



UNITY FOODS LIMITED
— food for life! —

UNPRECEDENTED GROWTH & BEYOND



QUARTERLY
REPORT
MARCH
2020
(UN-AUDITED)



UNITY FOODS LIMITED

— food for life! —

**Condensed Interim Financial Statements
(Un-Audited)
for the Nine Months Period Ended
March 31, 2020**



Banaspati & Cooking Oil

Sehat
ki Dastak...



UNITY FOODS LIMITED
— food for life! —



[/DastakCookingOil](#)
www.unityfoods.pk



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UNITY FOODS LIMITED
food for life

ANIMAL FEED BUSINESS SEGMENT

PURE™

پیورکھلاؤ، پیداوار اور منافع بڑھاؤ





Company Information

Board of Directors	Mr. Abdul Majeed Ghaziani Mr. Muhammad Farrukh Ms. Hina Safdar Mr. Muneer S. Godil Ms. Maria Abdul Hafeez Mr. Sheikh Ali Baakza Ms. Tayyaba Rasheed	Chairman-Non Executive Chief Executive Non-Executive Independent Non-Executive Non-Executive Independent
Audit Committee	Mr. Muneer S. Godil Mr. Abdul Majeed Ghaziani Ms. Maria Abdul Hafeez	Chairman
Human Resource & Remuneration Committee	Mr. Muneer S. Godil Mr. Muhammad Farrukh Ms. Hina Safdar	Chairman
Chief Financial Officer	Mr. Jalees Edhi	
Company Secretary	Syed Muhammad Tariq Nabeel Jafri	
External Auditor	Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants 1st Floor, Modern Motors House Beaumont Road Karachi	
Internal Auditor	Mr. Imran Ahmed Khan	
Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited Habib Bank Limited Bank Al-Habib Limited MCB Bank Limited Meezan Bank Limited Bank Alfalah Limited Dubai Islamic Bank Limited Askari Bank Limited United Bank Limited Bank Islami Pakistan Limited Bank of Punjab Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited JS Bank Limited	

Legal Advisor

Mohsin Tayebaly & Co.
1st Floor, Dime Centre, BC-4, Block-9
Kehkashan, Clifton, Karachi -75500
Phone # +92-21-111-682-529

Share Registrar

F.D. Share Registrar (SMC-Pvt) Ltd
17th Floor, Saima Trade Tower A,
I.I Chundrigar Road, Karachi
Phone # +92-21-32271905-6

Registered Office

Unity Tower, 8-C, P.E.C.H.S.,
Block-6, 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 and Marketing
of Edible Oil and 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
S.I.T.E. Area, Kotri,
District Hyderabad.

Oil Refinery

Plot # E-32

S.I.T.E. Area, Karachi.

Crude Palm Oil Refinery

A-48, (Chemical Area), Eastern Industrial Zone,
Port Qasim Authority,
Karachi.



UNITY FOODS LIMITED
food for life!



A Perfect Blend of
Health & Taste





Directors' Review Report

On behalf of the Board of Directors we are pleased to present the Directors' Review Report for the nine months period ended March 31, 2020.

This Quarter was marred by COVID-19-related issues and like almost every sphere of economy has also adversely affected the edible oil business. International Crude Palm Oil prices that were trading north of USD 800 per ton in December 2019 collapsed to below USD 650 per ton in February of 2020.

In preparation for increase in demand for edible oil during the month of Ramadan, the industry, as a whole, had been building inventory in December 2019 and January 2020. Another reason for inventory building up was the fact that Year 2020 is expected to be the year of El Nino (a weather pattern) which results in longer-than-normal drier spells in Indonesia and Malaysia. Historically, this has adversely affected Palm Oil crop and, therefore, it was expected that the prices of Crude Palm Oil will continue to rise during the year.

With international pricing unexpectedly sliding significantly post COVID-19 global spread, the industry was left with large inventory at higher prices which has resulted in shrinking of margins. This was further exacerbated by slide in value of rupee verses US Dollar due to country losing export orders. For this reason, your Company had to book unrealized exchange loss that is evident from our Quarter results.

Your Company has now successfully waded through this difficult time. Going forward, we expect our profitability to be normalized.

Alhamdulillah, your Company, even in these difficult times, have continued to increase its topline sales that clocked in at over PKR 9 billion during the Quarter which is an increase of a healthy 38% compared to topline sales for the preceding Quarter. Our participation in PSL5 has increased recognition of our flagship brand "Dastak". This increased awareness has helped sales across product and brand line for the Company.

We expect the sales to continue to grow as we continue to penetrate the retail market.

Commitments and Contingencies

There has been no major changes in commitments affecting financial position of the Company's affairs after the balance sheet date.

Corporate Social Responsibility

The management of your Company is fully cognizant of its social responsibilities and we are pleased to report that during the Quarter, the Company has distributed food package among 8,000 needy families in Balochistan who were facing hardship due to lockdown imposed following spread of COVID-19.



Financial Results

Summary of financial operations of the Company for nine months period ended March 31, 2020 is provided below

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

	Nine months period ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	-----Rupees-----			
Sales - net	20,628,959,245	9,387,563,471	9,318,748,312	2,673,947,110
Cost of sales	(19,114,612,755)	(8,512,318,687)	(8,904,595,452)	(2,289,497,025)
Gross profit	1,514,346,490	875,244,784	414,152,860	384,450,085
Selling, marketing and distribution expenses	(560,575,527)	(226,406,215)	(205,961,150)	(119,400,360)
Administrative expenses	(156,666,040)	(159,323,819)	(50,027,559)	(74,757,307)
Other operating expenses	(4,808,034)	(150,211,874)	23,181,107	(73,875,729)
	(722,049,601)	(535,941,908)	(232,807,602)	(268,033,396)
Operating profit	792,296,889	339,302,876	181,345,258	116,416,689
Other income/ (loss)	(325,411,626)	7,131,822	(352,881,560)	1,324,739
Finance cost	(399,166,479)	(144,831,015)	(154,958,168)	(56,225,356)
Profit/ (loss) before taxation	67,718,784	201,603,683	(326,494,470)	61,516,072
Taxation				
- deferred	(25,696,756)	(14,855,561)	(6,390,514)	(21,280,450)
Profit/ (loss) for the period	42,022,028	186,748,122	(332,884,984)	40,235,622
Earning/ (loss) per share - basic and diluted	0.08	Restated 1.02	(0.61)	Restated 0.22

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

	Nine months period ended March 31,	
	2020	2019
	-----Rupees-----	
Sales - net	20,933,357,463	9,387,563,471
Cost of sales	(19,378,273,412)	(8,512,318,687)
Gross profit	1,555,084,051	875,244,784
Selling, marketing and distribution expenses	(582,729,626)	(226,406,215)
Administrative expenses	(158,763,658)	(159,323,819)
Other operating expenses	(4,808,034)	(150,211,874)
	(746,301,318)	(535,941,908)
Operating profit	808,782,733	339,302,876
Other income/ (loss)	(324,101,657)	7,131,822
Finance cost	(399,154,690)	(144,831,015)
Profit before taxation	85,526,386	201,603,683
Taxation		
- deferred	(25,696,756)	(14,855,561)
Profit for the period	59,829,630	186,748,122
Profit attributable to:		
- Owners of the parent company	54,309,273	-
- Non-controlling interests	5,520,357	-
	59,829,630	
Earning/ (loss) per share - basic and diluted	0.11	Restated 1.02

Acknowledgment

We would like to thank the employees of Company for their dedication and hard work, especially in the aftermath of COVID-19 as without their efforts it would not have been possible to sustain the Company's operations. We expect that the hard work will continue in the future as well.

We would also like 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.

For and on behalf of the Board



Muhammad Farrukh
Chief Executive
Karachi:



Abdul Majeed Ghaziani
Chairman

April 28, 2020



UNITY FOODS LIMITED
— food for life! —



Taste the Healthier Side of Life





اظہارِ تشکر

ہم تہہ دل سے کمپنی کے تمام ملازمین کا اُن کی محنت اور لگن کے لیے شکریہ ادا کرنا چاہیں گے، خاص طور پر COVID 19 کے بعد، کیونکہ اُن کی کاوشوں کے بغیر کمپنی کے لیے اپنے جاری امور کو برقرار رکھنا ناممکن ہوتا۔ ہم توقع رکھتے ہیں کہ یہ محنت اور لگن مستقبل میں بھی اسی طرح جاری و ساری رہے گی۔

ہم اس موقع پر پاکستان انسٹاک ایسوسی ایشن، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور CDC کا بھی اُن کی مسلسل سپورٹ اور تعاون کے لیے شکریہ ادا کرنا چاہیں گے اور امید کرتے ہیں کہ یہ سپورٹ مستقبل میں بھی اسی طرح جاری و ساری رہے گی۔

بورڈ کے لیے اور بورڈ کی جانب سے،

عبدالمجید غازیانی
چیئر مین

محمد فرخ

چیف ایگزیکٹو

کراچی

28 اپریل 2020



منافع یا نقصان کے (انضمام شدہ) مختصر عبوری اسٹیٹمنٹ

31 مارچ کو اختتام پذیر ہونے والے نو ماہ

2019 2020

-----روپے-----

9,387,563,471	20,933,357,463	مجموعی فروخت (صافی)
(8,512,318,687)	(19,378,273,412)	فروخت کی لاگت
875,244,784	1,555,084,051	مجموعی منافع
(226,406,215)	(582,729,626)	فروختگی، مارکیٹنگ اور ترسیل کے اخراجات
(159,323,819)	(158,763,658)	انتظامی اخراجات
(150,211,874)	(4,808,034)	دیگر آپریٹنگ اخراجات
(535,941,908)	(746,301,318)	آپریٹنگ منافع
339,302,876	808,782,733	
7,131,822	(324,101,657)	دیگر منافع/نقصان
(144,831,015)	(399,154,690)	مالیاتی لاگت
201,603,683	85,526,386	قبل از محصول (ٹیکس) نفع/ (نقصان)
		محصول (ٹیکسیشن)
(14,855,561)	(25,696,756)	ملتی محصول
186,748,122	59,829,630	اس مدت کے لیے منافع
-	54,309,273	منسوب شدہ منافع:
-	5,520,357	پیئرٹ کمپنی کے مالکان
	59,829,630	اقلیتی حصہ
Restated		
1.02	0.11	آمدنی/ (نقصان) فی حصص (بنیادی اور تکرز)

منافع یا نقصان کے (غیر انضمام شدہ) مختصر عبوری اسٹیٹمنٹ

31 مارچ کو اختتام پذیر ہونے والی سہ ماہی		31 مارچ کو اختتام پذیر ہونے والے نو ماہ		
2019	2020	2019	2020	
----- روپے -----				
2,673,947,110	9,318,748,312	9,387,563,471	20,628,959,245	مجموعی فروخت (صافی)
(2,289,497,025)	(8,904,595,452)	(8,512,318,687)	(19,114,612,755)	فروخت کی لاگت
<u>384,450,085</u>	<u>414,152,860</u>	<u>875,244,784</u>	<u>1,514,346,490</u>	مجموعی منافع
(119,400,360)	(205,961,150)	(226,406,215)	(560,575,527)	فروختگی، مارکیٹنگ اور ترسیل کے اخراجات
(74,757,307)	(50,027,559)	(159,323,819)	(156,666,040)	انتظامی اخراجات
(73,875,729)	23,181,107	(150,211,874)	(4,808,034)	دیگر آپریٹنگ اخراجات
(268,033,396)	(232,807,602)	(535,941,908)	(722,049,601)	
<u>116,416,689</u>	<u>181,345,258</u>	<u>339,302,876</u>	<u>792,296,889</u>	آپریٹنگ منافع
1,324,739	(352,881,560)	7,131,822	(325,411,626)	دیگر منافع/نقصان
(56,225,356)	(154,958,168)	(144,831,015)	(399,166,479)	مالیاتی لاگت
<u>61,516,072</u>	<u>(326,494,470)</u>	<u>201,603,683</u>	<u>67,718,784</u>	قبل از محصول ٹیکس نفع/(نقصان)
(21,280,450)	(6,390,514)	(14,855,561)	(25,696,756)	محصول (ٹیکسیشن)
<u>40,235,622</u>	<u>(332,884,984)</u>	<u>186,748,122</u>	<u>42,022,028</u>	ملتی محصول
Restated		Restated		اس مدت کے لیے منافع/نقصان
<u>0.22</u>	<u>(0.61)</u>	<u>1.02</u>	<u>0.08</u>	آمدنی/(نقصان) فی حصص (بنیادی اور تکرز)



ڈائریکٹرز کی جانب سے جائزہ

ہم نہایت مسرت کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2020 کو ختم ہونے والے نو ماہ کے لیے ڈائریکٹرز کی جائزہ رپورٹ پیش کر رہے ہیں۔

گزشتہ سہ ماہی کے دوران COVID-19 کے منفی اثرات مرتب ہوئے اور تقریباً دیگر معاشی سرگرمیوں کی طرح خوردنی تیل کا کاروبار بھی شدید متاثر ہوا۔ بین الاقوامی سطح پر خام پام آئل کی قیمتیں جو دسمبر 2019 میں 800 امریکی ڈالرنی ٹن سے زائد تھیں وہ فروری 2020 میں کم ہو کر 650 امریکی ڈالرنی ٹن کی سطح پر آگئیں۔

ماہ رمضان میں خوردنی تیل کی طلب میں ہونے والے اضافے کے مد نظر مجموعی طور پر پوری انڈسٹری دسمبر 2019 اور جنوری 2020 سے اپنی انوینٹری میں اضافے پر توجہ مرکوز رکھے ہوئے تھی۔ انوینٹری میں اضافہ کرنے کا ایک اور سبب یہ حقیقت بھی ہے کہ سال 2020 میں ایل نیو (موسیٰ حالات) کا سال متوقع ہے، جس کے نتیجے میں انڈونیشیا اور ملائیشیا میں لمبے وقت تک موسم خشک رہتا ہے۔ اس سے قبل بھی ایسا موسم ہونے کی صورت میں پام آئل کی فصل پر بدترین اثرات مرتب ہوئے ہیں، اسی لیے توقع کی جارہی تھی کہ خام پام آئل کی قیمتیں رواں سال کے دوران بڑھتی رہیں گی۔

دنیا بھر میں COVID 19 پھیلنے کے بعد بین الاقوامی قیمتوں میں غیر متوقع کمی کے ساتھ انڈسٹری کے پاس اس وقت زیادہ قیمت والی بڑے حجم کی انوینٹری موجود ہے، جس کے نتیجے میں نقصانات کا سامنا ہے۔ ملکی برآمدی آرڈرز کے ضائع ہونے کے سبب امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی واقع ہوئی جس کی وجہ سے نقصانات میں مزید اضافہ ہوا۔ انہی وجوہات کے سبب آپ کی کمپنی کو کرنسی کی تبدیلی میں ناقابل حصول نقصان ہوا، جس کا مشاہدہ سہ ماہی نتائج میں کیا جاسکتا ہے۔

اب آپ کی کمپنی اس مشکل وقت سے کامیابی کے ساتھ گزر چکی ہے لیکن آنے والے وقت میں خوردنی تیل کی قیمتوں کی غیر مستحکم صورت حال کی وجہ سے کرنسی میں اتار چڑھاؤ کا خدشہ تا حال موجود ہے۔

الحمد للہ، آپ کی کمپنی نے ان مشکل حالات میں بھی اپنی ٹاپ لائن سیلز میں اضافے کا رجحان برقرار رکھا اور ختم ہونے والی سہ ماہی میں 9 بلین روپے سے زائد کی سیلز ریکارڈ کیں جو کہ گزشتہ سہ ماہی کی سیلز کے مقابلے میں 38 فیصد تسلی بخش اضافے کو ظاہر کرتی ہیں۔ PSL 5 میں ہماری شراکت داری نے ہمارے فلیگ شپ برانڈ "دستک" کی پہچان کو مزید ابھارا۔ آگاہی میں اضافے کے سبب مصنوعات کی فروخت اور کمپنی کی برانڈ لائن میں موجود دیگر مصنوعات کی فروخت میں مدد ملی ہے۔

ہم توقع کرتے ہیں پرچون مارکیٹ میں ہماری بڑھتی ہوئی رسائی کے سبب ہماری سیلز میں اضافے کا رجحان جاری رہے گا۔

مالی ذمہ داریاں

بیلنس شیٹ کی تاریخ کے بعد کمپنی کے مالی امور میں ایسی کوئی تبدیلی واقع نہیں ہوئی ہے جس سے کمپنی کی مالی ذمہ داریوں پر کوئی اثرات مرتب ہوں۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی کی انتظامیہ اپنی سماجی ذمہ داریوں سے پوری طرح واقف ہے اور ہم یہ بتاتے ہوئے نہایت خوشی محسوس کر رہے ہیں کہ اس سہ ماہی کے دوران، کمپنی نے بلوچستان میں 8,000 ضرورت مند گھرانوں میں فوڈ کی تقسیم کیا ہے جو COVID-19 کے پھیلاؤ کے بعد لاک ڈاؤن کے باعث مشکلات کا سامنا کر رہے تھے۔

مالی نتائج

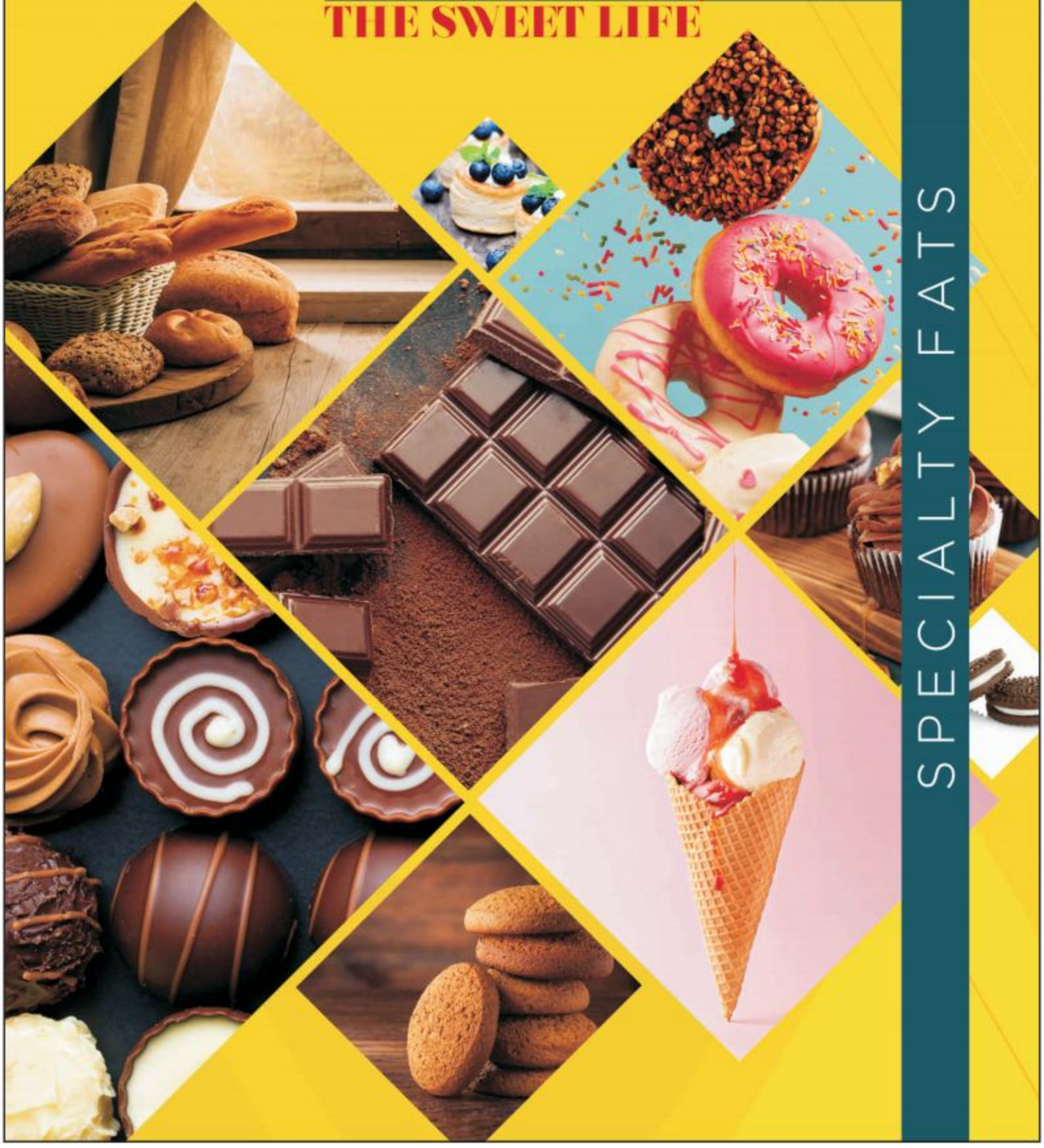
31 مارچ 2020 کو ختم ہونے والے نو ماہ کے لیے کمپنی کے فنانشیل آپریٹرز کا خلاصہ درج ذیل ہے۔



UNITY FOODS LIMITED
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SPECIALTY FATS BUSINESS SEGMENT

CELEBRATING THE SWEET LIFE



SPECIALTY FATS

Unity Foods Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at March 31, 2020



UNITY FOODS LIMITED
Food for life!

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
Note	-----Rupees-----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 3,326,409,440	3,081,521,153
Intangible assets	6 8,793,062	8,654,439
Long term investment	7 366,541,770	-
Deferred taxation - net	8 -	4,072,001
Total non-current assets	3,701,744,272	3,094,247,593
CURRENT ASSETS		
Stock in trade	9 5,985,790,644	3,201,229,920
Stores, spares and loose tools	71,339,599	30,913,536
Trade debts - net	10 6,198,406,383	3,063,574,186
Advances, deposits and prepayments	11 24,920,071	30,920,000
Other receivables	2,165,739	1,050,000
Sales tax receivable	239,160,223	292,485,386
Taxation - net	1,620,698,202	711,161,726
Cash and bank balances	12 187,420,008	40,043,834
Total current assets	14,329,900,869	7,371,378,588
Total assets	18,031,645,141	10,465,626,181
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
1,000,000,000 (June 30, 2019: 1,000,000,000) ordinary shares of Rs. 10/- each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid-up capital	13 5,440,500,000	5,440,500,000
Unappropriated profit	241,584,206	253,967,178
Total equity	5,682,084,206	5,694,467,178
Non-current liabilities		
Deferred taxation - net	8 21,624,755	-
CURRENT LIABILITIES		
Trade and other payables	8,256,452,703	1,983,666,956
Accrued mark-up	107,725,047	39,065,955
Short term borrowings	14 3,962,971,221	2,567,371,277
Unclaimed dividend	787,209	1,188,311
Loan from related party	-	179,866,504
Total current liabilities	12,327,936,180	4,771,159,003
Total equity and liabilities	18,031,645,141	10,465,626,181
CONTINGENCIES AND COMMITMENTS	15 -	-

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)
For the Nine Months Period And Quarter Ended March 31, 2020

	Nine months period ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
Note	-----Rupees-----			
Sales - net	20,628,959,245	9,387,563,471	9,318,748,312	2,673,947,110
Cost of sales	<u>(19,114,612,755)</u>	<u>(8,512,318,687)</u>	<u>(8,904,595,452)</u>	<u>(2,289,497,025)</u>
Gross profit	1,514,346,490	875,244,784	414,152,860	384,450,085
Selling, marketing and distribution expenses	<u>(560,575,527)</u>	<u>(226,406,215)</u>	<u>(205,961,150)</u>	<u>(119,400,360)</u>
Administrative expenses	<u>(156,666,040)</u>	<u>(159,323,819)</u>	<u>(50,027,559)</u>	<u>(74,757,307)</u>
Other operating expenses	<u>(4,808,034)</u>	<u>(150,211,874)</u>	<u>23,181,107</u>	<u>(73,875,729)</u>
	<u>(722,049,601)</u>	<u>(535,941,908)</u>	<u>(232,807,602)</u>	<u>(268,033,396)</u>
Operating profit	792,296,889	339,302,876	181,345,258	116,416,689
Other income/ (loss)	<u>(325,411,626)</u>	<u>7,131,822</u>	<u>(352,881,560)</u>	<u>1,324,739</u>
Finance cost	<u>(399,166,479)</u>	<u>(144,831,015)</u>	<u>(154,958,168)</u>	<u>(56,225,356)</u>
Profit/ (loss) before taxation	67,718,784	201,603,683	(326,494,470)	61,516,072
Taxation				
- deferred	<u>(25,696,756)</u>	<u>(14,855,561)</u>	<u>(6,390,514)</u>	<u>(21,280,450)</u>
Profit/ (loss) for the period	<u>42,022,028</u>	<u>186,748,122</u>	<u>(332,884,984)</u>	<u>40,235,622</u>
Earning/ (loss) per share - basic and diluted	17 0.08	Restated 1.02	(0.61)	Restated 0.22

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



Chairman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)
For the Nine Months Period And Quarter Ended March 31, 2020



	Nine months period ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	-----Rupees-----			
Profit/ (loss) for the period	42,022,028	186,748,122	(332,884,984)	40,235,622
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/ (loss) for the period	42,022,028	186,748,122	(332,884,984)	40,235,622

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)
For the Nine Months Period Ended March 31, 2020

	Nine months period ended March 31,	
	2020	2019
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,718,784	201,603,683
Adjustments for:		
Depreciation	90,359,006	42,862,220
Amortization	1,643,537	844,167
Finance cost	399,166,479	144,831,015
	558,887,806	390,141,085
Changes in working capital		
Decrease/ (Increase) in current assets:		
Stock in trade	(2,784,560,724)	(1,159,203,689)
Stores, spares and loose tools	(40,426,063)	(20,883,593)
Trade debts - net	(3,134,832,197)	(1,613,017,269)
Advances, deposits and prepayments	5,999,929	(18,826,078)
Other receivables	(1,115,739)	(77,211,128)
Sales tax receivable	53,325,163	(44,871,007)
	(5,901,609,631)	(2,934,012,764)
Increase in current liabilities:		
Trade and other payables	6,272,785,747	259,519,876
Cash generated from/ (used in) operations	930,063,922	(2,284,351,803)
Taxes paid	(909,536,476)	(365,894,053)
Net cash generated from/ (used in) operating activities	20,527,446	(2,650,245,856)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(335,247,292)	(360,849,486)
Purchase of intangible assets	(1,782,160)	(3,444,847)
Investment in shares of the Subsidiary	(366,541,770)	-
Proceeds from long term deposits	-	25,000
Net cash used in investing activities	(703,571,222)	(364,269,333)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term borrowing - net	1,426,707,500	1,113,733,931
Dividend paid	(54,806,102)	(82,223,584)
Finance cost paid	(330,507,387)	(128,933,470)
Loan (returned)/ received from related party	(179,866,504)	2,040,130,764
Net cash generated from financing activities	861,527,507	2,942,707,641
Net increase/ (decrease) in cash and cash equivalents	178,483,731	(71,807,548)
Cash and cash equivalents at beginning of the period	(151,539,093)	(90,041,558)
Cash and cash equivalents at end of the period	26,944,638	(161,849,106)
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	12 187,420,008	26,570,991
Short term borrowings from bank - running finance (secured)	(160,475,370)	(188,420,097)
Cash and cash equivalents at end of the period	26,944,638	(161,849,106)

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


Chairman
Abdul Majeed Ghaziani


Chief Executive
Muhammad Farrukh


Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)
For the Nine Months Period Ended March 31, 2020



	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	-----Rupees-----		
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 period ended March 31, 2019	-	186,748,122	186,748,122
Balance as at March 31, 2019 (un-audited)	<u>1,690,500,000</u>	<u>185,640,780</u>	<u>1,876,140,780</u>
Balance as at July 01, 2019 (un-audited)	5,440,500,000	253,967,178	5,694,467,178
Transactions with owners recorded directly in equity			
Final dividend @ Rs. 0.10/- per share for the year ended June 30, 2019	-	(54,405,000)	(54,405,000)
Total comprehensive income for the nine months period ended March 31, 2020	-	42,022,028	42,022,028
Balance as at March 31, 2020 (un-audited)	<u>5,440,500,000</u>	<u>241,584,206</u>	<u>5,682,084,206</u>

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

1 LEGAL STATUS AND 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 Companies Act, 2017) and subsequently converted into a Public Limited Company on June 16, 1991. Shares of the Company are listed in Pakistan Stock Exchange since February 01, 1994. The principal business activity of the Company has been changed from yarn manufacturing to edible oil extraction, refining and related businesses.

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

Address	Purpose
Karachi	
Unity Tower Plot No. 8-C, Block-6, P.E.C.H.S.	Registered Office of the Company
Plot No. E-32, SITE Area.	Oil Refinery
Plot No. A-48, Eastern Industrial Zone, Port Qasim.	Oil Refinery
Kotri, District Hyderabad	
Plot No. N-27-B, SITE Area.	Edible Oil Extraction Plant and Pellitising Mills

1.3 During the period, the Company has acquired 69% ownership in Sunridge Foods (Private) Limited which was incorporated in Pakistan as a private limited company on March 16, 2015 under the Companies Act, 2017. The address and geographical location of registered office and plant site of the company is situated at Plot No. C-6, North Western Industrial Zone, Port Qasim, Karachi. The corporate head office is located at 4th Floor Plot No. 73-C, Jami Commercial, Street 8, DHA Phase VII The operational status of the company is processing of foods items and the auditors of the company has expressed unqualified opinion for the financial year ended June 30, 2019

2 BASIS OF PREPARATION

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. These accounting and reporting standards 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.

2.1.2 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.

2.1.3 These condensed interim unconsolidated financial statements do not include all the information and disclosures required in annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2019.

2.1.4 In order to comply with the requirements of International Accounting Standard 34 - "Interim Financial Reporting", corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited unconsolidated financial statements of the Company for the year ended June 30, 2019 and the corresponding figures in the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim unconsolidated financial statements of the Company for the nine months period ended March 31, 2019.

Moreover, corresponding figures have been reclassified where ever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards the effect of which is not material.



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

2.2 Basis of measurement

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

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 unconsolidated financial statements for the year ended June 30, 2019.

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2019 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of these condensed interim unconsolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimations and uncertainties were the same as those that were applied to the annual audited unconsolidated financial statements for the year ended June 30, 2019.

4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2019.

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
	Note	-----Rupees-----	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	2,732,552,806	2,302,995,149
	Capital work in progress	593,856,634	778,526,004
		<u>3,326,409,440</u>	<u>3,081,521,153</u>
5.1	Operating fixed assets		
	Written down value (WDV) - opening	2,302,995,149	1,398,635,143
	Additions during the period/ year- (at cost)		
	- Lease hold land	-	278,000,000
	- Building	90,228,015	130,307,228
	- Plant and machinery	418,699,147	532,832,609
	- Office equipment	3,879,516	13,111,923
	- Office furniture	1,812,219	-
	- Motor vehicles	-	6,058,202
	- Computer and other IT equipment	676,717	5,305,398
	- Electronic equipment	4,621,049	-
		519,916,663	965,615,360
	Depreciation charged during the period/ year	(90,359,006)	(61,255,355)
	Written down value (WDV) - closing	<u>2,732,552,806</u>	<u>2,302,995,149</u>
5.2	Capital Work In Progress (CWIP)		
	Opening balance	778,526,004	123,185,704
	Additions during the period/ year	290,634,802	1,536,072,197
	Transferred to operating fixed assets	(475,304,172)	(880,731,897)
	Closing balance	<u>593,856,634</u>	<u>778,526,004</u>
6	INTANGIBLE ASSETS		
	Opening balance	8,654,439	5,703,979
	Additions during the period/ year- (at cost)	1,782,160	4,375,763
	Amortization charged during the period/ year	(1,643,537)	(1,425,303)
	Closing balance	<u>8,793,062</u>	<u>8,654,439</u>
7	LONG TERM INVESTMENT - IN RELATED PARTY		
	This represents investment in 36.6 million shares (having par value of Rs. 10/- each, constituting 69% of the issued, subscribed and paid-up capital) of Sunridge Foods (Private) Limited against a total consideration of Rs. 366 million.		
8	DEFERRED TAXATION - NET	(Unaudited) March 31, 2020	(Audited) June 30, 2019
		-----Rupees-----	
	Deferred tax asset in respect of:		
	Brought forward/ current year losses	95,851,823	93,068,335
	Deferred tax liability in respect of:		
	Accelerated tax depreciation	(117,476,578)	(88,996,334)
	Deferred tax asset/ (liability) - net	<u>(21,624,755)</u>	<u>4,072,001</u>



	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees-----	
9 STOCK IN TRADE		
Raw and packing materials		
- In hand	1,527,456,408	1,027,341,898
- In transit	3,092,358,650	403,477,410
	4,619,815,058	1,430,819,308
Traded goods		
- In hand	177,207,389	366,646,673
- In transit	459,892	50,243,144
	177,667,281	416,889,817
Work in progress	38,234,571	132,382,894
Finished goods	1,150,073,734	1,221,137,901
	5,985,790,644	3,201,229,920
10 TRADE DEBTS - NET		
Trade debts - considered good	6,208,004,617	3,063,574,186
Impairment of financial assets	(9,598,234)	-
Trade debts - net of impairment	6,198,406,383	3,063,574,186
11 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - considered good		
- Suppliers	2,929,804	3,143,458
- Employees	2,793,624	4,112,358
	5,723,428	7,255,816
Security deposits	10,989,137	14,820,089
Short term prepayments	8,207,506	8,844,095
	24,920,071	30,920,000
12 CASH AND BANK BALANCES		
With banks - conventional banking		
- In saving account	259,186	186,560
- In current accounts	130,972,377	18,461,332
	131,231,563	18,647,892
With banks - islamic banking		
- In current accounts	55,470,022	20,655,225
Cash in hand	718,423	740,717
	187,420,008	40,043,834



13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Unaudited) March 31, 2020	Audited June 30, 2019		(Unaudited) March 31, 2020	(Audited) June 30, 2019
-----Number of shares-----			-----Rupees-----	
<u>544,050,000</u>	<u>544,050,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>5,440,500,000</u>	<u>5,440,500,000</u>

14 SHORT TERM BORROWINGS

Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from conventional side of commercial banks under mark-up arrangements amounted to Rs. 2,249.9 million (June 30, 2019: Rs. 1,258.7 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.00% - 2.00% (June 30, 2019: 0.50% - 2.00%) per annum for financing in local currency only and 3 months LIBOR plus 3.50% - 4.00% per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

Short term running finance available from conventional side of various commercial banks under mark-up arrangements amounted to Rs.160.5 million (June 30, 2019: Rs. 191.5 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.00% - 1.25% (June 30, 2019: 1.00% - 2.00%) per annum.

Funded facilities (isitisna, wakala and murabaha) available from islamic banks amounted to Rs. 1,552.6 million (June 30, 2019: Rs. 1,116.9 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.25% - 1.70% (June 30, 2019: 0.80% - 1.70%) per annum for financing in local currency only and 3 months LIBOR plus 3.00% & 4.00% flat per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

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, 2019.

15.2 Commitments

Commitments under letter of credit for raw materials as at March 31, 2020 amounted to Rs. 918 million (June 30, 2019: Rs. 592 million).

16 OTHER OPERATING EXPENSES

Other operating expenses comprise of Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF). During the quarter ended March 31, 2020, other operating expenses show a positive impact due to reversal of expenses charged in preceding six months.

17 EARNING/ (LOSS) PER SHARE - BASIC AND DILUTED

	(Unaudited) Nine months period ended		(Unaudited) Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Profit/ (loss) for the period - (rupees)	<u>42,022,028</u>	<u>186,748,122</u>	<u>(332,884,984)</u>	<u>40,235,622</u>
Weighted average number of ordinary shares	<u>544,050,000</u>	Restated <u>183,286,482</u>	<u>544,050,000</u>	Restated <u>183,286,482</u>
Earning/ (loss) per share - basic and diluted - (rupees)	<u>0.08</u>	Restated <u>1.02</u>	<u>(0.61)</u>	Restated <u>0.22</u>

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



18 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 are under agreed terms/ contractual arrangements.

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

	(Unaudited) March 31, 2020	(Unaudited) March 31, 2019
	-----Rupees-----	
18.1 Transactions with related parties		
<u>- Associated company</u>		
Unity Feeds (Private) Limited		
Sale of inventory	<u>257,695,393</u>	736,497,358
Purchase of inventory	<u>-</u>	<u>273,827,704</u>
<u>- Loan from related party</u>		
Fehmida Amin - mother of director		
Loan received	<u>617,960,831</u>	3,730,312,000
Loan repaid	<u>797,827,335</u>	<u>1,690,181,236</u>
<u>- Key management personnel</u>		
Salaries and benefits	<u>27,820,000</u>	<u>22,988,703</u>
	(Unaudited)	(Audited)
	March 31,	June 30,
	2020	2019
	-----Rupees-----	
18.2 Balances with related parties		
<u>- Associated company</u>		
Unity Feeds (Private) Limited		
Receivable against sale of inventory	<u>191,622,698</u>	264,939,935
Payable against purchase of inventory	<u>-</u>	<u>-</u>
Provident fund	<u>1,981,451</u>	<u>13,149,978</u>
<u>- Loan from related party</u>		
Fehmida Amin - mother of director	<u>-</u>	<u>179,866,504</u>

19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorized for issue on April 28, 2020 by the Board of Directors of the Company.

20 GENERAL

Figures have been rounded off to the nearest rupees.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi



UNITY FOODS LIMITED
— food for life! —



Banaspati & Cooking Oil

#Split
The
Plate

Let's pledge to #SplitThePlate
with those who are in need.



Unity Foods Limited
Condensed Interim Consolidated Statement of Financial Position
As at March 31, 2020



UNITY FOODS LIMITED
— food for life! —

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
Note	-----Rupees-----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 3,602,790,841	3,081,521,153
Intangible assets	6 8,793,062	8,654,439
Goodwill	281,249,256	-
Deferred taxation - net	7 -	4,072,001
Total non-current assets	3,892,833,159	3,094,247,593
CURRENT ASSETS		
Stock in trade	8 6,150,964,660	3,201,229,920
Stores, spares and loose tools	71,339,599	30,913,536
Trade debts - net	9 6,285,402,550	3,063,574,186
Advances, deposits and prepayments	10 30,043,754	30,920,000
Other receivables	2,268,214	1,050,000
Sales tax receivable	239,160,223	292,485,386
Taxation - net	1,630,874,581	711,161,726
Cash and bank balances	11 210,119,087	40,043,834
Total current assets	14,620,172,668	7,371,378,588
Total assets	18,513,005,827	10,465,626,181
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
1,000,000,000 (June 30, 2019: 1,000,000,000) ordinary shares of Rs. 10/- each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid-up capital	12 5,440,500,000	5,440,500,000
Advance against future issue of shares	12,163,324	-
Unappropriated profit	253,871,451	253,967,178
Non-controlling interest	43,840,180	-
Total equity	5,750,374,955	5,694,467,178
Non-current liabilities		
Deferred liabilities - staff gratuity	7 5,314,976	-
Deferred taxation - net	21,624,755	-
Long term financing	2,147,196	-
Total non-current liabilities	29,086,927	-
CURRENT LIABILITIES		
Trade and other payables	8,661,935,499	1,983,666,956
Accrued mark-up	107,725,047	39,065,955
Short term borrowings	13 3,962,971,221	2,567,371,277
Current portion of long term financing	124,969	-
Unclaimed dividend	787,209	1,188,311
Loan from related party	-	179,866,504
Total current liabilities	12,733,543,945	4,771,159,003
Total equity and liabilities	18,513,005,827	10,465,626,181
CONTINGENCIES AND COMMITMENTS	14 -	-

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)
For the Nine Months Period Ended March 31, 2020

	Nine months period ended March 31,	
	2020	2019
Note	-----Rupees-----	
Sales - net	20,933,357,463	9,387,563,471
Cost of sales	<u>(19,378,273,412)</u>	<u>(8,512,318,687)</u>
Gross profit	1,555,084,051	875,244,784
Selling, marketing and distribution expenses	<u>(582,729,626)</u>	<u>(226,406,215)</u>
Administrative expenses	<u>(158,763,658)</u>	<u>(159,323,819)</u>
Other operating expenses	<u>(4,808,034)</u>	<u>(150,211,874)</u>
	<u>(746,301,318)</u>	<u>(535,941,908)</u>
Operating profit	808,782,733	339,302,876
Other income/ (loss)	<u>(324,101,657)</u>	<u>7,131,822</u>
Finance cost	<u>(399,154,690)</u>	<u>(144,831,015)</u>
Profit before taxation	85,526,386	201,603,683
Taxation		
- deferred	<u>(25,696,756)</u>	<u>(14,855,561)</u>
Profit for the period	<u>59,829,630</u>	<u>186,748,122</u>
Profit attributable to:		
- Owners of the Holding Company	<u>54,309,273</u>	-
- Non-controlling interest	<u>5,520,357</u>	-
	<u>59,829,630</u>	<u>186,748,122</u>
Earning/ (loss) per share - basic and diluted	15	Restated 1.02
	<u>0.11</u>	

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



Chairman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
For the Nine Months Period Ended March 31, 2020



	Nine months period ended March 31,	
	2020	2019
	-----Rupees-----	
Profit for the period	59,829,630	186,748,122
Other comprehensive income for the period	-	-
Total comprehensive income for the period	59,829,630	186,748,122

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Consolidated Statement of Cash Flows (Un-audited)
For the Nine Months Period Ended March 31, 2020

		Nine months period ended March 31,	
		2020	2019
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Profit before taxation		85,526,386	201,603,683
Adjustments for:			
Depreciation		92,733,921	42,862,220
Amortization		1,643,537	844,167
Finance cost		399,154,690	144,831,015
		579,058,534	390,141,085
Changes in working capital			
Decrease/ (Increase) in current assets:			
Stock in trade		(2,866,348,713)	(1,159,203,689)
Stores, spares and loose tools		(40,426,063)	(20,883,593)
Trade debts - net		(3,166,837,279)	(1,613,017,269)
Advances, deposits and prepayments		6,018,595	(18,826,078)
Other receivables		(1,115,739)	(77,211,128)
Sales tax receivable		53,325,163	(44,871,007)
		(6,015,384,036)	(2,934,012,764)
Increase in current liabilities:			
Trade and other payables		6,320,390,708	259,519,876
Cash generated from/ (used in) operations		884,065,206	(2,284,351,803)
Taxes paid		(909,868,387)	(365,894,053)
Staff gratuity paid		(179,200)	-
		(910,047,587)	(365,894,053)
Net cash used in operating activities		(25,982,381)	(2,650,245,856)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(336,264,876)	(360,849,486)
Purchase of intangible assets		(1,782,160)	(3,444,847)
Investment in shares of the Subsidiary		(366,470,539)	-
Proceeds from long term deposits		-	25,000
Net cash used in investing activities		(704,517,575)	(364,269,333)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowing - net		1,474,632,500	1,113,733,931
Advance against future issue of shares		10,221,790	-
Dividend paid		(54,806,102)	(82,223,584)
Finance cost paid		(330,566,833)	(128,933,470)
Cash payment against diminishing musharaka arrangement		(126,102)	-
Loan (returned)/ received from related party		(179,866,504)	2,040,130,764
Net cash generated from financing activities		919,488,749	2,942,707,641
Net increase/ (decrease) in cash and cash equivalents		188,988,793	(71,807,548)
Cash and cash equivalents at beginning of the period		(139,345,076)	(90,041,558)
Cash and cash equivalents at end of the period		49,643,717	(161,849,106)
CASH AND CASH EQUIVALENTS COMPRISE OF:			
Cash and bank balances	11	210,119,087	26,570,991
Short term borrowings from bank - running finance (secured)		(160,475,370)	(188,420,097)
Cash and cash equivalents at end of the period		49,643,717	(161,849,106)

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



Chairman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi

Unity Foods Limited
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)
For the Nine Months Period Ended March 31, 2020



UNITY FOODS LIMITED
— food for life! —

	Issued, subscribed and paid-up capital	Advance against future issue of shares	Unappropriated profit	Non- controlling interest	Total
	-----Rupees-----				
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 period 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
Balance as at July 01, 2019 (unaudited)	5,440,500,000	-	253,967,178	-	5,694,467,178
Transaction with owners recorded directly in equity					
Final dividend @ Rs. 0.10/- per share for the year ended June 30, 2019	-	-	(54,405,000)	-	(54,405,000)
Advance against future issue of shares	-	12,163,324	-	-	12,163,324
Non-controlling interest at acquisition	-	-	-	38,319,823	38,319,823
	-	12,163,324	(54,405,000)	38,319,823	(3,921,853)
Total comprehensive income for the nine months period ended March 31, 2020	-	-	54,309,273	5,520,357	59,829,630
Balance as at March 31, 2020 (un-audited)	5,440,500,000	12,163,324	253,871,451	43,840,180	5,750,374,955

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

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi

1 LEGAL STATUS AND OPERATIONS

1.1 The "Group" consists of:

Holding Company

- Unity Foods Limited (the Holding Company)

Subsidiary Company

- Sunridge Foods (Private) Limited (the Subsidiary)

The Group is engaged in the business of edible oil extraction, refining, processing of food items and related businesses. Brief profiles of the Holding Company and the Subsidiary are as under:

a) Unity Foods Limited

Unity Foods Limited was incorporated in Pakistan in 1991 as a Private Limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017) and subsequently converted into a Public Limited Company on June 16, 1991. Shares of the Holding Company are listed in Pakistan Stock Exchange since February 01, 1994.

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

Address	Purpose
Karachi	
- Unity Tower Plot No. 8-C, Block-6, P.E.C.H.S.	Registered Office of the Company
- Plot No. E-32, SITE Area.	Oil Refinery
- Plot No. A-48, Eastern Industrial Zone, Port Qasim.	Oil Refinery
Kotri, District Hyderabad	
- Plot No. N-27-B, SITE Area.	Edible Oil Extraction Plant and Pellitising Mills

b) Sunridge Foods (Private) Limited

During the period, the Holding Company has acquired 69% ownership in Sunridge Foods (Private) Limited which was incorporated in Pakistan as a private limited company on March 16, 2015 under the Companies Act, 2017. The address and geographical location of registered office and plant site of the company is situated at Plot No. C-6, North Western Industrial Zone, Port Qasim, Karachi. The corporate head office is located at 4th Floor Plot No. 73-C, Jami Commercial, Street 8, DHA Phase VII. The auditors of the company has expressed unqualified opinion for the financial year ended June 30, 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.1.2 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.

2.1.3 These condensed interim consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Holding Company for the year ended 30 June 2019.



2.1.4 In order to comply with the requirements of International Accounting Standard 34 - "Interim Financial Reporting", corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited unconsolidated financial statements of the Holding Company for the year ended June 30, 2019 and the corresponding figures in the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim unconsolidated financial statements of the Holding Company for the nine months period ended March 31, 2019.

Moreover, corresponding figures have been reclassified where ever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards, the effect of which is not material.

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

2.2 Basis of measurement

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been consistently applied to all years presented.

3.1 Basis of consolidation

These condensed interim consolidated financial statements consists of financial statements of the Holding Company and the Subsidiary as disclosed in note 1.1 to these condensed interim consolidated financial statements (herein after referred to as the "Group").

The condensed interim financial statements of the Holding Company and the Subsidiary are prepared up to the same reporting date and are combined on a line-by-line basis.

The Group accounts for business combination using the acquisition method when control is transferred to the Group. The consideration transferred (including contingent consideration) in the acquisition is measured at fair value of the identifiable net assets acquired. Any goodwill acquired is not amortized but tested annually for impairment. Any gain or loss on a bargain purchase is recognized in the condensed interim consolidated statement of profit or loss immediately. Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities. When the initial accounting for a business combination is incomplete at the end of a reporting period, provisional amounts are used. During the measurement period, the provisional amounts are retrospectively adjusted and additional assets and liabilities may be recognized, to reflect new information obtained about the facts and circumstances that existed at the acquisition date which would have affected the measurement of the amounts recognized at that date, had they been known the measurement period does not exceed twelve months from the date of acquisition.

3.1.1 Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity generally accompanying a shareholding of more than fifty percent of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and up to the date when the control ceases.

3.1.2 Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Holding Company. Non-controlling interest is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Non-controlling interest is presented as a separate item in the condensed interim consolidated financial statements.

The Group treats transactions with non-controlling interest as transactions with equity owners of the Group. For purchases from non-controlling interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the Subsidiary is recorded in the condensed interim consolidated statement of changes in equity. Gain or loss on disposals to non-controlling interest is also recorded in the condensed interim consolidated statement of changes equity. Changes in the Group interest in the Subsidiary that do not result in a loss of control is accounted for as equity transaction.

3.1.3 On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the Subsidiary. Any surplus or deficit arising on the loss of control is recognised in the condensed interim consolidated statement of profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated.

3.2 Goodwill that arises upon the acquisition of assets and assuming liabilities is an intangible asset and is considered as a separate item in the condensed interim consolidated financial statements. The acquisition method of accounting is used to account for the acquisition of the assets and assuming liabilities. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The cost of acquisition includes fair value of assets and liabilities resulting from consideration agreement. Identifiable assets acquired and the liabilities assumed are measured initially at their fair values at the acquisition date. Transactions costs are expensed out as incurred except if they relate to the issue of debt or equity securities.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the acquiree in the case of a bargain purchase, the difference is recognised directly in the condensed interim statement of profit or loss.

Goodwill has indefinite useful life and is subsequently measured at cost less impairment in value, if any. Goodwill is tested for impairment on an annual basis and also when there is an indication of impairment. Impairment loss on goodwill is not reversed. On disposal of an entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.3 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 unconsolidated financial statements for the year ended June 30, 2019.

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2019 but are considered not to be relevant or to have any significant effect on the Holding Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim consolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Holding Company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or to have any significant effect on the Holding Company's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim consolidated financial statements, the significant judgments made by the management in applying the Holding Company's accounting policies and key sources of estimations and uncertainties were the same as those that were applied to the annual audited unconsolidated financial statements for the year ended June 30, 2019.

4.2 The Holding Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2019.



	Note	(Unaudited) March 31, 2020	(Audited) June 30, 2019
		-----Rupees-----	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	3,006,636,635	2,302,995,149
	Capital work in progress	596,154,206	778,526,004
		<u>3,602,790,841</u>	<u>3,081,521,153</u>
5.1	Operating fixed assets		
	Written down value (WDV) - opening	2,579,453,893	1,398,635,143
	Additions during the period/ year- (at cost)		
	- Lease hold land	-	278,000,000
	- Building	90,228,015	130,307,228
	- Plant and machinery	418,699,147	532,832,609
	- Office equipment	3,879,516	13,111,923
	- Office furniture	1,812,219	-
	- Motor vehicles	-	6,058,202
	- Computer and other IT equipment	676,717	5,305,398
	- Electronic equipment	4,621,049	-
		519,916,663	965,615,360
	Depreciation charged during the period/ year	<u>(92,733,921)</u>	<u>(61,255,355)</u>
	Written down value (WDV) - closing	<u>3,006,636,635</u>	<u>2,302,995,149</u>
5.2	This comprises of opening WDV of the Holding Company and the Subsidiary amounting to Rs. 2,303 million and Rs. 276 million respectively.		
5.3	Capital Work In Progress (CWIP)		
	Opening balance	780,823,576	123,185,704
	Additions during the period/ year	290,634,802	1,536,072,197
	Transferred to operating fixed assets	(475,304,172)	(880,731,897)
	Closing balance	<u>596,154,206</u>	<u>778,526,004</u>
5.4	This comprises of opening balance of the Holding Company and the Subsidiary amounting to Rs. 778 million and Rs. 2,297 million respectively.		
6	INTANGIBLE ASSETS		
	Opening balance	8,654,439	5,703,979
	Additions during the period/ year- (at cost)	1,782,160	4,375,763
	Amortization charged during the period/ year	(1,643,537)	(1,425,303)
	Closing balance	<u>8,793,062</u>	<u>8,654,439</u>
7	DEFERRED TAXATION - NET		
	Deferred tax asset in respect of:		
	Brought forward/ current year losses	95,851,823	93,068,335
	Deferred tax liability in respect of:		
	Accelerated tax depreciation	(117,476,578)	(88,996,334)
	Deferred tax asset/ (liability) - net	<u>(21,624,755)</u>	<u>4,072,001</u>

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees-----	
8 STOCK IN TRADE		
Raw and packing materials		
- In hand	1,687,135,465	1,027,341,898
- In transit	3,092,358,650	403,477,410
	4,779,494,115	1,430,819,308
Traded goods		
- In hand	177,207,389	366,646,673
- In transit	459,892	50,243,144
	177,667,281	416,889,817
Work in progress	38,234,571	132,382,894
Finished goods	1,155,568,693	1,221,137,901
	6,150,964,660	3,201,229,920
9 TRADE DEBTS - NET		
Trade debts - considered good	6,295,000,784	3,063,574,186
Impairment of financial assets	(9,598,234)	-
Trade debts - net of impairment	6,285,402,550	3,063,574,186
10 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - considered good		
- Suppliers	2,974,804	3,143,458
- Employees	4,662,256	4,112,358
	7,637,060	7,255,816
Security deposits	14,030,235	14,820,089
Short term prepayments	8,376,459	8,844,095
	30,043,754	30,920,000
11 CASH AND BANK BALANCES		
With banks - conventional banking		
- In saving account	265,258	186,560
- In current accounts	152,853,420	18,461,332
	153,118,678	18,647,892
With banks - islamic banking		
- In current accounts	55,470,022	20,655,225
Cash in hand	1,530,387	740,717
	210,119,087	40,043,834



12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Unaudited) March 31, 2020	Audited June 30, 2019		(Unaudited) March 31, 2020	(Audited) June 30, 2019
-----Number of shares-----			-----Rupees-----	
<u>544,050,000</u>	<u>544,050,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>5,440,500,000</u>	<u>5,440,500,000</u>

13 SHORT TERM BORROWINGS

Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from conventional side of commercial banks under mark-up arrangements amounted to Rs. 2,249.9 million (June 30, 2019: Rs. 1,258.7 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.00 % - 2.00% (June 30, 2019: 0.50% - 2.00%) per annum for financing in local currency only and 3 months LIBOR plus 3.50% - 4.00% per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

Short term running finance available from conventional side of various commercial banks under mark-up arrangements amounted to Rs.160.5 million (June 30, 2019: Rs. 191.5 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.00% - 1.25% (June 30, 2019: 1.00% - 2.00%) per annum.

Funded facilities (isitisna, wakala and murabaha) available from islamic banks amounted to Rs. 1,552.6 million (June 30, 2019: Rs. 1,116.9 million). During the period, mark-up on such arrangements ranged between 3 months KIBOR plus 1.25% - 1.70% (June 30, 2019: 0.80% - 1.70%) per annum for financing in local currency only and 3 months LIBOR plus 3.00% & 4.00% flat per annum for financing in foreign currency only in the current financial period whereas no such arrangements were made for financing in foreign currency in the last financial year ended June 30, 2019.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

The status of contingencies is same as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2019.

14.2 Commitments

Commitments under letter of credit for raw materials as at March 31, 2020 amounted to Rs. 918 million (June 30, 2019: Rs. 592 million).

15 EARNING/ (LOSS) PER SHARE - BASIC AND DILUTED

	(Unaudited) Nine months period ended	
	March 31, 2020	March 31, 2019
Profit/ (loss) for the period - (rupees)	<u>59,829,630</u>	<u>186,748,122</u> Restated
Weighted average number of ordinary shares	<u>544,050,000</u>	<u>183,286,482</u> Restated
Earning/ (loss) per share - basic and diluted - (rupees)	<u>0.11</u>	<u>1.02</u>

15.1 No figure for diluted earning per share has been presented as the Holding Company has not issued any instrument which would have an impact on earning per share when exercised.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

	(Unaudited) March 31, 2020	(Unaudited) March 31, 2019
	-----Rupees-----	
16.1 Transactions with related parties		
- Associated company		
Unity Feeds (Private) Limited		
Sale of inventory	257,695,393	736,497,358
Purchase of inventory	-	273,827,704
- Loan from related party		
Fehmida Amin - mother of director		
Loan received	617,960,831	3,730,312,000
Loan repaid	797,827,335	1,690,181,236
- Key management personnel		
Salaries and benefits	27,820,000	22,988,703
16.2 Balances with related parties		
- Associated company		
Unity Feeds (Private) Limited		
Receivable against sale of inventory	191,622,698	264,939,935
Payable against purchase of inventory	-	-
Provident fund	1,981,451	13,149,978
- Loan from related party		
Fehmida Amin - mother of director	-	179,866,504

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on April 28, 2020 by the Board of Directors of the Holding Company.

18 GENERAL

Figures have been rounded off to the nearest rupees.



Chairman
Abdul Majeed Ghaziani



Chief Executive
Muhammad Farrukh



Chief Financial Officer
Jalees Edhi



UNITY FOODS LIMITED

— food for life! —

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