

CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)

FOR THE FIRST QUARTER
ENDED SEPTEMBER 30, 2017

Unity Foods Limited

(FORMERLY: TAHA SPINNING MILLS LIMITED)

UNITY FOODS LIMITED
(FORMERLY TAHA SPINNING MILLS LIMITED)
COMPANY INFORMATION

Board of Directors	Mr. Muhammad Farrukh	Chief Executive
	Mr. A. Majeed Ghaziani	Chairman-Non Executive
	Mr. Safdar Sajjad	Non Executive
	Mr. Ilyas Ahmed	Independent
	Mr. Abdul Hafeez	Non Executive
	Mr. Sheikh Ali Baakza	Non Executive
	Mr. Muhammad Zain Sardar	Non Executive
Audit Committee	Mr. Ilyas Ahmed	Chairman
	Mr. Safdar Sajjad	
	Mr. Abdul Hafeez	
Human Resources & Remuneration Committee	Mr. Safdar Sajjad	Chairman
	Mr. Ilyas Ahmed	
	Mr. Abdul Hafeez	
Chief Financial Officer	Mr. Faizan Rafiq	
Company Secretary	Mr. Jalees Edhi	
Auditors	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1 st floor, Modern Motors House Beamount Road Karachi.	
Bankers	Habib Bank Limited National Bank of Pakistan Habib Metropolitan Bank Limited	
Legal Advisor	Farooq Rashid & Co Advocates and Corporate Consultants 403 Commerce Centre Hasrat Mohani Road Karachi-74200	

Share Registrar and Transfer Office Najeeb Consultants (Pvt)Ltd
408-Commerce Centre,
Hasrat Mohani Road, Karachi

Registered Office Unit # 1, 38-E, Shamsi Road, P.E.C.H.S,
Block-6, Karachi 75400, Pakistan

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E-mail info@unitygroup.com.pk
Website www.hmiml.com

Business Manufacturer of yarn & fast moving consumers goods
Status of Company Public listed company (PIC)

Company Registration No. K-0023133

National Tax No. 0698412-6

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DIRECTORS' REVIEW REPORT

On behalf of the Board of Directors I am pleased to present the unaudited financial statements of the Company for the period ended September 30, 2017.

During the period, following persons were the directors of the Company.

S.#	June 30, 2107	September 30, 2017
1	Mr. Muhammad Farrukh	Mr. Muhammad Farrukh
2	Mr. A. Majeed Ghaziani	Mr. A. Majeed Ghaziani
3	Mr. Safdar Sajjad	Mr. Safdar Sajjad
4	Mr. Abdul Hafeez	Mr. Abdul Hafeez
5	Mr. Sheikh Ali Baakza	Mr. Sheikh Ali Baakza
6	Mr. Ilyas Ahmed	Mr. Ilyas Ahmed
7	Casual vacancy	Mr. Muhammad Zain Sardar

The casual vacancy was created on June 30, 2017 and was filled on August 24, 2017.

The summary of financial results for the Quarter ended September 30, 2017 is presented below:

Description	(Rupees)
Operating Loss	(8,590,549)
Financial Charges	(1,462)
Other Charges	0
Other Operating Income	251
Loss Before Taxation	(8,590,760)
Income Tax	0
Loss After Tax	(8,591,760)
Loss per Share	(2.12)

In pursuance of the strategic plan approved by the Board in its meeting held on June 30, 2017 the management remained actively engaged in various activities and I am pleased to report that the Board of Directors announced a right issue to raise Rs. 1,650 million for acquisition of a solvent extraction plant, an oil refinery, other ancillary assets and purchase of land and office building.

Prior to the announcement of right issue, the management carried extensive due diligence and surveys to decide whether to buy brand new plants or to acquire existing plants. After detailed deliberation it was concluded that the project cost for installation and commissioning of brand new high-end solvent plant and oil refinery would be much higher, In addition, the gestation period of upto three years leading to commercial operations. The purchase of an already installed solvent plant and oil refinery would be much cheaper option and would cost around Rs. 1,100 million and would be operational within few months.

Accordingly, the management decided to purchase existing solvent plant and oil refinery along with other assets necessary to carry out the operations of the Company. In order to finance the acquisition of these assets the Board approved a right issue of Rs. 1,650 million on September 28, 2017. The right issue is made at Par value of Rs. 10 per share and 165 million new shares will be issued under the right issue, resulting

in issuance of 40.74074 shares against each existing share. The right issue has been underwritten as required under the rules and has been approved by Pakistan Stock Exchange Limited. The last date of payment of right issue is November 28, 2017 and the Company expects to commence operations in 2018.

The management has very strong focus of improving systems of the Company and it has hired the services of EY Ford Rhodes Chartered Accountants for GAP Analysis of the Company. Besides, the Human Resource base of the Company is being rapidly expanded with hiring of personnel of relevant fields and services of an HR consultant has been engaged to assist the Company hire the most suitable resources.

The management foresees that with the commencement of full-fledged operations in 2018 InshaAllah, the Company is expected to generate profits and accretion in value for the shareholders.

Acknowledgements

We would like to take this opportunity to thank the Pakistan Stock Exchange Limited, 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. Lastly, we also thank you our shareholders for their ongoing support.

For and on behalf of the Board

Muhammad Farrukh

Chief Executive Officer

Karachi:

October 30, 2017

UNITY FOODS LIMITED
(FORMERLY TAHA SPINNING MILLS LIMITED)
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017

	Note	SEPTEMBER 30, 2017 Rupees (Un-Audited)	JUNE 30, 2017 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
170,000,000 (2017 : 6,100,000) ordinary shares of rupees 10/- each		<u>1,700,000,000</u>	<u>61,000,000</u>
Issued, subscribed and paid up share capital	4	40,500,000	40,500,000
Accumulated loss		<u>(46,690,527)</u>	<u>(38,098,767)</u>
		(6,190,527)	2,401,233
CURRENT LIABILITIES			
Trade and other payables		13,449,986	608,519
Contingencies and Commitments	5	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>7,259,459</u></u>	<u><u>3,009,752</u></u>
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		25,000	25,000
CURRENT ASSETS			
Advances tax - net of provision		226,691	226,665
Other receivables		5,757,019	1,007,019
Cash and bank balances		1,250,749	1,751,068
		7,234,459	2,984,752
TOTAL ASSETS		<u><u>7,259,459</u></u>	<u><u>3,009,752</u></u>

The annexed notes from an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

UNITY FOODS LIMITED
(FORMERLY TAHA SPINNING MILLS LIMITED)
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 30, 2017 Rupees (Un-Audited)	SEPTEMBER 30, 2016 Rupees (Audited)
Operating expenses		
Administrative expenses	(8,590,549)	(999,937)
Operating loss	(8,590,549)	(999,937)
Profit on bank account	251	7,550
	(8,590,298)	(992,387)
Finance cost	(1,462)	(812)
Loss before taxation	(8,591,760)	(993,199)
Taxation	-	-
Loss after taxation	<u>(8,591,760)</u>	<u>(993,199)</u>
Loss per share (Basic and diluted)	<u>(2.12)</u>	<u>(0.25)</u>

The annexed notes from an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

UNITY FOODS LIMITED
(FORMERLY TAHA SPINNING MILLS LIMITED)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 30, 2017 Rupees	SEPTEMBER 30, 2016 Rupees
Loss after taxation	(8,591,760)	(993,199)
Other comprehensive income	-	-
Total comprehensive loss for period	<u><u>(8,591,760)</u></u>	<u><u>(993,199)</u></u>

The annexed notes from an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

UNITY FOODS LIMITED
(FORMERLY TAHA SPINNING MILLS LIMITED)
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 30, 2017 Rupees	SEPTEMBER 30, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(8,591,760)	(993,199)
Adjustments for:		
Finance cost	1,462	812
	1,462	812
Loss before working capital changes	(8,590,298)	(992,387)
(Increase) /Decrease in current assets		
Other receivable	(4,750,000)	820,000
Decrease in current liabilities		
Trade and other payables	12,841,467	-
Total changes in Working Capital	(498,831)	(172,387)
Finance cost paid	(1,462)	(812)
Taxes paid / adjustment	(26)	(2,063)
	(1,488)	(2,875)
Net cash used in operating activities	(500,319)	(175,262)
Net decrease in cash and cash equivalents	(500,319)	(175,262)
Cash and cash equivalents at beginning of the period	1,751,068	1,558,815
Cash and cash equivalents at end of the period	1,250,749	1,383,553

The annexed notes from an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

UNITY FOODS LIMITED
(FORMERLY TAHA SPINNING MILLS LIMITED)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
	-----Rupees-----		
Balance as at July 01, 2016	40,500,000	(33,755,117)	6,744,883
Total comprehensive loss for the period ended September 30, 2016	-	(993,199)	(993,199)
Balance as at September 30, 2016	40,500,000	(34,748,316)	5,751,684
Balance as at July 01, 2017	40,500,000	(38,098,767)	2,401,233
Total comprehensive loss for the period ended September 30, 2017	-	(8,591,760)	(8,591,760)
Balance as at September 30, 2017	40,500,000	(46,690,527)	(6,190,527)

The annexed notes from an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

UNITY FOODS LIMITED

(FORMERLY TAHA SPINNING MILLS LIMITED)

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Unity Foods Limited (Formerly: Taha Spinning Mills Limited) (the "Company") was incorporated in Pakistan as a Private Limited Company under the Companies Ordinance, 1984 in 1991 and subsequently converted to a Public Limited company on June 16, 1991. Shares of the company were listed on the Pakistan Stock Exchange in Pakistan on February 01, 1994. The principal business of the company has been to manufacture and sale of yarn which has been subsequent changed to edible oil business. The registered address of the company is situated at Unity House Unit #1, 38-E, Shamsi Road, P.E.C.H.S, Block-6, Karachi 75400.

2 BASIS OF PREPARATION

2.1 Statement of compliance

Theses condensed interim financial information have been prepared in accordance with the approved accounting standard as applicable in Pakistan. Approved accounting standards comprise of such International financial Reporting Standard (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the provision of and directive issued under the companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

Theses condensed interim financial information have been prepared in compliance with the International Accounting Standard (IAS) 34 interim financial reporting and in compliance with the requirements of section 245 of the Companies Ordinance 1984.

The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of International Accounting Standards (ISA) 34, Interim Financial Reporting. Theses condensed interim financial information are unaudited but a limited scope review have been performed by the external auditors of the company in accordance with requirements of the Code of Corporate Governance and they have issued their report thereon.

2.2 Accounting convention

Theses condensed interim financial information have been prepared under " Historical Cost Convention" expect as disclosed in the company's accounting policies

3 BASIS OF PREPARATION

The accounting policies adopted in preparation of theses condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2017.

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

		(Un-Audited) SEPTEMBER 31, 2017	(Audited) JUNE 30, 2016
		Rupees	
SEPTEMBER 30, 2017	JUNE 30, 2017		
Number of Shares			
4,050,000	4,050,000	40,500,000	40,500,000
Ordinary shares of Rs. 10 each fully paid in cash			
<u>4,050,000</u>	<u>4,050,000</u>	<u>40,500,000</u>	<u>40,500,000</u>

- 4.1 The shareholders are entitled to receive all distribution to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry 'one vote" per share without restriction.
- 4.2 There is no movement in share capital during the year, However their has been increase in authorized capital of the company on July 31,2017.

5 CONTINGENCIES AND COMMITMENTS

There has been no significant change in contingencies and commitments since the last audited financial statements.

6 DATE OF AUDTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue in _____ by the board of directors of the company.

7 GENERAL

Figures have been rounded off to the nearest rupees

Figures have been re-arrange, where ever necessary, for the purpose of comparison

CHIEF EXECUTIVE

DIRECTOR

ڈائریکٹرز کی جائزہ رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر، 2017 کو ختم شدہ عرصے کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

اس عرصے کے دوران، درج ذیل افراد کمپنی کے ڈائریکٹرز تھے۔

30 ستمبر، 2017	30 جون، 2017	
محترم محمد فرخ	محترم محمد فرخ	1
محترم اے۔ مجید غازیانی	محترم اے۔ مجید غازیانی	2
محترم صفدر سجاد	محترم صفدر سجاد	3
محترم عبدالحفیظ	محترم عبدالحفیظ	4
محترم شیخ علی باکرا	محترم شیخ علی باکرا	5
محترم الیاس احمد	محترم الیاس احمد	6
محترم محمد زین سردار	جزوقتی خالی نشست	7

جزوقتی خالی نشست 30 جون، 2017 کو وجود پذیر ہوئی اور 24 اگست، 2017 کو اس میں تقرری کی گئی۔

30 ستمبر، 2017 کو ختم شدہ سہ ماہی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

(8,590,549)	آپریٹنگ خسارہ
(1,462)	فنانس چارجز
0	دیگر چارجز
251	دیگر آپریٹنگ آمدنی
(8,590,760)	قبل از ٹیکس خسارہ
0	انکم ٹیکس
(8,591,760)	بعد از ٹیکس خسارہ
(2.12)	فی شیئر خسارہ

30 جون، 2017 کو منعقدہ اجلاس میں بورڈ کی جانب سے منظور کردہ حکمت عملی کے منصوبے کے تحت انتظامیہ مختلف سرگرمیوں میں مصروف عمل ہے اور یہ اطلاع دیتے ہوئے خوش ہوں کہ بورڈ آف ڈائریکٹرز نے سالوینٹ ایکسٹریکشن پلانٹ، آئل ریفاؤنڈری، دیگر قیمتی اثاثہ جات اور زمین کی خریدار اور آفس کی عمارت حاصل کرنے کے لیے 1,650 ملین روپے کے رائٹ شیئرز کا اعلان کیا ہے۔

رائٹ شیئرز کے اعلان سے پہلے، انتظامیہ نے یہ فیصلہ کرنے کے لیے انتہائی غور و فکر اور سروے کیے کہ آیا نئے پلانٹس خریدے جائیں یا موجودہ پلانٹس کو حاصل کیا جائے۔ تفصیلی غور و فکر کے بعد انتظامیہ نے فیصلہ کیا کہ بہتر معیار کے نئے سالوینٹ ایکسٹریکشن پلانٹ اور آئل ریفاؤنڈری کی خریداری اور تنصیب پر آنے والی لاگت بہت زیادہ ہوگی اس کے ساتھ تکمیل کا دورانیہ تین سال تک ہو سکتا ہے۔ اس کے برعکس پہلے سے ہی نصب سالوینٹ ایکسٹریکشن پلانٹ اور آئل ریفاؤنڈری پر لاگت کم آئے گی جو کہ تقریباً 1,100 ملین روپے ہوگی اور یہ چند مہینوں میں آپریشنل بھی ہو جائیں گے۔

چنانچہ، انتظامیہ نے کمپنی کے آپریشنز کے لیے پہلے سے استعمال شدہ سالوینٹ ایکسٹریکشن پلانٹ اور آئل ریفاؤنڈری اور دیگر ضروری اثاثہ جات خریدنے کا فیصلہ کیا۔ ان اثاثہ جات کو حاصل کرنے کے لیے درکار فنانس کا بندوبست کرنے کے لیے بورڈ نے 28 ستمبر، 2017 کو 1,650 ملین روپے کے رائٹ شیئرز کی منظوری دے دی۔ رائٹ شیئرز کی بنیادی قیمت 10 روپے فی شیئر مقرر کی گئی ہے اور اس کے لیے 165 ملین نئے شیئرز جاری کیے جائیں گے، جس کے نتیجے میں موجودہ ہر شیئر کے عوض 40.74074 شیئرز کا اجراء عمل میں آئے گا۔

قوانین کے تحت درکار رائٹ شیئرز کی حمانویسی دی گئی ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ نے رائٹ شیئرز کی منظوری بھی دے دی ہے۔

رائٹ شیئرز کی ادائیگی کی آخری تاریخ 28 نومبر، 2017 ہے اور کمپنی پر امید ہے کہ 2018 کے آغاز میں آپریشنز بحال کیے جائیں گے۔

انتظامیہ کی جانب سے کمپنی کے نظام میں بہتری لانے کے لیے بھرپور توجہ دی جا رہی ہے اور کمپنی کے GAP تجزیاتی رپورٹ کے لیے EY فورڈر ہوڈز چارٹرڈ اکاؤنٹنٹس کی خدمات حاصل کی گئی ہیں۔ اس کے علاوہ، متعلقہ شعبوں کے لیے ملازمین کی تقرری سے کمپنی کے ہیومن ریسورس کی بنیاد مستحکم کی جا رہی ہے اور کمپنی میں مناسب ترین ملازمین کی تقرری کے لیے ایک ایچ آر کنسلٹنٹ کی خدمات بھی حاصل کر لی گئی ہیں۔

انشاء اللہ، انتظامیہ پر امید ہے کہ 2018 میں کمرشل آپریشنز کی بحالی کے ساتھ کمپنی کو منافع جات اور شیئرز ہولڈرز کے لیے قدر میں اضافے کی توقعات ہیں۔

توثیقی بیان

ہم پاکستان اسٹاک ایکسچینج لمیٹڈ، ایس ای سی پی اور سی ڈی سی کی جانب سے کمپنی کی مستقل مدد اور تعاون پر ان کے تہہ دل سے شکر گزار ہیں۔ ہم امید کرتے ہیں کہ مستقبل میں بھی یہ تعاون جاری رہے گا۔

ہم اپنے ایگزیکٹوز، اسٹاف اور ورکرز کی ذہین اور محنتی ٹیم کے بھی شکر گزار ہیں جنہوں نے اس عرصے کے دوران محنت اور لگن کے ساتھ کام کیا۔ ہم اپنے ملازمین سے توقع رکھتے ہیں کہ منصوبوں کی بحالی اور نتائج کے حصول میں اپنی کوششوں کو جاری رکھیں گے۔ آخر میں ہم اپنے شیئر ہولڈرز کی جانب سے مسلسل تعاون پر ان کے بھی شکر گزار ہیں۔

بورڈ کی جانب سے

محمد فرخ
چیف ایگزیکٹو آفیسر

30 اکتوبر، 2017

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