

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 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. Shakeel Akhtar
Company Secretary	Mr. Muhammad Sarfraz
Auditors	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1 st floor, Modern House Beaumont 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:

ttml@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 financial statements for the 3rd quarter ended on 31st March, 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(2.19) million.
4. **Earnings Per Share**
The loss per share for the period ended is Rs:(0.54)
5. **Finance Cost**
There is no borrowing from banks, therefore there is no borrowing cost.
6. **Current and Future Summary and Prospects**

Textile industry is passing through crises. Major issues faced by the industry are law and order situation, electric and gas load shedding, inconsistent government policies and heavy taxes. Cost of doing business has increased. Textile industry is being devastated due to above factor. Furthermore due to failure of cotton crop and dumping of imported yarn and fabric, situation is going bad to worse. Revival of textile sector is very difficult in the country. These issues need prompt attention of the government for revival of the industry.

We have very small capital in hand, therefore we are looking other business options including merger or restructuring with prosperous companies or setting up a plant of fast moving goods according to market trend and demand. Feasibility report for the new business plan is under preparation. Negotiation with investors/financers has been started. All this depends on bankable feasibility report for consideration of financers. We are also considering to change our business object clauses. We are hopeful for the achievement of our new objects in near future if other factors remain favourable.

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

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

For and on behalf of the Board of Directors


CHIEF EXECUTIVE

Karachi: 25.04.2016

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016 (UN-AUDITED)

	Note	March 31, 2016 Rupees (Un-Audited)	June 30, 2015 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
6,100,000 (June 2015 : 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>(32,946,841)</u>	<u>(30,754,013)</u>
		7,553,159	9,745,987
CURRENT LIABILITIES			
Trade and other payables		10,000	78,000
TOTAL EQUITY AND LIABILITIES		<u><u>7,563,159</u></u>	<u><u>9,823,987</u></u>
CONTINGENCIES AND COMMITMENTS	6		
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		25,000	25,000
CURRENT ASSETS			
Advance income tax		219,307	217,069
Other receivables		5,007,018	5,481,716
Cash and bank balances		2,311,834	4,100,202
		7,538,159	9,798,987
TOTAL ASSETS		<u><u>7,563,159</u></u>	<u><u>9,823,987</u></u>

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS END QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2016 Rupees	March 31, 2015 Rupees	March 31, 2016 Rupees	March 31, 2015 Rupees
Administrative expenses		(2,211,927)	(3,001,834)	(1,371,028)	(2,625,392)
Profit on bank account		20,201	29,940	7,655	9,851
Finance cost		(1,102)	(1,851)	(232)	(894)
		<u>(2,192,828)</u>	<u>(2,973,745)</u>	<u>(1,363,605)</u>	<u>(2,616,435)</u>
Loss before taxation		(2,192,828)	(2,973,745)	(1,363,605)	(2,616,435)
Taxation	7	-	57,283	-	-
Loss after taxation		<u>(2,192,828)</u>	<u>(2,916,462)</u>	<u>(1,363,605)</u>	<u>(2,616,435)</u>
Loss per share - basic and diluted		<u>(0.54)</u>	<u>(0.73)</u>	<u>(0.34)</u>	<u>(0.66)</u>

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS END QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

Note	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(2,192,828)	(2,916,462)	(1,363,605)	(2,616,435)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(2,192,828)</u>	<u>(2,916,462)</u>	<u>(1,363,605)</u>	<u>(2,616,435)</u>

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS END QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Nine months ended	
	March 31, 2016 Rupees	March 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,192,828)	(2,973,745)
Adjustments for:		
Finance cost	1,102	1,851
Loss before working capital changes	(2,191,726)	(2,971,894)
(Increase) / Decrease in current assets		
Other receivable	474,698	469,029
	474,698	469,029
Increase / (Decrease) in current liabilities		
Trade and other payables	(68,000)	122,500
Cash (used in) / generated from operations	(1,785,028)	(2,380,365)
Finance cost paid	(1,102)	(1,851)
Taxes paid / adjustment	(2,238)	(3,204)
	(3,340)	(5,055)
Net cash (used in) / generated from operating activities	(1,788,368)	(2,385,420)
Net (decrease) / increase in cash and cash equivalents	(1,788,368)	(2,385,420)
Cash and cash equivalents at the beginning of the period	4,100,202	6,920,791
Cash and cash equivalents at the end of the period	2,311,834	4,535,371

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CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT CHANGES IN EQUITY
FOR THE NINE MONTHS END QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

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

Balance as at July 01, 2014	40,500,000	(27,512,654)	12,987,346
Total comprehensive loss for the period ended March 31, 2015	-	(2,916,462)	(2,916,462)
Balance as at March 31, 2015	<u>40,500,000</u>	<u>(30,429,116)</u>	<u>10,070,884</u>
Balance as at July 01, 2015	40,500,000	(30,754,013)	9,745,987
Total comprehensive loss for the period ended March 31, 2016	-	(2,192,828)	(2,192,828)
Balance as at March 31, 2016	<u>40,500,000</u>	<u>(32,946,841)</u>	<u>7,553,159</u>

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


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
NOTES TO THE CONDENSED INTRIM FINANCIAL INFORMATION
FOR THE NINE MONTHS END QUARTER ENDED MARCH 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 and subsequently converted to a Public Limited company on June 16, 1991. Shares of the company were listed on the Karachi Stock Exchange on February 01, 1994. However, due to integration of Karachi, Lahore and Islamabad Stock Exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the Company are now being quoted on Pakistan Stock Exchange. The registered office of the Company is situated at 406, Commerce Centre, Hasrat Mohani Road, Karachi. The principal business of the company is to manufacture and sale of yarn.

- 1.1** The Management has settled the liabilities of its creditors and all financial institutions. Management is focusing to change the business dimensions due to crises in textile industry. Management is planning to change object clauses of memorandum of association. Feasibility report is under preparation. Negotiation with banks/financial institution are continue. Pending the arrangement of finance facilities, future business plan with a small capital in hand is not feasible.

2 BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the nine month end March 31, 2015 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, 2015.
- 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, 2015, 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 nine month ended March 31, 2015.

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, 2015.

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, 2015.

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

MARCH 31, 2016	JUNE 30, 2015		(Un-Audited) MARCH 31, 2016 Rupees	(Audited) JUNE 30, 2015 Rupees
4,050,000	4,050,000	Ordinary shares of Rs. 10 each fully paid in cash	40,500,000	40,500,000
<u>4,050,000</u>	<u>4,050,000</u>		<u>40,500,000</u>	<u>40,500,000</u>

5.1 The shareholders are entitled to receive all distribution to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

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

6 CONTINGENCIES AND COMMITMENTS

	MARCH 31, 2016 Rupees	MARCH 31, 2015 Rupees
Pakistan Synthatic Ltd. Recovery suit was filed by the creditor but company was not acknowledging the claim due to closed and time barred matter . Now the proceeding has been started and liability is shown in contingencies.	1.51(m)	1.51(m)

	MARCH 31, 2016	MARCH 31, 2015
	Rupees	Rupees
7 TAXATION		
- Current	-	-
- Prior	-	57,283
	<u>-</u>	<u>57,283</u>

8 TRANSACTIONS WITH RELATED PARTIES

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

Details of transaction balances with related parties are as follows:

	MARCH 31, 2016	MARCH 31, 2015
	Rupees	Rupees
HMI Energy (Pvt) Limited - Associate - other receivables	4,000,000	4,000,000

9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on April 25, 2016 by the board of directors of the company.

10 GENERAL

Figures have been rounded off to the nearest rupees.

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


CHIEF EXECUTIVE


DIRECTOR