



UNITY FOODS LIMITED
food for life!

Bringing joy to the table

First Quarter
Ended
September
30, 2022



Table of Contents

03	Company Information
05	Directors' Review Report to the Members -(English & Urdu)
12	Condensed Interim Unconsolidated Statement of Financial Position
13	Condensed Interim Unconsolidated Statement of Profit or Loss
14	Condensed Interim Unconsolidated Statement of Comprehensive Income
15	Condensed Interim Unconsolidated Statement of Changes in Equity
16	Condensed Interim Unconsolidated Statement of Cash Flows
17	Notes to the Condensed Interim Unconsolidated Financial Statements
23	Condensed Interim Consolidated Statement of Financial Position
24	Condensed Interim Consolidated Statement of Profit or Loss
25	Condensed Interim Consolidated Statement of Comprehensive Income
26	Condensed Interim Consolidated Statement of Changes in Equity
27	Condensed Interim Consolidated Statement of Cash Flows
28	Notes to the Condensed Interim Consolidated Financial Statements





Vision

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

Mission

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

Core Values

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





Company Information

Board of Directors	Lt. Gen. Omar Mahmood Hayat (Retd) Mr. Muhammad Farrukh Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil Ms. Lie Hong Hwa Mr. Amir Shehzad Dr. Safdar Ali Butt	Chairman- Non Executive Director Chief Executive Officer Non- Executive Director Independent Director Non-Executive Director Executive Director Independent Director
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Audit Committee	Mr. Muneer S. Godil Dr. Safdar Ali Butt Mr. Abdul Majeed Ghaziani	Chairman
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Human Resources & Remuneration Committee	Dr. Safdar Ali Butt Mr. Muhammad Farrukh Mr. Abdul Majeed Ghaziani Mr. Muneer S. Godil	Chairman
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Chief Financial Officer	Mr. Jalees Edhi
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Company Secretary	Mr. Umar Shahzad
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Head of Internal Audit (Acting)	* Mr. Imran Ahmed Khan
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*Mr. Imran Ahmed Khan was appointed as acting Head of Internal Audit on February 23, 2023 in place of Chaudhry Waqas Shoukat.

External Auditor	Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants 2-B, ATS Centre, 30-West, Block "A" Fazal-ul-Haq Road, Blue Area, Islamabad Phone No. 0092-051-2878530-32, 2822785 Other Offices -Karachi, Lahore, Peshawer
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Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited Habib Bank Limited Soneri Bank Limited MCB Islamic Bank Limited Bank Al Habib Limited MCB Bank Limited Meezan Bank Limited Bank Al Falah Limited Dubai Islamic Bank Limited Askari Bank Limited United Bank Limited Bank Islami Pakistan Limited Bank of Punjab Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited JS Bank Limited
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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. Registrar Services (Private) Limited
17th Floor, Saima Trade Tower A
I.I. Chundrigar Road, Karachi -74000
Ph # 9221-32271905-6
Fax# 9221-32621233

*The Board of Director's in its meeting held on February 23, 2023 has approved appointment of Digital Custodian Company Limited (DCCL) as Share Registrar of the Company w.e.f. March 15, 2023.

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

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

Other Office Ground Floor, TAMC Building, Plot No. 27-C-3,
M.M. Alam Road, Gulberg-III, Lahore
Phone No. 042-35772837

Email info@unityfoods.pk

Website www.unityfoods.pk

Business Import of Oil Seeds, Solvent Extraction, Refining and
Marketing of Edible Oil and processing of by-products.

Status of Company Public Listed Company (PLC)

Company Registration number 0023133

National Tax Number 0698412-6

Contact Person Mr. Umar Shahzad (Company Secretary)

Factories Solvent Extraction Plant, Chemical Refinery and Pellitising Mills
N-25 & N-27 /B Site Area, Kotri District Hyderabad

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

Soap Plant
C-375, C-376, C-377, C-382, C-383, C-384
Hub Industrial Trading Estate, District Lasbella
Hub Balochistan

Feed Mill
Plot no. A-55 & 56, Industrial Zone, Port Qasim, Karachi

DIRECTORS' REVIEW REPORT

On behalf of the Board of Directors of Unity Foods Limited (Unity Foods or the Company) we are pleased to present the Directors' Review Report for the first quarter ended September 30, 2022.

MACROECONOMIC CHALLENGES & PAKISTAN FLOODS 2022

During 1Q FY 2023, unexpectedly heavy monsoon rains resulted in flooding of both rural as well as urban areas of Sindh and Balochistan. Punjab was also affected albeit comparatively much less. According to National Disaster Management Authority (NDMA), around 33 million people were affected, including nearly 8 million displaced, and devastated millions of homes and key infrastructure, submerging entire villages and destroying livelihoods. Flooding also caused damage to crops and in some areas delayed sowing of Wheat crop in Sindh.

The already strained economy of Pakistan, due to unprecedented macro-economic challenges, was further burdened by the disruption of economic activity post devastating impact of floods. It is projected that the direct impact of floods on economy would be around 2.2% of FY22 GDP.

In addition, the Government continued to stand its ground on various macro-economic steps demanded by IMF before any agreement on resumption of IMF program can be confirmed. This delay put further pressure on the FX reserves of the Country. Industries started facing serious problems in opening Letter of Credit for import of both raw material and finished goods, resulting in disruption of their operations.

FINANCIAL PERFORMANCE

Net Consolidated Turnover at PKR 21,541 million for the quarter under review was 18.1% higher Compared to the same period last year. The Company continues to retain its credibility of being a consistent supplier to the Pakistan market despite the Country navigating itself through the national disaster of floods 2022. International Palm oil prices dropped by over 34% during the 1st quarter. This price drop resulted in fall in local oil prices as well during the same period. In addition, delivery of finished products also slowed due to logistics issues resulting from the heavy monsoon. Also, higher inflation impacted the COGS as well. These factors negatively affected Company's gross margins for the period.

During the quarter, the Company incurred foreign exchange losses on its international supplier credit line. Exchange Loss for the quarter stood at PKR 2,229 million, owing to depreciation of the Pakistani Rupee against the US dollar for the period under review. Due to this foreign exchange loss and high interest cost the Company incurred a net loss of PKR 2,172 million, translating into a loss per share of PKR 1.82 Against all odds including Covid 19 pandemic, the Ukraine war and the resultant Commodity Supercycle, rupee devaluation and adverse domestic and global economic outlook, your Company remained steadfast and largely delivered profits quarter on quarter during last five years. Furthermore, The Company has converted its supplier credit line into LC based line, which will mitigate this FX loss risk on new trades going forward. Finance Cost for the quarter at PKR 543 million owing to higher rising interest rates and depreciating US Dollar against the PKR; constantly shrinking the Company's ability to finance its working capital requirements.

KEY OPERATING AND FINANCIAL HIGHLIGHTS

PKR MN, except LPS	Standalone		Consolidated	
	1QFY23	1QFY22	1QFY23	1QFY22
Net Sales	19,522	16,587	21,541	18,241
Gross Profits	583	1,225	923	1,421
(Loss)/ Profit before Interest & Tax	(2,011)	409	(1,870)	440
Net loss	(2,242)	(29)	(2,172)	(34)
LPS	(1.88)	(0.03)	(1.82)	(0.04)
Total Assets	60,394	45,112	65,623	46,517
Total Equity	18,914	13,351	18,539	13,154

Ratio Analysis	Standalone		Consolidated	
	1QFY23	1QFY22	1QFY23	1QFY22
Gross Margins	2.99%	7.39%	4.29%	7.79%
EBIT Margins	(10.3%)	2.46%	(8.68%)	2.41%
Net Margins	(11.48%)	(0.17%)	(10.08%)	(0.19%)
Asset Turnover	0.33	0.38	0.33	0.40
Current Ratio	1.22	1.16	1.13	1.13

SUNRIDGE FOODS (PVT) LIMITED

During the quarter, Sunridge Foods (Pvt.) Ltd.'s (Sunridge Foods or the company), the wholly owned subsidiary of Unity Foods performance significantly improved. The net sales of Sunridge Foods rose to over PKR 2 billion compared to corresponding quarter last year when the turnover was PKR 1.7 billion, a 20% increase on corresponding quarter. Gross margins clocked at 17% and increased 73% compared to same period last year. The after-tax profit stood at PKR 70 million compared to the corresponding quarter last year's loss of PKR 5.5 million.

Increase in gross margin is mainly attributed to performance optimization and higher capacity utilization at all production facilities. Sunridge has, therefore, been successful in developing its brand equity, now visible in Sunridge Foods' profitability. The management continue to strive for improved distribution across Pakistan as part of its long-term strategy. Furthermore, the addition of various commodities to expand the product basket has enabled the company to position itself as a unique supplier of quality ingredients within the staples category. Going forward, the management at Sunridge strive to enhance the brand's overall market share in Pakistan.

OUTLOOK

Rising inflation, sharp currency devaluation, and restrictive monetary policies continue to put pressure on the Company's profitability. However, with a responsive business model and active position management in place, the management is confident that it will be able to drive efficiencies across the value chain and continue to deliver growth.

Pakistan is navigating through challenging times, where inflation is at its historic high, followed by the depletion of foreign exchange reserves and unprecedented monetary stimulus and later contraction, displaying how growth has faltered in the wake of economic disruptions. The impact of climate change visible through the floods in 2022 has had externalities being absorbed as all stakeholders of Pakistan attempt to stabilize the country's economy. The management expect the economic outlook to be challenging going forward and do foresee further rupee devaluation as well as further hike in interest rates. Macroeconomic stability through IMF bailout and influx of USD from friendly countries is pivotal. However, restrictions on import payments is expected to adversely impact food supply in the country.

Nonetheless, the management at Unity Foods remains focused on minimizing the negative impacts of the same, delivering enduring value and strengthening relationships with existing customers and suppliers whilst ensuring cost efficiency to help it navigate through this tough macro-economic environment.

The business will also continue to invest in its infrastructure, distribution and brand equity to ensure our products remain accessible to the customers across Pakistan. Leveraging its global expertise and support, the Company remains committed to the highest standards of food safety, and sustainability and provides nutritious products every day and play its role in making Pakistan a food secure nation in the years to come.

ACKNOWLEDGEMENTS

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

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

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

For and on behalf of the Board,



Muhammad Farrukh
Chief Executive

Karachi
February 23, 2023



Abdul Majeed Ghaziani
Director

ذریعے نظر آنے والی موسمیاتی تبدیلی کے اثرات نے بیرونی عناصر کو جذب کیا ہے کیونکہ پاکستانی معیشت کے تمام حصوں کو مستحکم کرنے کی کوشش کر رہے ہیں۔ انتظامیہ کو اندازہ ہے کہ معاشی نقطہ نظر آگے چل کر سخت رہے گا اور روپے کی قدر میں مزید کمی اور سود میں اضافے کی پیش گوئی کر رہی ہے۔ آئی ایم ایف کے پیکیج کے ذریعے معاشی استحکام اور دوست ممالک سے امریکی ڈالر کی آمد اہم ہے تاہم، درآمدی ادائیگیوں پر پابندیوں سے ملک میں خوراک کی فراہمی پر منفی اثر پڑنے کی توقع ہے۔

بہر حال، یوٹی فوڈز لمیٹڈ کی انتظامیہ اس کے منفی اثرات کو کم کرنے، پائیدار قدر فراہم کرنے اور موجودہ صارفین اور سپلائرز کے ساتھ تعلقات کو مضبوط بنانے پر مرکوز ہے جو کہ اس مشکل میکرو اکنامک ماحول سے گزرنے میں مدد کرنے اور ساتھ ہی ساتھ لاگت کو کم کرنے کے لیے کوشاں ہے۔

کمپنی اپنے بنیادی ڈھانچے، ڈسٹری بیوشن اور برانڈ ایکویٹی میں بھی سرمایہ کاری جاری رکھے گی تاکہ یہ یقینی بنایا جاسکے کہ ہماری مصنوعات پاکستان بھر کے صارفین کے لیے قابل رسائی رہیں۔ اپنی عالمی مہارت اور تعاون سے فائدہ اٹھاتے ہوئے، کمپنی فوڈ سیفٹی، اور پائیداری کے اعلیٰ ترین معیارات کے لیے پرعزم ہے اور ہر روز غذائیت سے بھرپور مصنوعات فراہم کرتی ہے اور آنے والے سالوں میں پاکستان کو خوراک سے محفوظ ملک بنانے میں اپنا کردار ادا کرتی ہے۔

بورڈ کے لیے اور اس کی جانب سے،

اعترافات

الحمد للہ، ہم اپنے مختلف اسٹیک ہولڈرز بشمول شیئر ہولڈرز، بینکرز اور کمپنی میں عائد ایمان کے دیگر افراد کے شکر گزار ہیں جنہوں نے گزشتہ چار سالوں میں کمپنی کے کاروبار کو خورونی تیل اور آٹے سے آگے بڑھاتے ہوئے ترقی میں مدد کی۔ ہم ان کے انتھک تعاون کے لیے ان کی شکر یہ ادا کرتے ہیں کیونکہ اس حمایت کے بغیر اتنے کم وقت میں یہ کامیابیاں حاصل کرنا ممکن نہیں تھا۔ ہم اس اسٹیک ہولڈرز کی جانب سے اس غیر متزلزل حمایت اور اعتماد کے منتظر ہیں تاکہ کمپنی کو مزید بڑھنے اور اس کے پروڈکٹ پورٹ فولیو کو وسعت دینے میں مدد ملے۔

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

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

بورڈ کی جانب سے،



عبدالمجید غازیانی
ڈائریکٹر



محمد فرخ
چیف ایگزیکٹو

کراچی: 23 فروری 2023

مجموعی		انفرادی		تناسب کا تجزیہ
1QFY22	1QFY23	1QFY22	1QFY23	
7.79%	4.29%	7.39%	2.99%	مجموعی مارجنز
2.41%	(8.68%)	2.46%	(10.3%)	ای بی آئی ٹی مارجنز
(0.19%)	(10.08%)	(0.17%)	(11.48%)	نیٹ مارجنز
0.40	0.33	0.38	0.33	اثاثہ ٹرن اوور
1.13	1.13	1.16	1.22	مختصر مدتی تناسب

سنرج فوڈز (پرائیویٹ) لمیٹڈ

سہ ماہی کے دوران، سنرج فوڈز (پرائیویٹ) لمیٹڈ (سنرج فوڈز یا کمپنی) یونٹی فوڈز کی مکمل ملکیتی ذیلی کمپنی، کی کارکردگی میں نمایاں بہتری آئی ہے۔ سنرج فوڈز کی خالص فروخت گزشتہ سال کی اسی سہ ماہی کے 1.7 بلین روپے مقابلے میں سال بہ سال 20 فیصد اضافے کے ساتھ 2 بلین روپے سے زائد رہیں۔ مجموعی مارجن 17 فیصد تک پہنچ گیا اور پچھلے سال کی اسی مدت کے مقابلے میں 73 فیصد اضافہ ہوا۔ بعد از ٹیکس منافع گزشتہ سال کی اسی سہ ماہی کے 5.5 بلین روپے کے نقصان کے مقابلے میں 70 بلین روپے رہا۔

مجموعی مارجن میں اضافہ بنیادی طور پر تمام پیداواری سہولیات میں کارکردگی کی اصلاح اور اعلیٰ صلاحیت کے استعمال سے منسوب ہے۔ اس لیے سنرج اپنی برانڈ ایکویٹی تیار کرنے میں کامیاب رہا ہے، جو اب سنرج فوڈز کے منافع میں نظر آتا ہے۔ انتظامیہ اپنی طویل المدتی حکمت عملی کے تحت پاکستان بھر میں بہتر تقسیم کے لیے کوششیں جاری رکھے ہوئے ہے۔ مزید برآں، مصنوعات کی اقسام کو مکمل کرنے کے لیے مختلف اشیاء کے اضافے نے کمپنی کو اس قابل بنا دیا ہے کہ وہ بنیادی کیٹیگری میں معیاری اجزاء کے ایک منفرد سپلائر کے طور پر پوزیشن حاصل کر سکے۔ آنے والے وقت میں سنرج کی انتظامیہ پاکستان میں برانڈ کے مجموعی مارکیٹ کے حصے کو بڑھانے کے لیے کوشاں ہے۔

آؤٹ لک

بڑھتی ہوئی افراط زر، کرنسی کی قدر میں تیز کمی، اور محدود مانیٹری پالیسیاں کمپنی کے منافع پر دباؤ ڈالتی رہتی ہیں۔ تاہم، ایک ذمہ دار کاروباری ماڈل اور فعال پوزیشن مینجمنٹ کے ساتھ، انتظامیہ کو یقین ہے کہ وہ ویلیو چین میں افادیت کو بڑھانے اور ترقی کی فراہمی کو جاری رکھنے کے قابل ہوگی۔

پاکستان مشکل وقت سے گزر رہا ہے، جہاں افراط زر اپنی تاریخی بلندی پر ہے، اس کے ساتھ ہی زرمبادلہ کے ذخائر میں کمی اور غیر معمولی مالیاتی محرک اور بعد میں سکڑاؤ یہ ظاہر کرتا ہے کہ کس طرح معاشی رکاوٹوں کے نتیجے میں ترقی میں کمی آئی ہے۔ 2022 میں سیلاب کے

سہ ماہی کے دوران، کمپنی نے اپنے بین الاقوامی سپلائر کریڈٹ لائن پر غیر ملکی زرمبادلہ کی مد میں نقصان اٹھایا۔ زیر نظر مدت کے لیے امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں کمی کی وجہ سے سہ ماہی کے لیے ایکسچینج کا نقصان 2,229 ملین روپے رہا۔ اس غیر ملکی زرمبادلہ کے نقصان اور سود کی زیادہ لاگت کی وجہ سے کمپنی کو 2,172 ملین روپے کا خالص نقصان اٹھانا پڑا، جو کہ فی حصص 1.82 روپے بنتا ہے۔ کووڈ 19 کی وبا، یوکرین کی جنگ اور اس کے نتیجے میں کموڈٹی سپرسائیکل (اجناس کی قیمتوں میں طویل مدتی اضافہ)، روپے کی قدر میں کمی اور منفی ملکی اور عالمی اقتصادی حالات کے باوجود آپ کی کمپنی ثابت قدم رہی اور پچھلے پانچ سالوں کے دوران تقریباً ہر سہ ماہی میں منافع بخش رہی۔ مزید برآں، کمپنی نے اپنی سپلائر کریڈٹ لائن کو ایل سی پرمی لائن میں تبدیل کر دیا ہے جو آگے جانے والے وقت میں غیر ملکی زرمبادلہ کے نقصان کے خطرے کو کم کرے گا۔ شرح سود میں اضافہ کی وجہ سے سہ ماہی کے لیے مالیاتی لاگت 543 ملین روپے رہی جب کہ پاکستانی روپے کے مقابلے میں امریکی ڈالر کی قدر میں اضافہ ہوا ہے، ان امور کی وجہ سے کمپنی کی ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کی صلاحیت مسلسل سکڑ رہی ہے۔

کلیدی آپریٹنگ اور مالیاتی جھلکیاں

مجموعی		انفرادی		ملین روپے، سوائے ایل پی ایس
1QFY22	1QFY23	1QFY22	1QFY23	
18,241	21,541	16,587	19,522	خالص فروخت
1,421	923	1,225	583	مجموعی منافع
440	(1,870)	409	(2,011)	(نقصان) / سود اور ٹیکس سے پہلے منافع
(34)	(2,172)	(29)	(2,242)	نقد نقصان
(0.04)	(1.82)	(0.03)	(1.88)	ایل پی ایس
46,517	65,623	45,112	60,394	مجموعی اثاثے
13,154	18,539	13,351	18,914	کل ایکویٹی

ڈائریکٹرز کی جائزہ رپورٹ

یونٹی فوڈز لمیٹڈ (یونٹی فوڈز یا کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہمیں 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے لیے ڈائریکٹرز کی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

میکرو اکنامک چیلنجز اور پاکستان فلڈز 2022

مالی سال 2023 پہلی سہ ماہی کے دوران، غیر متوقع طور پر مومن سون کی شدید بارشوں کے نتیجے میں سندھ اور بلوچستان کے دیہی اور شہری دونوں علاقوں میں سیلاب آ گیا۔ پنجاب میں بھی سیلاب آیا تھا، تاہم وہاں اس کا اثر نسبتاً کم تھا۔ نیشنل ڈیزاسٹر مینجمنٹ اتھارٹی (این ڈی ایم اے) کے مطابق، لگ بھگ 33 ملین لوگ متاثر ہوئے، جن میں تقریباً 80 لاکھ بے گھر ہوئے اور لاکھوں گھر اور بنیادی ڈھانچہ تباہ ہوا اور پورے دیہات زیر آب آ گئے اور ذریعہ معاش تباہ ہو گیا۔ سیلاب نے فصلوں کو بھی نقصان پہنچایا اور سندھ کے کچھ علاقوں میں گندم کی فصل کی بوائی میں تاخیر ہوئی۔

غیر معمولی میکرو اکنامک چیلنجز کی وجہ سے پاکستان کی پہلے سے ہی تناؤ کا شکار معیشت سیلاب کے تباہ کن اثرات کے بعد معاشی سرگرمیوں میں خلل کے باعث مزید بوجھل ہو گئی۔ یہ اندازہ لگایا گیا ہے کہ سیلاب کا براہ راست اثر معیشت پر مالی سال 2022 کی جی ڈی پی کے 2.2 فیصد کے قریب ہوگا۔

مزید برآں، حکومت آئی ایم ایف کے پروگرام کی بحالی سے متعلق کسی بھی معاہدے کی تصدیق ہونے سے پہلے آئی ایم ایف کی طرف سے تقاضہ کئے گئے مختلف میکرو اکنامک اقدامات پر اپنے موقف پر قائم رہی۔ اس تاخیر نے ملک کے غیر ملکی زرمبادلہ کے ذخائر پر مزید دباؤ ڈالا۔ صنعتوں کو خام مال اور تیار سامان دونوں کی درآمد کے لیے لیٹر آف کریڈٹ کھولنے میں سنگین مسائل کا سامنا کرنا پڑا، جس کے نتیجے میں ان کے کام میں خلل پڑا۔

مالیاتی کارکردگی

زیر جائزہ سہ ماہی کے لیے 21,541 ملین روپے کا خالص مجموعی کاروبار گزشتہ سال کی اسی مدت کے مقابلے میں 18.1 فیصد زائد تھا۔ کمپنی 2022 کے سیلاب کی قومی آفت سے گزرنے کے باوجود پاکستان کی مارکیٹ میں مسلسل سپلائی کرنے والی اپنی ساکھ کو برقرار رکھے ہوئے ہے۔ پہلی سہ ماہی کے دوران بین الاقوامی پام آئل کی قیمتوں میں 34 فیصد سے زیادہ کمی آئی۔ قیمتوں میں اس کمی کے نتیجے میں اسی عرصے کے دوران تیل کی مقامی قیمتوں میں بھی کمی واقع ہوئی۔ اس کے علاوہ، بھاری بارشوں کے نتیجے میں لاجسٹک مسائل کی وجہ سے تیار مصنوعات کی ترسیل بھی سست پڑ گئی۔ نیز، زیادہ افراط زر نے کمپنی کی قیمت خرید کو بھی متاثر کیا۔ ان عوامل نے اس مدت کے دوران کمپنی کے مجموعی مارجن کو منفی طور پر متاثر کیا۔

Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2022

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,021,319,666	8,477,954,860
Right-of-use assets		61,121,381	71,848,542
Intangible assets		52,449,899	75,332,982
Long-term deposits		34,593,423	32,963,470
Long-term loan		20,126,603	23,395,629
Deferred taxation - net		408,932,690	79,029,590
Long-term investment	6	827,640,674	827,640,674
		10,426,184,336	9,588,165,747
Current assets			
Stock-in-trade		15,468,072,688	11,222,630,337
Stores and spares		25,356,594	40,716,330
Trade debts		24,881,025,408	21,946,838,649
Advances, deposits and prepayments		705,971,004	285,234,083
Other receivables		36,658,302	89,805,570
Sales tax receivable		225,021,565	262,555,304
Current portion of long-term loan		21,090,126	19,115,631
Taxation - net of provision		4,575,550,107	4,222,763,742
Short-term investments	7	3,052,862,367	10,224,837,545
Cash and bank balances		975,882,214	718,318,480
		49,967,490,375	49,032,815,671
		60,393,674,711	58,620,981,418
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		11,940,500,000	11,940,500,000
Share premium		3,400,000,000	3,400,000,000
Unappropriated profit		3,573,942,797	5,816,047,814
		18,914,442,797	21,156,547,814
Non-current liabilities			
Long-term financing	8	273,945,525	248,931,989
Diminishing musharika arrangement		1,927,873	1,965,454
Lease liabilities		17,187,949	36,245,376
Deferred government grants		71,695,087	55,768,577
		364,756,434	342,911,396
Current liabilities			
Current portion of long-term financing	8	76,404,539	118,487,964
Current portion of diminishing musharika arrangement		221,643	240,617
Current portion of lease liabilities		56,301,416	48,527,170
Current portion of deferred government grant		15,777,912	13,510,025
Trade and other payables		30,665,329,823	20,686,951,148
Contract liabilities		21,263,575	18,289,862
Accrued mark-up		245,726,009	332,703,473
Short-term borrowings		10,032,805,866	15,902,167,252
Unclaimed dividend		644,697	644,697
		41,114,475,480	37,121,522,208
		60,393,674,711	58,620,981,418
TOTAL EQUITY AND LIABILITIES			
Contingencies and commitments	9		

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


Director


Chief Executive


Chief Financial Officer

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

For the Quarter Ended September 30, 2022

		September 30, 2022	September 30, 2021
	Note	(Rupees)	
Net sales	10	19,522,155,075	16,586,501,751
Cost of sales		<u>(18,939,252,061)</u>	<u>(15,361,549,244)</u>
Gross profit		582,903,014	1,224,952,507
Selling and distribution expenses		<u>(358,004,798)</u>	<u>(163,770,955)</u>
Administrative expenses		<u>(180,931,041)</u>	<u>(117,489,032)</u>
Exchange loss		<u>(2,229,055,075)</u>	<u>(683,806,198)</u>
Other operating expenses	11	<u>-</u>	<u>(4,031,945)</u>
		(2,767,990,914)	(969,098,130)
Other income		<u>174,045,526</u>	<u>152,867,892</u>
		(2,011,042,374)	408,722,269
Finance cost		<u>(506,763,270)</u>	<u>(357,606,161)</u>
(Loss) / Profit before taxation		(2,517,805,644)	51,116,108
Taxation			
Current		<u>(54,202,474)</u>	<u>(37,494,546)</u>
Deferred		<u>329,903,100</u>	<u>(42,286,484)</u>
		275,700,626	(79,781,030)
Loss after taxation		(2,242,105,018)	(28,664,922)
Basic and diluted loss per share	12	(1.88)	Restated (0.03)

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


Director


Chief Executive


Chief Financial Officer

Unconsolidated Statement of Comprehensive Income (Un-Audited)

For the Quarter Ended September 30, 2022

	September 30, 2022	September 30, 2021
	(Rupees)	
Loss after taxation	(2,242,105,018)	(28,664,922)
Other comprehensive income	-	-
Total comprehensive loss	(2,242,105,018)	(28,664,922)

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



Director



Chief Executive



Chief Financial Officer

Unconsolidated Statement of Changes In Equity

For the Quarter Ended September 30, 2022

	Share capital	Reserves		Total equity
		Capital	Revenue	
		Share premium	Unappropriated profit	
------(Rupees)-----				
Balance as at June 30, 2021 (audited)	9,940,500,000	-	3,438,779,398	13,379,279,398
Total comprehensive loss for the quarter ended September 30, 2021	-	-	(28,664,922)	(28,664,922)
Balance as at September 30, 2021 (un-audited)	<u>9,940,500,000</u>	<u>-</u>	<u>3,410,114,476</u>	<u>13,350,614,476</u>
Balance as at June 30, 2022 (audited)	<u>11,940,500,000</u>	<u>3,400,000,000</u>	<u>5,816,047,815</u>	<u>21,156,547,815</u>
Total comprehensive loss for the quarter ended September 30, 2022	-	-	(2,242,105,018)	(2,242,105,018)
Balance as at September 30, 2022 (un-audited)	<u>11,940,500,000</u>	<u>3,400,000,000</u>	<u>3,573,942,797</u>	<u>18,914,442,797</u>

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



Director



Chief Executive



Chief Financial Officer

Unconsolidated Statement of Cash Flows (Un-Audited)

For the Quarter Ended September 30, 2022

		September 30, 2022	September 30, 2021	
Note		(Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash generated from operating activities	13	422,782,869	653,980,083
	Taxes paid		(406,988,841)	(380,552,687)
	Long term loan		1,294,531	-
	Donations paid		(19,516,403)	-
	Long term deposits paid		(1,629,953)	(992,241)
	Net cash (used in) / generated from operating activities		(4,057,797)	272,435,155
CASH FLOWS FROM INVESTING ACTIVITIES				
	Purchases of property, plant and equipment		(629,087,931)	(35,373,745)
	Purchase of intangible assets		(6,779,999)	-
	Proceed from disposal of property, plant and equipment and intangible assets		26,017,427	-
	Short term investments		7,233,360,088	(2,506,958,469)
	Profit received on short term investments		133,765,396	222,259,361
	Net cash generated from / (used in) investing activities		6,757,274,981	(2,320,072,853)
CASH FLOWS FROM FINANCING ACTIVITIES				
	(Repayment of) / proceeds from short term borrowings - net		(2,689,629,695)	2,667,720,832
	Long term financing (paid) / received - net		(17,069,889)	39,293,786
	Rentals paid against right-of-use assets and diminishing musharika		(15,481,440)	(28,103,833)
	Finance cost paid		(593,740,734)	(275,004,323)
	Net cash (used in) / generated from financing activities		(3,315,921,758)	2,403,906,462
	Net increase in cash and cash equivalents		3,437,295,426	356,268,764
	Cash and cash equivalents at the beginning of the period		(4,197,136,646)	(938,797,367)
	Cash and cash equivalents at the end of the period	13.1	(759,841,220)	(582,528,603)

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



Director



Chief Executive



Chief Financial Officer

Notes to the Financial Statements (Un-Audited)

For the Quarter Ended September 30, 2022

1 THE COMPANY AND ITS OPERATIONS

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

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

Addresses	Purpose
Karachi, Sindh	
- Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.	Registered office of the Company
- Plot No. A-48, Industrial Zone, Port Qasim.	Oil Refinery
- Plot # D-51 & D-52, Industrial Zone, Port Qasim.	For capacity expansion
- Plot No. A-55 & 56, Industrial Zone, Port Qasim.	For capacity expansion
- Plot No. W2/1/67 & 68 Industrial Zone, Port Qasim.	Feed Mill
Kotri, District Hyderabad, Sindh	
- Plot No. N-25 & N-27/B, N37/A, SITE Area.	Edible Oil Extraction Plant, Refinery and Pelletizing Mills
Hub, Balochistan	
- Plot No. C-375, C-376, C-377, C-382, C-383 and C-384 Hub Industrial Estate, Lasbella.	Soap plant

1.3 The Company has the following subsidiary:

Sunridge Foods (Private) Limited	100%
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2 STATEMENT OF COMPLIANCE

These condensed interim unconsolidated financial statements of the Company for the three months period ended September 30, 2022 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) -34 "Interim Financial Reporting" and provisions issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and the directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2022.

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim unconsolidated financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimations and uncertainties were the same as those that were applied to the annual audited unconsolidated financial statements for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2022.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

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

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

5 PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
(Rupees)			
Operating fixed assets	5.1	6,380,537,958	6,439,106,475
Capital work-in-progress (CWIP)	5.2	2,640,781,708	2,038,848,385
		<u>9,021,319,666</u>	<u>8,477,954,860</u>
Written down value (WDV) - opening		6,439,106,475	5,704,554,574
Additions during the period / year - (at cost)			
- Lease hold land		-	-
- Building		-	368,125,711
- Plant and machinery		3,190,606	539,934,196
- Furniture, fixture and office equipment		701,936	29,111,070
- Computer and auxiliary equipment		1,381,724	12,901,259
- Motor vehicles		21,880,342	82,653,979
		27,154,608	1,032,726,215
Disposals during the period / year - (WDV)			
- Computer and auxiliary equipment		-	(333,500)
- Motor vehicles		(47,964)	(1,777,888)
		(47,964)	(2,111,388)
Depreciation charged during the period / year		(85,675,161)	(296,062,926)
Written down value (WDV) - closing		6,380,537,958	<u>6,439,106,475</u>

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees)	
5.2 Capital work-in-progress (CWIP)			
Opening balance		2,038,848,384	2,054,575,303
Additions during the period / year		623,813,667	871,643,395
Transferred during the period / year		(21,880,343)	(887,370,314)
Closing balance		<u>2,640,781,708</u>	<u>2,038,848,384</u>

6 LONG TERM INVESTMENT

Unquoted - at cost			
Wholly Owned Subsidiary			
Investment in Sunridge Foods (Private) Limited	6.1	<u>827,640,674</u>	<u>827,640,674</u>
6.1 The Company holds 100% shares of Sunridge Foods (Private) Limited.			

7 SHORT TERM INVESTMENTS

At fair value through profit or loss			
Mutual funds	7.1	772,862,367	4,574,891,235
At amortized cost			
Term deposit receipts	7.2	<u>2,280,000,000</u>	5,649,946,310
		<u>3,052,862,367</u>	<u>10,224,837,545</u>

7.1 This represents HBL Cash Fund Units redeemable along with dividend units at closing price of previous day Net Asset Value. As at Sep 30, 2022, Rs. 772.862 million (June 30, 2022: Rs. 4,547.891 million) out of the total investment value was pledged as security for a Rs. 1,476.775 million (June 30, 2022: Rs. 5,329.87 million) loan from HBL.

7.2 This carries markup at 6.5% to 15.5% per annum (June 30, 2022: 6.5% to 14.47% per annum) having maturity upto one year.

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees)	
8 LONG-TERM FINANCING			
Financing under SBP Scheme - non-shariah arrangements		57,337,997	97,561,772
Financing under ITERF Scheme - shariah arrangement	8.1	<u>293,012,067</u>	269,858,181
		<u>350,350,064</u>	367,419,953
Current portion shown under current liabilities		<u>(76,404,539)</u>	(118,487,964)
		<u>273,945,525</u>	<u>248,931,989</u>

8.1 There is no material change in the terms and conditions of long term loans as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2022.

9 CONTINGENCIES AND COMMITMENTS

There are no significant changes in the status of contingencies and commitments as reported in note 27 to the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2022.

9.1 Commitments

9.1.1 Commitments under letter of credit as at September 30, 2022 amounted to Rs. 6,581 million (June 30, 2022: Rs. 5,869 million).

9.1.2 Guarantee issued at the period end on behalf of the Company amounted to Rs. 1,080 million (30 June 2022: Rs. 880 million). Above facility is the part of the borrowing limits.

	September 30, 2022	September 30, 2021
	(Un-audited)	(Un-audited)
	(Rupees)	
10 NET SALES		
Local sales	19,047,336,298	16,586,501,751
Export sales	474,818,777	-
	<u>19,522,155,075</u>	<u>16,586,501,751</u>
11 OTHER OPERATING (EXPENSES) / INCOME		
Worker's welfare fund	-	(1,043,186)
Worker's profit participation fund	-	(2,988,759)
	<u>-</u>	<u>(4,031,945)</u>
12 LOSS PER SHARE		
Loss after taxation	<u>(2,242,105,018)</u>	<u>(28,664,922)</u>
	Number of Shares	
		Restated
Weighted average number of ordinary shares outstanding during the quarter	<u>1,194,050,000</u>	<u>961,829,263</u>
	(Rupees)	
		Restated
Basic and diluted loss per share	<u>(1.88)</u>	<u>(0.03)</u>

	September 30, 2022	September 30, 2021
	(Un-audited)	(Un-audited)
	(Rupees)	
13 CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(2,517,805,644)	51,116,108
Adjustments for non-cash items:		
Depreciation on operating fixed assets	85,675,161	70,965,855
Depreciation on right-of-use assets	10,727,161	27,051,303
Amortization on intangible assets	3,700,655	650,272
Amortization on deferred government grant	(3,715,867)	(5,524,241)
Exchange loss - unrealized	2,394,397,292	391,073,263
Gain on revaluation of mutual fund units - unrealized	(15,823,571)	(6,128,622)
Income from short term investment	(80,397,902)	(94,416,883)
Finance cost	506,763,270	357,606,161
	383,520,555	792,393,216
Changes in working capital		
(Increase) / decrease in current assets:		
Stock-in-trade	(4,245,442,351)	43,346,734
Stores and spares	15,359,737	(16,662,935)
Trade debts	(2,934,186,759)	375,144,594
Advances, deposits and prepayments	(420,736,921)	(21,522,406)
Other receivables	(220,226)	(85,303,341)
Sales tax receivable	37,533,739	7,347,713
	(7,547,692,781)	302,350,359
Increase / (decrease) in current liabilities:		
Trade and other payables	7,583,981,382	(440,763,492)
Contract liabilities	2,973,713	-
	7,586,955,095	(440,763,492)
Cash generated from operating activities	422,782,869	653,980,083
13.1 Cash and cash equivalents comprise of:		
Cash and bank balances	975,882,214	525,503,286
Short term borrowings - running finance (secured)	(1,735,723,434)	(1,108,031,889)
	(759,841,220)	(582,528,603)

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions involving related parties arising in the normal course of business are conducted at arm's length and at normal commercial rates unless otherwise specifically approved by the board of directors.

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

			For the quarter ended	
			September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
			(Rupees)	
<u>Transactions with related parties (un-audited)</u>				
<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>		
Sunridge Foods (Private) Limited	Subsidiary	Purchases	14,465,385	42,231,438
		Payments	-	40,000,000
		Sales	10,084,079	-
		Payment made on behalf of the Company against purchase of SAP S4 Hana	25,962,427	-
Wilmar Trading Pte Limited	Associated Company	Purchases	13,054,357,149	5,661,331,692
		Payments	5,563,292,129	3,623,484,797
Unity Feeds (Private) Limited	Common directorship	Sales	-	81,640,763
		Sale proceeds	-	70,918,693
Provident fund	Staff retirement benefit fund	Contribution paid	12,013,829	8,013,511
Directors and executives	Key management personnel	Remuneration paid	31,087,629	15,897,346
<u>Balances with related parties</u>				
			Balance as at	
			September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
			(Rupees)	
<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>		
Sunridge Foods (Private) Limited	Subsidiary	Trade debtor	65,932,685	29,886,179
Sunridge Foods (Private) Limited	Subsidiary	Trade creditor	61,952,287	47,486,901
Wilmar Trading Pte Limited	Associated Company	Trade creditor	23,770,801,373	15,058,218,124
Provident fund	Staff retirement benefit fund	Net contribution payable	2,102,488	1,985,462

15 CORRESPONDING FIGURES

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

16 GENERAL

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

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on February 23, 2023.



Director



Chief Executive



Chief Financial Officer

Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2022

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	11,982,196,702	11,109,577,349
Right-of-use assets		61,121,381	71,848,542
Intangible assets		358,619,716	356,855,592
Long term deposits		45,145,969	40,546,016
Long-term loan		28,227,449	29,162,074
Deferred taxation - net		551,444,226	249,307,145
		13,026,755,443	11,857,296,718
Current assets			
Stock-in-trade		16,990,574,745	12,697,007,185
Stores and spares		25,356,594	40,716,330
Trade debts		25,808,876,217	22,499,672,826
Advances, deposits and prepayments		828,570,213	368,763,114
Other receivables		45,202,194	92,878,404
Sales tax receivable		225,021,565	268,521,824
Current portion of long-term loan		21,090,126	19,115,631
Taxation - net of provision		4,576,088,643	4,227,796,144
Short term investments	6	3,052,862,367	10,224,837,545
Cash and bank balances		1,022,502,387	916,422,050
		52,596,145,051	51,355,731,053
Total assets		65,622,900,494	63,213,027,771
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		11,940,500,000	11,940,500,000
Share premium		3,400,000,000	3,400,000,000
Unappropriated profit		3,198,457,586	5,370,498,272
		18,538,957,586	20,710,998,272
Non-current liabilities			
Long-term financing	7	273,945,525	248,931,989
Diminishing musharika arrangement		1,927,873	1,965,454
Lease liabilities		17,187,949	36,245,376
Staff Retirement Benefits		21,434,774	16,046,084
Deferred government grants		71,695,087	55,768,577
		386,191,208	358,957,480
Current liabilities			
Current portion of long-term financing	7	80,535,859	126,677,589
Current portion of diminishing musharika arrangement		221,643	240,617
Current portion of lease liabilities		56,301,416	48,527,170
Current portion of deferred government grants		15,777,912	13,829,555
Trade and other payables		31,478,555,459	21,054,677,979
Accrued mark-up		291,825,835	351,740,327
Short term borrowings		12,003,085,866	17,772,447,252
Contract liabilities		2,770,803,013	2,774,286,832
Unclaimed dividend		644,697	644,697
		46,697,751,700	42,143,072,019
Total equity and liabilities		65,622,900,494	63,213,027,771
Contingencies and commitments	8		

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


Director


Chief Executive


Chief Financial Officer

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

For the Quarter Ended September 30, 2022

		September 30, 2022	September 30, 2021
	Note	(Rupees)	
Net sales	9	21,540,626,798	18,241,318,941
Cost of sales		<u>(20,617,525,129)</u>	<u>(16,820,236,136)</u>
Gross profit		923,101,669	1,421,082,805
Selling and distribution expenses		<u>(487,211,631)</u>	<u>(363,066,026)</u>
Administrative expenses		<u>(245,385,469)</u>	<u>(125,392,790)</u>
Exchange loss		<u>(2,229,055,075)</u>	<u>(683,806,198)</u>
Other operating expenses	10	<u>(7,771,892)</u>	<u>(4,082,571)</u>
		(2,969,424,067)	(1,176,347,585)
Other income		<u>176,198,079</u>	<u>194,854,485</u>
		(1,870,124,319)	439,589,705
Finance cost		<u>(542,817,088)</u>	<u>(398,997,642)</u>
(Loss) / profit before taxation		(2,412,941,407)	40,592,063
Taxation			
Current		<u>(61,236,360)</u>	<u>(39,707,781)</u>
Deferred		<u>302,137,081</u>	<u>(35,066,923)</u>
		240,900,721	(74,774,704)
Loss profit after taxation		(2,172,040,686)	(34,182,641)
Basic and diluted loss per share	11	(1.82)	Restated (0.04)

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


Director


Chief Executive


Chief Financial Officer

Consolidated Statement of Comprehensive Income (Un-Audited)

For the Quarter Ended September 30, 2022

	September 30, 2022	September 30, 2021
	(Rupees)	
Loss after taxation	(2,172,040,686)	(34,182,641)
Other comprehensive income	-	-
Remeasurement gain on staff retirement benefits	-	-
Total comprehensive loss	(2,172,040,686)	(34,182,641)

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Consolidated Statement of Changes In Equity

For the Quarter Ended September 30, 2022

Share capital	Reserves		Total equity
	Capital	Revenue	
	Share premium	Unappropriated profit	

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

Balance as at June 30, 2021 (audited)	9,940,500,000	-	3,247,910,090	13,188,410,090
Total comprehensive loss for the quarter ended September 30, 2021	-	-	(34,182,641)	(34,182,641)
Balance as at September 30, 2021 (un-audited)	<u>9,940,500,000</u>	<u>-</u>	<u>3,213,727,449</u>	<u>13,154,227,449</u>
Balance as at June 30, 2022 (audited)	11,940,500,000	3,400,000,000	5,370,498,272	20,710,998,272
Total comprehensive loss for the quarter ended September 30, 2022	-	-	(2,172,040,686)	(2,172,040,686)
Balance as at September 30, 2022 (un-audited)	<u>11,940,500,000</u>	<u>3,400,000,000</u>	<u>3,198,457,586</u>	<u>18,538,957,586</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Director



Chief Executive



Chief Financial Officer

Consolidated Statement of Cash Flows (Un-Audited)

For the Quarter Ended September 30, 2022

		September 30, 2022	September 30, 2021
	Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	12	568,350,151	984,648,344
Taxes paid		(409,527,126)	(388,674,014)
Long term loan		(1,039,870)	
Staff gratuity paid		(323,094)	-
Long term deposits paid		(4,599,953)	(992,241)
Donations paid		(19,516,403)	-
Net cash generated from operating activities		133,343,705	594,982,089
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(979,276,431)	(224,384,897)
Purchase of intangible assets		(32,742,426)	-
Proceed from disposal of property, plant and equipment and intangible assets		26,332,604	-
Short term investments		7,233,360,088	(2,506,958,469)
Profit received on short term investments		133,765,396	222,259,361
Net cash generated from / (used in) investing activities		6,381,439,231	(2,509,084,005)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of) / proceeds from short term borrowings - net		(2,689,629,695)	2,580,329,764
Long term financing (paid) / received - net		(21,128,193)	88,413,516
Long term loan repaid		-	(53,220,052)
Rentals paid against right-of-use assets and diminishing musharika		(15,481,440)	(28,103,833)
Lease liabilities - net		-	(182,139)
Finance cost paid		(602,731,579)	(309,500,358)
Net cash (used in) / generated from financing activities		(3,328,970,907)	2,277,736,898
Net increase in cash and cash equivalents		3,185,812,029	363,634,982
Cash and cash equivalents at the beginning of the period		(5,869,313,076)	(2,369,375,197)
Cash and cash equivalents at the end of the period	12.1	(2,683,501,047)	(2,005,740,215)

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


Director


Chief Executive


Chief Financial Officer

Notes to the Consolidated Financial Statements (Un-audited)

For the Quarter Ended September 30, 2022

1 THE GROUP AND ITS OPERATIONS

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

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

1.2 Sunridge Foods (Private) Limited

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

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

Addresses

Karachi, Sindh

- Unity Tower, Plot No. 8-C, Block-6, P.E.C.H.S.
- Plot No. A-48, Industrial Zone, Port Qasim.
- C6, North west zone, Port Qasim

- Plot # D-51 & D-52, Industrial Zone, Port Qasim.
- Plot No. W2/1/67 & 68 Industrial Zone, Port Qasim.
- Plot No. A-55 & 56, Industrial Zone, Port Qasim
- Industrial Plot no. H/14, Site Super Highway, Phase II, Karachi

Kotri, District Hyderabad, Sindh

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

Hub, Balochistan

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

Lahore Punjab

- Muhammad Pura / Dhamkay, Tehsil Sharaqpur, District Sheikhpura

Purpose

Registered office of the Holding Company
Oil Refinery of the Holding Company
Registered office / Pesa Flour Plant of the Subsidiary Company
For Capacity Expansion of Holding Company
For Capacity Expansion of Holding Company
Feed Mill
Flour Mill of the Subsidiary Company

Edible Oil Extraction Plant, Refinery and
Pellitising Mills of the Holding Company

Soap plant - of the Holding Company

Flour and rice mill of the Subsidiary Company

2 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Group for the three months period ended September 30, 2022 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) -34 "Interim Financial Reporting" and provisions issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and the directives issued under the Companies Act, 2017 have been followed.

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim consolidated financial statements, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimations and uncertainties were the same as those that were applied to the annual audited consolidated financial statements for the year ended June 30, 2022.

3.2 The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended June 30, 2022.

4 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 audited consolidated financial statements for the year ended June 30, 2022.

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim consolidated financial statements.

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

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

Note	September 30,	June 30,
	2022 (Un-audited)	2022 (Audited)
	(Rupees)	

5 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	8,425,190,685	8,474,949,411
Capital work-in-progress (CWIP)	5.2	3,557,006,017	2,634,627,937
		<u>11,982,196,702</u>	<u>11,109,577,349</u>

Note	September 30,	June 30,
	2022 (Un-audited)	2022 (Audited)
	(Rupees)	

5.1 Operating fixed assets

Written down value (WDV) - opening

Additions during the period/ year- (at cost)

- Lease hold land	-	208,372,010
- Free hold land	-	234,950,999
- Building	2,256,052	516,956,020
- Plant and machinery	22,213,386	1,390,223,090
- Furniture, fixture and office equipment	7,127,288	48,472,897
- Computer and auxilliary equipment	3,421,284	12,901,259
- Motor vehicles	21,880,342	85,492,583
	56,898,352	2,497,368,858

Disposals during the period/ year- (WDV)

- Computer and auxilliary equipment	-	(333,500)
- Furniture, fixture and office equipment	(315,177)	-
- Motor vehicles	(47,964)	(1,777,888)
	(363,141)	(2,111,388)

Depreciation charged during the period/ year

(106,293,937)	(338,645,771)
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Written down value (WDV) - closing

8,425,190,685	8,474,949,411
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5.2 Capital work-in-progress (CWIP)

Opening balance	2,634,627,937	2,345,181,109
Additions during the period / year	957,746,767	1,533,949,007
Transferred / adjustments during the period / year	(35,368,687)	(1,244,502,180)
Closing balance	3,557,006,017	2,634,627,937

6 SHORT TERM INVESTMENTS

At fair value through profit or loss

Mutual funds	6.1	772,862,367	4,574,891,235
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At amortized cost

Term deposit receipts	6.2	2,280,000,000	5,649,946,310
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3,052,862,367	10,224,837,545
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- 6.1** This represents HBL Cash Fund Units redeemable along with dividend units at closing price of previous day Net Asset Value. As at Sep 30, 2022, Rs. 772.862 million (June 30, 2022: Rs. 4,547.891 million) out of the total investment value was pledged as security for a Rs. 1,476.775 million (June 30, 2022: Rs. 5,329.87 million) loan from HBL.
- 6.2** This carries markup at 6.5% to 15.5% per annum (June 30, 2022: 6.5% to 14.47% per annum) having maturity upto one year.

Note	September 30, 2022	June 30, 2022
	(Un-audited)	(Audited)
	(Rupees)	

7 LONG-TERM FINANCING

Financing under SBP Scheme - non-shariah arrangements		61,469,317	105,751,397
Financing under ITERF Scheme - shariah arrangement	7.1	293,012,067	269,858,181
		<u>354,481,384</u>	<u>375,609,578</u>
Current portion shown under current liabilities		<u>(80,535,859)</u>	<u>(126,677,589)</u>
		<u>273,945,525</u>	<u>248,931,989</u>

- 7.1** There is no material change in the terms and conditions of long term loans as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2022.

8 CONTINGENCIES AND COMMITMENTS

There are no significant changes in the status of contingencies and commitments as reported in note 29 to the annual audited consolidated financial statements of the Group for the year ended June 30, 2022.

8.1 Commitments

Commitments under letter of credit for raw materials as at September 30, 2022 amounted to Rs. 6,581 million (June 30, 2022: Rs. 5,869 million).

- 8.2** Guarantee issued at the period end on behalf of the Company amounted to Rs. 1,080 million (30 June 2022: Rs. 880 million). Above facility is the part of the borrowing limits.

Note	September 30, 2022	September 30, 2021
	(Un-audited)	(Un-audited)
	(Rupees)	

9 NET SALES

Local sales	21,065,808,021	17,405,882,093
Export sales	474,818,777	835,436,848
	<u>21,540,626,798</u>	<u>18,241,318,941</u>

10 OTHER OPERATING EXPENSES

Worker's welfare fund	(2,140,086)	(1,043,186)
Worker's profit participation fund	(5,631,806)	(2,988,759)
Others	-	(50,626)
	<u>(7,771,892)</u>	<u>(4,082,571)</u>

	September 30, 2022 (Un-audited)	September 30, 2021 (Audited)
	(Rupees)	
11 LOSS PER SHARE		
Loss after taxation	<u>(2,172,040,686)</u>	<u>(34,182,641)</u>
	(Number of Shares)	
		Restated
Weighted average number of ordinary shares outstanding during the quarter	<u>1,194,050,000</u>	<u>961,829,263</u>
	(Rupees)	
		Restated
Basic and diluted loss per share	<u>(1.82)</u>	<u>(0.04)</u>
12 CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(2,412,941,407)	40,592,063
Adjustments for non-cash items:		
Depreciation on operating fixed assets	106,293,937	78,834,321
Depreciation on right-of-use assets	10,727,161	27,354,929
Amortization on intangible assets	5,015,874	664,072
Amortization on deferred government grant	(4,035,397)	(5,843,771)
Exchange loss - unrealized	2,394,397,292	391,073,263
Gain on revaluation of mutual fund units - unrealized	(15,823,571)	(6,128,622)
Provision for staff gratuity	5,711,784	720,000
Income on short term investment	(80,397,902)	(94,416,883)
Liability written back	-	(5,664,364)
Finance cost	542,817,088	398,997,642
	551,764,859	826,182,650
Changes in working capital		
(Increase)/ decrease in current assets:		
Stock-in-trade	(4,293,567,560)	674,724,399
Stores and spares	15,359,737	(16,662,935)
Trade debts	(3,295,583,067)	164,263,489
Advances, deposits and prepayments	(459,807,099)	(11,451,372)
Other receivables	275,236	(85,326,661)
Sales tax receivable	37,533,739	7,347,713
	(7,995,789,015)	732,894,633
Increase/ (decrease) in current liabilities:		
Trade and other payables	8,015,858,122	(557,746,315)
Contract liabilities	(3,483,815)	(16,682,624)
	8,012,374,307	(574,428,939)
Cash generated from operating activities	568,350,151	984,648,344
12.1 Cash and cash equivalents comprise of:		
Cash and bank balances	1,022,502,387	540,682,742
Short term borrowings - running finance (secured)	(3,706,003,434)	(2,546,422,957)
	<u>(2,683,501,047)</u>	<u>(2,005,740,215)</u>

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions involving related parties arising in the normal course of business are conducted at arm's length and at normal commercial rates unless otherwise specifically approved by the board of directors.

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

Transactions with related parties (un-audited)

			<u>For the quarter ended</u>	
			<u>September 30,</u>	<u>September 30,</u>
			<u>2022</u>	<u>2021</u>
			<u>(Un-audited)</u>	<u>(Un-audited)</u>
			<u>(Rupees)</u>	
Wilmar Trading Pte Limited	Associated Company	Purchases	<u>13,054,357,149</u>	<u>5,661,331,692</u>
		Payments	<u>5,563,292,129</u>	<u>3,623,484,797</u>
Unity Feeds (Private) Limited	Common directorship	Sales	<u>-</u>	<u>81,640,763</u>
		Sales proceeds	<u>-</u>	<u>70,918,693</u>
Provident fund	Staff retirement benefit fund	Contribution paid	<u>12,013,829</u>	<u>8,013,511</u>
Directors and executives	Key management personnel	Remuneration paid	<u>65,282,629</u>	<u>16,572,346</u>

Balances with related parties

			<u>Balance as at</u>	
			<u>September 30,</u>	<u>June 30,</u>
			<u>2022</u>	<u>2022</u>
			<u>(Un-audited)</u>	<u>(Audited)</u>
			<u>(Rupees)</u>	
<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>		
Wilmar Trading Pte Limited	Associated Company	Trade creditor	<u>23,770,801,373</u>	<u>15,058,218,124</u>
Provident fund	Staff retirement benefit fund	Net contribution payable	<u>2,102,488</u>	<u>1,985,462</u>

14 CORRESPONDING FIGURES

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

15 GENERAL

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

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on February 23, 2023.



Director



Chief Executive



Chief Financial Officer



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