

TAHA SPINNING MILLS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

TAHA SPINNING MILLS LIMITED
COMPANY INFORMATION

Board of Directors	Mr. Ashfaq Ahmed	Chief Executive
	Mr. Saqib Ashfaq	Non Executive Director
	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 Askari 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:

tgml@hmiml.com

Website

www.hmiml.com

Business:

PC yarn manufacturer

Status of Company

Public listed company (SSC)

Company Registration No.

K-0023133

National Tax No.

0698412-6

Contact person:

Mr.Muhammad Sarfraz

Phone:92-21-32638521-3

E-mail:sarfrazinfo@hotmail.com

TAHA SPINNING MILLS LIMITED
DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY

The directors are pleased to present the unaudited financial statements for the 2nd quarter/half year ended on 31st December, 2016

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.(1.76) million.
4. **Earnings Per Share**
The loss per share for the period ended is Rs:(0.43)
5. **Finance Cost**
There is no borrowing from banks, therefore there is no borrowing cost.

Current and Future Summary and Prospects

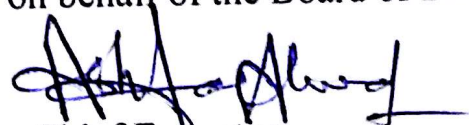
Looking the textile industry crises, management of the company decided to change the business dimensions of the company from existing to fast moving consumer goods. Petition was filed with Securities & Exchange Commission of Pakistan for approval of new business objects. An acquirer has also shown their interest to acquire management control of the company and implement new business plan through corporate restructuring. The new investor group has shown their interest for revival/takeover of the company after completion of all legal formalities. Management is also negotiating with financial institutions for financing of proposed business plan.

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: Feb.27.2017

**REVIEW REPORT ON CONDENSED INTERIM FINANCIAL
INFORMATION TO THE MEMBERS
For the period ended December 31, 2016**

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **M/S. TAHA SPINNING MILLS LIMITED** ("the Company") as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2016 and December 31, 2015 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2016.

SCOPE OF REVIEW

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

BASIS FOR ADVERSE CONCLUSION

The condensed interim financial information of the company have been prepared on going concern basis despite of the fact that the company has close down the factory in July 2008 and production activities remained suspended the management has disposed of the entire fixed assets of the company and paid off its major debts. No operations have been carried

N212

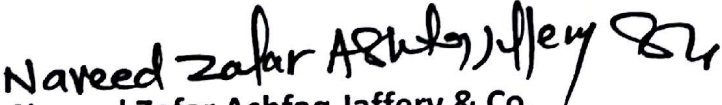
out by the company. Further more, the company has not prepared any detailed business plan including profit or cash flow projection for an appropriate period subsequent to balance sheet date the forgoing condition indicate material uncertainty which cast a significant doubts on company's ability to continue as a going concern.

The significance of matter discuss in preceding paragraph lead us to believe that going concern assumption used in preparation of the financial statements of the company is inappropriate: consequently the assets and liabilities should have been stated at their realizable value and settlement amount respectively.

CONCLUSION

Based on our review, due to significance of matter described in the preceding paragraph, that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2016; is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

N202


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra – FCA

Karachi


Dated: 27 FEB 2017

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Note	December 31, 2016 Rupees (Un-Audited)	June 30, 2016 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.		<u>61,000,000</u>	<u>61,000,000</u>
Issued, subscribed and paid up share capital	5	40,500,000	40,500,000
Accumulated Loss		<u>(35,515,490)</u>	<u>(33,755,117)</u>
		4,984,510	6,744,883
CURRENT LIABILITIES			
Trade and other payables		10,000	67,400
TOTAL EQUITY AND LIABILITIES		<u><u>4,994,510</u></u>	<u><u>6,812,283</u></u>
CONTINGENCIES AND COMMITMENTS			
	6		
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		25,000	25,000
CURRENT ASSETS			
Advance income tax		224,198	221,449
Other receivables		1,687,019	5,007,019
Cash and bank balances		3,058,293	1,558,815
		4,969,510	6,787,283
TOTAL ASSETS		<u><u>4,994,510</u></u>	<u><u>6,812,283</u></u>

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

N202


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

Note	Half year ended		Quarter ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees	December 31, 2016 Rupees	December 31, 2015 Rupees
Administrative expenses	(1,781,594)	(840,899)	(781,657)	(481,447)
Profit on bank account	26,999	12,546	19,449	5,326
Finance cost	(5,778)	(870)	(4,966)	(580)
	(1,760,373)	(829,223)	(767,174)	(476,701)
Loss before taxation	(1,760,373)	(829,223)	(767,174)	(476,701)
Taxation	-	-	-	-
Loss after taxation	(1,760,373)	(829,223)	(767,174)	(476,701)
Loss per share - basic and diluted	(0.43)	(0.20)	(0.19)	(0.12)

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

N2A


CHIEF EXECUTIVE

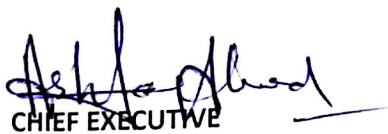

DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

Note	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(1,760,373)	(829,223)	(767,174)	(476,701)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(1,760,373)</u>	<u>(829,223)</u>	<u>(767,174)</u>	<u>(476,701)</u>

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

N2M


 CHIEF EXECUTIVE


 DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Half year ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,760,373)	(829,223)
Adjustments for:		
Finance cost	5,778	870
Loss before working capital changes	(1,754,595)	(828,353)
Decrease in current assets		
Other receivable	3,320,000	474,697
	3,320,000	474,697
(Decrease) in current liabilities		
Trade and other payables	(57,400)	(68,000)
Cash generated from / (used in) from operations	1,508,005	(421,656)
Finance cost paid	(5,778)	(870)
Taxes paid / adjustment	(2,749)	(1,472)
	(8,527)	(2,342)
Net cash generated from / (used in) from operating activities	1,499,478	(423,998)
Net increase / (decrease) in cash and cash equivalents	1,499,478	(423,998)
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	3,058,293	3,676,204

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

N219


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

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

-----Rupees-----

Balance as at July 01, 2015	40,500,000	(30,754,013)	9,745,987
Total comprehensive loss for the period ended December 31, 2015	-	(829,223)	(829,223)
Balance as at December 31, 2015	<u>40,500,000</u>	<u>(31,583,236)</u>	<u>8,916,764</u>
Balance as at July 01, 2016	40,500,000	(33,755,117)	6,744,883
Total comprehensive loss for the period ended December 31, 2016	-	(1,760,373)	(1,760,373)
Balance as at December 31, 2016	<u>40,500,000</u>	<u>(35,515,490)</u>	<u>4,984,510</u>

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

N2M


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
NOTES TO THE CONDENSED INTRIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (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 also 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 half year ended December 31, 2016 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 presented has been extracted from annual financial statements for the year ended June 30, 2016, whereas comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the six month ended December 31, 2015.

N2M

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

DECEMBER 31, 2016	JUNE 30, 2016		(Un-Audited) DECEMBER 31, 2016	(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 period.

6 CONTINGENCIES AND COMMITMENTS

Recovery suit was filed by the Pakistan Synthatic Limited for recovery of sum amounting to Rs. 1.5 million during 2010, but the company was not acknowledging the claim due to closed and time barred matter of 2003. The matter is subjudice before the court and liability is shown in contingencies.

7 TRANSACTIONS AND BALANCES 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.

N207

Details of transaction balances with related parties are as follows:

	DECEMBER 31, 2016 (Un-audited) Rupees	DECEMBER 31, 2015 (Un-audited) Rupees
Transactions with related party		
HMI Energy (Pvt) Limited - Associate - Payment received against sale of generator	3,320,000	-
	(Un-Audited) DECEMBER 31, 2016 Rupees	(Audited) JUNE 30, 2016 Rupees
Balances with related party		
HMI Energy (Pvt) Limited - Associate - Other receivable	680,000	4,000,000

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on 27.02.2017 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.

N2017


CHIEF EXECUTIVE


DIRECTOR