TAHA SPINNING MILLS LIMITED

ANNUAL ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2016

CONTENTS

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 1st 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:	tsml@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

VISION STATEMENT

The management is committed to revive the company by introducing new business dimensions. The primary vision is to re-establish the company in local and international market with new products

MISSION STATEMENT

The company has taken on a mission to introduce new products, improve quality, profitability and meet its financial commitments, improve the remuneration of its employees and give a fair return to its shareholders while complying with the best practices of Corporate Governance.

TAHA SPINNING MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the shareholders of Taha Spinning Mills Limited will be held on Saturday, 29th October, 2016 at 9.30 a.m at its registered office at 406-Commerce Centre, Hasrat Mohani Road, Karachi to consider the following business:

1. To confirm the minutes of EOGM held on 3rd October 2016

2. To receive, consider and adopt the report of Directors, Auditors and the Audited Accounts of the company for the year ended June 30, 2016.

3. To appoint the Auditors for the year ending 30.6.2017 and fix their remuneration. The retiring auditors M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants being eligible, offers themselves for reappointment.

4. To consider any other business with the permission of the Chair.

By order of the Board
Company Secretary

Karachi: October 7, 2016

Notes:

1. The share transfer books of the company will remain closed from 22nd October 2016 to 29th October 2016 (both days inclusive)
2. A member entitled to attend and vote at this meeting may appoint to a member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the company at the registered office not less than 48 hours before the meeting.
3. Any individual, beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her original NIC or Passport, Account No. and participant's I.D number, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her NIC or Passport.
4. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of nominee/proxy shall be required
5. Shareholders are requested to notify any change in their address immediately and send copy of their CNIC

TAHA SPINNING MILLS LIMITED
DIRECTORS' REPORT TO THE SHARE HOLDERS

The directors of your company are pleased to place their report together with the auditors' report and audited financial statements of the company for the year ended June 30, 2016.

AN OVERVIEW

Textile industry is in crises due to electric and gas load shedding, reduction in cotton production and inconsistent government policies. Higher inflation in the country is another major cause of crises. Cost of production is increasing due to higher inflation. Lack of technology up gradation is another factor to produce quality yarn and compete in international market. All these issues need government attention to develop reforms to face various challenges of textile industry.

OPERATING RESULTS

There is no manufacturing activity and no sale during the year under report. Operating results for the year are as under:

	30 June 2016 Rupees	30 June 2015 Rupees
Sales – Net	--	--
Net Loss/ (Profit) before tax	**(3,001,104)**	**(3,298,642)**
Provision for taxation:		
Current.	--	--
Prior year	--	**57,283**
Profit (loss) after tax	**(3,001,104)**	**(3,241,359)**
Earning per share.	**(0.74)**	**(0.80)**

FINANCE COST

Since the settlement of entire liabilities of the company, there is no borrowing cost for the year.

TAXATION

Income tax returns are all upto date. Returns for the year are deemed to be accepted as filed.

DIVIDEND

Due to adverse financial condition of the company, board is not recommending any dividend.

OUTSTANDING STATUTORY PAYMENTS

There are no overdue statutory payments

CURRENT AND FUTURE OUTLOOK

Looking the textile industry crises, management of the company has decided to change the business dimensions of the company from existing to fast moving consumer goods. Management called EOGM of the members on 3rd October, 2016 and got approval of the members for new business plan and addition of new object clauses in the Memorandum of Association of the company. Management is planning to get involve in the manufacture of fast moving consumer goods itself or through merger, corporate restructuring or through prosperous investors for revival of the company. Negotiation with a prosperous group has been completed for new business plan. The new investor group has shown their interest for revival of the company. Management is also negotiating with financial institutions for financing of proposed business plan.

RELATED PARTIES

It is the policy of the management to ensure that all transaction entered with related parties must be at arm's length basis. Relevant rates are to be determined as per the comparable un-controlled price method.

ENVIRONMENT, HEALTH, SAFETY AND SOCIAL ACTIONS

Management provides and maintains, reasonably practicable, systems and working conditions which are safe and without risk to the health of all employees and public

CHANGES IN THE BOARD OF DIRECTORS

There are no changes in the board of directors during the year under report.

MEETING OF BOARD OF DIRECTORS

Six board meetings were held during the year and each director attended the following number of meetings.

Directors	No. of meetings
Mr. Ashfaq Ahmed	6
Mr. Saqib Ashfaq	3
Mr. Amir Ashfaq	5
Mr. Niaz Muhammad	6
Mr. Azam Nisar	5
Mr.Qamar Iqbal	5
Mr. Saleem Abbas	1

Leave of absence was granted to the directors who could not attend some of the meetings.

PATTERN OF SHARE HOLDING IS ANNEXED TO THIS REPORT.

TRADING IN COMPANY SHARES

During the year under review there was no trading of the company's share by the Directors, Chief Financial Officer, Company Secretary and Head of Internal Audit their spouses and minor children.

AUDITORS

The present auditors of the company M/s. Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants retires and being eligible offer themselves for reappointment under the terms of the Code of Corporate Governance. The Audit Committee recommended the board to appoint auditors for the year ending June 30, 2017

CORPORATE GOVERNANCE

We are pleased to inform you that the company has taken necessary steps to comply with the provisions of the Code of Corporate Governance as incorporated in the regulations of Stock Exchanges.

STATEMENT OF DIRECTORS RESPONSIBILITIES UNDER THE CODE OF CORPORATE GOVERNANCE.

The Board of Directors state that:

a. The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity

b. Proper books of account of the company have been maintained

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed.

e. The system of internal control is sound in design and has been effectively implemented and monitored

f. The management is exploring other business activities through corporate restructuring. Object clauses of memorandum of association are being changed. Management is negotiating with banks and prosperous investors to execute future business plan. In view of the efforts, there are no doubts upon the Company's ability to continue as a going concern.

g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h. Key operating and financial data of last six years in a summarized form is annexed.

i. The board of directors has adopted a vision and mission statement on overall corporate strategy.

AUDIT COMMITTEE

The Board, in compliance to the Code of Corporate Governance, has formed an Audit Committee. It has three members of the audit committee. Chairman of the committee is an independent director. Four meetings of the committee were held during the period. The names of its members are given in the company profile. The meetings were attended by all the members.

The term of reference of the Audit Committee are based on the scope as defined by the Securities and Exchange Commission of Pakistan (SECP) in CCG 2012 and the guidelines given by the board of directors from time to time to improve the system and procedures.

BOARD'S PERFORMANCE EVALUATION:

The board performance is evaluated through HR&RC Committee on the established mechanism of self-assessment by the individual board members. The board evaluation assessment covers specific areas of board performance, board composition, Board & CE Remuneration, strategic planning and board interaction.

DIRECTORS TRINING PROGRAMME:

Company has three directors on its board those are exempt from Directors training programme. The board arranged in house orientation programs for its directors during the year.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Human Resource Committee was formed, one meeting was held during the year under report.

STATEMENT OF ETHICS AND BEST BUSINESS PRACTICES

The Board has prepared the statement of ethics and best business practices which has been circulated to all the directors and employees for their acknowledgement. understanding and acceptance.

RELATIONSHIP WITH SHARE HOLDERS

The company reports formally to the shareholders four times a year all its financial results alongwith directors review on the operations and future outlook of the company. All the interim and final reports are being sent to The Karachi Stock Exchange and at the registered addresses of the shareholders.

In addition to above, company sends its annual report and formal notification for holding Annual General Meeting at least 21days in advance to facilitate the shareholders to participate in the meeting. The financial results are also available on the company's website. "www.hmiml.com"

ACKNOWLEDGEMENTS

The Board acknowledges the hard work and efforts of the staff and hopes that this will continue in the forthcoming years. The Board also acknowledges ongoing support from its bankers.

For and on behalf of the Board

Chief Executive

Karachi: October 6,2016

TAHA SPINNING MILLS LIMITED

STATEMENT OF ETHICS AND BUSINESS PRACTICES

As approved by the Board of Directors, the management of Taha Spinning Mills Limited is hereby advised to follow the under mentioned principles for excellent performance in the attempt to achieve the objectives of the company

AS DIRECTOR

a. Commit to all the necessary and appropriate resources.
b. Foster a conducive environment through responsive policies
c. Maintain organizational effectiveness for the achievement of targets.
d. Encourage and support compliance of legal and industrial requirements
e. Protect the interest of the company and employees.

AS EXECUTIVE AND MANAGER

f. Protect the interest of the company and management.
g. Ensure increase in productivity and profitability of the company.
h. Provide the direction and leadership to the organization.
i. Ensure total customer satisfaction through quality product and services
j. Promote a culture of excellence, devotion and continual improvement
k Cultivate work ethics and harmony among colleagues and associates
l Encourage initiatives and self-realization of responsibilities in juniors
m. Ensure as equitable way of working and reward system

AS EMPLOYEE AND STAFF

n. Devotion to your job.
o. Abide by company's policies and regulations.
p. Promote and protect the interest of the company.
q. Exercise prudence and honesty in using company's resources.
r. Observe cost effective practices in daily activities
s. Avoid making any personal gain at the cost of the company

BRIBERY

t. The payment of bribes, kickbacks in cash or kind to obtain business or otherwise for the company is strictly prohibited

FINANCIAL INTEGRITY

u. Compliance with accepted accounting rules and procedure is required at all times
v. All information supplied to all concerns must be complete and not misleading

w. The company will not knowingly assist fraudulent activities. If you have any reason to believe that fraudulent activities are taking place within the company or outside where we do business, you must inform the management immediately

TAHA SPINNING MILLS LIMITED

KEY OPERATING & FINANCIAL RESULTS
SIX YEARS AT A GLANCE

OPERATING DATA	2016	2015	2014	2013	2012	2011
		RUPEES				
Sales	-					[illegible]
Cost of goods sold						[illegible]
Gross profit	-			-		[illegible]
Operating profit/(loss)	(3,001,104)	(3,298,642)	72,738,395	(30,128,400)	[illegible]	[illegible]
Profit/(loss) before taxation	(3,001,104)	(3,298,642)	72,[illegible]38,395	(30,128,400)	[illegible]	[illegible]
Profit/(loss) after taxation	(3,001,104)	(3,241,359)	72,681,112	(30,128,400)	[illegible]	[illegible]

FINANCIAL DATA	2016	2015	2014	2013	2012	2011
Paid up capital	40,500,000	40,500,000	40,500,000	[illegible]	[illegible]	[illegible]
Equity balance	6,744,883	9,745,987	12,987,346	[illegible]	[illegible]	[illegible]
Fixed assets	-	-	-	396,510	115,555,495	115,555,495
Current assets	6,787,283	9,798,98	[illegible]	[illegible]	[illegible]	[illegible]
Current liabilities	67,400	78,000	65,000	113,540,708	109,537,480	95,334,252

KEY RATIOS	2016	2015	2014	2013	2012	2011
Gross margin (%)						[illegible]
Operating margin (%)		-				[illegible]
Net profit (%)		-	-	-	-	[illegible]
Return on capital (times)	(44.49)	(33.26)	559.63	325.42	[illegible]	[illegible]
Current ratio (%)	0.01	0.01	-	11.04	4.53	2.13
Earnings per share (Rs.)	(0.74)	(0.80)	17.95	[illegible]	[illegible]	[illegible]
Cash dividend (%)	-	-	-	-	-	-

STATISTICS	2016	2015	2014	2013	2012	2011
Number of spindles					[illegible]	[illegible]
Production into 20/s count (in 'million' Kgs)						

Taha Spinning Mills Limited
406 Commerce Centre, Hasrat Mohani Road, Karachi, Pakistan
Tel: 32638521-3 Fax: 32639843 E.mail:tsml@hmiml.com

Appendix B

Statement of Compliance with the Code of
Corporate Governance
[See clause (XI)]

Name of Company: TAHA SPINNING MILLS LIMITED

Year Ending: 30th June, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in clause No.5.19 of Chapter 5 of the Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes.

Category	Names
Independent Directors	Mr.Niaz Mohammad
Executive Directors	Mr.Ashfaq Ahmed Mr.Amir Ashfaq
Non-Executive Directors	Mr.Muhammad Azam Mr.Saqib Ashfaq Mr.Qamar Iqbal Mr.Saleem Abbas

The independent director meets the criteria of independence under clause 5.19.1(b) of the CCG

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or being a member of a stock exchange, has been declared as a defaulter by that stock exchange

4. No casual vacancy occurred on the board during the year under report.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the CEO as the company is operating without the Chairman, and in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The board arranged in house orientation programs for its directors during the year. The company has on its board three directors those are exempt from training as per exemption criteria of CCG. The board is initiating training program for its directors.

10. There is no change of CFO, Head of Internal Audit, Except Company Secretary during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises three members of whom two are non-executive directors and the chairman of the committee is an Executive director.

18. The board has set up an effective internal audit function with suitable qualified and experienced personal who is involved in the internal audit of the company.

19. The statutory auditors of the company have confirmed that at the time of their appointment they had a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other applicable material principles contained in the CCG have been complied with.

ASHFAQ AHMED
Chief Executive

Karachi: October 6, 2016

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
A member firm of
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REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the code") prepared by the Board of Directors of **Taha Spinning Mills Limited** ("the Company") for the year ended June 30, 2016 to comply with the requirements of Listing Regulation No. 35 chapter XI of Pakistan Stock Exchange limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, except for the following non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

NZAJ

Further, we highlight below instance(s) of non-compliance with the requirement(s) of the Code as reflected in the note/paragraph reference where these are stated in the Statement of Compliance:

i. As disclosed in point 8 of the statement, the Chairman of the BOD of the listed company has not been elected and all the BOD meetings held during the year were presided by the Chief Executive Officer of the Company.

ii. As disclosed in point 18 of the statement, the qualification of Head of Internal Audit is not as per the requirement of clause (xiv) of the code.

NZM

Naveed Zafar Ashfaq Jaffery & Co.

Karachi
Date:

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Naveed Zafar Ashfaq Jaffery & Co.
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Taha Spinning Mills Limited** ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion, we report that:

I. The financial statements of the Company have been prepared on going concern basis, despite of the facts that the Company has closed down the factory in July 2008, and production activities remained suspended. The management has disposed off the land and building to pay off its major debs as disclosed in note 1.2 of notes to the financial statements. Furthermore, the Company has not prepared any detailed business plan including profit or cash flow projection for an appropriate period subsequent to the balance sheet date. The foregoing conditions indicate material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern.

   The significance of matters discussed in the preceding paragraph, lead us believe that the 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 and settlement amount respectively.

Other Offices | 3-B, ATS Centre, 30-West, Fazal-Ul-Haq Road, Blue Area, Islamabad, Pakistan - Ph: +92 51-2878530-32 Fax: +92 51-2206283 Email: isl@nzaj.com.pk
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a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 , and are in agreement with the books of account and are further in accordance with accounting policies consistently applied ;

ii. the expenditure incurred during the year was for the purpose of the Company's business; and

iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

iv. due to significance of the matter referred to in paragraph (I) above, in our opinion and to the best of our information and according to the explanations given to us, the financial statements together with the notes have not been prepared in all material respect as at June 30, 2016 and of its profit, comprehensive income, its cash flow and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and do not give the information required by the Companies Ordinance, 1984.

v. no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Naveed Zafar Ashfaq Jaffery & Co

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

Karachi
Dated:

TAHA SPINNING MILLS LIMITED
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
6,100,000 (2015 : 6,100,000) ordinary shares of rupees 10 each		**61,000,000**	**61,000,000**
Issued, subscribed and paid up share capital	5	40,500,000	40,500,000
Accumulated loss		(33,755,117)	(30,754,013)
		6,744,883	9,745,987
CURRENT LIABILITIES			
Trade and other payables	6	67,400	78,000
TOTAL EQUITY AND LIABILITIES		**6,812,283**	**9,823,987**
Contingencies and Commitments	7	-	-
ASSETS			
NON-CURRENT ASSETS			
Long term deposits	8	25,000	25,000
CURRENT ASSETS			
Advances tax - net of provision		221,449	217,069
Other receivables	9	5,007,019	5,481,716
Cash and bank balances	10	1,558,815	4,100,202
		6,787,283	9,798,987
TOTAL ASSETS		**6,812,283**	**9,823,987**

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

TAHA SPINNING MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Operating expenses			
Administrative expenses	11	(3,025,836)	(3,333,861)
Operating loss		(3,025,836)	(3,333,861)
Other operating income	12	27,522	37,665
		(2,998,314)	(3,296,196)
Finance cost	13	(2,790)	(2,446)
Loss before taxation		(3,001,104)	(3,298,642)
Taxation	14		57,283
Loss after taxation		**(3,001,104)**	(3,241,359)
Loss per share (Basic and diluted)	15	**(0.74)**	(0.80)

N2M

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

TAHA SPINNING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Loss after taxation	(3,001,104)	(3,241,359)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(3,001,104)**	(3,241,359)

N202

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

TAHA SPINNING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	Rupees
Loss after taxation	(3,001,104)	(3,241,359)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(3,001,104)**	(3,241,359)

N202

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

TAHA SPINNING MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(3,001,104)**	(3,298,642)
Adjustments for:		
Finance cost	2,790	
	2,790	
Loss before working capital changes	**(2,998,314)**	(3,298,642)
Decrease in current assets		
Other receivable	474,697	469,029
Increase/(Decrease) in current liabilities		
Trade and other payables	(10,600)	13,000
Cash used in operations	**(2,534,217)**	**(2,816,613)**
Finance cost paid	(2,790)	-
Taxes paid/adjustment	(4,380)	(3,976)
	(7,170)	(3,976)
Net cash used in operating activities	(2,541,387)	(2,820,589)
Net decrease in cash and cash equivalents	**(2,541,387)**	(2,820,589)
Cash and cash equivalents at beginning of the year	4,100,202	6,920,791
Cash and cash equivalents at end of the year	**1,558,815**	4,100,202

N2M

The annexed notes from 1 to 23 form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

TAHA SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Issued, subscribed and paid-up capital	Accumulated Losses	Total
	--------------------Rupees-------------------		
Balance as at July 01, 2014	**40,500,000**	**(27,512,654)**	**12,987,346**
Total comprehensive loss for the year	-	(3,241,359)	(3,241,359)
Balance as at June 30, 2015	**40,500,000**	**(30,754,013)**	**9,745,987**
Balance as at July 01, 2015	**40,500,000**	(30,754,013)	9,745,987
Total comprehensive loss for the year	-	(3,001,104)	(3,001,104)
Balance as at June 30, 2016	**40,500,000**	(33,755,117)	6,744,883

N20)

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

TAHA SPINNING MILLS LIMITED
NOTES TO THE THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1 THE COMPANY AND ITS OPERATIONS

1.1 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 Karachi Stock Exchange in Pakistan on February 01, 1994. The principal business of the company is to manufacture and sale of yarn. The registered address of the company is situated at 406-Commerce Centre, Hasrat Mohani Road, Karachi 74200.

1.2 The Company has closed down the factory in July 2008, and production activities remained suspended. The management has disposed off the land and building to pay off its major debts. The management of the company has decided to change the business dimensions of the company from existing to fast moving goods. The management has prepared new business plan. The new business objects were not specified in the Memorandum of Association of the company. Management was feeling hurdles in implementing its new business plan.

Management is planning to get involve in manufacture of fast moving consumer goods, itself or through corporate restructuring, merger or through properous investors for revival of the company as sufficient funds are required to implement new business plan. Looking the new business dimension, the Appellate Bench of SECP has set aside the Impungned Order dated 11/05/2016 under section 309 r/w section 305 of the Companies Ordinance, 1984. The management is also negotiating with financial institutions for financing of the proposed business plan. In view of the new business dimensions, the company shall remain as a going concern company.

Subsequent to the year ended June 30, 2016, management of the company has added new object clauses in Memorandum of Association as approved by members in EOGM held on 3rd October 2016. Further the negotiation with a prosperous investor has been completed for new business plan. The new investor has shown their interest for revival of the company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Standards ammendments and interpretations

a) Standards, amendments or interpretations which became effective during the year:

There were certain new standards, ammendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), interpretations which became effective during the year but are not considered to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

b) Standards, amendments or interpretations not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 - 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements and (IAS 28 - 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 01 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.

- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 01 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41 (effective for annual periods beginning on or after 01 January 2016). Bearer plants are now in the scope of IAS 16 Property Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 - 'Agriculture'. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 12 'income Taxes' are effective for annual periods beginning on or after 01 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements

N2D

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 01 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendment is likely to result in additional disclosure in Company's financial statements.

- Amendments to IFRS 2 - 'Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments effective for annual period beginning on or after 01 July 2016). The new cycle of improvements contain amendments to the following standards.

- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations'. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 - 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 - 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

  The above improvements to standards are not likely to have material / significant impact on Company's financial statements.

3 BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

N22

3.2 The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

Provision for taxation

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's' view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Staff retirement benefits - gratuity

Certain actuarial assumptions have been adopted as disclosed in relevant note to the financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

Property, plant and equipment

The company reviews recoverable amount, useful life , residual value and possible impairment on an annual basis. Any changes, if material in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Staff retirement benefit

Defined benefit plan

The company operates as unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to income. The most recent actuarial valuation was carried on June 30, 2013 using the Projected Unit Credit Method.

Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for the plan at the end of previous reporting exceeds 10 percent of the present value of defined benefit obligation at that date.

4.2 Taxation

Current

Provision for current taxation is made on the taxable income, if any, after taking into account tax credit and tax rebate available.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

The carrying amount of all deferred tax assets are reviewed at each balance sheet date and reduced to the extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

4.3 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.4 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.5 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost or revalued amount less accumulated depreciation and impairment loss, if any except freehold land which is stated at revalued amount. Depreciation is calculated on straight line method to write-off the cost or revalued amount of assets less their residual values, over their expected useful lives. Remaining useful lives of significant assets and their residual values are reviewed periodically and changes in estimates arising from such review is accounted for in current and future years.

Depreciation on additions during the year is charged on pro-rata basis when the asset is acquired or capitalized. Similarly the depreciation was charged on additions and no depreciation was charged on deletion during the period.

In the year of revaluation depreciation is charged after the date of valuation until the year end. Gain or Loss on disposal of property, plant and equipments are included in operating income. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

N20

Assets subject to finance lease

Assets held under finance leases are stated at lower of present value of minimum lease payments under the lease agreement and the fair value of assets acquired on lease. Aggregate amount of related obligations under the lease less financial charges allocated to future payments are shown as liability. The financial charges are allocated to accounting period in a manner to provide constant periodic rate of charge on the outstanding liability. Assets acquired under finance lease are depreciated apply straight-line method on a basis similar to owned assets. Depreciation of leased assets is charged to income currently.

4.6 Impairment

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4.7 Capital Work-in-progress

Capital work-in-progress (CWIP) is stated at cost. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are ready for their intended use.

4.8 Investment

The management determines the appropriate classification of its investment in accordance with the requirements of International Accounting Standard (IAS 39) Financial Instrument: Recognition and measurement at the time of the purchase and classifies these investments as fair value through profit or loss account, held to maturity or available for sale.

(a) Financial assets at fair value through profit or loss account

Investments that are acquired principally for the purpose of generating profit from short term fluctuation in prices are classified as "fair value through profit or loss account". These investments are initially recognised at cost and transaction cost associated with the investment are taken directly to profit and loss account. Subsequent to initial measurement, investments at fair value through profit or loss are marked to marked, using the closing market rates at the end of each day and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these investments, based on the quoted market rates ruling at the day-end, are taken to profit and loss account.

(b) Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intent and ability to hold to maturity

N29

(c) Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as "available for sale". These investments are initially recognized at cost which includes transaction cost which includes transaction costs associated with the investment. Subsequent to initial measurement, "available for sale" investments are revalued and are remeasured at fair value. Net gains and losses arising on changes in fair values of these investments are taken to shareholder's equity.

All purchases and sales of investments that required delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at trade date which is the date that the company commits to purchase or sale the asset. All other purchases and sales are recognised as derivative forward transactions until settlement occurs.

Investments are derecognized when the right to received cash flows from the investments have expired, have been realized or transferred and the company has transferred substantially all risk and rewards of ownership.
Impairment of investments is recognised when there is a permanent diminution in their values.

4.9 Stores, spares and loose tools

These are valued at cost or net realizable value whichever is less. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred.

4.10 Stock in trade

Stock in trade are valued at lower of average cost and net realizable value applying the following

Raw material

At average cost except those in transit which are stated at actual cost

Work in process and finished goods

Cost of direct material and a proportion of manufacturing overhead based on normal capacity

Waste

At net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily incurred in order to make the sale.

4.11 Foreign currencies

Transactions in foreign currency are recorded in Rupees at rates of exchange prevailing at the date of transaction. All monetary assets and liabilities in foreign currency are re translated at exchange rate prevailing on the balance sheet date. All exchange differences are accounted for in income currently

4.12 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and bank balances.

N202

4.13 Financial instruments

Financial instruments carried at the balance sheet date include trade debts, loans and advances, trade deposits, other receivables, cash and bank balances, long term financing, short term borrowings, trade and other payables and interest/mark-up on loans. Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and derecognized when the company losses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified into the contract is discharged, cancelled or expired.

4.14 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is off set and the net account is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.15 Trade debts

Trade Debts are carried at original invoice less an estimate made for doubtful debts based on a review of all out standing amounts at the year end. Bad debts are written off when identified

4.16 Borrowings

Financing and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis.

4.17 Trade and other payables

These are recognised using the trade date accounting and are measured at cost which is the fair value of the consideration to be paid for the goods and services in future.

4.18 Borrowing cost

Borrowing costs directly attributable to acquisition and construction of qualifying assets are capitalized up to the date of commencement of commercial production. All other borrowing costs are charged to the income.

4.19 Related party transactions and transfer pricing

Transactions and contracts with related parties ar carried out at an arm's length price determined in accordance with the comparable uncontrolled price method.

4.20 Revenue recognition

Export sales are accounted for on shipment basis and exchange difference, if any on account of export proceeds are adjusted in the period realization. Local sales are recognised on dispatch of goods to the customer. Dividend is recognized as income when the right to receive dividend is established. Profit on deposits is recognized on time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.21 Dividend

The dividend distribution to the shareholders is recognised as a liability in the period in which it is approved by the shareholders.

N2M

		2016 Rupees	2015 Rupees
5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			

2016	2015			
Number of shares				
4,050,000	4,050,000	Ordinary shares of Rs. 10 each fully paid in cash	**40,500,000**	40,500,000

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.

	2016 Rupees	2015 Rupees
6 TRADE AND OTHER PAYABLES		
Audit fee payable	**67,400**	78,000

7 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

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.

COMMITMENTS

There is no commitments as at June 30, 2016 (2015 : Nil).

	Note	2016 Rupees	2015 Rupees
8 LONG TERM DEPOSITS			
CDC deposit		**25,000**	25,000
9 OTHER RECEIVABLES			
Considered good			
Sales tax receivable		1,007,019	1,481,716
Due from related party		4,000,000	4,000,000
		5,007,019	**5,481,716**

N2M

		Note	2016 Rupees	2015 Rupees
10	**CASH AND BANK BALANCES**			
	Cash in hand		763,620	3,319,742
	Cash at banks			
	Current accounts		795,195	780,460
			1,558,815	**4,100,202**
11	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		2,295,500	839,992
	Postage and Courier		4,630	2,582
	Auditors' remuneration	**11.1**	78,000	78,000
	Legal and professional		25,000	127,750
	Fire Loss		-	1,452,300
	Repair and Maintenance office			254,780
	Conveyance expense		20,700	
	Printing and stationery		34,450	20,000
	Fees and subscriptions		121,206	133,606
	Advertisment Expenses		26,350	7,250
	Other expenses		420,000	417,601
			3,025,836	**3,333,861**
11.1	**Auditors' remuneration**			
	Statutory audit fee		65,000	65,000
	Half yearly review fee		13,000	13,000
			78,000	**78,000**
12	**OTHER OPERATING INCOME**			
	Profit on bank account		**27,522**	37,665
13	**FINANCE COST**			
	Bank charges		**2,790**	2,446
14	**TAXATION**			
	Current			
	Prior year			(57,283)
				(57,283)

Assessment will be finalized under the provisions of Income Tax Ordinance, 2001.

			2016	2015
15	**LOSS PER SHARE - BASIC AND DILUTED**			
	Loss for the year	Rupees	**(3,001,104)**	(3,241,359)
	Weighted average number of ordinary shares	Number of shares	**4,050,000**	4,050,000
	Loss per share - basic	Rupees	**(0.74)**	(0.80)

15.1 There is no dilutive effect on basic loss per share.

16 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The chief executive and directors have waived off their remunerations and meeting fees for the year. No employee of the company fall under the definition of executive as defined in the Companies Ordinance, 1984.

	2016		2015	
	Chief Executive	Directors	Chief Executive	Directors
Meeting fees	-			
Remunerations	-	-	-	
	-	-	-	-
Number of persons	**1**	**6**	1	6

17 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

17.1 Credit risk
17.2 Liquidity risk
17.3 Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

17.1 Credit risk

17.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and cash and bank balances. Out of total financial assets of Rs. 6.566 million (June 30, 2015 : Rs. 9.582 million), financial assets which are subject to credit risk aggregate to Rs. 5.584 million (June 30, 2015 : Rs. 8.125 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

N2M

	2016 Rupees	2015 Rupees
Long term deposit	25,000	25,000
Other receivables	4,000,000	4,000,000
Cash and bank balances	1,558,815	4,100,202
	5,583,815	**8,125,202**

17.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2016				
	Carrying Amount	Contractual Cash flows	Six to twelve months	One to five years	More than five years
	Rupees				
Non - derivative Financial liabilities					
Trade and other payables	67,400	67,400	-		-
	67,400	**67,400**	-		

	2015				
	Carrying Amount	Contractual Cash flows	Six to twelve months	One to five years	More than five years
	Rupees				
Non - derivative Financial liabilities					
Trade and other payables	78,000	78,000	-		-
	78,000	78,000	-		-

17.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

17.3 Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

17.3.1 Interest rate risk

There is no interest bearing security as at June 30,2016

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

The company does not account for any variable rate financial assets and liabilities. Therefore, a change in interest rates at the reporting date would not affect cashflow.

17.4 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurement and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13 has not affected the condensed interim financial information.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets ad liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than qouted prices included within Level 1 that are observable for the asset and libility, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs)

There are no assets and liabilities carrying at FV as at June 30, 2016 (June 30 2105: NL)

N2m.

17.5 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

18 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

19 PLANT CAPACITY AND PRODUCTION

Since the company has sold out its plant therefore no analysis has been given.

20 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise 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 which is disclosed in note 16 to the financial statements

Details of transaction balances with related parties are as follows:

	2016 Rupees	2015 Rupees
HMI Energy (Pvt) Limited - Associate		
- other receivables	**4,000,000**	4,000,000

21 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

There is no adjusting event after the balance sheet date

22 GENERAL

22.1 The number of employees of the Company as at June 30, 2016 is 5 (2015: 2)

22.2 Figures have been round off to the nearest rupees

22.3 Certain prior year comparatives have been reclassified to conform to the current's years presentation

23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 6, 2016 by the board of directors of the company.

N29

CHIEF EXECUTIVE | **DIRECTOR**

TAHA SPINNING MILLS LIMITED

PATTERN OF HOLDING OF SHARES HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2016

No. of Shareholders	Share Holding			Shares Held
29	1	To	100	[illegible]
84	[illegible]	To	500	[illegible]
27	501	To	1,000	[illegible]
58	1,001	[illegible]	[illegible]	[illegible]
20	5,001	[illegible]	[illegible]	[illegible]
4	10,001	To	[illegible]	[illegible]
7	15,001	To	[illegible]	[illegible]
2	20,001	To	[illegible]	[illegible]
1	25,001	To	30,000	[illegible]
-	30,001	To	35,000	
1	35,001	To	[illegible]	[illegible]
1	40,001	To	[illegible]	[illegible]
-	45,001	[illegible]	[illegible]	
-	50,001	[illegible]	[illegible]	
-	[illegible]	[illegible]	[illegible]	
-	[illegible]	[illegible]	[illegible]	
-	[illegible]	[illegible]	[illegible]	
-	70,001	To	[illegible]	
1	75,001	To	[illegible]	[illegible]
-	80,001	To	85,000	
-	85,001	[illegible]	[illegible]	
-	90,001	To	[illegible]	
-	95,001	[illegible]	[illegible]	
-	100,001	To	[illegible]	
-	105,001	To	[illegible]	
-	115,001	To	120,000	
-	120,001	To	125,000	
-	130,001	[illegible]	[illegible]	
1	135,001	[illegible]	140,000	[illegible]
-	[illegible]	[illegible]	[illegible]	
-	145,001	To	[illegible]	
1	150,001	To	[illegible]	[illegible]
1	155,001	To	160,000	[illegible]
-	160,001	To	[illegible]	
-	165,001	To	[illegible]	
-	170,001	To	175,000	
-	175,001	To	[illegible]	
-	180,001	[illegible]	[illegible]	
-	185,001	[illegible]	[illegible]	
-	190,001	To	[illegible]	
1	[illegible]	[illegible]	[illegible]	[illegible]
1	[illegible]	[illegible]	[illegible]	[illegible]
1	[illegible]	[illegible]	[illegible]	[illegible]
-	300,001	To	[illegible]	
1	350,001	To	[illegible]	[illegible]
-	400,001	To	450,000	
-	450,001	[illegible]	[illegible]	
-	500,001	[illegible]	1,000,000	
-	1,000,001	To	1,500,000	
1	1,500,001	To	2,000,000	[illegible]
-	2,000,001	To	[illegible]	
244				[illegible]

CATEGORY WISE SUMMARY OF SHAREHOLDERS

S. No.	Category Name	No. of Shareholders	Share Held	Percentage
1	Individuals	237	[illegible]	[illegible]
2	Joint Stock Companies	6	[illegible]	[illegible]
3	Mutual Fund	1	[illegible]	[illegible]
		244	[illegible]	[illegible]

TAHA SPINNING MILLS LIMITED

PATTERN OF SHAREHOLDING AS PER LISTING
REGULATIONS AS AT 30TH JUNE, 2016

SHARE HOLDERS' CATEGORY		No.of Share held.	Percentage
1	Associated Companies, Undertaking and related parties.		
	HMI Energy (Pvt) Ltd.	1,624,500	40.11
2	Mutual Funds:		
	Trustee Rahim Iqbal Rafiq & Co	1,000	0.02
3	CEO,Directors & their Spouses and minor children.		
	Mr.Ashfaq Ahmed (Chief Executive)	500	0.01
	Mr.Saqib Ashfaq	500	0.01
	Mr.Amir Ashfaq	500	0.01
	Mr.Niaz Muhammad	500	0.01
	Mr.Mohammad Azam	500	0.01
	Mr.Qamar Iqbal	500	0.01
	Mr.Saleem Abbas	500	0.01
4	Executives.	-	-
5	Public Sector Companies & Corporation.	-	-
6	Joint Stock Companies:	163,301	4.03
7	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies,Takaful, Modarabas and Pension Funds.	-	-
8	Individuals.	2,257,699	55.75
	Total	4,050,000	100.00
9	Shareholders holding 5% or more voting rights in the company.		
	HMI Energy (Pvt) Ltd	1,624,500	40.11
	Muhammad Farrukh Amin Godial	397,000	9.80
	Muhammad Arif	300,000	7.40
	Mushtaq Ahmed Vohra	213,100	5.26

TAHA SPINNING MILLS LIMITED

FORM OF PROXY
26TH ANNUAL GENERAL MEETING

I/We_________________________________ of ______________ in the district of ______________ being a member(s) of TAHA SPINNING MILLS LIMITED and holder of ______________ ordinary shares as per Share Register Folio No ______________ and or CDC Participant ID No ______________ and A/c No.______________ hereby appoint ______________ of ______________ or failing him/her ______________ of ______________ who is/are also member(s) of TAHA SPINNING MILLS LIMITED vide Registered Folio No ______________ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday 29th October, 2016 at 9.30 a.m at 406 Commerce Centre, Hasrat Mohani Road Karachi and/or any adjournment thereof.

Affix Five
Rupees Revenue Stamp

Signature ______________________________
(Signature should be agree with the specimen signature registered with the Registrar)

Signed on__________.

1.Witness Signature______________	2.Witness Signature
Name______________	Name
CNIC______________	CNIC

NOTE:

1. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
2. In the case of bank or company, the proxy form must be executed under its common seal and signed by its authorized person.
3. If this proxy form is signed under power of attorney then a notarilly certified copy of that power of attorney/authority must be deposited alongwith this proxy form.
4. Proxy form duly completed and signed, must be received at the registered office of the company at 406-Commerce Centre, Hasrat Mohani Road, Karachi, at least 48 hours before the time of holding the meeting.
5. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
6. In case of CDC account holders:
   i) The proxy form shall be witnessed by two persons whose names, address and NIC numbers shall be mentioned on the form
   ii) Attested copies of NIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
   iii) The proxy shall produce his original NIC or Original passport at the time of meeting

پراکسی فارم

26 واں سالانہ اجلاسِ عام

طہ اسپننگ ملز لمیٹڈ۔

میں مسمی / مسمات .... ولدیت ....

ساکن..

ضلع .... بحثیت ممبر طہ اسپننگ ملز لمیٹڈ، فالیو نمبر / سی ۔ ڈی ۔ سی اکاؤنٹ نمبر ....

شیرز کا شمار.................... مسمی / مسمات .... ولدیت ....

ساکن .... ضلع ....

کو اپنا مختار کار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے اجلاس عام / غیر معمولی اجلاس عام (یا جو بھی صورت ہو) جو کہ بتاریخ .... بروز .... بوقت صبح 09:30 بمقام 406 کامرس سینٹر ، حسرت موہانی روڈ ہو رہا ہے میں شرکت کرے اور میری / ہماری جگہ ووٹ ڈ ا لے۔

ریونیو مہر

دستخط ممبر...

تاریخ ....

گواہان:

1۔ دستخط	2۔ دستخط ....
نام..	نام..
پتہ..	پتہ..
شناختی کارڈ/ پاسپورٹ نمبر....................	شناختی کارڈ/ پاسپورٹ نمبر....................

خصوصی ہدایات:

1۔ یہ پراکسی فارم با قاعدہ طور پر مکمل کر کے، دستخط اور مہر کے بعد میٹنگ کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرار آفس پہنچ جانے چاہیئں۔

2۔ اگر ایک ممبر ایک سے زائد پراکسی (نا مز د گی) کے آلات مقرر کر کے کمپنیی کے پاس جمع کرواتا ہے تو ایسے تمام پراکسی (نا مز د گی) کے آلات کو غیر قانونی تصور کیا جائےگا۔

3۔ سی ۔ ڈی ۔ سی / شیئر ہو لڈرز اپنی پراکسی (نما ئند ہ) مقرر کرنے کا مجاز ہے۔ اس پراکسی (نما ئند ہ) کو میٹنگ میں شرکت کے وقت اپنی اصلی کمپیو ٹرا ئزڈ قومی شناختی کارڈ یا پاسپورٹ کی کاپی لازمی دکھانا ہو گی۔