہ فیس خوردنی آئل ریفاٹنگ پراسس کا حصول شامل ہیں۔ کمپنی کی سٹریٹجیکیشنز کے اضافی فوائد کے ساتھ، جو کہ آپ کی کمپنی پہلے ہی حاصل کر چکی ہے، UFL کی پراڈکٹس بین الاقوامی طور پر مسابقتی دوڑ کا حصہ ہوں گی اور اس سے مستقبل کے کاروباری ارتقاء کے حوالے سے مزید راہیں ہموار ہوں گی۔

تصدیق (سٹریٹجیکیشنز)

انتظامیہ پراڈکٹس، سیفٹی، ہائی جین اور دیگر شعبوں میں اعلیٰ معیارات کے قیام پر یقین رکھتی ہے اور اس حوالے سے اعلیٰ قسم کی سہولیات کی فراہمی کے لیے ضروری اسناد کے حصول پر خصوصی توجہ مرکوز رکھتی ہے۔ مختلف پلانٹس سے متعلق سٹریٹجیکیشنز کا خلاصہ درج ذیل ہے:

| پورٹ قاسم پلانٹ | سالوینٹ پلانٹ | آئل ریفاٹری | معیارات |
|--|--|--|---------|
| ISO 9001 (کوالٹی مینجمنٹ سسٹم) | ISO 9001 (کوالٹی مینجمنٹ سسٹم) | ISO 9001 (کوالٹی مینجمنٹ سسٹم) | |
| ISO 22000 (فوڈ سیفٹی مینجمنٹ سسٹم) | ISO 22000 (فوڈ سیفٹی مینجمنٹ سسٹم) | ISO 22000 (فوڈ سیفٹی مینجمنٹ سسٹم) | |
| HACCP | HACCP | HACCP | |
| PS 3733 & GSO/UAE 2055 (حلال فوڈ مینجمنٹ سسٹم) | PS 3733 & GSO/UAE 2055 (حلال فوڈ مینجمنٹ سسٹم) | PS 3733 & GSO/UAE 2055 (حلال فوڈ مینجمنٹ سسٹم) | |





آپریٹل نتائج

مذکورہ مدت کے حوالے سے کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے
روپے ہزاروں میں علاوہ EPS

| اختتام تین ماہ 31-03-19 | اختتام نو ماہ 31-03-19 | |
|-------------------------|------------------------|--|
| 2,673,947 | 9,387,563 | مجموعی فروخت (صافی) |
| (2,289,497) | (8,512,319) | فروخت کی لاگت |
| 384,450 | 875,245 | مجموعی نفع |
| (119,400) | (226,406) | فروختگی، تشہیر (مارکیٹنگ) اور ترسیل کے اخراجات |
| (74,757) | (159,324) | انتظامی اخراجات |
| (73,876) | (150,212) | دیگر آپریٹنگ اخراجات |
| 116,417 | 339,303 | آپریٹنگ نفع |
| 1,325 | 7,132 | دیگر آمدن |
| 117,741 | 346,435 | نفع قبل از سود (Interest) اور محصول (ٹیکس) |
| (56,225) | (144,831) | مالیاتی لاگت |
| 61,516 | 201,604 | قبل از محصول (ٹیکس) نفع |
| (21,280) | (14,856) | محصول (ٹیکسیشن) |
| 40,236 | 186,748 | نفع برائے مدت |
| 0.24 | 1.10 | EPS - بنیادی اور غیر تکرر |

اظہار تشکر

ہم پاکستان اسٹاک ایکسچینج، SECP اور CDC کی جانب سے کمپنی کی مسلسل معاونت اور تعاون پر ان کا تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم امید کرتے ہیں کہ یہ تعاون آئندہ بھی جاری رہے گا۔
ہم اس دوران اپنے پر خلوص اور صلاحیتوں سے بھرپور ایگزیکٹوز، اسٹاف اور ورکرز کی ٹیم کی جانب سے کی جانے والی سخت محنت پر، ان کے بھی مشکور و ممنون ہیں۔ ہم مزید آگے بڑھتے ہوئے نئی منازل کے حصول کے لیے اپنے ملازمین سے اسی طرح کی کوششوں کی توقع کرتے ہیں۔

حسب الحکم بورڈ

عبدالمجید غازیانی
چیئرمین

محمد فرخ
چیف ایگزیکٹو
کراچی

30 اپریل، 2019

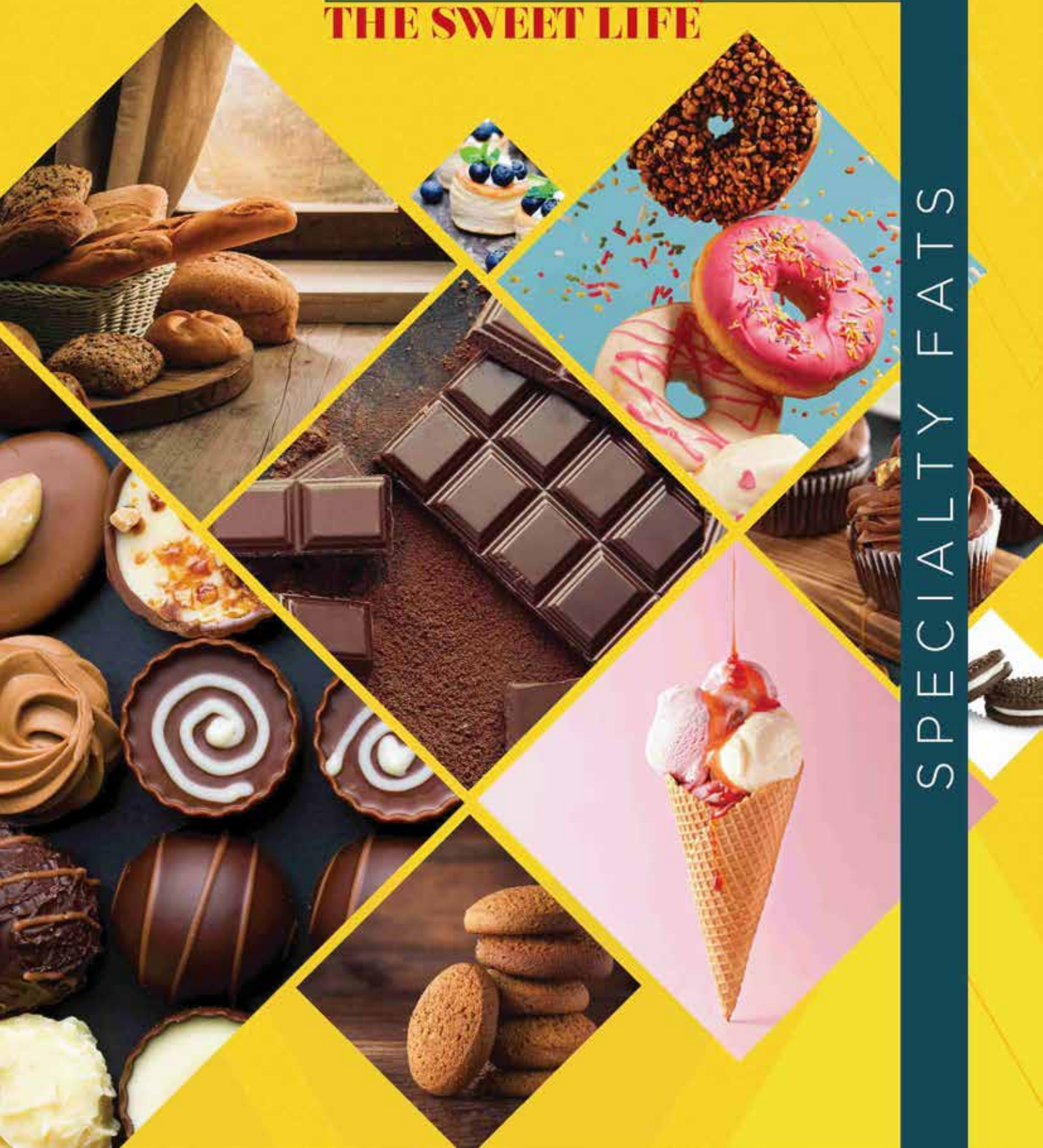




UNITY FOODS LIMITED
— food for life! —

SPECIALTY FATS BUSINESS SEGMENT

CELEBRATING THE SWEET LIFE



SPECIALTY FATS



UNITY FOODS LIMITED

food for life!

Unity Foods Limited
Condensed Interim Statement of Financial Position
As at March 31, 2019

| | Note | (Unaudited) March 31, 2019 | (Audited) June 30, 2018 |
|---|------|----------------------------------|-------------------------------|
| | | -----Rupees----- | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 1,839,808,112 | 1,521,820,847 |
| Intangible assets | 6 | 8,304,658 | 5,703,979 |
| Long-term deposits | | - | 25,000 |
| Deferred taxation-net | 7 | 8,863,538 | 23,719,099 |
| Total non-current assets | | 1,856,976,308 | 1,551,268,925 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 20,883,593 | - |
| Stock-in-trade | 8 | 2,638,460,799 | 1,479,257,110 |
| Trade debts | 9 | 2,761,228,368 | 1,148,211,099 |
| Advances, deposits and prepayments | 10 | 125,924,505 | 107,098,427 |
| Other receivables | | 108,206,777 | 30,995,650 |
| Sales tax receivable | | 188,620,425 | 143,749,417 |
| Taxation - net | | 462,537,567 | 96,643,514 |
| Cash and bank balances | 11 | 26,570,991 | 9,958,442 |
| Total current assets | | 6,332,433,025 | 3,015,913,659 |
| Total assets | | 8,189,409,333 | 4,567,182,584 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | 10,000,000,000 | 1,700,000,000 |
| 1,000,000,000 (June 30, 2018: 170,000,000) ordinary shares of Rs. 10 each | | | |
| Issued, subscribed and paid-up capital | 12 | 1,690,500,000 | 1,690,500,000 |
| Unappropriated profit | | 185,640,780 | 83,417,658 |
| Total equity | | 1,876,140,780 | 1,773,917,658 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,004,311,358 | 1,744,791,482 |
| Accrued mark-up | | 25,447,233 | 9,549,688 |
| Short term borrowings | 13 | 1,818,352,134 | 616,198,108 |
| Unclaimed dividend | | 2,301,416 | - |
| Loan from related party | 14 | 2,462,856,412 | 422,725,648 |
| Total current liabilities | | 6,313,268,553 | 2,793,264,926 |
| Total equity and liabilities | | 8,189,409,333 | 4,567,182,584 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 15 | | |

The annexed notes form an integral part of these condensed interim financial statements.

Abdul Majeed Ghaziani
Chairman

Muhammad Farrukh
Chief Executive

Muhammad Farrukh Jhangda
Chief Financial Officer





Unity Foods Limited
Condensed Interim Statement of Profit or Loss Account (Un-audited)
For the Nine Months and Quarter ended March 31, 2019

| | Nine months ended March 31, | | Quarter ended March 31, | |
|---|--------------------------------|---------------|----------------------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| Note | -----Rupees----- | | | |
| Sales - net | 9,387,563,471 | 617,039,373 | 2,673,947,110 | 617,039,373 |
| Cost of sales | (8,512,318,687) | (515,439,019) | (2,289,497,025) | (515,439,019) |
| Gross profit | 875,244,784 | 101,600,354 | 384,450,085 | 101,600,354 |
| Selling, marketing and distribution expenses | (226,406,215) | (20,594,719) | (119,400,360) | (20,594,719) |
| Administrative expenses | (159,323,819) | (65,637,220) | (74,757,307) | (20,796,124) |
| Other operating expenses | (150,211,874) | - | (73,875,729) | - |
| Operating profit | (535,941,908) | (86,231,939) | (268,033,396) | (41,390,843) |
| | 339,302,876 | 15,368,415 | 116,416,689 | 60,209,511 |
| Other income | 7,131,822 | 19,409,217 | 1,324,739 | 11,820,219 |
| Finance cost | (144,831,015) | (12,751,490) | (56,225,356) | (2,719,345) |
| Profit before taxation | 201,603,683 | 22,026,142 | 61,516,072 | 69,310,385 |
| Taxation | | | | |
| - current | - | (5,809,414) | - | (5,047,388) |
| - deferred | (14,855,561) | 14,428,349 | (21,280,450) | 14,428,349 |
| Profit for the period | 186,748,122 | 30,645,077 | 40,235,622 | 78,691,346 |
| Earnings per share basic and diluted | 16 | 1.10 | 0.38 | 0.24 |
| | | | | 0.47 |

The annexed notes form an integral part of these condensed interim financial statements.

Abdul Majeed Ghaziani
Chairman

Muhammad Farrukh
Chief Executive

Muhammad Farrukh Jhangda
Chief Financial Officer





Unity Foods Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Nine Months And Quarter Ended March 31, 2019

| | Nine months period ended March 31, | | Quarter ended March 31, | |
|--|---------------------------------------|-------------------|----------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | -----Rupees----- | | | |
| Profit for the period | 186,748,122 | 30,645,077 | 40,235,622 | 78,691,346 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | <u>186,748,122</u> | <u>30,645,077</u> | <u>40,235,622</u> | <u>78,691,346</u> |

The annexed notes form an integral part of these condensed interim financial statements.

Abdul Majeed Ghaziani
Chairman

Muhammad Farrukh
Chief Executive

Muhammad Farrukh Jhangda
Chief Financial Officer





Unity Foods Limited
Condensed Interim Statement of Cash Flow (Un-audited)
For the Nine Months Period Ended March 31, 2019

| | Nine Months ended March 31, | |
|---|--------------------------------|-----------------|
| | 2019 | 2018 |
| | -----Rupees----- | |
| Cash flows from operating activities | | |
| Profit before taxation | 201,603,683 | 22,026,142 |
| Adjustments for: | | |
| Depreciation | 42,862,220 | 9,085,738 |
| Amortization | 844,167 | - |
| Finance cost | 144,831,015 | 12,751,490 |
| | 390,141,085 | 43,863,370 |
| Changes in working capital | | |
| Decrease / (increase) in current assets: | | |
| Stock-in-trade | (1,159,203,689) | (837,754,818) |
| Stores, spares and loose tools | (20,883,593) | - |
| Trade debts | (1,613,017,269) | (339,313,171) |
| Advance, deposit and Prepayments | (18,826,078) | (295,368,612) |
| Other receivables | (77,211,128) | - |
| Sales tax receivable | (44,871,007) | - |
| | (2,934,012,764) | (1,472,436,601) |
| Increase in current liabilities: | | |
| Trade and other payables | 259,519,876 | 479,111,313 |
| Cash used in operations | (2,284,351,802) | (949,461,918) |
| Taxes paid | (365,894,053) | (3,700,853) |
| Finance cost paid | (128,933,470) | (10,653,915) |
| | (494,827,523) | (14,354,768) |
| Net cash used in operating activities | (2,779,179,324) | (963,816,686) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (364,294,333) | (1,323,441,573) |
| Proceed from long term deposits | 25,000 | (391,230) |
| Net cash used in investing activities | (364,269,333) | (1,323,832,803) |
| Cash flows from financing activities | | |
| Proceeds from issue of right shares | - | 1,650,000,000 |
| Proceeds from short term borrowing - net | 1,113,733,931 | - |
| Dividend paid | (82,223,584) | - |
| Loan from related party | 2,040,130,764 | 233,268,745 |
| Net cash generated from financing activities | 3,071,641,111 | 1,883,268,745 |
| Net (decrease) in cash and cash equivalents | (71,807,546) | (404,380,744) |
| Cash and cash equivalents at beginning of the period | (90,041,558) | 1,751,068 |
| Cash and cash equivalents at end of the period | (161,849,104) | (402,629,676) |
| CASH AND CASH EQUIVALENTS COMPRISE OF: | | |
| Cash and bank balances | 26,570,991 | 2,973,716 |
| Short term borrowings from bank - running finance (secured) | (188,420,095) | (405,603,392) |
| | (161,849,104) | (402,629,676) |

The annexed notes form an integral part of these condensed interim financial statements.

Abdul Majeed Ghaziani
Chairman

Muhammad Farrukh
Chief Executive

Muhammad Farrukh Jhangda
Chief Financial Officer





Unity Foods Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the Nine Months Period Ended March 31, 2019

| | Issued, subscribed and paid-up capital | Unappropriated profit | Total |
|--|---|--------------------------|----------------------|
| -----Rupees----- | | | |
| Balance as at July 01, 2017 (audited) | 40,500,000 | (38,098,767) | 2,401,233 |
| Issue of right shares | 1,650,000,000 | - | 1,650,000,000 |
| Total comprehensive Income for the nine months ended March 31, 2018 | - | 30,645,077 | 30,645,077 |
| Balance as at March 31, 2018 (un-audited) | 1,690,500,000 | (7,453,690) | 1,683,046,310 |
| Balance as at July 01, 2018 (audited) | 1,690,500,000 | 83,417,658 | 1,773,917,658 |
| Transactions with owners recorded directly in equity | | | |
| Final dividend @ Rs.0.5 per share for the year ended June 30, 2018 | - | (84,525,000) | (84,525,000) |
| Total comprehensive income for the nine months ended March 31, 2019 | - | 186,748,122 | 186,748,122 |
| Balance as at March 31, 2019 (un-audited) | 1,690,500,000 | 185,640,780 | 1,876,140,780 |

The annexed notes form an integral part of these condensed interim financial statements.

Abdul Majeed Ghaziani
Chairman

Muhammad Farrukh
Chief Executive

Muhammad Farrukh Jhangda
Chief Financial Officer





Unity Foods Limited
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Nine Months Period Ended March 31, 2019

1 STATUS AND NATURE OF BUSINESS

Unity Foods Limited (the "Company") was incorporated in Pakistan as a Private Limited Company under the Companies Ordinance, 1984 in 1991 and subsequently converted into a Public Limited company on June 16, 1991. Shares of the Company were listed on the Pakistan Stock Exchange on February 01, 1994. The principal business of the company has been changed from yarn manufacturing to edible oil extraction, refining and related businesses. The registered office of the Company is situated at Unity Tower, Plot # 8 C, Block-6, P.E.C.H.S., Karachi.

2 BASIS OF PREPARATION

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 standard as 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 provisions 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 financial statement does not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2018.

2.1.3 The comparative Balance Sheet presented in these condensed interim financial statements have been extracted from the audited annual financial statements of the Company for the year ended June 30, 2018, whereas the comparative condensed interim Profit or Loss, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim financial statement for the period ended March 31, 2018.

2.2 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for foreign currency assets and liabilities which are stated at the exchange rate on the date of condensed interim statement of financial position. These condensed interim financial statements have been prepared following accrual basis of accounting except for condensed interim statement of cash flows.





3 SIGNIFICANT ACCOUNTING POLICIES

3.1 'The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended June 30, 2018.

3.2 Certain amendment and interpretation to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on the accounting policies of the company

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that were applied to the annual audited financial statements as at and for the year ended June 30, 2018.

4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2018.

| 5 PROPERTY, PLANT AND EQUIPMENT | Note | (Unaudited) March 31, 2019 | (Audited) June 30, 2018 |
|---|-------------|---|--|
| | | -----Rupees----- | |
| Operating fixed assets | 5.1 | 1,415,818,599 | 1,398,635,143 |
| Capital work in progress | 5.2 | 423,989,514 | 123,185,704 |
| | | 1,839,808,113 | 1,521,820,847 |
| 5.1 Operating Fixed Assets | | | |
| Written down value (WDV) - Opening | | 1,398,635,143 | - |
| Additions during the period / year- at cost: | | | |
| - Lease hold Land | | - | 445,406,069 |
| - Building | | 2,915,099 | 226,427,683 |
| - Plant and Machinery | | 44,400,608 | 733,087,428 |
| - Office equipment | | 7,972,667 | 9,036,877 |
| - Office furniture | | 38,872 | - |
| - Motor vehicles | | 59,402 | 3,527,907 |
| - Computer and other IT equipment | | 4,484,921 | 3,870,847 |
| - Electronic equipment | | 174,107 | - |
| | | 60,045,676 | 1,421,356,811 |
| Depreciation charged during the period / year | | (42,862,220) | (22,721,668) |
| Written down value (WDV) - Closing | | 1,415,818,599 | 1,398,635,143 |





| | (Unaudited) March 31, 2019 | (Audited) June 30, 2018 |
|--|----------------------------------|-------------------------------|
| | -----Rupees----- | |
| 5.2 Capital Work In Progress | | |
| Opening Balance | 123,185,704 | - |
| Additions | 321,792,279 | 123,185,704 |
| Transferred to operating fixed assets | <u>(20,988,469)</u> | <u>-</u> |
| | <u>423,989,514</u> | <u>123,185,704</u> |
| 6 INTANGIBLE ASSETS | | |
| Opening Balance | 5,703,979 | - |
| Additions | 3,444,846 | 5,900,668 |
| Amortization during the period | <u>(844,167)</u> | <u>(196,689)</u> |
| | <u>8,304,658</u> | <u>5,703,979</u> |
| 7 DEFERRED TAXATION - NET | | |
| Deferred tax asset in respect of: | | |
| Brought forward losses | 69,037,360 | 71,559,114 |
| Deferred tax liability in respect of: | | |
| Accelerated tax depreciation | <u>(60,173,822)</u> | <u>(47,840,015)</u> |
| | <u>8,863,538</u> | <u>23,719,099</u> |
| 8 STOCK IN TRADE | | |
| Raw and packing materials - in hand | 269,725,194 | 478,587,665 |
| - in transit | <u>538,803,767</u> | <u>617,624,013</u> |
| | 808,528,961 | 1,096,211,678 |
| Traded Goods - in hand | <u>1,037,905,754</u> | <u>47,017,883</u> |
| - in transit | <u>27,252,472</u> | <u>154,729,604</u> |
| | 1,065,158,226 | 201,747,487 |
| Work in progress | 270,947,864 | 141,530,436 |
| Finished Goods | <u>493,825,748</u> | <u>39,767,509</u> |
| | <u>2,638,460,799</u> | <u>1,479,257,110</u> |
| 9 TRADE DEBTS | | |
| Considered good | | |
| Local | 2,676,206,336 | 916,219,512 |
| Export | <u>85,022,032</u> | <u>231,991,587</u> |
| | <u>2,761,228,368</u> | <u>1,148,211,099</u> |





| | (Unaudited) March 31, 2019 | (Audited) June 30, 2018 |
|--|--|-------------------------------|
| | -----Rupees----- | |
| 10 ADVANCES, DEPOSITS AND PREPAYMENTS | | |
| Advances Considered good | | |
| - Suppliers | 68,653,789 | 103,504,808 |
| - Employees | 2,562,170 | 1,267,633 |
| Security Deposits | 13,087,536 | 1,789,945 |
| Short term prepayments | 41,621,010 | 536,041 |
| | <u>125,924,505</u> | <u>107,098,427</u> |
| 11 CASH AND BANK BALANCES | | |
| With banks - Conventional banking | | |
| - in saving account | 4,488 | 420,716 |
| - in current accounts | 13,618,980 | 4,351,649 |
| | <u>13,623,468</u> | <u>4,772,365</u> |
| With banks - Islamic banking | | |
| - in current accounts | 10,548,886 | 4,694,862 |
| Cash in hand | 2,398,637 | 491,215 |
| | <u>26,570,991</u> | <u>9,958,442</u> |
| 12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| | (Unaudited) March 31, 2019 | (Audited) June 30, 2018 |
| | -----Number of Shares----- | |
| | <u>169,050,000</u> | <u>169,050,000</u> |
| | Ordinary shares of Rs. 10 each fully paid in cash | |
| | <u>1,690,500,000</u> | <u>1,690,500,000</u> |
| | -----Rupees----- | |

12.1 The Board of Directors in their meeting held on February 19, 2019 approved the Right Issue of 221.83% in terms of ordinary shares at exercise price of PKR. 10/- each.





13 SHORT TERM BORROWINGS

The short term borrowing includes both facilities for short term finance and letter of credit available from various Islamic and conventional banks. These facilities are secured by way of hypothecation and charge over company's assets and pledge of stocks. The rates of markup range between respective KIBOR plus 0.5% to respective KIBOR plus 2% (June 30, 2018: three months KIBOR plus 0.5% to three months KIBOR plus 2%) per annum.

14 LOAN FROM RELATED PARTY

This represents an interest free loan obtained from a related party for meeting the working capital requirements and is payable on demand (June 30, 2018: Rs. 422,725,648).

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

The status of contingencies is same as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2018.

15.2 Commitments

Commitments under letter of credit for raw materials as at March 31, 2019 amounted to Rs. 838.215 million (June 30, 2018: Rs. 765.890 million).

16 EARNINGS PER SHARE - BASIC AND DILUTED

| | (Unaudited) Nine Months ended | | (Unaudited) Quarter ended | |
|--|----------------------------------|-------------------|------------------------------|-------------------|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Profit for the period | 186,748,122 | 30,645,077 | 40,235,622 | 78,691,346 |
| Weighted average number of ordinary shares | 169,050,000 | 81,573,915 | 169,050,000 | 169,050,000 |
| Earnings per share - basic and diluted | 1.10 | 0.38 | 0.24 | 0.47 |

16.1 No figure for diluted earning per shares has been presented as the company has not issued any instrument which would have an impact on earnings per share when exercised.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, directors of the Company, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transactions with related parties have been carried out on arm's length basis. No remuneration was paid to chief executive and directors.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim financial information, are as follows:





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

Phone : +92 21 34373605-7 | Fax : +92 21 34373608 | Website : www.unityfoods.pk