



UNITY FOODS LIMITED
— food for life! —

FARM TO FORK

Half Yearly Report 2021
(UNAUDITED)





UNITY FOODS LIMITED

— food for life! —

**Condensed Interim Financial
Statements (Unaudited)**

**Half Yearly Report
December 31, 2021**

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COMPANY INFORMATION

Board of Directors	Mr. Sulaiman Sadruddin Mehdi Mr. Muhammad Farrukh Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Mr. Saad Amanullah Khan Ms. Lie Hong Hwa Ms. Tayyaba Rasheed	Chairman- Independent Chief Executive Non- Executive Independent Independent Non-Executive Independent
Audit Committee	Mr. Saad Amanullah Khan Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Ms. Tayyaba Rasheed	Chairman
Human Resources & Remuneration Committee	Ms. Tayyaba Rasheed Mr. Saad Amanullah Khan Mr. Muneer S. Godil Mr. Abdul Majeed Ghaziani	Chairperson
Investment Committee	Mr. Sulaiman Sadruddin Mehdi Ms. Tayyaba Rasheed Mr. Abdul Majeed Ghaziani	Chairman
Chief Financial Officer	Mr. Jalees Edhi	
Company Secretary	Syed Muhammad Tariq Nabeel Jafri	
External Auditor	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building no. 2 Beaumont Road Karachi 75530	
Head of Internal Audit	Chaudhary Waqas Shoukat	
Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited Habib Bank Limited Bank Al –Habib Limited MCB Bank Limited Meezan Bank Limited Bank Al Falah Limited Dubai Islamic Bank Limited Askari Bank Limited United Bank Limited Bank Islami Pakistan Limited Bank of Punjab Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited JS Bank Limited	



Legal Advisor	Mohsin Tayebaly & Co. 1st Floor, Dime Centre, BC-4, Block-9 Kehkashan, Clifton, Karachi -75500 Phone # +92-21-111-682-529
Share Registrar	F.D. Share Registrar (Pvt.) Ltd 17th Floor, Saima Trade Tower A, I.I Chundrigar Road, Karachi Phone # +92-21-32271905-6
Registered Office	Unity Tower, 8-C, PECHS Block-6, Karachi 75400.
Phone No.	+92 21 34373605-607, 34388666, 34387666
Email	info@unityfoods.pk
Website	www.unityfoods.pk
Business	Import of Oil Seeds, Solvent Extraction, Refining and Marketing of Edible Oil and processing of by-products.
Status of Company	Public Listed Company (PLC)
Company Registration number	K-0023133
National Tax Number	0698412-6
Contact Person	Syed Muhammad Tariq Nabeel Jafri
Phone No.	+92-21-34373605-607
Email	info@untiyfoods.pk
Factories	Solvent Extraction Plant, Chemical Refinery and Pellitising Mills N-25 & N-27 /B Site Area, Kotri District Hyderabad Oil Refinery A-48, (Chemical Area), Eastern Industrial Zone, Port Qasim Authority, Karachi Soap Plant C-375, C-376, C-377, C-382, C-383, C-384 Hub Industrial Trading Estate, District Lasbella Hub Balochistan Feed Mill Plot No. A-55 & 56, Industrial Zone, Port Qasim Karachi





Directors' Review Report

On behalf of the Board of Directors of Unity Foods Limited (UFL or the Company) we are pleased to present the Directors' Review Report for the half year ended December 31, 2021.

Unity Foods Limited:

During the six months under review, the Company's topline on an unconsolidated basis stood at PKR 36.76 billion – growth of 25% over corresponding period last year. Despite turbulent times, your Company continues to excel and grow its sales, and despite rupee devaluation and volatile commodity markets, our profit stood at PKR 1.09 billion for the period.

During the period under review, our gross margins improved from 8.46% (corresponding period last year) to 9.63%. This includes unrealized inventory gains also reported for the last quarter, as stated in the previous Directors' Review Report, contributing to the overall gross margins.

However, owing to unprecedented and unpredictable rupee devaluation during the period, our bottom-line has been adversely affected by PKR 1,097.5 million which comprises of PKR 753.7 million realized exchange loss whereas the remaining PKR 343.7 million represents unrealized exchange loss. The unrealized loss corresponds to inventory held by the Company at cost having higher Net Realizable Value (NRV) on the balance sheet date. The impact of unrealized exchange losses, till the time of realization, may vary (positively or negatively) in line with exchange rate movement.

Moreover, given high commodity prices and enhanced working capital requirements, your Company had announced a rights issue of PKR 5.4 billion during the quarter under review. We are happy to inform that Alhamdulillah, with the relentless support of our shareholders, the Company has successfully raised the said amount and is now geared to sustain and grow operations.

Sunridge Foods (Private) Limited:

During the half year, Sunridge Foods (Pvt) Ltd., a 100% owned subsidiary of Unity Foods posted sales of PKR 2.89 billion and a net loss of PKR 110.9 million was reported. The total sales grew over 1.72 times compared to the six months ended December 2020 owing largely to rapid expansion of their brand, higher volumes and rising local prices. The company's selling and distribution expense in this segment have also increased by over 264%, largely as part of our brand building activities, fruits of which will be reaped in the years to come.

Consolidated Financials:

On a consolidated basis, our topline sales stood at around PKR 39.6 billion.

KEY FINANCIAL HIGHLIGHTS (Consolidated)	1HFY22	1HFY21	FY21	FY20
Net Sales	39,583	29,769	68,831	30,480
Gross Profits	3,780	2,637	5,651	2,100
Operating Profits	2,793	1,857	4,004	1,122
Net Income/ (Loss)	976	1,557	3,338	214
Earnings/ (Loss) per Share	0.98	1.88	3.61	0.36
Total Assets	53,510	40,185	44,186	19,541
Total Equity	17,162	11,817	13,188	5,893



Ratio Analysis	1HFY22	1HFY21	FY21	FY20
Gross Margins	9.55%	8.86%	8.21%	6.89%
Operating Margins	7.06%	6.24%	5.82%	3.68%
Net Margins	2.47%	5.23%	4.85%	0.70%
Asset Turnover	0.81	1.00	2.16	2.03
Current Ratio	1.21	1.19	1.14	1.16

Future Outlook

The challenge to the global economy continues as there is no letup in high commodity and energy prices and the surge remain relentless as we report. The situation is further exacerbated by geo-political uncertainty which is expected to enhance volatility.

Despite these challenges, the management continues to remain nimble and is actively monitoring inventory positions and ensuring operational excellence to maintain profitability.

The Company is now focusing on consolidating in the markets where it has achieved optimal product penetration. It will continue to build relations with both its suppliers and distributors for smooth and efficient delivery of goods, while continuing to increase its market share with respect to consumer packs.

The Company will also continue to develop its client base in the Industrial/Commercial segment. With the country recovering smoothly from the adverse effects of COVID, the Company expects HORECA sector to achieve full strength and complement the already supportive demand.

Import prices are expected to remain high owing to low global production amongst various agricultural commodities. Palm Oil prices currently at record highs due to interventions made by government of Indonesia to limit local price hikes (taking the impact of demand supply gap onto export prices). Demand rationing is expected as food basket prices continue to be out of reach of end consumers and a similar pattern is expected for buyers of animal feed ingredients.

High inflationary environment may require government intervention through fiscal and monetary tools, which may lead to a rise in finance costs as well. Overall, the market is not expected to normalize in the short term; keeping prices high and affordability low.

Risks and Uncertainties

The Company faces risks or uncertainty primarily in two exogenous factors i.e. commodity prices and currency exchange rate movements as its operations are dependent upon import of oil seeds, edible oil and animal feed ingredients. The management takes all possible measures to evaluate, monitor, contain and control the risk and has been successful in keeping the impact of adverse price and exchange rate movements on Company's profitability to a minimum by prudent supply chain management.

Commitments and Contingencies

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





Financial Results

Summary of financial operations of the Company for first half year ended December 31, 2021 is provided below:

	Consolidated	Unconsolidated
	PKR	
Net sales	39,583,288,799	36,760,599,824
Cost of sales	(35,803,563,471)	(33,221,324,137)
Gross profit	3,779,725,328	3,539,275,687
Selling and distribution expenses	(682,150,572)	(387,005,322)
Administrative expenses	(304,934,793)	(289,745,357)
Exchange loss	(1,060,901,559)	(1,097,462,047)
	(2,047,986,924)	(1,774,212,726)
Other expenses	(93,869,973)	(93,869,973)
Other income	339,282,855	325,075,557
	245,412,882	231,205,584
Finance cost	(827,519,959)	(734,428,493)
Profit before taxation	1,149,631,327	1,261,840,052
Taxation		
Current	(90,091,327)	(84,173,237)
Deferred	(83,866,694)	(91,086,253)
	(173,958,021)	(175,259,490)
(Loss) / profit after taxation	975,673,306	1,086,580,562
Basic and diluted (loss) / earnings per share	0.98	1.09

Acknowledgement

Alhamdulillah, we are humbled and grateful to our various stakeholders including the shareholders, bankers and others for the faith imposed in the Company that helped our growth over the last four years. We thank them for their relentless support, as without this backing it would not have been 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 also acknowledge the efforts and hard work of our committed human resource for the extraordinary efforts they put in to bring to fruition the outstanding results. We expect continued efforts from our employees to attain higher goals going forward.

For and on behalf of the Board,

Muhammad Farrukh
Chief Executive

Abdul Majeed Ghaziani
Director

Karachi
February 28, 2022



تسلیمات:

الحمد لله، ہم اپنے مختلف شراکت داروں کے مشکور و ممنون ہیں جس میں ہمارے شیئر ہولڈرز، بینکرز اور کمپنی میں موجود دیگر مخلصین شامل ہیں کہ جن کی مدد سے ہماری کمپنی گذشتہ 4 سالوں کے دوران ترقی کی راہ پر گامزن ہے۔ ہم ان کی مستقل سپورٹ پر ان کے شکر گزار ہیں کیونکہ ان کی مدد کے بغیر، اتنی قلیل مدت میں اس طرح کی کامیابیاں حاصل کرنا ممکن نہیں تھا۔ ہم ان شراکت داروں کی جانب سے مسلسل سپورٹ اور بھروسہ کی امید رکھتے ہیں کہ وہ آئندہ بھی کمپنی کو مزید ترقی دینے اور مصنوعات کے پورٹ فولیو میں وسعت پیدا کرنے کیلئے مدد و معاونت کرتے رہیں گے۔

ہم پاکستان اسٹاک ایکسچینج لمیٹڈ، سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان اور پاکستان لمیٹڈ کی مرکزی ڈپازٹری کمپنی کی جانب سے کمپنی کے ساتھ مسلسل سپورٹ اور تعاون کے شکر گزار ہیں۔ ہم یہ توقع کرتے ہیں کہ یہی تعاون مستقل میں بھی ہمارے ساتھ روا رکھا جائے گا۔

ہم اپنی افرادی قوت کی غیر معمولی کوششوں، محنت اور خلوص نیت کو سراہتے ہیں جو کہ انہوں نے غیر معمولی نتائج حاصل کرنے کے سلسلے میں کی ہیں۔ ہم یہ توقع کرتے ہیں کہ آئندہ مزید بڑے اہداف حاصل کرنے کے سلسلے میں ہمارے ملازمین مسلسل کوششیں بروئے کار لاتے رہیں گے۔

بورڈ کی جانب سے:

عبدالمجید غازیانی
ڈائریکٹر

محمد فرخ
چیف ایگزیکٹو

کراچی،
فروری 28، 2022





مختلف ذرعی تجارتی اشیاء کی عالمی طور پر کم پیداوار ہونے کے سبب، امپورٹ کی قیمتوں میں اضافہ بدستور برقرار رہنے کا امکان ہے۔ پام کے تیل کی قیمتیں اس وقت بہت زیادہ ہیں جس کی وجہ انٹونیشیا کی حکومت کی جانب سے اس کی مقامی قیمتوں میں اضافہ کو محدود کرنے کیلئے اٹھائے جانے والے اقدامات ہیں (اس کی وجہ سے ایکسپورٹ کی قیمتوں پر سپلائی کی طلب پر اثرات مرتب ہو رہے ہیں)۔ طلب میں اضافہ راشن کی توقع ہے کیونکہ غذائی اشیاء کی قیمتیں پہلے ہی صارفین کی پہنچ سے باہر ہوتی جا رہی ہیں اور یہی کام جانوروں کی فیڈ کے اجزاء کے خریداروں کیلئے بھی ہونے کا امکان ہے۔

انتہائی زیادہ بڑھتی ہوئی مہنگائی کے ماحول میں، مالیات اور روپے پیسے کے ذرائع میں حکومتی مداخلت کی ضرورت ہے جسکی وجہ سے شرہ سود میں اضافہ متوقع ہے، قلیل عرصے کی بات کی بات کی جائے بظاہر مارکیٹ مستحکم ہونے کا امکان موجود نہیں ہے۔

رسک اور غیر یقینی کی کیفیت:

کمپنی کو دو بیرونی عوامل یعنی تجارتی اشیاء کی قیمتیں اور کرنسی کے تبادلہ کے نرخوں کی وجہ سے خطرات اور غیر یقینی صورتحال کا سامنا ہے، کیونکہ کمپنی کے آپریشنز کا انحصار بیجوں کو تیل، قابل تناول تیل اور جانوروں کی فیڈ کے اجزاء کی امپورٹ پر ہے۔ انتظامیہ اس طرح کے عوامل کا حساب لگانے، نگرانی کرنے اور رسک کنٹرول کرنے کیلئے ہر ممکن کوششیں بروئے کار لارہی ہے اور کافی حد تک کمپنی کے منافع پر قیمتوں کے منفی اثرات اور تبادلہ کے نرخ کے اثرات کو کم سے کم سطح پر لانے میں کامیاب ہوگئی ہے۔

قول و اقرار اور غیر متوقع صورتحال:

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

مالیاتی نتائج:

کمپنی کے مالیاتی نتائج کا خلاصہ برائے ششماہی اختتام پذیر 31 دسمبر 2021 درج ذیل قلمبند کیے گئے ہیں:-

	Consolidated	Unconsolidated
	PKR	
Net sales	39,583,288,799	36,760,599,824
Cost of sales	(35,803,563,471)	(33,221,324,137)
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	(173,958,021)	(175,259,490)
(Loss) / profit after taxation	975,673,306	1,086,580,562
Basic and diluted (loss) / earnings per share	0.98	1.09



مربوط مالیاتی اعداد و شمار:

مربوط بنیادوں پر ، ہماری ٹاپ لائن سیلز ----- بلین روپے کے قریب رہی۔

مالی سال 20	مالی سال 21	پہلی ششماہی 21	پہلی ششماہی 22	اہم مالیاتی اعداد و شمار کی جھلکیاں (مربوط)
30,480	68,831	29,768	39,583	کل فروخت
2,100	5,651	2,637	3,780	جملہ منافع
1,122	4,004	1,857	2,793	آپریٹنگ منافع
214	3,338	1,557	976	کل آمدن / (خسارہ)
0.36	3.61	1.88	0.98	فی شیئر آمدن / (خسارہ)
19,541	44,186	40,185	53,510	کل اثاثہ جات
5,893	13,188	11,817	17,162	کل حصہ داری

مالی سال 20	مالی سال 21	پہلی ششماہی 21	پہلی ششماہی 22	تجزیاتی تناسب
6.89%	8.21%	8.86%	9.55%	خام مارجن
3.68%	5.82%	6.24%	7.06%	آپریٹنگ مارجن
0.70%	4.85%	5.23%	2.47%	کل منافع
2.03	2.16	1.00	0.81	ٹرن اور اثاثہ جات
1.16	1.14	1.19	1.21	حالیہ تناسب

مستقبل کے امکانات:

آج کے دن عالمی معیشت کے حوالے سے چینجز بدستور جاری ہیں اور تجارتی اشیاء اور توانائی کی قیمتوں میں بظاہر کمی کی کوئی گنجائش نہیں ہے بلکہ ان میں مسلسل تیزی سے اضافہ متوقع ہے ، - یہ صورتحال خطے کی جغرافیائی سیاست غیر مستحکم ہونے سے مزید خراب ہوی ہے، جس کی وجہ سے اتار چڑھاؤ میں اضافہ متوقع ہے

ان چینجز کے باوجود، انتظامیہ مسلسل ہوشمندی سے کام لے رہی ہے اور متحرک انداز میں فراد کی صورتحال کی نگرانی کر رہی ہے اور اس کے ساتھ ساتھ آپریشنز میں بہتری کو یقینی بنانے کی کوشش کر رہی ہے تاکہ منافع کو برقرار رکھا جاسکے۔

اس وقت کمپنی مارکیٹس میں مربوط ہونے پر توجہ مرکوز کیے ہوئے ہے جہاں کمپنی نے قابل ذکر حد تک اپنی مصنوعات متعارف کرا دی ہیں۔ کمپنی اپنے سپلائر اور ڈسٹری بیوٹرز کے ساتھ تعلقات بہتر بنائے گی تاکہ سامان کی متواتر اور موثر ترسیل میں بہتری آئے جبکہ اس کے ساتھ ساتھ کنزیومر پیکس کے حوالے سے کمپنی اپنا مارکیٹ میں شیئر بڑھائے گی۔

کمپنی صنعتی / تجارتی شعبہ میں بھی اپنے کلائنٹس میں اضافہ کرے گی - جیسا کہ ملک اس وقت کووڈ کے منفی اثرات سے بحالی کی جانب تیزی سے گامزن ہے، کمپنی یہ توقع کرتی ہے کہ HORECA کا شعبہ زور پکڑ لے گا اور پہلے سے سپورٹو ڈیمانڈ پر پورا اترنے کے قابل ہو جائے گا۔



ڈائریکٹرز کی جائزہ رپورٹ

یونٹی فوڈز لمیٹڈ (UFL یا کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ ڈائریکٹرز جائزہ رپورٹ برائے ششماہی اختتام پذیر 31 دسمبر 2021 پیش کرتے ہیں۔

یونٹی فوڈز لمیٹڈ:-

زیر رپورٹ ششماہی کے دوران، غیر حتمی بنیاد پر کمپنی کی مجموعی سیلز 36.76 بلین روپے رہی جو کہ گذشتہ مہائے دورانی یعنی 31 دسمبر 2020 کے مقابلے میں 25 فیصد زیادہ ہے۔ زیر غور سہ ماہی کے دوران، افراتفری کے ماحول کے باوجود کمپنی اپنی فروخت میں مسلسل اضافہ اور ترقی کرتی رہی اور روپیہ کی مسلسل بے قدری اور غیر مستحکم تجارتی مارکیٹ کے باوجود، - زیر غور مدت کے دوران ہماری خالص آمدنی تقریباً 1.09 بلین پاکستانی روپے رہی۔

زیر غور سہ ماہی کے دوران، ہمارا خام مارجن (گذشتہ سال مہائے دورانیہ) 8.46 فیصد کے مقابلے میں 9.63 فیصد رہا۔ اس میں فردات میں ہونے والا اضافہ شامل ہے جو کہ گذشتہ مہائے دورانیہ میں بھی ڈائریکٹر ریویو رپورٹ میں بیان کیا گیا تھا، جس کا ذکر گذشتہ ڈائریکٹر رپورٹ میں کیا گیا تھا اور اس سے حاصل ہونے والے منافع کے سبب خام مارجن میں اضافہ ہوا۔

تاہم روپے کی قدر میں بے مثال اور غیر متوقع کمی کے باعث اس عرصے کے دوران ہمارے منافع پر منفی اثرات مرتب ہوئے اور اس میں تقریباً 1,097.5 روپے کی کمی ہوئی جس میں 753.7 روپے کرنسی کے تبادلے کے حاصل شدہ اور 343.7 روپے غیر حاصل شدہ نقصان شامل ہے۔ غیر حاصل شدہ نقصان کمپنی کے پاس موجود انونٹری سے مسابقت رکھتا ہے جو کہ کمپنی کے نئے بیلنس شیٹ میں اصل قیمت پر رکارڈ کی اور اسکی مارکیٹ قیمت سے زائد ہے۔ کرنسی کے اس غیر حاصل شدہ نقصان کا اصل اندازہ اس کے حصول پر متعین ہوگا اور اس دوران کرنسی کے اتار چڑھاؤ کے باعث نفع و نقصان کا باعث ہوگا۔

مزید یہ کہ حالیہ تجارتی اشیاء کی قیمتوں میں اضافے اور ورکنگ کیپٹل کی بڑھتی ہوئی ضرورت کو مد نظر رکھتے ہوئے، آپ کی کمپنی نے زیر غور سہ ماہی کے دوران مبلغ 5.4 بلین روپے کے رائٹس ایشو کا اعلان کیا ہے۔ ہم یہ آگاہ کرتے ہوئے خوشی محسوس کرتے ہیں کہ الحمدللہ، ہمارے شیئر ہولڈرز کی مسلسل سپورٹ سے کمپنی مذکورہ رقم کامیابی سے حاصل کر پائی اور اب کمپنی مستحکم ہے اور ترقیاتی آپریشنز کی جانب گامزن ہے۔

سن رج فوڈز (پرائیویٹ) لمیٹڈ:

اس ششماہی کے دوران، سن رج فوڈز (پرائیویٹ) لمیٹڈ جو کہ 100 فیصد یونٹی فوڈز کے زیر ملکیت کمپنی ہے نے 2.89 بلین روپے کی فروخت حاصل کی ہے اور مجموعی نقصان 110.9 ملین روپے رپورٹ کیا گیا۔ اس کے برائے تیزی سے وسعت پانے، زیادہ طلب اور بڑھتی ہوئی مقامی قیمت کی وجہ سے کمپنی کے فروختگی حجم میں گذشتہ ششماہی اختتام پذیر دسمبر 2020 کے مقابلے میں 1.72 گناہ اضافہ ہوا۔ کمپنی کے سیلنگ اور ڈسٹری بیوشن اخراجات میں بھی --- فیصد اضافے کے ساتھ 264% رہے، جس کی بڑی وجہ ہماری برائے بلڈنگ سرگرمیاں ہیں جن کا ثمرہ آئندہ سالوں میں حاصل ہوگا۔

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Unity Foods Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Unity Foods Limited as at 31 December 2021 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The financial statements of the Unity Foods Limited for six months period ended 31 December 2020 and for the year ended 30 June 2021 were respectively reviewed and audited by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their reports dated 25 February 2021 and 06 October 2021, respectively.

The figures for the quarter ended 31 December 2021 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Aryn Pirani.

Date: 01 March 2022

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi





CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 December 2021

	Note	31 December 2021 (Unaudited)	30 June 2021 (Audited)
		----- (Rupees) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	8	7,985,077,904	7,759,129,877
Right-of-use assets		132,661,301	192,881,614
Intangible assets	9	35,229,730	9,321,846
Long term deposits		26,549,266	20,938,286
Long term investment in a subsidiary company		827,640,674	827,640,674
		9,007,158,875	8,809,912,297
Current assets			
Stock-in-trade	10	13,226,008,023	10,752,535,480
Stores and spares		44,262,471	38,402,176
Trade debts	11	12,818,709,049	12,290,844,147
Advances, deposits and prepayments	12	337,242,484	117,644,803
Other receivables		150,350,615	85,642,353
Sales tax receivable		41,081,975	400,635,324
Taxation - net of provision		3,530,995,650	2,865,729,672
Short term investments	13	8,388,837,349	6,858,985,954
Cash and bank balances	14	4,179,854,949	318,042,746
		42,717,342,565	33,728,462,655
		51,724,501,440	42,538,374,952
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Share Capital 1,200,000,000 (30 June 2021: 1,000,000,000) ordinary shares of Rs. 10/- each	15	12,000,000,000	10,000,000,000
Share capital - issued, subscribed and paid-up capital		9,940,500,000	9,940,500,000
Revenue reserve - unappropriated profit		4,501,067,531	3,438,779,398
Advance against future issuance of right shares	16	3,021,873,365	-
		17,463,440,896	13,379,279,398
Non-current liabilities			
Long term loans	17	117,324,106	163,358,284
Lease liabilities	18	44,012,374	107,744,457
Deferred grant	19	25,561,308	10,853,424
Deferred tax liability	20	155,858,967	64,772,714
		342,756,755	346,728,879
Current liabilities			
Current portion of long term loans	17	209,082,394	183,805,051
Current portion of lease liabilities	18	107,502,503	98,031,835
Current portion of deferred grant	19	11,831,556	16,074,244
Trade and other payables		17,721,323,275	13,631,498,677
Accrued mark-up		220,719,859	188,730,879
Short term borrowings	21	15,647,175,195	14,693,556,982
Unclaimed dividend		669,007	669,007
		33,918,303,789	28,812,366,675
		51,724,501,440	42,538,374,952
Total equity and liabilities			
Contingencies and commitments	22		

The annexed notes from 1 to 34 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months period ended 31 December 2021

	Note	Six months period ended		Three months period ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
----- (Rupees) -----					
Net sales	23	36,760,599,824	29,401,164,654	20,174,098,073	17,231,887,245
Cost of sales		(33,221,324,137)	(26,912,735,549)	(17,859,774,893)	(15,745,647,931)
Gross profit		3,539,275,687	2,488,429,105	2,314,323,180	1,486,239,314
Selling and distribution expenses	24	(387,005,322)	(534,758,769)	(223,234,367)	(362,047,065)
Administrative expenses	25	(289,745,357)	(154,075,543)	(172,256,325)	(83,759,874)
Exchange gain/ (loss) - net		(1,097,462,047)	261,011,621	(413,655,849)	203,411,348
		(1,774,212,726)	(427,822,691)	(809,146,541)	(242,395,591)
Other expenses	26	(93,869,973)	(121,023,141)	(89,838,028)	(75,443,374)
Other income	27	325,075,557	100,081,006	172,207,665	83,148,741
		231,205,584	(20,942,135)	82,369,637	7,705,367
Finance cost	28	(734,428,493)	(335,112,998)	(376,822,332)	(188,642,612)
Profit before taxation		1,261,840,052	1,704,551,281	1,210,723,944	1,062,906,478
Taxation					
Current	29	(84,173,237)	(101,841,883)	(46,678,691)	(78,228,019)
Deferred		(91,086,253)	(78,918,718)	(48,799,769)	(51,686,304)
		(175,259,490)	(180,760,601)	(95,478,460)	(129,914,323)
Profit for the period		1,086,580,562	1,523,790,680	1,115,245,484	932,992,155
Earnings per share basic and diluted	30	1.09	1.87	1.12	0.94

The annexed notes from 1 to 34 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months period ended 31 December 2021

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- (Rupees) -----			
Profit for the period	1,086,580,562	1,523,790,680	1,115,245,484	932,992,155
Other comprehensive income	-	-	-	-
Total comprehensive income	1,086,580,562	1,523,790,680	1,115,245,484	932,992,155

The annexed notes from 1 to 34 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31 December 2021

	Issue, subscribed and paid - up capital	Unappropriated profit	Sub-total	Advance against ordinary shares	Total
	(Rupees)				
Balance as at 30 June 2020 (audited)	5,440,500,000	409,190,974	5,849,690,974	-	5,849,690,974
Transactions with owners recorded directly in equity					
Issuance of right shares	4,500,000,000	-	4,500,000,000	-	4,500,000,000
Transaction cost incurred on issuance of right shares	-	(72,601,151)	(72,601,151)	-	(72,601,151)
	4,500,000,000	(72,601,151)	4,427,398,849	-	4,427,398,849
Total comprehensive income for the six months period ended 31 December 2020					
Profit for the six months period	-	1,523,790,680	1,523,790,680	-	1,523,790,680
Other comprehensive income for the six months period	-	-	-	-	-
	-	1,523,790,680	1,523,790,680	-	1,523,790,680
Balance as at 31 December 2020 (unaudited)	9,940,500,000	1,860,380,503	11,800,880,503	-	11,800,880,503
Balance as at 30 June 2021 (audited)	9,940,500,000	3,438,779,398	13,379,279,398	-	13,379,279,398
Transactions with owners recorded directly in equity					
Advance against future issuance of right shares (note 16)	-	-	-	3,021,873,365	3,021,873,365
Transaction cost incurred on future issuance of right shares	-	(24,292,429)	(24,292,429)	-	(24,292,429)
	-	(24,292,429)	(24,292,429)	3,021,873,365	2,997,580,936
Total comprehensive income for the six months period ended 31 December 2021					
Profit for the six months period	-	1,086,580,562	1,086,580,562	-	1,086,580,562
Other comprehensive income for the six months period	-	-	-	-	-
	-	1,086,580,562	1,086,580,562	-	1,086,580,562
Balance as at 31 December 2021 (unaudited)	9,940,500,000	4,501,067,531	14,441,567,531	3,021,873,365	17,463,440,896

The annexed notes from 1 to 34 form an integral part of these condensed interim unconsolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 31 December 2021

	Note	Six months period ended	
		31 December 2021	31 December 2020
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	31	3,136,240,886	(3,609,913,828)
Taxes paid		(749,439,215)	(445,605,124)
Long term deposits paid		(5,610,980)	-
Net cash flows from operating activities		2,381,190,691	(4,055,518,952)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(369,288,619)	(2,472,979,634)
Disposal of property, plant and equipment		528,832	-
Purchases of intangible asset		(27,352,378)	(1,125,673)
Short term investments - net		(1,516,472,481)	(5,080,092,439)
Profit received on short term investments		189,731,462	11,588,961
Net cash flows from investing activities		(1,722,853,184)	(7,542,608,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(3,644,905,609)	6,250,850,278
Long term loan received		88,413,516	196,897,978
Long term loan repaid		(98,239,460)	-
Rentals paid against right-of-use assets		(54,964,432)	(27,824,512)
Lease liabilities - net		-	(2,117,546)
Dividend paid		-	(12,587)
Finance cost paid		(682,934,077)	(270,294,538)
Proceeds from the issuance of right shares		-	4,500,000,000
Advance received against future issue of right shares		3,021,873,365	-
Transaction cost against issuance of right shares / future issue of right shares		(24,292,429)	(72,601,151)
Net cash flows from financing activities		(1,395,049,126)	10,574,897,922
Net decrease in cash and cash equivalents		(736,711,619)	(1,023,229,815)
Cash and cash equivalents at beginning of the period		(938,797,367)	(102,132,974)
Cash and cash equivalents at end of the period	31.1	(1,675,508,986)	(1,125,362,789)

The annexed notes from 1 to 34 form an integral part of these condensed interim unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period Ended 31 December 2021

1 THE COMPANY AND ITS OPERATIONS

1.1 Unity Foods Limited ("the Company") was incorporated in Pakistan in 1991 as a Private Limited Company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a Public Limited Company on 16 June 1991. Shares of the Company are listed in Pakistan Stock Exchange since 01 February 1994. The principal business activity of the Company is edible oil extraction, refining, sales and related businesses.

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

Addresses

Karachi, Sindh

- Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.
- Plot No. A-48, Industrial Zone, Port Qasim
- Plot No. A-55 & 56, Industrial Zone, Port Qasim
- Plot No. D-51 & D52 Industrial Zone, Port Qasim
- Plot No. W2/1/67 & 68 Industrial Zone, Port Qasim

Purpose

- Registered Office of the Company
- Oil Refinery
- Feed Mill
- For Capacity Expansion
- For Capacity Expansion

Kotri, District Hyderabad, Sindh

- Plot No. N-25 & N-27/B, N37/A, SITE Area

Edible Oil Extraction Plant, Refinery and Pellitising Mills

Hub, Balochistan

- Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella

Soap plant

1.3 The Company has the following subsidiary:

Sunridge Foods (Private) Limited

Percentage of holding: 100%

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

3 These condensed interim unconsolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year-end 30 June 2021. In addition consolidated condensed interim financial statements as at and for the period ended 31 December 2021 has been separately issued.

4 BASIS OF PREPARATION & MEASUREMENT

4.1 Statement of Compliance

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

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

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



4.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except that certain investment (refer note 13) are carried out fair value.

5 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on 01 July 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

7 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

8 PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2021 (Unaudited) ----- (Rupees) -----	30 June 2021 (Audited)
Operating fixed assets	8.1	5,684,081,328	5,704,554,574
Capital work-in-progress (CWIP)	8.2	2,300,996,576	2,054,575,303
		<u>7,985,077,904</u>	<u>7,759,129,877</u>



8.1	Operating fixed assets - details of addition and disposals during the period	Note	Six months period ended	
			31 December 2021	31 December 2020
			----- (Rupees) -----	
	Additions during the period - (at cost)			
	- Building		70,273,422	324,911,134
	- Plant and machinery		29,598,070	177,134,871
	- Furniture, fixture and office equipment		10,312,500	8,094,275
	- Computer and auxilliary equipment		7,599,585	3,894,996
	- Motor vehicles		5,083,769	-
			122,867,346	514,035,276
	Disposals during the period - (WDV)			
	- Computer and auxilliary equipment		(230,000)	-
	- Motor vehicles		(271,526)	-
			(501,526)	-
	Depreciation charge for the period		(142,839,066)	(68,339,697)
			31 December 2021 (Unaudited)	30 June 2021 (Audited)
			----- (Rupees) -----	
8.2	Capital work-in-progress (CWIP)			
	Balance as of 01 July		2,054,575,303	597,263,138
	Additions during the period / year		306,303,255	4,471,388,499
	Transferred / adjustments during the period / year		(59,881,982)	(3,014,076,334)
	Balance as of 31 December / 30 June	8.2.1	2,300,996,576	2,054,575,303
8.2.1	This represent civil works of Rs. 583.67 million for building (30 June 2021: Rs. 470.17 million), advances for furniture and fixtures, plant and machinery and motor vehicles, amounting in total of Rs. 1,717.32 million (30 June 2021: Rs.1,584.41 million).			
9	INTANGIBLE ASSETS			
	In use	9.1	8,033,562	9,321,846
	Capital work in progress	9.2	27,196,168	-
	Written down value (WDV) - closing		35,229,730	9,321,846
9.1	Includes an addition of Rs. 2.88 million (30 June 2021: 0.947 million).			
9.2	This includes advance payment for a software of Rs. 60 million being implemented by the Company. Remaining balance of Rs. 42 million is a capital commitment.			





		31 December 2021 (Unaudited) ----- (Rupees) -----	30 June 2021 (Audited) ----- (Rupees) -----
10	STOCK-IN-TRADE		
	Raw and packing materials		
	In hand	4,787,286,321	3,792,725,508
	In transit	6,594,660,108	5,304,029,641
		<u>11,381,946,429</u>	<u>9,096,755,149</u>
	Traded / semi-finished goods (Oil)	459,974,631	221,231,141
	Work-in-process	-	94,938,036
	Finished goods	1,384,086,963	1,339,611,154
		<u>13,226,008,023</u>	<u>10,752,535,480</u>
10.1	At 31 December 2021, raw materials of Rs. 76.28 million (June 30, 2021: Rs.655.18 million) were pledged as security against borrowings from certain banks.		
11	TRADE DEBTS		
	Unsecured		
	Balance as of 31 December / 30 June	12,978,978,757	12,307,034,604
	Provision for doubtful debts	(160,269,708)	(16,190,457)
	Balance as of 31 December / 30 June - net (considered good)	<u>12,818,709,049</u>	<u>12,290,844,147</u>
11.1	Details of related parties from whom trade debts are due are as under:		
	Sunridge Foods (Private) Limited - subsidiary	373,760	-
	Unity Feeds (Private) Limited	-	70,918,693
		<u>373,760</u>	<u>70,918,693</u>
12	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Advances - considered good		
	To suppliers	291,194,690	74,270,599
	To employees	35,019,038	18,045,129
	Security deposits	4,653,439	10,429,307
	Prepayments	6,375,317	14,899,768
		<u>337,242,484</u>	<u>117,644,803</u>
13	SHORT TERM INVESTMENTS		
		Note	
	At fair value through profit or loss	31 December 2021 (Unaudited) ----- (Rupees) -----	30 June 2021 (Audited)
	Mutual funds	13.1	3,053,891,039
	At amortized cost		
	Term deposit receipts (with banks)	13.2	5,334,946,310
			<u>8,388,837,349</u>
			<u>6,858,985,954</u>



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

13.2 These carry profit at 6.5% - 9.45% (June 30, 2021: 6.5%) having maturity between six to twelve months.

14 CASH AND BANK BALANCES

Bank balances - conventional banking

- In profit and loss sharing accounts
- In current accounts

257,893,403	3,207,498
3,754,942,020	282,756,044
4,012,835,423	285,963,542

Bank balances - Islamic banking

- In profit and loss sharing accounts
- In current accounts

14.1

3,728,621	1,788,880
162,712,786	29,408,246
166,441,407	31,197,126

Cash in hand

578,119	882,078
4,179,854,949	318,042,746

14.1 This includes of Rs. 0.903 million held in lien by the bank against the ITERF facility disclosed in note 17.3.

14.2 Profit on profit and loss sharing accounts ranges between 3.25% - 8.25% (June 30, 2021: from 2.5% to 6.8%) per annum.

14.3 These include Rs. 0.824 million, held in lien by a bank against the Company's borrowings.

15 SHARE CAPITAL

Authorized share capital

1,200,000,000 (June 30, 2021: 1,000,000,000) ordinary shares of Rs. 10/- each

15.1

12,000,000,000	10,000,000,000
-----------------------	-----------------------

Issued, subscribed and paid-up capital

994,050,000 (June 30, 2021: 994,050,000) ordinary shares of Rs. 10/- each fully paid in cash.

9,940,500,000	9,940,500,000
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15.1 The authorized share capital of the Company has been enhanced from Rs. 10 billion to Rs. 12 billion. As a consequence, the Memorandum and Articles of Association of the Company have also been revised.

16 ADVANCE AGAINST FUTURE ISSUES OF RIGHT SHARES

During the six months period, the Company decided to issue further 200,000,000 (two hundred million) ordinary shares of the Company of Rs. 10 per share, in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of Rs. 27 per share (i.e. at a premium of Rs. 17 per share), in the ratio of approximately 20.12 right shares for every 100 existing ordinary share of Rs. 10 each.

Upto 31 December 2021, the Company had received Rs. 3.02 billion as subscription by the directors and substantial shareholders, while subsequent to the year-end it received additional Rs. 2.38 billion from the general shareholders and a related party resulting in a total additional contribution of Rs. 5.4 billion (including premium of Rs. 3.4 billion).

Shares against the above receipt (for Rs. 2 billion) has been issued by the Company (subsequent to the period end).

The purpose of the Right Issue is to meet the increased working capital requirements of the Company and enhance shareholders' value.





17 LONG TERM LOANS	Note	31 December 2021 (Unaudited) ----- (Rupees) -----	30 June 2021 (Audited) -----
Financing under SBP Scheme - non-shariah arrangements	17.1 & 17.2	191,404,853	281,530,016
Financing under ITERF Scheme - shariah arrangement	17.3	135,001,647	65,633,319
		326,406,500	347,163,335
Current portion shown under current liabilities		(209,082,394)	(183,805,051)
		117,324,106	163,358,284

17.1 The Company obtained long term financing from JS Bank under a refinance scheme of the State Bank of Pakistan for the payment of salaries and wages. The financing carries flat mark-up at the rate of 3% per annum. However, the effective interest rate is calculated as 10.40% per annum and the loan has been recognised at the present value. The sanctioned facility amounts to Rs. 197.20 million. This loan is repayable in 8 equal quarterly installments. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. The financing is secured against plant and machinery of the Company (inclusive of 25% margin). These facilities are valid upto October 2022. These are repayable in quarterly installments of Rs. 24.507 million.

17.2 The Company obtained long term financing from Bank of Punjab under a refinance scheme of the State Bank of Pakistan for the payment of salaries and wages. The financing carries flat mark-up at the rate of 1% per annum. However, the effective interest rate is calculated as 10.40% per annum and the loan has been recognised at the present value. The sanctioned facility amounts to Rs. 197.20 million. This loan is repayable in 8 equal quarterly installments. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. The financing is secured against hypothecation charge over current assets and plant and machinery of the Company (inclusive of 25% margin). These facilities are valid upto December 2022. These are repayable in quarterly installments of Rs. 24.612 million.

17.3 The Company has also obtained long term financing from Al baraka Bank (Pakistan) Limited under ITERF "Islamic Temporary Economic Refinance Facility" refinance scheme by State Bank of Pakistan, the facility is secured with exclusive charge over the imported machineries under the expansion projects with 25% margin and lien over bank account under ITERF. During the period additional tranche of Rs. 88.413 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. The facility is valid upto September 2031. These are repayable in quarterly installments of Rs. 6.61 million commencing from October 2023.

18 LEASE LIABILITIES

Present value of future minimum lease payments	151,514,877	205,776,292
Less: current portion shown under current liabilities	(107,502,503)	(98,031,835)
Non current portion	44,012,374	107,744,457

19 DEFERRED GRANT

As at 01 July		26,927,668	17,111,129
Recognized during the period/ year	19.1	21,272,655	35,744,692
Amortized during the period/ year		(10,807,459)	(25,928,153)
As at 31 December 2021 / 30 June 2021		37,392,864	26,927,668
Current portion		(11,831,556)	(16,074,244)
Non-current portion		25,561,308	10,853,424

19.1 This represents grant recognized on additional tranche received against ITERF facility (refer note 17.3).

20 DEFERRED TAX

This includes deferred tax liability recognised on accelerated tax depreciation and amortisation amounting to Rs. 206.764 million (30 June 2021: Rs. 162.404 million) and deferred tax asset of Rs. 46.478 million (30 June 2021: Rs. 4.696 million) recorded on provision against doubtful debts.



21	SHORT TERM BORROWINGS - SECURED	Note	31 December 2021 (Unaudited) ----- (Rupees) -----	30 June 2021 (Audited) -----
Under conventional arrangements				
	Finance against imported merchandise	21.1	7,738,814,014	6,897,862,544
	Short term running finance	21.2	4,096,412,143	1,256,840,113
			11,835,226,157	8,154,702,657
Under Islamic arrangements				
	Short term finance	21.3	2,052,997,246	6,538,854,325
	Short term running musharakah	21.4	1,758,951,792	-
			3,811,949,038	6,538,854,325
			15,647,175,195	14,693,556,982

21.1 Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from commercial banks under mark-up arrangements amounted to Rs. 21,910 million (30 June 2021: Rs. 18,320 million). At year end the applicable mark-up rates ranged between 7.00% to 12.07% per annum. These facilities are valid upto 31 October 2022 and are from 3 months to 6 months.

21.2 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 7,400 million (30 June 2021: Rs. 7,000 million). At year-end the applicable mark-up rates ranged between 7.00% to 9.53% per annum.

21.3 Funded facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 11,600 million (30 June 2021: Rs. 11,400 million). At year end the applicable mark-up rates ranged between 7.25% to 12.26% per annum. These facilities are valid upto 30 June 2022.

21.4 Short term running musharakah available from Al Baraka Bank Limited under mark-up arrangements amounted to Rs. 2,000 million (30 June 2021: Rs. 2,000 million). Mark-up on these arrangements is three month KIBOR plus 1% (30 June 2021: three month KIBOR plus 1%). At year end the applicable mark-up rate was 8.78% per annum.

21.5 Above facilities are secured by way of hypothecation charge over current and fixed assets of the Company and pledge of imported goods amounting to Rs. 18.867 billion, lien on term deposit of Rs. 3.46 billion and lien over the units of mutual funds.

21.6 At the year-end Company had no foreign currency borrowing and the available facility was Rs. 11,350 million.

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 The increase in Gas Tariff through Notification dated October 23, 2020 was challenged by the Company whereby the Honorable High Court (HC) has granted interim relief through its order dated 30 November 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the HC till further orders. The Company has deposited security cheques of the disputed amount Rs. 7.75 million accumulated till 31 December 2021.

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





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

22.1.4 Tax related contingencies

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

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

22.2 Commitments

22.2.1 Commitments under letter of credit for raw materials as at 31 December 2021 amounted to Rs. 3,572.96 million (30 June 2021: Rs. 6,093.50 million). Above facility is the part of the borrowing limits.

22.2.2 Guarantee issued at the period-end on behalf of the Company amounted to Rs. 515 million (30 June 2021: Rs. 290 million). Above facility is the part of the borrowing limits.

22.2.3 Commitments under agreement for the implementation of a new software amounted to Rs. 42 million as at 31 December 2021 (30 June 2021: Rs. Nil).

23 NET SALES

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- (Rupees) -----			
Local sales	36,760,599,824	29,091,089,158	20,174,098,073	17,231,887,245
Export sales	-	310,075,496	-	-
	36,760,599,824	29,401,164,654	20,174,098,073	17,231,887,245

24 SELLING AND DISTRIBUTION EXPENSES

Reduction in selling and distribution expenses is primarily because in the corresponding period, the Company had sponsored an event for Rs. 196.073 million, whereas during the current period the said campaign was not sponsored.



	Six months period ended	
	31 December 2021	31 December 2020
	----- (Rupees) -----	
25 ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits	147,971,147	64,602,678
Rent, rates and taxes	303,855	1,557,051
Travelling, conveyance and entertainment	15,668,017	10,481,668
Electricity, gas and water	2,148,047	1,523,102
Postage, telephone and internet	7,844,372	5,257,023
Insurance	2,334,539	2,814,860
Repair and maintenance	1,071,662	3,339,769
Advertising expense	-	2,230
Auditor's remuneration	6,125,002	2,110,000
Legal and professional	3,575,300	4,311,940
Consultancy services	9,433,520	8,016,645
Fees and subscription	56,083,368	25,168,991
Security and janitorial	2,973,141	2,997,550
Donations	10,056,543	10,000,000
Depreciation on operating fixed assets	11,064,848	4,036,846
Amortization on intangible assets	722,249	1,243,382
Printing, stationary and office supplies	1,481,775	1,810,616
Others	10,887,972	4,801,192
	289,745,357	154,075,543
26 OTHER EXPENSES		
Workers' Welfare Fund expenses	25,751,838	34,091,026
Workers' Profit Participation Fund expenses	68,118,135	86,932,115
	93,869,973	121,023,141
27 OTHER INCOME		
Income / return on financial assets		
Interest income on bank deposits	5,300,961	619,891
Interest income on term deposits with banks	191,747,065	88,358,459
Unrealized gain on investment in mutual fund units	13,378,914	-
Profit realized on redemption of mutual fund units	46,964	92,439
Dividend income from mutual fund units	99,854,045	-
	310,327,949	89,070,789
Income from non-financial assets		
Amortization of deferred government grant	10,807,459	9,820,403
Scrap sales	3,209,310	1,189,814
Others	730,839	-
	14,747,608	11,010,217
	325,075,557	100,081,006
28 FINANCE COST		
Interest on non-shariah borrowing arrangements	474,363,924	152,315,218
Profit on shariah borrowing arrangement	237,425,896	146,331,505
Interest on worker's profit participation fund	6,652,678	-
Finance charge of lease liabilities	9,163,672	12,643,833
Bank charges	6,822,323	22,692,442
Transaction cost on debt financing	-	1,130,000
	734,428,493	335,112,998





29 TAXATION

Current tax expense only pertains to taxable income from trading business and other sources whereas no tax expense is recorded on Income from manufacturing business due to 100% tax credit available u/s 65E of the Income Tax Ordinance, 2001. Refer note 22.1.4 for tax related contingencies.

30 EARNINGS PER SHARE

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- (Rupees) -----			
Profit for the period	1,086,580,562	1,523,790,680	1,115,245,484	932,992,155
	----- (Number of shares) -----			
Weighted average number of ordinary shares outstanding during the period	994,050,000	815,517,391	994,050,000	994,050,000
	----- (Rupees) -----			
Basic and diluted earnings per share	1.09	1.87	1.12	0.94

31 CASH GENERATED FROM OPERATIONS

	Six months period ended	
	31 December 2021	31 December 2020
	----- (Rupees) -----	
Profit before taxation	1,261,840,052	1,704,551,281
Adjustments for non-cash items:		
Depreciation on operating fixed assets	142,839,066	68,339,697
Depreciation on right-of-use assets	52,292,445	41,781,419
Amortization on intangible assets	1,444,494	1,243,382
Amortization on deferred government grants	(10,807,459)	(13,047,454)
Exchange (gain)/ loss - unrealized	343,732,233	6,787,860
Provision against doubtful debts	144,079,251	12,522,788
Gain on revaluation of mutual fund units - unrealized	(13,378,914)	-
Gain on disposal of fixed assets	(27,306)	-
Gain on disposal of right-of-use asset	(532,787)	-
Dividend income	(99,854,045)	-
Income from short term investments	(191,747,065)	(88,450,898)
Finance cost	734,428,493	335,112,998
	2,364,308,458	2,068,841,073
Working capital changes		
(Increase)/ decrease in current assets:		
Stock-in-trade	(2,473,472,543)	(4,808,435,309)
Stores and spares	(5,860,295)	(16,886,500)
Trade debts	(671,944,153)	(6,507,241,336)
Advances, deposits and prepayments	(219,597,681)	(150,357,707)
Other receivables	37,161,386	8,691,784
Sales tax receivable	359,553,349	(12,095,267)
	(2,974,159,937)	(11,486,324,335)
Increase/ (decrease) in current liabilities:		
Trade and other payables	3,746,092,365	5,808,764,830
Sales tax payable	-	(1,195,396)
	3,746,092,365	5,807,569,434
Cash flows from operations	3,136,240,886	(3,609,913,828)



31.1 Cash and cash equivalents comprise of:

	Six months period ended	
	31 December 2021	31 December 2020
	----- (Rupees) -----	
Cash and bank balances	4,179,854,949	491,615,864
Short term borrowings - running finance (secured)	(5,855,363,935)	(1,616,978,653)
	(1,675,508,986)	(1,125,362,789)

32 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of the Subsidiary, associated companies, directors of the Company, companies in which the Company's Directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. Remuneration of key management personnel are in accordance with the terms of their employment. Provident Fund contributions are in accordance with the services rules. All other transaction with related parties are under agreed terms.

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

Transactions with related parties (unaudited)

<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	Six months period ended	
			31 December 2021	31 December 2020
			----- (Rupees) -----	
Sunridge Foods (Private) Limited	Subsidiary	Sales	373,760	697,705,520
		Sales proceeds	-	50,982,360
		Purchases	70,835,838	-
		Payments	75,803,961	-
Unity Feeds (Private) Limited	Common directorship	Sales	81,640,763	50,795,674
		Sale proceeds	152,559,456	91,996,080
Provident fund	Staff retirement benefit fund	Contribution paid	17,523,542	11,451,612
Directors and executives	Key management personnel	Remuneration	63,570,000	22,313,841
Directors substantial shareholders	-	Advance against further issuance of shares / issuance of shares	3,020,149,719	1,583,286,230

Balances with related parties

<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	Balance as at	
			31 December 2021	30 June 2021
			(Unaudited)	(Audited)
			----- (Rupees) -----	
Sunridge Foods (Private) Limited	Subsidiary	Trade debt	373,760	-
		Trade credit	6,770,656	11,738,779
Unity Feeds (Private) Limited	Common directorship	Trade debt	-	70,918,693
Provident fund	Staff retirement benefit fund	Net contribution payable	1,527,907	2,239,746





33 GENERAL

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

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

34 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 28 February 2022.

Director

Chief Executive Officer

Chief Financial Officer





CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 December 2021

	Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
		------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	9,208,432,112	8,663,518,820
Right-of-use assets		137,215,687	198,043,252
Intangible assets	8	316,722,762	290,842,478
Long term deposits		32,411,812	25,780,831
		9,694,782,373	9,178,185,381
Current assets			
Stock-in-trade	9	13,419,352,883	11,767,752,193
Stores and spares		44,262,471	38,402,176
Trade debts	10	13,231,151,687	12,508,420,427
Advances, deposits and prepayments	11	749,682,298	139,027,298
Other receivables		151,152,159	86,420,577
Sales tax receivable		41,081,975	400,635,324
Taxation - net of provision		3,551,584,381	2,877,586,894
Short term investments	12	8,388,837,349	6,858,985,954
Cash and bank balances	13	4,238,047,026	330,464,916
		43,815,152,229	35,007,695,759
Total assets		53,509,934,602	44,185,881,140
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Share Capital 1,200,000,000 (30 June 2021: 1,000,000,000) ordinary shares of Rs. 10/- each		12,000,000,000	10,000,000,000
Share capital - Issued, subscribed and paidup capital	14	9,940,500,000	9,940,500,000
Unappropriated profit		4,199,290,967	3,247,910,090
Advance against future issuance of right shares		3,021,873,365	-
		17,161,664,332	13,188,410,090
Non-current liabilities			
Long term loans	16	117,575,282	171,547,909
Lease liabilities	17	48,566,084	113,215,439
Staff retirement benefits		6,879,552	5,513,100
Deferred grant	18	25,561,308	11,172,954
Deferred tax liability	19	85,078,266	1,110,446
		283,660,492	302,559,848
Current liabilities			
Current portion of long term loans	16	225,184,751	199,367,074
Current portion of lease liabilities	17	108,903,924	98,927,742
Current portion of deferred grant	18	12,779,726	17,341,943
Trade and other payables		17,799,036,055	13,982,556,582
Contract liabilities		-	45,171,820
Accrued mark-up		220,719,859	214,320,052
Short term borrowings	20	17,697,316,456	16,136,556,982
Unclaimed dividend		669,007	669,007
		36,064,609,778	30,694,911,202
Total equity and liabilities		53,509,934,602	44,185,881,140
Contingencies and commitments	21		

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the six months period ended 31 December 2021

	Note	Six months period ended		Three months period ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		------(Rupees)-----			
Net sales	22	39,583,288,799	29,768,990,895	21,341,969,858	17,188,686,804
Cost of sales		(35,803,563,471)	(27,131,995,027)	(18,983,327,335)	(15,649,453,036)
Gross profit		3,779,725,328	2,636,995,868	2,358,642,523	1,539,233,768
Selling and distribution expenses		(682,150,572)	(616,334,662)	(319,084,546)	(406,740,219)
Administrative expenses	23	(304,934,793)	(163,167,138)	(179,542,003)	(88,231,368)
Exchange gain/ (loss)		(1,060,901,559)	261,011,621	(377,095,361)	203,411,348
		(2,047,986,924)	(518,490,179)	(875,721,910)	(291,560,239)
Other expenses	24	(93,869,973)	(126,019,468)	(89,787,402)	(77,749,832)
Other income	25	339,282,855	102,833,746	144,428,370	85,429,014
		245,412,882	(23,185,722)	54,640,968	7,679,182
Finance cost	26	(827,519,959)	(356,357,515)	(428,522,317)	(202,639,675)
Profit before taxation		1,149,631,327	1,738,962,452	1,109,039,264	1,052,713,036
Taxation					
Current	27	(90,091,327)	(102,531,419)	(50,383,548)	(78,228,019)
Deferred		(83,866,694)	(78,918,718)	(48,799,769)	(51,686,304)
		(173,958,021)	(181,450,137)	(99,183,317)	(129,914,323)
Profit for the period		975,673,306	1,557,512,315	1,009,855,947	922,798,713
Profit attributable to:					
Owners of the Holding Company		975,673,306	1,536,099,308	1,009,855,947	914,999,380
Non-controlling interest		-	21,413,007	-	7,799,333
		975,673,306	1,557,512,315	1,009,855,947	922,798,713
Earnings per share Basic and diluted	28	0.98	1.88	1.02	0.92

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the six months period ended 31 December 2021

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	------(Rupees)-----			
Profit for the period	975,673,306	1,557,512,315	1,009,855,947	922,798,713
Other comprehensive income	-	-	-	-
Remeasurement gain on staff retirement benefits	-	426,439	-	216,051
Total comprehensive income	975,673,306	1,557,938,754	1,009,855,947	923,014,764
Total Comprehensive income attributable to:				
Owners of the Holding Company	975,673,306	1,536,393,551	1,009,855,947	915,148,455
Non-controlling interest	-	21,545,203	-	7,866,309
	975,673,306	1,557,938,754	1,009,855,947	923,014,764

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer





CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31 December 2021

	Attributable to equity holders of the Holding Company					Total equity
	Issue, subscribed and paid up capital	Unappropriated profit	Sub-total	Advance against ordinary shares	Non-controlling interest	
	(Rupees)					
Balance as at June 30, 2020 (audited)	5,440,500,000	412,785,010	5,853,285,010	-	39,934,537	5,893,219,547
Transactions with owners recorded directly in equity						
Issuance of right shares	4,500,000,000	-	4,500,000,000	-	-	4,500,000,000
Transaction cost incurred on issuance of right shares	-	(72,601,151)	(72,601,151)	-	-	(72,601,151)
	4,500,000,000	(72,601,151)	4,427,398,849	-	-	4,427,398,849
Total comprehensive income for the six months period ended 31 December 2020						
Profit for the six months period	-	1,536,099,308	1,536,099,308	-	21,545,203	1,557,644,511
Other comprehensive income for the six months period	-	294,243	294,243	-	-	294,243
	-	1,536,393,551	1,536,393,551	-	21,545,203	1,557,938,754
Balance as at 31 December 2020 (unaudited)	9,940,500,000	1,876,577,410	11,817,077,410	-	61,479,740	11,878,557,150
Balance as at 30 June 2021 (audited)	9,940,500,000	3,247,910,090	13,188,410,090	-	-	13,188,410,090
Transactions with owners recorded directly in equity						
Advance against future issuance of right shares (note 16)	-	-	-	3,021,873,365	-	3,021,873,365
Transaction cost incurred on issuance of right shares	-	(24,292,429)	(24,292,429)	-	-	(24,292,429)
	-	(24,292,429)	(24,292,429)	3,021,873,365	-	2,997,580,936
Total comprehensive loss for the six months period ended 31 December 2021						
Profit for the six months period	-	975,673,306	975,673,306	-	-	975,673,306
Other comprehensive income for the six months period	-	-	-	-	-	-
	-	975,673,306	975,673,306	-	-	975,673,306
Balance as at 31 December 2021 (unaudited)	9,940,500,000	4,199,290,967	14,139,790,967	3,021,873,365	-	17,161,664,332

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 31 December 2021

	Note	Six months period ended	
		31 December 2021	31 December 2020
		------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operating activities	29	3,053,860,634	(4,131,219,567)
Taxes paid		(764,088,814)	(447,803,702)
Long term deposits paid		(6,630,981)	(200,000)
Staff gratuity paid		(73,548)	(757,100)
Net cash flows from operating activities		2,283,067,291	(4,579,980,369)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(706,147,187)	(2,969,965,924)
Disposal of property, plant and equipment		528,832	3,000,000
Purchases of intangible assets		(27,352,378)	(1,125,673)
Short term investments - net		(1,516,472,481)	(5,080,092,439)
Profit received on short term investments		189,731,462	11,588,961
Net cash flows from investing activities		(2,059,711,752)	(8,036,595,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(3,644,905,609)	6,250,850,278
Long term loan received		88,413,516	206,679,959
Long term loan repaid		(95,295,811)	-
Rentals paid against right-of-use assets		(54,111,392)	(27,824,512)
Lease liabilities - net		-	(2,414,550)
Loan repaid to related party - net		-	(75,490,811)
Dividend paid		-	(12,587)
Finance cost paid		(813,120,152)	(281,336,610)
Proceeds from issuance of right shares		-	4,500,000,000
Advance received against future issue of right shares		3,021,873,365	(12,163,324)
Transaction cost against issuance of right shares / future issue of right shares		(24,292,429)	(72,601,151)
Net cash flows from financing activities		(1,521,438,512)	10,485,686,692
Net decrease in cash and cash equivalents		(1,298,082,973)	(2,130,888,752)
Cash and cash equivalents at the beginning of the period		(2,369,375,197)	(181,559,891)
Cash and cash equivalents at the end of the period	29.1	(3,667,458,170)	(2,312,448,643)

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer





NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the six months period Ended 31 December 2021

1 THE GROUP AND ITS OPERATIONS

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

1.1 Unity Foods Limited

Unity Foods Limited was incorporated in Pakistan in 1991 as a Private Limited Company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a Public Limited Company on 16 June 1991. Shares of the Holding Company are listed in Pakistan Stock Exchange since 01 February 1994. The principal business activity of the Holding Company is manufacturing of edible oil extraction, refining, sales and related businesses.

1.2 Sunridge Foods (Private) Limited

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

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

Address	Purpose	In Use of
Karachi		
-Unity Tower, Plot No. 8-C, Block-6,	Registered Office of the Holding Company	Unity Foods Limited
-Plot No. A-48, Eastern Industrial Zone,	Oil Refinery	Unity Foods Limited
-Plot No. A-55 & 56, Industrial Zone, Port Qasim	Feed Mill	Unity Foods Limited
-Plot No. D-51 & D52 Industrial Zone, Port Qasim	For Capacity Expansion	Unity Foods Limited
-Plot No. W2/1/67 & 68 Industrial Zone, Port Qasim	For Capacity Expansion	Unity Foods Limited
-4th floor, 73-C, Jami Commercial Street No. 8, DHA Phase VII.	Registered Office of the Subsidiary Company	Sunridge Foods (Private) Limited
-C6, North west zone, Port Qasim	Pesa Flour Plant	Sunridge Foods (Private) Limited
-Plot No H/14 , Phase II , Gulshan-e-Maymar, Site Area , Super Highway.	Flour Mill Plant	Sunridge Foods (Private) Limited
Kotri, District Hyderabad		
-Plot No. N-27/ B, SITE Area.	Edible Oil Extraction Plant and Pelletizing Mills	Unity Foods Limited
Hub, Balochistan		
-Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella	Soap plant	Unity Foods Limited

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

3 BASIS OF PREPARATION AND MEASUREMENT

3.1 STATEMENT OF COMPLIANCE

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

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

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

3.2 Basis of measurement

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





4 FUNCTIONAL AND PRESENTATION CURRENCY

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements for the year ended June 30, 2021.

5.1 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, 2021 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.

5.2 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 Group's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

6 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

	Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
		----- (Rupees) -----	
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	6,503,001,604	6,318,337,712
Capital work-in-progress (CWIP)	7.2	2,705,430,508	2,345,181,108
		<u>9,208,432,112</u>	<u>8,663,518,820</u>
		Six months period ended	
		31 December 2021	31 December 2020
		----- (Rupees) -----	
7.1 Operating fixed assets - details of addition and disposals during the period			
Additions during the period - (at cost)			
- Lease hold land		206,002,010	408,911,134
- Building		70,273,422	208,217,871
- Plant and machinery		37,501,387	148,871,087
- Furniture, fixture and office equipment		19,437,613	5,336,778
- Computer and auxilliary equipment		7,599,585	-
- Motor vehicles		5,083,769	-
		<u>345,897,786</u>	<u>771,336,870</u>
Disposals during the period - (WDV)			
- Computer and auxilliary equipment		(230,000)	-
- Motor vehicles		(271,526)	(1,351,531)
		<u>(501,526)</u>	<u>(1,351,531)</u>
Depreciation charge for the period		<u>(160,732,369)</u>	<u>(77,377,234)</u>



		31 December 2021	30 June 2021
	Note	(Un-audited) ------(Rupees)-----	(Audited)
7.2 Capital work-in-progress (CWIP)			
Balance as of 01 July		2,345,181,108	610,192,212
Additions during the period/ year		626,133,392	5,074,677,739
Transferred / adjustments during the period/ year		(265,883,992)	(3,339,688,843)
Balance as of 31 December / 30 June		2,705,430,508	2,345,181,108
8 INTANGIBLE ASSETS			
In use	8.1	8,277,338	9,593,222
Capital work in progress		27,196,168	-
Goodwill		281,249,256	281,249,256
Written down value (WDV) - closing		316,722,762	290,842,478
8.1	Includes in addition of Rs. 2.88 million (30 June 2021: 0.947 million).		
8.2	This includes advance payment for a software of Rs. 60 million being implemented by the Holding Company. Remaining balance of Rs. 42 million is a capital commitment.		
9 STOCK-IN-TRADE			
Raw and packing materials			
In hand		4,880,846,872	4,300,832,182
In transit		6,599,857,559	5,304,029,641
		11,480,704,431	9,604,861,823
Traded/ semi-finished goods		516,648,715	680,804,615
Work-in-process		-	94,938,036
Finished goods		1,421,999,737	1,387,147,719
		13,419,352,883	11,767,752,193
9.1	At 31 December 2021, raw materials of Rs. 76.28 million (June 30, 2021: Rs.655.18 million) were pledged as security against borrowings from certain banks.		
10 TRADE DEBTS			
Unsecured			
Balance as of 31 December / 30 June		13,401,587,063	12,528,379,656
Provision for doubtful debts		(164,038,480)	(19,959,229)
Balance as of 31 December / 30 June - net (considered good)		13,237,548,583	12,508,420,427
10.1	Related parties from whom trade debts are due are as under:		
Unity Feeds (Private) Limited		-	70,918,694
11 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances - considered good			
To suppliers		691,629,157	91,238,285
To employees		40,833,908	21,161,972
Security deposits		8,254,080	11,602,458
Prepayments		8,965,153	15,024,583
		749,682,298	139,027,298



	Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
		------(Rupees)-----	
12	SHORT TERM INVESTMENTS		
	At fair value through profit or loss		
	Mutual funds	3,053,891,039	1,618,985,954
	At amortized cost		
	Term deposit receipts (with banks)	5,334,946,310	5,240,000,000
		8,388,837,349	6,858,985,954
12.1	This represents investments in the units of HBL Cash Fund. These are pledged against the Holding Company's borrowing and guarantee on behalf of the Holding Company.		
12.2	These carry profit at 6.5% - 9.45% (June 30, 2021: 6.5%) having maturity between six to twelve months.		
13	CASH AND BANK BALANCES		
	Bank balances - conventional banking		
	- In profit and loss sharing accounts	310,469,385	3,207,498
	- In current accounts	3,759,102,586	285,717,719
		4,069,571,971	288,925,217
	Bank balances - Islamic banking		
	- In profit and loss sharing accounts	4,739,256	2,113,119
	- In current accounts	162,712,786	37,495,690
		167,452,042	39,608,809
	Cash in hand	1,023,013	1,930,890
		4,238,047,026	330,464,916
13.1	This includes of Rs. 0.903 million held in lien by the bank against the ITERF facility disclosed in note 16.3.		
13.2	Profit on profit and loss sharing accounts ranges between 3.25% - 8.25% (June 30, 2021: from 2.5% to 6.8%) per annum.		
13.3	These include Rs. 0.824 million, held in lien by a bank against the Group's borrowings.		
14	SHARE CAPITAL		
	Authorized share capital		
	1,200,000,000 (June 30, 2021: 1,000,000,000) ordinary shares of Rs. 10/- each	12,000,000,000	10,000,000,000
	Issued, subscribed and paid-up capital		
	994,050,000 (June 30, 2021: 994,050,000) ordinary shares of Rs. 10/- each fully paid in cash.	9,940,500,000	9,940,500,000
14.1	The authorized share capital of the Holding Company increased from Rs. 10 billion to Rs. 12 billion. As a consequence, the Memorandum and Articles of Association of the Company have been revised as per the applicable laws.		
15	ADVANCE AGAINST FUTURE ISSUES OF RIGHT SHARES		
	During the six months period, the Holding Company decided to issue further 200,000,000 (two hundred million) ordinary shares of the Company of Rs. 10 per share, in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of Rs. 27 per share (i.e. at a premium of Rs. 17 per share), in the ratio of approximately 20.12 right shares for every 100 existing ordinary share of Rs. 10 each.		
	Upto 31 December 2021, the Holding Company had received Rs. 3.02 billion as subscription by the directors and substantial shareholders, while subsequent to the year-end it received additional Rs. 2.38 billion from the general shareholders and a related party resulting in a total additional contribution of Rs. 5.4 billion (including premium of Rs. 3.4 billion).		
	Shares against the above receipt (for Rs. 2 billion) has been issued by the Holding Company (subsequent to the period end).		



The purpose of the Right Issue is to meet the increased working capital requirements of the Holding Company and enhance shareholders' value.

	Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
		------(Rupees)-----	
16	LONG TERM LOANS		
Financing under SBP Scheme - non-shariah arrangements	16.1 & 16.2	207,758,386	305,281,664
Financing under ITERF Scheme - shariah arrangement	16.3	135,001,647	65,633,319
		342,760,033	370,914,983
Current portion shown under current liabilities		(225,184,751)	(199,367,074)
		117,575,282	171,547,909
16.1	The Holding Company obtained long term financing from JS Bank under a refinance scheme of the State Bank of Pakistan for the payment of salaries and wages. The financing carries flat mark-up at the rate of 3% per annum. However, the effective interest rate is calculated as 10.40% per annum and the loan has been recognised at the present value. The sanctioned facility amounts to Rs. 197.20 million. This loan is repayable in 8 equal quarterly installments. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. The financing is secured against plant and machinery of the Company (inclusive of 25% margin). These facilities are valid upto October 2022. These are repayable in quarterly installments of Rs. 24.507 million.		
16.2	The Holding Company obtained long term financing from Bank of Punjab under a refinance scheme of the State Bank of Pakistan for the payment of salaries and wages. The financing carries flat mark-up at the rate of 1% per annum. However, the effective interest rate is calculated as 10.40% per annum and the loan has been recognised at the present value. The sanctioned facility amounts to Rs. 197.20 million. This loan is repayable in 8 equal quarterly installments. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. The financing is secured against hypothecation charge over current assets and plant and machinery of the Company (inclusive of 25% margin). These facilities are valid upto December 2022. These are repayable in quarterly installments of Rs. 24.612 million.		
16.3	The Holding Company has also obtained long term financing from Al baraka Bank (Pakistan) Limited under ITERF "Islamic Temporary Economic Refinance Facility" refinance scheme by State Bank of Pakistan, the facility is secured with exclusive charge over the imported machineries under the expansion projects with 25% margin and lien over bank account under ITERF. During the period additional tranche of Rs. 88.413 million was received under the facility. The facility carries mark-up at the rate of 5% per annum, while the effective interest rate is calculated at 9.75% per annum to recognize same at the present value. The sanctioned facility amounts to Rs. 920 million. The differential mark-up has been recognised as government grant which is being amortised to other income over the period of the facility. The facility is valid upto September 2031. These are repayable in quarterly installments of Rs. 6.61 million commencing from October 2023.		
17	LEASE LIABILITIES		
Present value of future minimum lease payments		157,470,008	212,143,181
Less: current portion shown under current liabilities		(108,903,924)	(98,927,742)
Non current portion		48,566,084	113,215,439
18	DEFERRED GOVERNMENT GRANT		
As at July 01		28,514,897	19,493,109
Recognized during the year	18.1	21,272,655	36,217,640
Amortized during the year		(11,446,518)	(27,195,852)
As at 31 December 2021 / 30 June 2021		38,341,034	28,514,897
Current portion		(12,779,726)	(17,341,943)
Non-current portion		25,561,308	11,172,954
18.1	This represents grant recognized on additional tranche received against ITERF facility (refer note 16.3).		
19	DEFERRED TAX		
This includes deferred tax liability recognised on accelerated tax depreciation and amortisation amounting to Rs.248.500 million (30 June 2021: Rs. 202.792 million), deferred tax asset of Rs. 46.478 million (30 June 2021: Rs. 5.788 million) recorded on provision against doubtful debts and deferred tax asset of Rs. 112.460 million (30 June 2021: Rs. 193.284 million) recorded on brought forward losses.			



	Note	31 December 2021 (Un-audited) ------(Rupees)-----	30 June 2021 (Audited)
20 SHORT TERM BORROWINGS - SECURED			
Under conventional arrangements			
Finance against imported merchandise	20.1	7,738,814,014	6,897,862,544
Short term running finance	20.2	4,096,412,143	1,256,840,113
		11,835,226,157	8,154,702,657
Under Islamic arrangements			
Short term finance	20.3	2,052,997,246	6,538,854,325
Salam / Istisna finance	20.4	2,050,141,261	1,443,000,000
Short term running musharakah	20.5	1,758,951,792	-
		5,862,090,299	7,981,854,325
		17,697,316,456	16,136,556,982
20.1	Post import facilities (i.e. finance against imported merchandise and finance against trust receipt) from commercial banks under mark-up arrangements amounted to Rs. 21,910 million (30 June 2021: Rs. 18,320 million). At year end the applicable mark-up rates ranged between 7.00% to 12.07% per annum. These facilities are valid upto 31 October 2022 and are from 3 months to 6 months.		
20.2	Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 7,400 million (30 June 2021: Rs. 7,000 million). At year-end the applicable mark-up rates ranged between 7.00% to 9.53% per annum.		
20.3	Funded facilities (isitisna, wakala and murabaha) available from Islamic banks amounted to Rs. 11,600 million (30 June 2021: Rs. 11,400 million). At year end the applicable mark-up rates ranged between 7.25% to 12.26% per annum. These facilities are valid upto 30 June 2022.		
20.4	Istisna finance obtained from a commercial bank under mark-up arrangements amounted to Rs. 2,000 million (30 June 2021: Rs. 1,000 million). The rates of profit are 3 months' KIBOR minus 3.29% per annum. These arrangements are secured against lien over cash / TDR of the Company and its associated companies. This facility is valid upto 30 April 2022.		
20.5	Short term running musharakah available from Al Baraka Bank Limited under mark-up arrangements amounted to Rs. 2,000 million (30 June 2021: Rs. 2,000 million). Mark-up on these arrangements is three month KIBOR plus 1% (30 June 2021: three month KIBOR plus 1%). At year end the applicable mark-up rate was 8.78% per annum.		
20.6	Above facilities are secured by way of hypothecation charge over current and fixed assets of the Company and pledge of imported goods amounting to Rs. 18.867 billion, lien on term deposit of Rs. 3.46 billion and lien over the units of mutual funds.		
20.7	At the year-end Group's had no foreign currency borrowing and the available facility was Rs. 11,350 million.		
21 CONTINGENCIES AND COMMITMENTS			
21.1 Contingencies			
The Holding Company			
20.1.1	The increase in Gas Tariff through Notification dated October 23, 2020 was challenged by the Company whereby the Honorable High Court (HC) has granted interim relief through its order dated 30 November 2020 and directed the plaintiffs to keep paying the bills at a price of Rs. 1,021 per MMBTU and deposit security cheques of the disputed amount with the Nazir of the HC till further orders. The Company has deposited security cheques of the disputed amount Rs. 7.75 million accumulated till 31 December 2021.		
20.1.2	A petition has been filed by the Company against SECP & others in the High Court of Sindh seeking declaration that the impugned order dated 27 December 2019 by SECP for the appointment of inspector(s) to conduct inspection on all aspects of the Company including the books of accounts for the period from 01 July 2017 to 30 June 2019 be declared illegal with a pray to set aside the investigation against the Company. The Court passed interim order suspending the operation of the impugned order to the extent of the appointment of inspectors, with the direction that, if any of the officer is authorized by the Commission, the Company shall cooperate by providing every document that is asked for by such authorized officer. The matter is at the stage of hearing of applications. The Company, including on the basis of the opinion of the legal advisors, believe that it has a good arguable case and there is no likelihood of unfavorable outcome of this litigation.		



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

20.1.4 Tax related contingencies

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

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

The Subsidiary Company

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

21.2 Commitments

The Holding Company

20.2.1 Commitments under letter of credit for raw materials as at 31 December 2021 amounted to Rs. 3,572.96 million (30 June 2021: Rs. 6,093.50 million). Above facility is the part of the borrowing limits.

20.2.2 Guarantee issued at the period-end on behalf of the Company amounted to Rs. 515 million (30 June 2021: Rs. 290 million). Above facility is the part of the borrowing limits.

20.2.3 Commitments under agreement for the implementation of a new software amounted to Rs. 42 million as at 31 December 2021 (30 June 2021: Rs. Nil).

The Subsidiary Company

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

22 NET SALES

Local sales
Export sales

	Six months period ended		Three months period ended	
	31 December 2021	December 31, 2020	31 December 2021	December 31, 2020
	------(Rupees)-----			
Local sales	38,697,842,975	29,458,915,399	21,335,146,510	17,188,686,804
Export sales	885,445,824	310,075,496	50,008,976	-
	39,583,288,799	29,768,990,895	21,385,155,486	17,188,686,804





		Six months period ended	
		31 December 2021	31 December 2020
		------(Rupees)-----	
23	ADMINISTRATIVE EXPENSES		
	Salaries, wages and benefits	154,110,373	70,022,624
	Rent, rates and taxes	303,855	1,575,801
	Travelling, conveyance and entertainment	15,691,256	10,518,457
	Electricity, gas and water	2,469,773	1,646,148
	Postage, telephone and internet	8,276,411	5,745,193
	Insurance	2,334,539	3,134,860
	Repair and maintenance	1,221,907	3,622,181
	Advertising expense	-	2,230
	Auditor's remuneration	6,602,278	2,208,050
	Legal and professional	7,588,337	5,243,659
	Consultancy services	9,433,520	8,016,645
	Fees and subscription	56,663,845	25,431,116
	Security and janitorial	3,059,128	3,086,215
	Donations	10,156,543	10,000,000
	Depreciation on operating fixed assets	13,075,334	4,172,325
	Amortization on intangible assets	1,329,501	1,850,634
	Printing, stationary and office supplies	1,701,971	2,077,008
	Others	10,916,222	4,813,992
		304,934,793	163,167,138
24	OTHER EXPENSES		
	Workers' Welfare Fund expenses	25,751,838	35,513,257
	Workers' Profit Participation Fund expenses	68,118,135	90,506,211
		93,869,973	126,019,468
25	OTHER INCOME		
	Income/ return on financial assets		
	Income on bank deposits	5,346,578	619,891
	Income on TDRs	191,747,065	88,358,459
	Unrealized gain on investment in mutual fund units	13,378,914	-
	Profit realized on redemption of mutual fund units	46,964	92,439
	Dividend income from mutual fund units	99,854,045	-
		310,373,566	89,070,789
	Income from non-financial assets		
	Amortization of deferred government grant	11,446,518	10,536,558
	Scrap sales	11,067,568	1,627,435
	Others	6,395,203	1,648,469
		28,909,289	13,812,462
		339,282,855	102,883,251
26	FINANCE COST		
	Interest on non-shariah arrangements	474,701,710	154,126,420
	Profit on shariah arrangements	312,335,342	165,158,023
	Interest on worker's profit participation fund	6,652,678	-
	Finance charge of lease liabilities	9,592,352	13,206,893
	Bank charges	24,243,702	22,736,179
	Transaction cost on debt financing	-	1,130,000
		827,525,784	356,357,515
27	TAXATION		
	The Holding Company		
	Current tax expense only pertains to taxable income from trading business and other sources whereas no tax expense is recorded on Income from manufacturing business due to 100% tax credit available u/s 65E of the Income Tax Ordinance, 2001. Refer note 20.1.4 for tax related contingencies.		





	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
28 EARNINGS PER SHARE	------(Rupees)-----			
Profit for the period	975,673,306	1,536,099,308	1,009,855,947	914,999,380
	------(Number of shares)-----			
Weighted average number of ordinary shares outstanding during the period	994,050,000	815,517,391	994,050,000	994,050,000
	------(Rupees)-----			
Basic and diluted earnings per share	0.98	1.88	1.02	0.92

	Six months period ended	
	31 December 2021	31 December 2020
29 CASH FLOWS FROM OPERATING ACTIVITIES	----- (Rupees) -----	
Profit before taxation	1,149,631,327	1,738,962,452
Adjustments for non-cash items:		
Depreciation on operating fixed assets	160,732,369	77,377,234
Depreciation on right-of-use assets	52,899,697	42,388,671
Amortization on intangible assets	1,472,094	1,243,382
Amortization on deferred government grant	(11,446,518)	(13,763,609)
Exchange loss - unrealized	343,732,233	6,787,860
Provision against doubtful debt	144,079,251	13,043,310
Provision for staff gratuity	1,440,000	2,832,102
Gain on disposal of operating fixed assets	(27,306)	(1,648,469)
Gain on revaluation of mutual fund units - unrealized	(13,378,914)	-
Gain on disposal of right-of-use asset	(532,787)	-
Dividend income	(99,854,045)	-
Income from short term investment	(191,747,065)	(88,450,898)
Finance cost	827,519,959	356,357,515
	2,364,520,295	2,135,129,550
Changes in working capital		
(Increase)/ decrease in current assets:		
Stock-in-trade	(1,651,600,690)	(5,185,689,163)
Stores and spares	(5,860,295)	(16,886,500)
Trade debts	(866,810,511)	(6,581,863,667)
Advances, deposits and prepayments	(610,655,000)	(772,263,483)
Other receivables	37,138,066	8,586,441
Sales tax receivable	359,553,349	(12,095,267)
	(2,738,235,081)	(12,560,211,639)
Increase/ (decrease) in current liabilities:		
Trade and other payables	3,472,747,240	6,284,019,137
Sales tax payable	-	(1,195,396)
Contract liabilities	(45,171,820)	11,038,781
	3,427,575,420	6,293,862,522
Cash flows from operating activities	3,053,860,634	(4,131,219,567)
29.1 Cash and cash equivalents comprise of:		
Cash and bank balances	4,238,047,026	529,530,010
Short term borrowings - running finance (secured)	(7,905,505,196)	(2,841,978,653)
	(3,667,458,170)	(2,312,448,643)





30 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of the Subsidiary, associated companies, directors of the Company, companies in which the Company's Directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. Remuneration of key management personnel are in accordance with the terms of their employment. Provident Fund contributions are in accordance with the services rules. All other transaction with related parties are under agreed terms.

Transactions with related parties (un-audited)

<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>Six months period ended</u>	
			<u>31 December 2021</u>	<u>31 December 2021</u>
			------(Rupees)-----	
Unity Feeds (Private) Limited	Common directorship	Sales	81,640,763	50,795,674
		Sale proceeds	152,559,456	91,996,080
Provident fund	Staff retirement benefit fund	Contribution paid	17,523,542	11,451,612
Directors and executives	Key management personnel	Remuneration paid	70,890,398	22,313,840
Directors substantial shareholders	-	Advance against further issuance of shares / issuance of shares	3,020,149,719	1,583,286,230

Balances with related parties

<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	<u>Balance as at</u>	
			<u>December 31, 2021 (Un-audited)</u>	<u>June 30, 2021 (Audited)</u>
			------(Rupees)-----	
Unity Feeds (Private) Limited	Common directorship	Trade debtor	-	70,918,693
Provident fund	Staff retirement benefit fund	Net contribution payable	1,527,907	2,239,746

31 GENERAL

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

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

32 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 28 February 2022.

Director

Chief Executive Officer

Chief Financial Officer

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