



**UNITY FOODS LIMITED**  
— food for life! —

UNITY FOODS LIMITED

UNITY TOWER,  
8 C, Block-6, P.E.C.H.S.,  
Karachi 75400, Pakistan  
Phone : +92 21 34373605-7  
Fax : +92 21 34373608  
E-mail : info@unityfoods.pk  
Website : www.unityfoods.pk

**FORM -7**

April 23, 2018

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

**Financial Results for the Quarter Ended March 31, 2018**

We have to inform you that the Board of Directors of our company in their meeting held on **April 23, 2018 at 10.30 a.m** at the Registered Office of the company at **Unity Tower, 8-C, Block-6, PECHS, Karachi** has not recommended any corporate action.

Financial Results and Directors' Report for the period are attached.

We will be sending you 200 copies of printed accounts for distribution amongst the TRE Certificate Holders of the Exchange

Yours sincerely,

  
**Jalees Edhi**  
Company Secretary





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UNITY FOODS LIMITED  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	------(Rupees)-----			
Net sales	617,039,373	-	617,039,373	-
Cost of Sales	(515,439,019)	-	(515,439,019)	-
<b>Gross Profit</b>	<u>101,600,354</u>	<u>-</u>	<u>101,600,354</u>	<u>-</u>
Distribution and selling expenses	(20,594,719)	-	(20,594,719)	-
Administrative expenses	(65,637,220)	(2,357,841)	(20,796,124)	(576,247)
<b>Operating profit / (loss)</b>	<u>15,368,415</u>	<u>(2,357,841)</u>	<u>60,209,511</u>	<u>(576,247)</u>
Other income	19,409,217	30,117	11,820,219	3,118
Finance cost	(12,751,490)	(7,612)	(2,719,345)	(1,834)
<b>Profit / (loss) before taxation</b>	<u>22,026,142</u>	<u>(2,335,336)</u>	<u>69,310,385</u>	<u>(574,963)</u>
Taxation	8,618,935	-	9,380,961	-
<b>Profit / (loss) for the period</b>	<u>30,645,077</u>	<u>(2,335,336)</u>	<u>78,691,346</u>	<u>(574,963)</u>
<b>Earnings / (loss) per share-basic and diluted</b>	<u>0.38</u>	<i>Restated</i> <u>(0.24)</u>	<u>0.47</u>	<i>Restated</i> <u>(0.06)</u>





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## **Directors' Review**

On behalf of the Board of Directors, we are pleased to present the Directors' Review for the 3rd Quarter/nine-months ended March 31, 2018 where your Company managed to commence operations and deliver core profitability ahead of announced plan. The Board is delighted to announce Net Profit After Tax of Rs. 79 million for the quarter after having operated its commercial operations for 53 days (February 7, 2018 – March 31, 2018) on the back of Domestic and Export Sales where export accounted for 67% of the total sales achieved.

### **Brief Background:**

Alhamdulillah, after having raised Rs. 1,650 million through the right issue, the Company has managed to bring adequate capital to operate with efficiency. The Board has managed to acquire the targeted plants and machinery and installed them in the most promising locations to bring in preeminent position amongst its peers. Trial production run started in January 2018 while the commercial production commenced in February 2018 where the Company has operated its commercial operations for 53 days.

The Company now has an operational plant situated in the promising location of Industrial Estate of Kotri which stands as capable of processing multiple oilseeds simultaneously to bring the Company an unmatched excellence.

With capacity of 450 tons per day of crushing oilseeds and 300 tons per day of pelletising feed products, the plant gives an edge to the Company over its peers and any new entrants since they will require considerable time and resources to establish operations on such scale.

In addition, the Company has also acquired a state-of-the-art edible oil refinery with a capacity of 150 tons per day. This refinery is located in the heart of Karachi's Industrial Area and stands operational today.

### **Operational Results:**

The Company commenced its commercial operations on February 7th, 2018 and has been able to post Net Profit After Tax of Rs. 79 million for the third quarter ended March 31, 2018 which translates into a 9-month profit after tax of Rs. 31 million.

The EPS for 3 months and 9 months have been calculated on 169.05 million and 81.57 million shares respectively (dilution effect of weighted average shares due to right issue). The current shares capital of the Company comprise 169.05 million shares.

While the sales include the bulk sales of different oil states and products, the Company has also



managed to fetch international orders for meals, giving an additional untapped opportunity. The gross margins stand at 16% for the quarter while we expect them to increase as the Company expects to have extra portion of refined oil sales going ahead. The financial cost of the company includes a major one portion of one-off cost of raising capital (rights shares issued in December 2017) required to acquire and commence commercial operations for the company. As the company exports its products, this provides the Company with a natural cover against the PKR-devaluation which the Company expects to take benefit of in future as well.

Rs.

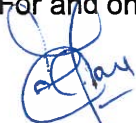
Local Sales	201,764,673
Export Sales	415,583,540
Total Sales (net)	617,039,373
Cost of Sales	(515,439,019)
Gross Profit	101,600,354
Selling and Distribution Expenses	20,594,719
Administration Expenses	20,796,124
Operating Profit	60,209,511
Other Income	11,820,219
Profit Before Interest and Taxes	72,029,730
Finance Cost	2,719,345
Profit Before Taxation	69,310,385
Taxation	9,380,961
Profit for the Period	78,691,346
EPS- Basic and Diluted	0.47


### Acknowledgements

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

We would also like to thank our dedicated and talented team of executives, staff and workers for the hard work put in during the period. We expect continued efforts from our employees to achieve results in line with the revival plans.

For and on behalf of the Board

  
Muhammad Farrukh  
Chief Executive  
Karachi:  
April 23, 2018

  
Abdul Majeed Ghaziani  
Chairman