

TAHA SPINNING MILLS LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

TAHA SPINNING MILLS LIMITED
COMPANY INFORMATION

Board of Directors	Mr. Ashfaq Ahmed	Chief Executive
	Mr. Saqib Ashfaq	Chairman Non Executive
	Mr. Amir Ashfaq	Executive Director
	Mr. Niaz Mohammad	Independent
	Mr. Mohammad Azam	Non Executive
	Mr. Qamar Iqbal	Non Executive
	Mr. Saleem Abbas	Non Executive
Audit Committee	Mr. Niaz Mohammad	Chairman
	Mr. Mohammad Azam	
	Mr. Qamar Iqbal	
Human Resource & Remuneration Committee	Mr. Amir Ashfaq	Chairman
	Mr. Qamar Iqbal	
	Mr. Saleem Abbas	
Chief Financial Officer	Mr. M. Shakeel Akhtar	
Company Secretary	Mr. M. Shakeel Akhtar	
Auditors	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1 st floor, Modern House Beamount Road Karachi.	
Bankers	Habib Bank Limited National Bank of Pakistan	
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

406-Commerce Centre,
Hasrat Mohani Road, Karachi
Karachi 74200

Phone No.:

92-21-32638521-3

Fax No.:

92-21-32639843

E-mail:

tsml@hmiml.com

Website

www.hmiml.com

Business:

Manufacturer of yarn

Fast moving consumer goods

Status of Company

Public listed company (SSC)

Company Registration No.

K-0023133

National Tax No.

0698412-6

Contact person:

Mr. Muhammad Sarfraz

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TAHA SPINNING MILLS LIMITED

DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY

The directors are pleased to present the unaudited financial statements for the 3rd quarter ended on 31st March, 2017

1. **Sales**

There is no sale during the period as there is no manufacturing activity by the company.

2. **Gross Profit/Loss**

There is no gross profit/(loss) due to non-manufacturing activity.

3. **Pre-Tax Profit/Loss**

The company has pre-tax (loss) for the reported period Rs.(2.33) million.

4. **Earnings Per Share**

The loss per share for the period ended is Rs:(0.58)

5. **Finance Cost**

There is no borrowing from banks, therefore there is no borrowing cost.

6. **Current and Future Summary and Prospects**

Business dimensions of the company have been changed from spinning of yarn to fast moving consumer goods. Petition was filed with Securities & Exchange Commission of Pakistan for approval of new business objects. SECP has approved the new business objects. An acquirer has also shown their interest to acquire management control of the company and implement new business plan through corporate restructuring. The acquirer has acquired substantial shares of the company. The new investor group has shown their interest for revival/takeover of the company after completion of all legal formalities. Board is also negotiating with financial institutions for financing of proposed new business plan.

7. **Code of Corporate Governance**

We are pleased to inform you that company has taken necessary steps to comply with the Code of Corporate Governance as required by the regulation of the Pakistan Stock Exchange.

We appreciate the best efforts of all the company's staff and the support of its bankers

For and on behalf of the Board of Directors


Chief Executive

Karachi: April 24.2017

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017 (UN-AUDITED)

	Note	March 31, 2017	June 30, 2016
		Rupees (Un-Audited)	Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 6,100,000 (June 2016 : 6,100,000) ordinary shares of Rs.10 each.		61,000,000	61,000,000
Issued, subscribed and paid up share capital	5	40,500,000	40,500,000
Accumulated (Loss)		(36,090,453)	(33,755,117)
		4,409,547	6,744,883
CURRENT LIABILITIES			
Trade and other payables		10,000	67,400
TOTAL EQUITY AND LIABILITIES		4,419,547	6,812,283
CONTINGENCIES AND COMMITMENTS	6		
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		25,000	25,000
CURRENT ASSETS			
Advance income tax		224,510	221,449
Other receivables		1,687,019	5,007,019
Cash and bank balances		2,483,018	1,558,815
		4,394,547	6,787,283
TOTAL ASSETS		4,419,547	6,812,283

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2017 Rupees	March 31, 2016 Rupees	March 31, 2017 Rupees	March 31, 2016 Rupees
Administrative expenses		(2,357,841)	(2,211,927)	(576,247)	(1,371,028)
Profit on bank account		30,117	20,201	3,118	7,655
Finance cost		(7,612)	(1,102)	(1,834)	(232)
		(2,335,336)	(2,192,828)	(574,963)	(1,363,605)
Loss before taxation		(2,335,336)	(2,192,828)	(574,963)	(1,363,605)
Taxation		-	-	-	-
Loss after taxation		(2,335,336)	(2,192,828)	(574,963)	(1,363,605)
Loss per share - basic and diluted		(0.58)	(0.54)	(0.14)	0.34

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

Note	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(2,335,336)	(2,192,828)	(574,963)	(1,363,605)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(2,335,336)	(2,192,828)	(574,963)	(1,363,605)

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


 CHIEF EXECUTIVE


 DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Nine months ended	
	March 31, 2017 Rupees	March 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,335,336)	(2,192,828)
Adjustments for:		
Finance cost	7,612	1,102
Loss before working capital changes	(2,327,724)	(2,191,726)
(Increase) / Decrease in current assets		
Other receivable	3,320,000	474,697
	3,320,000	474,697
Increase / (Decrease) in current liabilities		
Trade and other payables	(57,400)	(68,000)
Cash generated / (used in) from operations	934,876	(1,785,029)
Finance cost paid	(7,612)	(1,102)
Taxes paid / adjustment	(3,061)	(2,238)
	(10,673)	(3,340)
Net cash generated / (used in) from operating activities	924,203	(1,788,369)
Net increase / (decrease) in cash and cash equivalents	924,203	(1,788,369)
Cash and cash equivalents at the beginning of the period	1,558,815	4,100,202
Cash and cash equivalents at the end of the period	2,483,018	2,311,833

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT CHANGES IN EQUITY
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

PAID-UP SHARE CAPITAL	ACCUMULATED (LOSS)	TOTAL
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-----Rupees-----

Balance as at July 01, 2015	40,500,000	(30,754,013)	9,745,987
Total comprehensive loss for the period ended March 31, 2016	-	(2,192,828)	(2,192,828)
Balance as at March 31, 2016	<u>40,500,000</u>	<u>(32,946,841)</u>	<u>7,553,159</u>
Balance as at July 01, 2016	40,500,000	(33,755,117)	6,744,883
Total comprehensive loss for the period ended March 31, 2017	-	(2,335,336)	(2,335,336)
Balance as at March 31, 2017	<u>40,500,000</u>	<u>(36,090,453)</u>	<u>4,409,547</u>

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
NOTES TO THE CONDENSED INTRIM FINANCIAL INFORMATION
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

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 are listed on the Pakistan Stock Exchange in Pakistan on February 01, 1994. The principal business of the company has been changed from yarn manufacturing to fast moving consumer goods and distribution of foods products. The registered office of the company is situated at 406-Commerce Centre, Hasrat Mohani Road, Karachi 74200.

- 1.1 Management is planning to get involve in manufacture of fast moving consumer goods, through corporate restructuring, merger or through properous investors for revival of the company as sufficient funds are required to implement new business plan. New business objects have been added in Memorandum of Association of the Company. Management is also negotiating with financial institutions for financing of the proposed new business plan. In view of the new business dimensions, the company shall remain as a going concern company.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the period ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.
- 2.2 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest rupee.
- 2.3 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause (xix) of the Code of Corporate Governance. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.

The comparative balance sheet has been extracted from audited annual financial statements of the company for the year ended June 30, 2016, whereas comparative condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the nine months ended March 31, 2017 have been extracted from the unaudited condensed interim financial information of the company for the nine month then ended March 31, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates, judgments and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2016.

4 FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2016.

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

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

5.1 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.

5.2 There is no movement in share capital during the year.

6 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

The company has settled the dispute out side the court amicably at Rs 1.00 million and has made payment on April 19, 2017.

COMMITMENTS

There is no commitments as at March 31, 2017 (2016 : Nil).

7 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, directors and their close family members, major shareholders of the Company, key management personnel and other companies under common management. Transactions with related parties are on arm's length. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. No remuneration was paid to chief executive, directors and executives.

Details of transaction balances with related parties are as follows:

	MARCH 31, 2017 Rupees	MARCH 31, 2016 Rupees
HMI Energy (Pvt) Limited - Associate - other receivables	680,000	4,000,000

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on April 24, 2017 by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.

Corresponding figures have been re-arranged, where ever necessary, for the purpose of comparison.


CHIEF EXECUTIVE


DIRECTOR