



UNITY FOODS LIMITED
food for life

WIRED FOR GROWTH

**1ST QUARTERLY REPORT 2020
(UN-AUDITED)**





UNITY FOODS LIMITED

— food for life! —

**Condensed Interim Financial
Statements (Un-audited)**

**For the Quarter Ended
September 30, 2020**



UNITY FOODS LIMITED
food for life!

طاقت سب کرنے کی



FORTIFIED
FOR
COMPLETE
STRENGTH

IRON VITAMIN B12
ZINC FOLIC ACID

Sunridge فورٹیفائیڈ چکی آٹا



Folic Acid
Improves blood
circulation!

Zinc
Strengthens
immune system

Vitamin B-12
Keeps bones
stronger

Iron
Gives more
strength

5 کلوگرام

چکی آٹا


Sunridge
ہائی فائبر آٹا

**MORE FIBER...
MORE NUTRITION**



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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

Audit Committee

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

Human Resources & Remuneration Committee

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

Chief Financial Officer

Mr. Jalees Edhi

Company Secretary

Syed Muhammad Tariq Nabeel Jafri

External Auditor

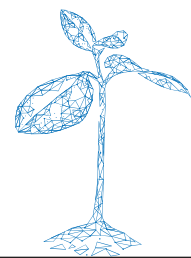
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
1st Floor, Modern Motors House
Beaumont Road
Karachi

Internal Auditor

Mr. Imran Ahmed Khan

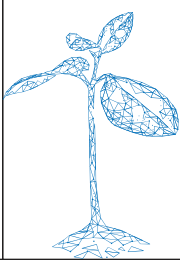
Bankers

Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
Bank Al Habib Limited
MCB Bank Limited
Meezan Bank Limited
Bank Al Falah Limited
Dubai Islamic Bank Limited
Askari Bank Limited
United Bank Limited
Bank Islami Pakistan Limited
Bank of Punjab
Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited
JS Bank Limited





Legal Advisor	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9 Kehkashan, Clifton, Karachi -75500 Phone # +92-21-111-682-529
Share Registrar	F.D. Share Registrar (Pvt) Ltd 17th Floor, Saima Trade Tower A, I.I Chundrigar Road, Karachi Phone # +92-21-32271905-6
Registered Office	Unity Tower, 8-C, PECHS Block-6, Karachi 75400.
Phone No.	+92 21 34373605-607, 34388666, 34387666
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 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@unityfoods.pk
Factories	Solvent Extraction Plant and Pellitising Mills N-27 /B Site Area, Kotri District Hyderabad Oil Refinery Plot # E-32 SITE Area, Karachi Oil Refinery A-48, (Chemical Area), Eastern Industrial Zone, Port Qasim Authority, Karachi



Dastak

Banaspati & Cooking Oil

Sehat
ki Dastak...





DIRECTORS' REPORT

On behalf of the Board of Directors of Unity Foods Limited, we are pleased to present the Directors' Review Report for the quarter ended September 30, 2020.

Alhamdulillah, we are very pleased to report that during the 1st quarter of 2020/21, your Company has made substantial progress in operations. Sales for the quarter has touched PKR 12,169 million, the highest in any quarter since the launch of operations. The encouraging news is that bottom line has also improved and the core net profits for the quarter stood at PKR 591 million showing a very healthy recovery in margins.

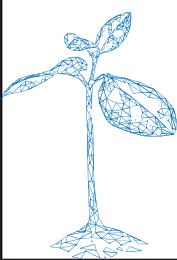
The drag that resulted during the January - March, 2020 quarter due to Covid-19 has more than recovered as retail edible oil prices remained high while the inventory costs remained in check. This helped in increased profitability for the Company.

Sunridge Foods (Private) Limited, the Flour Subsidiary of the Company also witnessed healthy results with highest ever quarterly sales of PKR 411 million and a net profit of PKR 44 million, depicting a healthy 10%+ net margin. As a result the consolidated sales rose to PKR 12,580 million during the quarter while consolidated net profit stood at PKR 621 million. The capacity utilization of Sunridge also witnessed a positive trend during the quarter. We expect margins to remain upbeat going forward, subject to stability in international edible oil prices and local demand, which is expected to remain robust. We wish to highlight the risk that the expected second wave of Covid may present to the overall economy of the country. Pakistan is presently witnessing a spike in reported cases and large scale spread or adverse price movements can adversely affect Company's operations. Having said that, your Company today, is better geared to face and manage such a scenario if it becomes critical.

Overview

The impact of high discount rate resulting in heavy financial charges, coupled with other macro economic factors, marred the profits of last year. However, with interest rates coming down, the financial charges have also declined. Although the net figures remained high at PKR 146 million for the quarter, it was due to net overall increase in short term borrowings during the quarter to finance the increased import and subsequent sale of edible oil.

This financial year, in line with its diversification strategy, UFL started extensive cattle feed sales where it now imports, processes and sells Palm Kernel Expeller (PKE) as cattle feed ingredient. Over the next year or so, this is expected to become a significant topline and bottom line contributor to the Company.





Other Investments

Following the decline in Covid-19 and revival of full scale business activity in the country, your Company has gradually restarted the CAPEX activity that slowed down substantially in the first half of current calendar year.

The Company is nearing commencement of operations of soap and related products. It is expected that full scale commercial operations will commence in the second quarter of financial year 2020-21.

Sunridge Foods has also committed capital expenditure to increase its flour milling capacity and has arranged the required working capital to maintain optimal wheat inventory levels to allow for smooth operations of the Subsidiary and regular flow of product to the market.

The Environment

The Company's operations in edible oil extraction and refining have minimal adverse impact on environment. Further, the management has taken steps that will facilitate operations under highest standards of environmental protection.

Sunridge Foods, the Subsidiary of Unity Foods is involved in milling of wheat and its operations also have minimal or no adverse impact on the environment.

Changes on the Board and the Committees of the Board

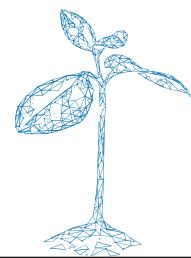
There has been no change on the Board or the Committees of the Board between June 30, 2020 and the date of this report.

Risks and Uncertainties

The Company faces risks or uncertainty in primarily currency exchange rate as Company's operations are mainly dependent upon import of crude palm oil and oil seeds. However, the Company also derives some of its revenue from exports that partially hedges the import risk arising out of rupee devaluation. The management takes all possible measures to contain and control the risk and has been successful in keeping the impact of currency movement risk on Company's profitability to minimal.

Credit Rating

VIS Credit Rating Company Limited has assigned entity rating A-/A-2 (A- minus/A-Two) to the Company. The long-term rating 'A-' signifies good credit quality, protection factors are adequate and risk factors may vary with possible changes in the economy. The short-term rating of 'A-2' signifies good certainty of timely payment, liquidity factors and sound Company fundamentals, access to capital market is good and risk factors are small. Outlook on the assigned ratings is stable. The rating was assigned in October 2019.





Contingencies and Commitments

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

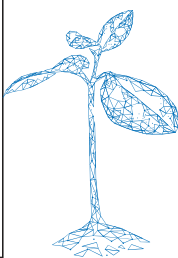
Financial Results

During the Quarter, the Company posted earnings of PKR 591 million (an EPS of PKR 0.93). Summary of financial operations of the Company for the first quarter ended September 30, 2020 is provided below:

	Unconsolidated	Consolidated
	------(Rupees)-----	
Net sales	12,169,277,409	12,580,304,091
Cost of sales	(11,167,087,618)	(11,482,541,991)
Gross profit	1,002,189,791	1,097,762,100
Selling and distribution expenses	(172,711,704)	(209,073,921)
Administrative expenses	(70,315,669)	(74,935,770)
Other operating expenses	12,020,506	8,810,115
	(231,006,867)	(275,199,576)
Other income	16,932,265	17,404,732
Profit before interest and taxation	788,115,189	839,967,256
Finance cost	(146,470,386)	(153,717,840)
Profit before taxation	641,644,803	686,249,416
Taxation:		
Current	(23,613,864)	(24,303,400)
Deferred	(27,232,414)	(27,232,414)
	(50,846,278)	(51,535,814)
Profit after taxation	590,798,525	634,713,602
Profit attributable to:		
Owners of Holding Company		621,099,928
Non-controlling interest		13,613,674
		634,713,602
EPS (basic and diluted)	0.93	0.98

Compliance and Certifications

In line with the commitment and resolution of the Company to create and maintain the highest standards of product safety, hygiene and working environment, we are pleased to report that both the Company and the subsidiary have successfully secured following certifications with the addition of Occupational Health and Safety Management System (latest Standard).





	Oil Refinery (SITE, Karachi)	Solvent Plant (Kotri)	Oil Refinery (Port Qasim Plant)	Pesa Flour Plant (Port Qasim)
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 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)	PS 3733 & GSO/UAE 2055-1 (Halal Food Management System)
			ISO 45001:2018 Occupational Health & Safety Management System	

Your Company is moving towards unprecedented standards.

Acknowledgements

Alhamdulillah, we thank our various stakeholders including the shareholders, bankers and others in the faith imposed in the Company that helped growth over last three years with the Company expanding its business beyond edible oil and into flour. Without their support, it was not possible to achieve these successes in such a short span of time. We look forward to this unwavering support and confidence from these stakeholders to help the Company grow further and expand its product portfolio.

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

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

For and on behalf of the Board,

Muhammad Farrukh
Chief Executive

Karachi
October 27, 2020

Abdul Majeed Ghaziani
Chairman





پسا فلور پلانٹ (پورٹ قاسم)	آئل ریفاائنری (پورٹ قاسم)	سالیونٹ پلانٹ (کوٹری)	آئل ریفاائنری (سائٹ کراچی)
	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 2055-1 (حلال فوڈ مینجمنٹ سسٹم)	PS 3733 & GSO/UAE 2055-1 (حلال فوڈ مینجمنٹ سسٹم)	PS 3733 & GSO/UAE 2055-1 (حلال فوڈ مینجمنٹ سسٹم)	PS 3733 & GSO/UAE 2055-1 (حلال فوڈ مینجمنٹ سسٹم)
	ISO 45001:2018 آکیوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم		

معیارات

آپ کی کمپنی معیار کے بے مثال معیارات کی جانب گامزن ہے۔

اظہار تشکر

الحمد للہ، ہم اپنے تمام حصہ داروں بشمول حصص یافتگان، بینکرز اور دیگر کاشنریہ ادا کرتے ہیں جنہوں نے تین سال قبل آغاز کردہ اس کمپنی پر اپنے پورے اعتماد کا مظاہرہ کیا اور کمپنی کا کاروبار خوردنی تیل سے بڑھ کر آٹے کے کاروبار تک پھیل گیا۔ ان کی مدد کے بغیر اس قلیل مدت میں ان کامیابیوں کا حصول ممکن نہیں تھا۔ ہم کمپنی کو مزید ترقی دینے اور اس کی مصنوعات میں توسیع کے لیے آئندہ بھی ان حصہ داروں سے اسی طرح معاونت و راہنمائی کی توقع رکھتے ہیں۔

ہم پاکستان اسٹاک ایکسچینج، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور سینٹرل ڈپازٹری کمپنی کی جانب سے کمپنی کی مسلسل معاونت اور تعاون پر ان کا بھی تہہ دل سے شکر یہ 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 ساتھیوں کے بہت شکر گزار ہیں جنہوں نے اپنی لگن اور انتھک محنت کے ساتھ ادارے کی ترقی میں اہم کردار ادا کیا۔ ہم امید کرتے ہیں کہ آگے بڑھتے ہوئے نئی منازل کے حصول کے لیے یہ اسی طرح جانفشانی سے محنت کرتے رہیں گے۔

حسب الحکم بورڈ

عبدالحمید غازیانی
چیئر مین

محمد فرخ
چیف ایگزیکٹو

کراچی: 27 اکتوبر 2020





Consolidated Unconsolidated
----- (Rupees) -----

12,580,304,091	12,169,277,409	مجموعی فروخت (صافی)
(11,482,541,991)	(11,167,087,618)	فروخت کی لاگت
1,097,762,100	1,002,189,791	مجموعی منافع
(209,073,921)	(172,711,704)	فروختگی اور ترسیل کے اخراجات
(74,935,770)	(70,315,669)	انتظامی اخراجات
8,810,115	12,020,506	دیگر آپریٹنگ اخراجات
(275,199,576)	(231,006,867)	
17,404,732	16,932,265	دیگر آمدنی
839,967,256	788,115,189	سود اور ٹیکس سے قبل منافع
(153,717,840)	(146,470,386)	مالیاتی لاگت
686,249,416	641,644,803	قبل از محصول (ٹیکس) نفع
		ٹیکسیشن
(24,303,400)	(23,613,864)	موجودہ محصول
(27,232,414)	(27,232,414)	طویل مدتی ٹیکس
(51,535,814)	(50,846,278)	مجموعی محصول
634,713,602	590,798,525	نفع بعد از محصول (ٹیکسیشن)
		منافع میں
621,099,928		اکثریتی شراکت دار کا حصہ
13,613,674		اقلیتی شراکت دار کا حصہ
634,713,602		
0.98	0.93	آمدنی فی حصص (بیسک اور ڈائیلیونڈ)

تعمیل اور تصدیق

محفوظ مصنوعات، حفظانِ صحت کے اصولوں سے مطابقت اور کام کرنے کے بہتر ماحول کے حوالے سے کمپنی کے ارادے اور عزم کے تسلسل میں، کمپنی نے اپنی پیشہ ورانہ پالیسیاں اینڈ سینٹی پیمنٹ سسٹم (جدید معیار) کے ساتھ مندرجہ ذیل اسناد کا میابانی سے حاصل کی ہوئی ہیں۔





یونٹی فوڈز کا ذیلی ادارہ سرج فوڈز گندم کی پسائی کا عمل سرانجام دیتا ہے ان سرگرمیوں سے بھی ماحول پر کسی قسم کے منفی اثرات مرتب نہیں ہوتے۔

بورڈ اور بورڈ کی کمیٹیوں میں ہونے والی تبدیلیاں

30 جون 2020 سے لے کر، اس رپورٹ کی تاریخ تک کمیٹی کے بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں میں کسی بھی قسم کی کوئی تبدیلی نہیں واقع ہوئی ہے۔

اندیشے اور غیر یقینی صورتحال

کمیٹی کو بنیادی طور پر کرنسی کے تبادلے کی شرح میں رسک یا غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے کیونکہ کمیٹی بیج اور پام کے تیل کی درآمد کرتی ہے۔ تاہم، کمیٹی برآمدات سے اپنی کچھ آمدنی بھی حاصل کرتی ہے جو روپے کی قدر میں کمی سے پیدا ہونے والے درآمد کے خطرات کو روکنے میں مدد دیتی ہے۔ انتظامیہ خطرے کو کم سطح پر رکھنے اور اس پر قابو پانے کے لیے ہر ممکن اقدامات اٹھاتی ہے اور کمیٹی کے منافع پر کرنسی کے اتار چڑھاؤ کے رسک کو کم سے کم رکھنے میں کامیاب ہوئی ہے۔

کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمیٹی لمیٹڈ نے کمیٹی کو A-/A-2 (A-minus/A-Two) ریٹنگ تفویض کی ہے۔ طویل المدت 'A' ریٹنگ معیاری کریڈٹ کی علامت ہے، تحفظ کے عوامل کافی ہیں، معیشت میں ممکنہ تبدیلیوں کے ساتھ رسک کی سطح تبدیل ہو سکتے ہیں۔ مختصر المدت کی 'A-2' ریٹنگ بروقت ادائیگی، مالیاتی فراوانی اور کمیٹی کے مضبوط بنیادی عوامل کی نشاندہی کرتے ہیں۔ کیپٹل مارکیٹ تک رسائی آسان ہے۔ خطرے کے عوامل کم ہیں۔ تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

یہ ریٹنگ اکتوبر 2019 میں تفویض کی گئی تھی۔

ضمانے/ وعدے اور امکانات

بیلنس شیٹ کی تاریخ اور رپورٹ ہذا کی تاریخ کے درمیان کمیٹی کے معاملات کی مالی حیثیت کو متاثر کرنے کے لحاظ سے ضمانت/ وعدوں میں کوئی اہم تبدیلی نہیں ہوئی ہے۔

مالیاتی نتائج

اس سال کے دوران، کمیٹی کی آمدنی 591 ملین روپے (فی شیئر آمدنی 0.93 روپے) ریکارڈ کی گئی۔

30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے حوالے سے کمیٹی کے مالیاتی امور کا خلاصہ درج ذیل ہے:





ڈائریکٹرز کی جانب سے جائزہ رپورٹ

ہم بورڈ آف ڈائریکٹرز کی جانب سے نہایت مسرت کے ساتھ 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے لیے ڈائریکٹرز کی جائزہ رپورٹ پیش کر رہے ہیں۔

الحمد للہ، ہم آپ کو نہایت مسرت کے ساتھ مطلع کر رہے ہیں کہ سال 2020/21 کی پہلی سہ ماہی کے دوران آپ کی کمپنی نے آپریشنز میں بہترین کارکردگی کا مظاہرہ کیا ہے۔ اس سہ ماہی کے دوران سیکلز 12,169 ملین روپے رہی ہیں، جو کہ آپریشنز کے آغاز کے بعد سے، اب تک کی سب سے زیادہ سیکلز ہے۔ حوصلہ افزاء خبر یہ ہے کہ نقد نفع میں بھی بہتری ظاہر ہوئی ہے اور سہ ماہی میں بنیادی نیٹ منافع 591 ملین روپے رہا جو کہ مارجنز میں صحت افزاء بحالی کی نشاندہی ظاہر کرتا ہے۔

جنوری تا مارچ 2020 کے دوران کرنا کے نتیجے میں جس سست روی کی وجہ سے جس نقصان کا سامنا کرنا پڑا تھا وہ بھی خوردنی تیل کی قیمتیں زیادہ سطح پر برقرار رہنے سے ختم ہو گئی ہے جبکہ انویٹری کی لاگت قابو میں رہی ہے۔ جس نے کمپنی کے منافع میں اضافے میں معاونت کی ہے۔

سن رج فوڈز، کمپنی کی آئی ڈی بی کمپنی نے اس سہ ماہی میں اب تک کی سب سے شاندار سیکلز 411 ملین روپے اور 44 ملین روپے نیٹ منافع حاصل کیا جو کہ نیٹ مارجن میں 10% سے زیادہ ہے۔ جس کے نتیجے میں مجموعی فروخت اس سہ ماہی کے دوران بڑھ کر 12,580 ملین روپے ہو گئی جبکہ منافع 621 ملین روپے رہا۔ اس سہ ماہی کے دوران سن رج کی پیداواری صلاحیت بھی بہتر طریقہ سے استعمال ہوئی۔ ہمیں توقع ہے کہ آئندہ آنے والے وقت میں مارجنز میں بہتری برقرار رہے گی بشرطیکہ عالمی مارکیٹ میں خوردنی تیل کی قیمتوں اور مقامی سطح پر ان کی طلب مستحکم رہے۔ ہم قیمتوں میں استحکام کے لئے پُر امید ہیں ہم یہاں اس خطرے کی نشاندہی بھی کرنا چاہیں گے کہ COVID-19 کی دوسری لہر کا خطرہ بھی متوقع ہے جو کہ پوری ملکی معیشت کے لیے نقصان دہ ہو سکتا ہے۔ پاکستان میں فی الوقت مریضوں کی تعداد میں اضافہ دیکھا جا رہا ہے اور بڑے پیمانے پر بیماری کے پھیلنے یا قیمتوں میں بڑے پیمانے پر دو بدل سے کمپنی کے آپریشنز پر منفی اثرات مرتب ہو سکتے ہیں۔ موجودہ حالات کو دیکھتے ہوئے کہا جا سکتا ہے کہ آج آپ کی کمپنی آئندہ آنے والے کسی بھی کٹھن وقت میں مشکلات کا سامنا کرنے کے لیے بہتر طریقے سے تیار ہے۔

جائزہ

شرح سود کی زیادتی اور معاشی اشاریوں میں منفی رجحان کی وجہ سے گزشتہ سال منافع پر منفی اثرات مرتب ہوئے۔ تاہم، شرح سود میں کمی واقع ہونے سے مالیاتی چارجز میں بھی کمی واقع ہوئی ہے۔ گرجا سہ ماہی کے دوران مجموعی سودی اخراجات 146 ملین روپے کی بلند سطح پر رہے۔ تاہم انکی وجہ اس سہ ماہی کے دوران مختصر المدت قرضوں میں مجموعی طور پر اضافہ تھا جو خوردنی تیل کی بڑھتی ہوئی درآمد اور اس کے نتیجے میں ہونے والی فروخت کو مالی اعانت فراہم کرنے ضروری تھا۔

اس مالی سال کے دوران، تنوع کی حکمت عملی کے مطابق، یو ایف ایل نے مویشیوں کے چاروں کا بڑے پیمانے پر فروخت کا کام شروع کیا، جس میں پام کرئل ایکسپلور کو مویشیوں کی خوراک کے اجزاء کی حیثیت سے درآمد، پروسس اور فروخت کیا جاتا ہے۔ اگلے ایک آدھ سال میں امید ہے کہ کمپنی کی سیکلز اور نقد نفع میں یہ اہم عنصر ہوگا۔

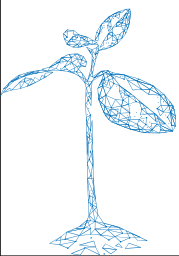
دیگر سرمایہ کاریاں

ملک میں COVID-19 کے کیسز میں کمی اور کاروباری سرگرمیوں کی پوری طرح بحالی کے بعد، آپ کی کمپنی نے بتدریج CAPEX کی سرگرمیاں بحال کر دی ہیں جو کہ موجودہ سال کی پہلی ششماہی میں سست روی کا شکار ہو گئی تھیں۔

کمپنی نے صابن اور دیگر مصنوعات کی تیاری کے آپریشنز کے آغاز کے نہایت قریب ہے۔ امید کی جا رہی ہے کہ مالی سال 2020/21 کی دوسری سہ ماہی میں مکمل پیمانے پر تجارتی پیداوار کا آغاز ہو جائیگا۔ سن رج فوڈز نے اپنی آئی ڈی بی کی پسماندگی کے عمل کی گنجائش کو بڑھانے کے لیے کیپٹل اخراجات کو بڑھانے میں پیش رفت کی ہے اور کمپنی کو آسانی سے کام کرنے اور مارکیٹ میں مصنوعات کی باقاعدگی سے فراہمی کے لیے گندم کی زیادہ سے زیادہ انویٹری کی سطح کو برقرار رکھنے کے لیے مطلوبہ ورکنگ سرمایہ کا بندوبست کیا ہے۔

ماحول

کمپنی کے خوردنی تیل نکالنے اور تطہیر کرنے کے عمل کا ماحول پر کم سے کم منفی اثر پڑتا ہے۔ مزید یہ کہ انتظامیہ نے ایسے اقدامات اٹھائے ہیں جو ماحولیاتی تحفظ کے اعلیٰ معیار کے تحت کام کرنے میں آسانی پیدا کریں گے۔





Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2020

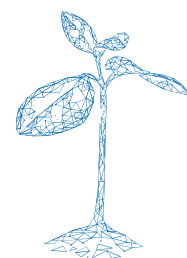
	Note	September 30, 2020 (Un-audited) ------(Rupees)-----	June 30, 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,412,864,050	3,330,924,966
Right-of-use assets	6	96,390,710	88,807,491
Intangible assets		10,310,051	10,912,981
Long term investment	7	366,541,770	366,541,770
Deferred tax asset		-	19,150,507
		3,886,106,581	3,816,337,715
Current assets			
Stock-in-trade		5,017,313,823	5,048,540,001
Stores and spares		66,459,747	64,470,283
Trade debts		10,111,675,533	7,765,666,856
Advances, deposits and prepayments		98,663,922	91,306,367
Other receivables		16,708,266	9,753,965
Sales tax receivable		135,801,354	-
Taxation - net of provision		2,044,325,179	1,983,954,200
Short term investment		2,970,000,000	-
Cash and bank balances		1,620,889,093	163,360,179
		22,081,836,917	15,127,051,851
Total assets		25,967,943,498	18,943,389,566
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	8	9,940,500,000	5,440,500,000
Unappropriated profit		927,388,348	409,190,974
		10,867,888,348	5,849,690,974
Non-current liabilities			
Long term loans	9	197,436,656	127,888,256
Lease liabilities		91,165,939	82,789,524
Deferred government grant		7,628,211	5,974,419
Deferred tax liability		8,081,907	-
		304,312,713	216,652,199
Current liabilities			
Current portion of long term loans	9	103,746,800	51,023,399
Current portion of lease liabilities		20,230,359	16,765,785
Current portion of deferred government grant		19,119,160	11,136,710
Trade and other payables		8,174,654,525	8,838,121,773
Accrued mark-up		90,705,659	65,799,695
Short term borrowings		6,386,538,322	3,892,256,023
Unclaimed dividend		747,612	747,612
Sales tax payable		-	1,195,396
		14,795,742,437	12,877,046,393
Contingencies and commitments	10		
Total equity and liabilities		25,967,943,498	18,943,389,566

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





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

For the Quarter Ended September 30, 2020

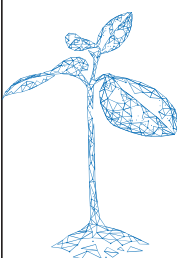
	Note	September 30, 2020	September 30, 2019
		----- (Rupees) -----	
Net sales	11	12,169,277,409	4,555,242,575
Cost of sales		(11,167,087,618)	(4,116,794,785)
Gross profit		1,002,189,791	438,447,790
Selling and distribution expenses		(172,711,704)	(184,103,057)
Administrative expenses		(70,315,669)	(47,599,817)
Other operating expenses	12	12,020,506	(7,295,313)
		(231,006,867)	(238,998,187)
Other income		16,932,265	10,867,993
Profit before interest and taxation		788,115,189	210,317,596
Finance cost		(146,470,386)	(107,566,714)
Profit before taxation		641,644,803	102,750,882
Taxation			
Current		(23,613,864)	-
Deferred		(27,232,414)	(10,063,100)
		(50,846,278)	(10,063,100)
Profit after taxation		590,798,525	92,687,782
			Restated
Basic and diluted earning per share	13	0.93	0.15

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited) For the Quarter Ended September 30, 2020

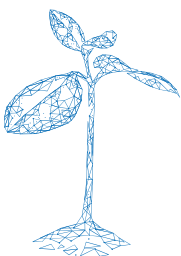
	September 30, 2020	September 30, 2019
	----- (Rupees) -----	
Profit after taxation	590,798,525	92,687,782
Other comprehensive income	-	-
Total comprehensive income for the period	590,798,525	92,687,782

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





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

For the Quarter Ended September 30, 2020

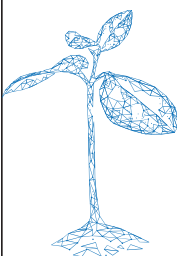
	Note	September 30, 2020	September 30, 2019
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operating activities	14	(2,310,616,223)	354,916,200
Taxes paid		(83,984,843)	(143,927,990)
Net cash (used in)/ generated from operating activities		(2,394,601,066)	210,988,210
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(114,996,474)	(67,005,860)
Purchase of intangible assets		-	(77,160)
Short term investment		(2,970,000,000)	-
Profit received on short term investment		2,523,863	-
Net cash used in investing activities		(3,082,472,611)	(67,083,020)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings - net		2,759,775,452	(235,018,390)
Proceeds from long term loan		130,808,750	-
Rental paid against right-of-use assets		(8,090,850)	-
Lease liabilities - net		4,972,003	-
Loan (repaid to)/ received from related party - net		-	151,274,627
Finance cost paid		(114,768,460)	(85,437,224)
Proceeds from issuance of right shares		4,500,000,000	-
Transaction cost incurred on issuance of right shares		(72,601,151)	-
Net cash generated from financing activities		7,200,095,744	169,180,987
Net increase in cash and cash equivalents		1,723,022,067	(25,275,797)
Cash and cash equivalents at the beginning of the period		(102,132,974)	(151,539,093)
Cash and cash equivalents at the end of the period	14.1	1,620,889,093	(176,814,890)

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





Condensed Interim Unconsolidated Statement of Changes in Equity

For the Quarter Ended September 30, 2020

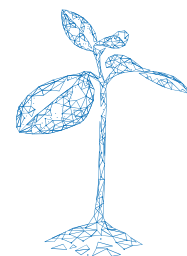
	Share capital	Unappropriated profit ------(Rupees)-----	Total
Balance as at June 30, 2019 (audited)	5,440,500,000	253,967,178	5,694,467,178
Total comprehensive income for the quarter ended September 30, 2019	-	92,687,782	92,687,782
Balance as at September 30, 2019 (un-audited)	<u>5,440,500,000</u>	<u>346,654,960</u>	<u>5,787,154,960</u>
Balance as at June 30, 2020 (audited)	5,440,500,000	409,190,974	5,849,690,974
Transactions with owners recorded directly in equity			
Issuance of right shares	4,500,000,000	-	4,500,000,000
Transaction cost incurred on issuance of right shares	-	(72,601,151)	(72,601,151)
Total comprehensive income for the quarter ended September 30, 2020	-	590,798,525	590,798,525
Balance as at September 30, 2020 (un-audited)	<u>9,940,500,000</u>	<u>927,388,348</u>	<u>10,867,888,348</u>

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





UNITY FOODS LIMITED
Food for life!



Taste the Healthier Side of Life





Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited) For the Quarter Ended September 30, 2020

1 THE COMPANY AND ITS OPERATIONS

1.1 Unity Foods Limited (“the Company”) was incorporated in Pakistan in 1991 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a public limited company on 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. - Plot No. E-32, SITE Area. - Plot No. A-48, Eastern Industrial Zone, Port Qasim.	Registered Office of the Company Oil Refinery Oil Refinery
Kotri, District Hyderabad - Plot No. N-27-B, SITE Area.	Edible Oil Extraction Plant and Pellitising Mills

2 STATEMENT OF COMPLIANCE

These condensed interim unconsolidated financial statements of the Company for the three months period ended September 30, 2020 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 “Interim Financial Reporting” and provisions issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and the directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements and should be read in conjunction with the Company’s annual audited unconsolidated financial statements for the year ended June 30, 2020

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 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, 2020.

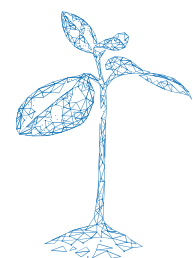
3.2 The Company’s financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements for the year ended June 30, 2020.

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 01, 2020 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.



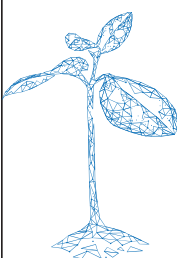


4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2021 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.

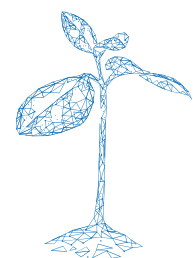
	Note	September 30, 2020 (Un-audited) ------(Rupees)-----	June 30, 2020 (Audited)
5			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,717,248,700	2,733,661,828
Capital work-in-progress (CWIP)	5.2	695,615,350	597,263,138
		3,412,864,050	3,330,924,966
5.1			
Operating fixed assets			
Written down value (WDV) - opening		2,733,661,828	2,302,995,148
Additions during the period/ year- (at cost)			
- Lease hold land		-	500,000
- Building		-	90,228,015
- Plant and machinery		13,449,725	438,421,543
- Furniture, fixture and office equipment		2,114,092	11,053,377
- Computer and auxilliary equipment		1,080,445	813,678
- Motor vehicles		-	11,012,106
		16,644,262	552,028,719
Depreciation charged during the period/ year		(33,057,390)	(121,362,039)
Written down value (WDV) - closing		2,717,248,700	2,733,661,828
5.2			
Capital work-in-progress (CWIP)			
Opening balance		597,263,138	778,526,004
Additions during the period/ year		98,352,212	303,577,817
Transferred to operating fixed assets during the period/ year		-	(484,840,683)
Closing balance		695,615,350	597,263,138
6			
RIGHT-OF-USE ASSETS			
Opening balance		88,807,491	-
Impact of initial application of IFRS-16		-	112,057,434
Additions during the period/ year		14,959,836	-
Depreciation charged during the period/ year		(7,376,617)	(23,249,943)
Right-of-use assets (ROUA) as at period/ year end		96,390,710	88,807,491
7			
LONG TERM INVESTMENT			

Long term investment represents investment in Sunridge Foods (Private) Limited which is incorporated in Pakistan. As at the date of the unconsolidated statement of financial position, the Company owns 69% shares (36,654,177 shares of Rs. 10/- each) of Sunridge Foods (Private) Limited.





	Note	September 30, 2020 (Un-audited) ------(Rupees)-----	June 30, 2020 (Audited)
8 SHARE CAPITAL			
Authorized share capital			
1,000,000,000 (June 30, 2020: 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			
994,050,000 (June 30, 2020: 544,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	8.1	<u>9,940,500,000</u>	<u>5,440,500,000</u>
8.1	During the quarter ended September 30, 2020, the Company has issued further 450,000,000 (Four Hundred Fifty Million) ordinary shares of the Company at Rs. 10/- per share (i.e. at par). The proportion and purpose of the Right Issue has been disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2020.		
	Note	September 30, 2020 (Un-audited) ------(Rupees)-----	June 30, 2020 (Audited)
9 LONG TERM LOANS			
Interest based arrangement			
Long term financing facility	9.1	<u>301,183,456</u>	178,911,655
Current portion shown under current liabilities		<u>(103,746,800)</u>	(51,023,399)
		<u>197,436,656</u>	<u>127,888,256</u>
9.1	There is no material change in the terms and conditions of long term loan as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2020.		
10 CONTINGENCIES AND COMMITMENTS			
10.1 Contingencies			
The status of contingencies is same as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2020.			
10.2 Commitments			
Commitments under letter of credit for raw materials as at September 30, 2020 amounted to Rs. 3,432.60 million (June 30, 2020: Rs. 1,443.40 million).			
		September 30, 2020 ------(Rupees)-----	September 30, 2019
11 NET SALES			
Local sales		<u>11,859,201,913</u>	3,207,060,178
Export sales		<u>310,075,496</u>	1,348,182,397
		<u>12,169,277,409</u>	<u>4,555,242,575</u>
12 OTHER OPERATING EXPENSES			
The reversal is due to the impact of exchange gain on foreign currency transactions.			





September 30, 2020 September 30, 2019
------(Rupees)-----

13 EARNING PER SHARE

Profit after taxation

590,798,525 92,687,782

------(Number of shares)-----
Restated

Weighted average number of ordinary shares outstanding during the quarter (for basic earning per share)

636,984,783 **599,351,401**

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

Basic and diluted earning per share

0.93 **0.15**

14 CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

641,644,803 102,750,882

Adjustments for non-cash items:

Depreciation on operating fixed assets

33,057,390 27,044,957

Depreciation on right-of-use assets

7,376,617 -

Amortization on intangible assets

602,930 513,822

Amortization on deferred government grant

(5,696,669) -

Unrealized exchange gain

(22,789,021) -

Profit on short term investment

(11,167,106) -

Finance cost

146,470,386 107,566,714

789,499,330 237,876,375

Changes in working capital

(Increase)/ decrease in current assets:

Stock-in-trade

31,226,178 (685,624,908)

Stores and spares

(1,989,464) (17,924,922)

Trade debts

(2,346,286,330) 25,801,632

Advances, deposits and prepayments

(7,357,555) 4,949,430

Other receivables

1,688,942 -

Sales tax receivable

(135,801,354) (448,026,734)

(2,458,519,583) (1,120,825,502)

Increase/ (decrease) in current liabilities:

Trade and other payables

(640,400,574) 1,237,865,327

Sales tax payable

(1,195,396) -

(641,595,970) 1,237,865,327

Cash (used in)/generated from operating activities

(2,310,616,223) 354,816,200

14.1 Cash and cash equivalents

Cash and cash equivalents comprise of:

Cash and bank balances

1,620,889,093 22,079,406

Short term borrowings from bank - running finance (secured)

- (198,894,296)

1,620,889,093 (176,814,890)





15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

			For the Quarter ended	
			September 30, 2020	September 30, 2019
			------(Rupees)-----	
Transactions with related parties				
Related parties	Nature of relationship	Nature of transaction		
Unity Feeds (Private) Limited	Associated company	Sales	29,789,940	-
		Purchases	-	175,122,097
Fehmida Amin - mother of director	Lender	Loan received	-	389,174,628
		Loan repaid	-	237,900,000
Providend fund	Staff retirement benefit fund	Contribution paid	5,505,654	2,508,986
Directors and executives	Key management personnel	Remuneration paid	11,378,821	9,906,000
			Balance as at	
			September 30, 2020	June 30, 2020
			(Un-audited)	(Audited)
			------(Rupees)-----	
Balances with related parties				
Related parties	Nature of relationship	Nature of transaction		
Sunridge Foods (Private) Limited	Subsidiary	Against sale of goods	982,360	982,360
Unity Feeds (Private) Limited	Associated company	Against sale of goods	1,990,346	41,200,406
Providend fund	Staff retirement benefit fund	Against contribution payable	1,964,430	1,711,218

16 CORRESPONDING FIGURES

Certain corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions, the effect of which is immaterial.

17 GENERAL

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

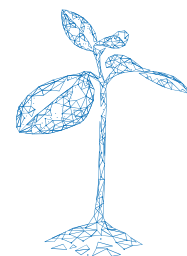
18 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors' meeting held on **October 27, 2020**.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





UNITY FOODS LIMITED
— food for life! —

ANIMAL FEED BUSINESS SEGMENT

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پیورکھلاؤ، پیداوار اور منافع بڑھاؤ





Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2020

	Note	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
		------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,145,756,791	3,616,148,758
Right-of-use assets	6	102,463,226	95,183,633
Intangible assets		291,625,282	292,228,212
Long term deposits		3,286,098	3,086,098
Deferred tax asset		-	19,150,507
		4,543,131,397	4,025,797,208
Current assets			
Stock-in-trade		5,084,071,231	5,362,401,409
Stores and spares		66,459,747	64,470,283
Trade debts		10,235,019,845	7,812,790,409
Advances, deposits and prepayments		107,954,464	95,612,739
Other receivables		17,821,005	10,761,361
Sales tax receivable		135,801,354	-
Taxation - net of provision		2,055,760,993	1,995,744,026
Short term investment		2,970,000,000	-
Cash and bank balances		1,661,357,099	173,183,262
		22,334,245,738	15,514,963,489
Total assets		26,877,377,135	19,540,760,697
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	9,940,500,000	5,440,500,000
Unappropriated profit		961,428,955	412,785,010
		10,901,928,955	5,853,285,010
Advance against future issue of shares		12,163,324	12,163,324
Non-controlling interest		53,613,431	39,934,537
		10,967,705,710	5,905,382,871
Non-current liabilities			
Long term loans	8	212,672,303	143,267,826
Lease liabilities		97,350,691	89,156,414
Staff retirement benefits		8,380,746	7,832,183
Deferred government grant		9,081,565	7,298,709
Deferred tax liability		8,081,907	-
		335,567,212	247,555,132
Current liabilities			
Current portion of long term loans	8	120,377,611	57,247,103
Current portion of lease liabilities		20,922,057	17,414,776
Current portion of deferred government grant		20,571,828	12,194,400
Trade and other payables		8,260,630,384	9,170,391,607
Accrued mark-up		91,153,940	66,699,516
Short term borrowings		7,055,270,858	3,981,506,023
Unclaimed dividend		747,612	747,612
Sales tax payable		-	1,195,395
Contract liabilities		4,429,923	4,935,451
Loan from related party		-	75,490,811
		15,574,104,213	13,387,822,694
Contingencies and commitments	9		
Total equity and liabilities		26,877,377,135	19,540,760,697

The annexed notes from 1 to 17 form an integral part of these consolidated financial statements.

Chairman

Abdul Majeed Ghaziani

Chief Executive

Muhammad Farrukh

Chief Financial Officer

Jalees Edhi





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

For the Quarter Ended September 30, 2020

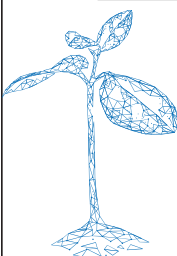
	Note	September 30, 2020	September 30, 2019
		----- (Rupees) -----	
Net sales	10	12,580,304,091	4,555,242,575
Cost of sales		(11,482,541,991)	(4,116,794,785)
Gross profit		1,097,762,100	438,447,790
Selling and distribution expenses		(209,073,921)	(184,103,057)
Administrative expenses		(74,935,770)	(47,599,817)
Other operating expenses	11	8,810,115	(7,295,313)
		(275,199,576)	(238,998,187)
Other income		17,404,732	10,867,993
Profit before interest and taxation		839,967,256	210,317,596
Finance cost		(153,717,840)	(107,566,714)
Profit before taxation		686,249,416	102,750,882
Taxation			
Current		(24,303,400)	-
Deferred		(27,232,414)	(10,063,100)
		(51,535,814)	(10,063,100)
Profit after taxation		634,713,602	92,687,782
Profit attributable to:			
Owners of the Holding Company		621,099,928	92,687,782
Non-controlling interest		13,613,674	-
		634,713,602	92,687,782
Basic and diluted earning per share	12	0.98	Restated 0.15

The annexed notes from 1 to 17 form an integral part of these consolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited) For the Quarter Ended September 30, 2020

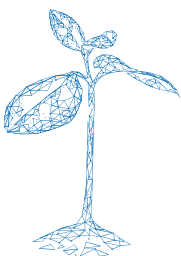
	September 30, 2020	September 30, 2019
	----- (Rupees) -----	
Profit after taxation	634,713,602	92,687,782
Other comprehensive income	-	-
Remeasurement gain on staff retirement benefits	210,388	-
Total comprehensive income for the period	634,923,990	<u>92,687,782</u>
Total comprehensive income for the period attributable to:		
Owners of the Holding Company	621,245,096	92,687,782
Non-controlling interest	13,678,894	-
	634,923,990	<u>92,687,782</u>

The annexed notes from 1 to 17 form an integral part of these consolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





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

For the Quarter Ended September 30, 2020

	Note	September 30, 2020	September 30, 2019
		------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operating activities	13	(2,334,250,255)	354,916,200
Taxes paid		(84,320,367)	(143,927,990)
Staff gratuity paid		(657,100)	-
Net cash (used in) / generated from operating activities		(2,419,227,722)	210,988,210
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(566,815,339)	(67,005,860)
Purchase of intangible assets		-	(77,160)
Short term investment		(2,970,000,000)	-
Profit received on short term investment		2,523,863	-
Long term deposits paid		(200,000)	-
Net cash used in investing activities		(3,534,491,476)	(67,083,020)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings - net		2,759,775,452	(235,018,390)
Proceeds from long term loans		141,945,893	-
Rentals paid against right-of-use assets		(8,090,850)	-
Lease liabilities - net		4,832,572	-
Loan (repaid to) / received from related party - net		(75,490,811)	151,274,627
Finance cost paid		(122,467,453)	(85,437,224)
Proceeds from issuance of right shares		4,500,000,000	-
Transaction cost incurred on issuance of right shares		(72,601,151)	-
Net cash generated from financing activities		7,127,903,652	(169,180,987)
Net increase in cash and cash equivalents		1,174,184,454	(25,275,797)
Cash and cash equivalents at the beginning of the period		(181,559,891)	(151,539,093)
Cash and cash equivalents at the end of the period	13.1	992,624,563	(176,814,890)

The annexed notes from 1 to 17 form an integral part of these consolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





Condensed Interim Consolidated Statement of Changes in Equity For the Quarter Ended September 30, 2020

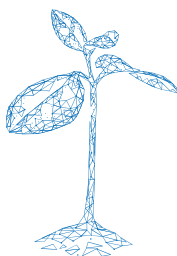
	Attributable to equity holders of the Holding Company				
	Share capital	Unappropriated profit	Total reserves	Non-controlling interest	Total equity
	----- (Rupees) -----				
Balance as at June 30, 2019 (audited)	5,440,500,000	253,967,178	5,694,467,178	-	5,694,467,178
Total comprehensive income for the quarter ended September 30, 2019	-	92,687,782	92,687,782	-	92,687,782
Balance as at September 30, 2019 (un-audited)	<u>5,440,500,000</u>	<u>346,654,960</u>	<u>5,787,154,960</u>	<u>-</u>	<u>5,787,154,960</u>
Balance as at June 30, 2020 (audited)	5,440,500,000	412,785,010	5,853,285,010	39,934,537	5,893,219,547
Transactions with owners recorded directly in equity					
Issuance of right shares	4,500,000,000	-	4,500,000,000	-	4,500,000,000
Transaction cost incurred on issuance of right shares	-	(72,601,151)	(72,601,151)	-	(72,601,151)
Total comprehensive income for the quarter ended September 30, 2020	-	621,245,096	621,245,096	13,678,894	634,923,990
Balance as at September 30, 2020 (un-audited)	<u>9,940,500,000</u>	<u>961,428,955</u>	<u>10,901,928,955</u>	<u>53,613,431</u>	<u>10,955,542,386</u>

The annexed notes from 1 to 17 form an integral part of these consolidated financial statements.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





UNITY FOODS LIMITED
— food for life! —



A Perfect Blend of
Health & Taste





Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the Quarter Ended September 30, 2020

1 THE GROUP AND ITS OPERATIONS

The Group consists of Unity Foods Limited (“the Holding Company”) and its subsidiary company namely Sunridge Foods (Private) Limited (“the Subsidiary Company”). Brief profiles of the Holding Company and the Subsidiary are as follows:

1.1 Unity Foods Limited

Unity Foods Limited was incorporated in Pakistan in 1991 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a public limited company on June 16, 1991. Shares of the Holding Company are listed in Pakistan Stock Exchange since February 01, 1994. The principal business activity of the Holding Company has been changed from yarn manufacturing to edible oil extraction, refining and related businesses.

1.2 Sunridge Foods (Private) Limited

Sunridge Foods (Private) Limited was incorporated in Pakistan as a private limited company on March 16, 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the Subsidiary is processing of food items.

1.3 Geographical locations and addresses of business units including plants of the Group are as under:

Address	Purpose	In Use of
Karachi -Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S. -Plot No. E-32, SITE Area. -Plot No. A-48, Eastern Industrial Zone, Port Qasim. -4th floor, 73-C, Jami Commercial Street No. 8, DHA Phase VII. -C6, North West Zone, Port Qasim.	Registered Office of the Holding Company Oil Refinery Oil Refinery Registered Office of the Subsidiary Company Pesa Flour Plant	Unity Foods Limited Unity Foods Limited Unity Foods Limited Sunridge Foods (Private) Limited Sunridge Foods (Private) Limited
Kotri, District Hyderabad -Plot No. N-27-B, SITE Area.	Edible Oil Extraction Plant and Pellitising Mills	Unity Foods Limited

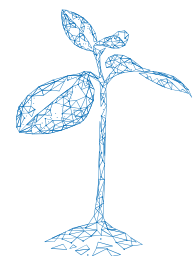
2 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Group for the three months period ended September 30, 2020 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 “Interim Financial Reporting” and provisions issued under Companies Act, 2017. In case where requirements differ, the provisions of and the directives issued under the Companies Act, 2017 have been followed. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual audited consolidated financial statements and should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended June 30, 2020.

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 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 Group’s accounting policies and key sources of estimations and uncertainties were the same as those that were applied to the annual audited consolidated financial statements for the year ended June 30, 2020.

3.2 The Group’s financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended June 30, 2020.





4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements for the year ended June 30, 2020.

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 01, 2020 but are considered not to be relevant or to have any significant effect on the Group'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.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or to have any significant effect on the Groups's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

	Note	September 30, 2020 (Un-audited) ------(Rupees)-----	June 30, 2020 (Audited) -----
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,990,796,703	3,005,956,547
Capital work-in-progress (CWIP)	5.2	1,154,960,088	610,192,211
		4,145,756,791	3,616,148,758
5.1 Operating fixed assets			
Written down value (WDV) - opening		3,005,956,547	2,302,995,148
Additions during the period / year - (at cost)			
-Lease hold land		-	13,989,553
-Building		5,083,000	161,899,752
-Plant and machinery		13,449,725	619,662,707
-Furniture, fixtures and office equipment		2,434,292	20,265,868
-Computer and auxilliary equipment		1,080,445	813,678
-Motor Vehicles		-	14,351,018
		22,047,462	830,982,576
Disposals during the period / year - (at cost)			
-Motor Vehicles		-	(2,510,100)
Depreciation charged during the period / year		(37,207,306)	(125,511,077)
Written down value (WDV) - closing		2,990,796,703	3,005,956,547
5.2 Capital work-in-progress (CWIP)			
Opening balance		610,192,211	778,526,004
Additions during the period / year		549,850,877	317,635,514
Transferred to operating fixed assets during the period / year		(5,083,000)	(485,969,307)
Closing balance		1,154,960,088	610,192,211





	September 30, 2020 (Un-audited) ------(Rupees)-----	June 30, 2020 (Audited)
6 RIGHT-OF-USE ASSETS		
Opening balance	95,183,633	-
Impact of initial application of IFRS-16	-	119,648,079
Additions during the period / year	14,959,836	-
Depreciation charged during the period / year	(7,680,243)	(24,464,446)
Right-of-use assets (ROUA) as at period / year end	<u>102,463,226</u>	<u>95,183,633</u>

7 SHARE CAPITAL

Authorized share capital

1,000,000,000 (June 30, 2020: 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

994,050,000 (June 30, 2020: 544,050,000) ordinary shares of Rs. 10/- each fully paid in cash.

<u>9,940,500,000</u>	<u>5,440,500,000</u>
----------------------	----------------------

7.1 During the quarter ended September 30, 2020, the Holding Company has issued further 450,000,000 (Four Hundred Fifty Million) ordinary shares of the Group at Rs. 10/- per share (i.e. at par). The proportion and the purpose of the Right Issue has been disclosed in note 42 of the annual audited consolidated financial statements for the year ended June 30, 2020.

	September 30, 2020 (Un-audited) ------(Rupees)-----	June 30, 2020 (Audited)
8 LONG TERM LOANS		
Interest based arrangement		
Long term financing facility	331,156,055	198,431,917
Shariah compliant		
Diminishing musharaka	1,893,859	2,083,012
	<u>333,049,914</u>	<u>200,514,929</u>
Current portion shown under current liabilities	<u>(120,377,611)</u>	<u>(57,247,103)</u>
	<u>212,672,303</u>	<u>143,267,826</u>

8.1 There is no material change in the terms and conditions of long term loan as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2020.

9 CONTINGENCIES AND COMMITMENTS

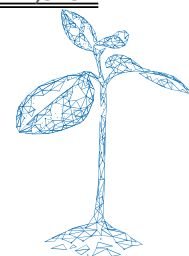
9.1 Contingencies

The status of contingencies is same as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2020.

9.2 Commitments

Commitments under letter of credit for raw materials as at September 30, 2020 amounted to Rs. 3,432.60 million (June 30, 2020: Rs. 1,443.40 million).

	September 30, 2020 ------(Rupees)-----	September 30, 2019
10 NET SALES		
Local sales	12,270,228,595	3,207,060,178
Export sales	310,075,496	1,348,182,397
	<u>12,580,304,091</u>	<u>4,555,242,575</u>





11 OTHER OPERATING EXPENSES

The reversal is due to the impact of exchange gain on foreign currency transaction of Holding Company.

12 EARNING PER SHARE

Profit after taxation

September 30, 2020
September 30, 2019
------(Rupees)-----

621,099,928 92,687,782

------(Number of shares)-----
Restated

Weighted average number of ordinary shares outstanding during the quarter (for basic earning per share)

636,984,783 599,351,401

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

Basic and diluted earning per share

0.98 0.15

13 CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

686,249,416 102,750,882

Adjustments for non-cash items:

Depreciation on operating fixed assets

37,207,306 27,044,957

Depreciation on right-of-use assets

7,680,243 -

Amortization on intangible assets

602,930 513,822

Amortization on deferred government grant

(6,046,586) -

Expected credit loss

28,526 -

Provision for staff gratuity

1,416,051 -

Unrealized exchange gain

(22,789,022) -

Profit on short term investment

(11,167,106) -

Finance cost

153,717,840 107,566,714

846,899,598 237,876,375

Changes in working capital

(Increase) / decrease in current assets:

Stock-in-trade

278,330,179 (685,624,908)

Stores and spares

(1,989,464) (17,924,922)

Trade debts

(2,421,553,255) 25,801,632

Advances, deposits and prepayments

(12,341,725) 4,949,430

Other receivables

1,583,599 -

Sales tax receivable

(135,801,354) (448,026,734)

(2,291,772,020) (1,120,825,502)

Increase / (decrease) in current liabilities:

Trade and other payables

(887,676,909) 1,237,865,327

Sales tax payable

(1,195,396) -

Contract liabilities

(505,528) -

(889,377,833) 1,237,865,327

Cash (used in) / generated from operating activities

(2,334,250,255) 354,916,200

13.1 Cash and cash equivalents

Cash and cash equivalents comprise of:

Cash and bank balances

1,661,357,099 22,079,406

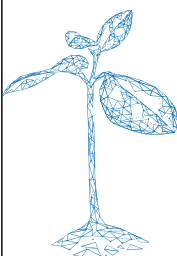
Short term borrowings under conventional banks

- (198,894,296)

Short term borrowings under Islamic banks

(668,732,536) -

992,624,563 (176,814,890)





14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

			For the Quarter ended	
			September 30, 2020	September 30, 2019
			------(Rupees)-----	
<u>Transactions with related parties</u>				
<u>Related parties</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>		
Unity Feeds (Private) Limited	Associated company	Sales	29,789,940	-
		Purchases	-	175,122,097
Unity Enterprises (Private) Limited	Associated company	Loan repaid	75,490,811	-
Fehmida Amin -mother of director	Lender	Loan received	-	389,174,628
		Loan repaid	-	237,900,000
Providend fund	Staff retirement benefit fund	Contribution paid	5,505,654	2,508,986
Directors and executives	Key management personnel	Remuneration paid	11,378,821	9,906,000
			Balance as at	
			September 30, 2020	June 30, 2020
			(Un-audited)	(Audited)
			------(Rupees)-----	
<u>Balances with related parties</u>				
<u>Related parties</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>		
Unity Feeds (Private) Limited	Associated company	Against sale of goods	1,990,346	41,200,406
Unity Enterprises (Private) Limited	Associated company	Against loan	-	75,490,811
Unity Packages (Private) Limited	Associated company	Commision payable	1,310,596	1,310,596
Providend fund	Staff retirement benefit fund	Against contribution payable	1,964,430	1,711,218

15 CORRESPONDING FIGURES

Certain corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions, the effect of which is immaterial.

16 GENERAL

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

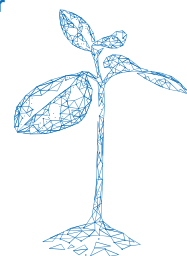
17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors' meeting held on **October 27, 2020**.

Chairman
Abdul Majeed Ghaziani

Chief Executive
Muhammad Farrukh

Chief Financial Officer
Jalees Edhi





UNITY FOODS LIMITED

— food for life! —

UNITY TOWER

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

Phone: 03000 DASTAK | Fax: +92 21 34373608

Email: info@unityfoods.pk

www.unityfoods.pk