

**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED  
30TH SEPTEMBER 2014  
(UN-AUDITED)**

*Taha Spinning Mills Limited*

Registered Office:  
406, Commerce Centre, Hasrat Mohani Road, Karachi.

**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<sup>st</sup> 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  
405-Commerce Centre,  
Hasrat Mohani Road, Karachi

**Registered Office**

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

**TAHA SPINNING MILLS LIMITED**  
**DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY**  
**FOR THE QUARTER ENDED SEPT.30,2014**

The directors are pleased to present the financial statements for the quarter ended September 30,2014

**1. Sales**

There is no sale during the period as the management has sold out entire fixed assets of the company.

**2. Gross Profit/Loss**

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

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

The company has reported pre-tax profit/(loss) for the quarter is Rs(0.247) million as compared to the corresponding period profit of Rs: (74.029) million.

**4. Earnings Per Share**

The loss per share for the quarter is Rs: (0.06) and corresponding period earning is Rs (18.28) per share.

**5. Finance Cost**

Finance cost of the company for the quarter is Rs.145 as compared to the corresponding period of Rs.3,857.

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

The major issues faced by the industry are electric and gas load shedding. Law and order situation is also hurting the industrial development in the country. These issues need the attention of the government for revival of the industry.

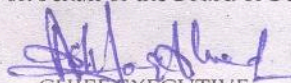
Mounting pressure from the creditors and court cases forced the management to sell the fixed assets of the company and pay off its liabilities in an orderly manner. Management has sold out the entire fixed assets and have settled the liabilities of all the financial institutions and creditors. Management is looking forward to set up a small spinning unit in the area where basic industrial facilities are available. In the meantime management is negotiating with the banks and financial institutions to finance the proposed project. Management is facing difficulties due to past bad experience of litigation with banks. Available funds in hand are very meager for a small unit. All business plans depends on the financial assistance of financial institutions for which management is trying hard. Pending negotiation with financial institutions, management has decided to look other investment opportunities or merger with similar object company in the best interest of the company and its shareholders.

**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 Karachi 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

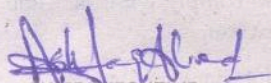
  
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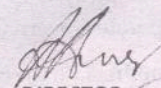
Karachi: Oct. 29, 2014

**TAHA SPINNING MILLS LIMITED**  
**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2014**

	Note	Un-Audited SEPTEMBER 2014 Rupees	Audited JUNE 2014 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
6,100,000 (June 2014 : 6,100,000) ordinary shares of rupees 10 each		<u>61,000,000</u>	<u>61,000,000</u>
Issued, subscribed and paid up share capital	4	40,500,000	40,500,000
Accumulated (Loss)		<u>(27,760,602)</u>	<u>(27,512,654)</u>
		<b>12,739,398</b>	<b>12,987,346</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		65,000	65,000
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>12,804,398</b></u>	<u><b>13,052,346</b></u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Long term deposits		25,000	25,000
<b>CURRENT ASSETS</b>			
Advances income tax		156,020	155,810
Other receivables		5,950,745	5,950,745
Cash and bank balances		6,672,633	6,920,791
		<b>12,779,398</b>	<b>13,027,346</b>
<b>TOTAL ASSETS</b>		<u><b>12,804,398</b></u>	<u><b>13,052,346</b></u>

The annexed notes form an integral part of these financial statements.

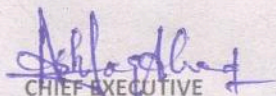
  
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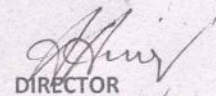
  
**DIRECTOR**

**TAHA SPINNING MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

	2014 Rupees	2013 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) /Profit before taxation	(247,066)	74,029,991
<b>Adjustments for:</b>		
Gain on sale of fixed assets	-	(74,360,785)
Finance cost	145	3,857
	145	(74,356,928)
(Loss) before working capital changes	(246,921)	(326,937)
<b>(Increase)/Decrease in current assets</b>		
Loans and advances	-	(5,300)
Other receivable	-	(3,750,000)
		(3,755,300)
<b>Increase/(Decrease) in current liabilities</b>		
Trade and other payables		(622,500)
<b>Cash used in operations</b>	<b>(246,921)</b>	<b>(4,704,737)</b>
Finance cost paid	(145)	(3,857)
Taxes paid/adjustment	(1,092)	(876)
	(1,237)	(4,733)
<b>Net cash used in operating activities</b>	<b>(248,158)</b>	<b>(4,709,470)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of fixed assets and stores		117,379,000
<b>Net cash generated from investing activities</b>		<b>117,379,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing		(95,381,185)
<b>Net cash used in financing activities</b>		<b>(95,381,185)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(248,158)</b>	<b>17,288,345</b>
Cash and cash equivalents at the start of the year	6,920,791	4,185,344
<b>Cash and cash equivalents at the end of the period</b>	<b>6,672,633</b>	<b>21,473,689</b>

The annexed notes form an integral part of these financial statements.

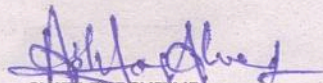
  
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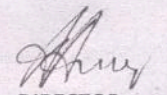
  
**DIRECTOR**

**TAHA SPINNING MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

	PAID-UP SHARE CAPITAL	ACCUMULATED (LOSS)	RESERVE FOR ASSETS CLASSIFIED AS HELD FOR SALE	TOTAL
	-----Rupees-----			
Balance as at July 01, 2013	40,500,000	(100,193,766)	50,378,295	(9,315,471)
Total comprehensive profit for the period ended september 30, 2013	-	74,029,991	-	74,029,991
Realized gain on assets classified as held for sale	-	-	(50,378,295)	(50,378,295)
<b>Balance as at September 30, 2013</b>	<b>40,500,000</b>	<b>(26,163,775)</b>	<b>-</b>	<b>14,336,225</b>
Balance as at July 01, 2014	40,500,000	(27,512,654)	-	12,987,346
Total comprehensive (loss) for the period ended september 30, 2014	-	(247,948)	-	(247,948)
<b>Balance as at September 30, 2014</b>	<b>40,500,000</b>	<b>(27,760,602)</b>	<b>-</b>	<b>12,739,398</b>

The annexed notes form an integral part of these financial statements.

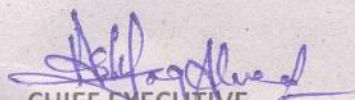
  
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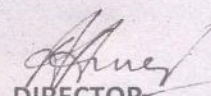
  
**DIRECTOR**

**TAHA SPINNING MILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

	2014 Rupees	2013 Rupees
Administrative expenses	(255,743)	(326,937)
Other operating income	8,822	-
Finance cost	(145)	(3,857)
	<b>(247,066)</b>	<b>(330,794)</b>
Gain on disposal of assets held for sale	-	74,360,785
<b>Profit / (Loss) before taxation</b>	<b>(247,066)</b>	<b>74,029,991</b>
Taxation	(882)	-
<b>Profit / (Loss) after taxation</b>	<b>(247,948)</b>	<b>74,029,991</b>
<b>Earnings / (Loss) per share (Basic and diluted)</b>	<b>(0.06)</b>	<b>18.28</b>

The annexed notes form an integral part of these financial statements.

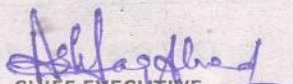
  
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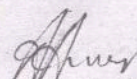
  
**DIRECTOR**

TAHA SPINNING MILLS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	2014 Rupees	2013 Rupees
Profit / (Loss) after taxation	(247,948)	74,029,991
Other comprehensive income		
Total comprehensive Income / ( loss ) for the period transferred to equity	<u>(247,948)</u>	<u>74,029,991</u>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR



## TAHA SPINNING MILLS LIMITED

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)  
For the 1st quarter ended September 30, 2014

### 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 16-06-1991. Shares of the company were listed on the Karachi Stock Exchange in Pakistan on 01-02-1994. The principal business of the company is to manufacture and sale of yarn.

- 1.1 The management has been able to settle liabilities of its creditors and all financial institutions amicably. Clearance of CIB report is in process. Management is negotiating with the banks/ financial institution for financial assistance. Pending the arrangement of finance facilities proposed business plan with a small capital in hand is not feasible. Management is focusing to set up a small spinning unit if financial assistance is provided by the banks.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Accounting convention

These condensed interim financial statements have been prepared under "Historical Cost Convention" except as disclosed in the company's accounting policies.

### 3 ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2014

### 4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 2014	June 2014	SEPTEMBER 30, 2013	JUNE 30, 2013
		Rupees	Rupees
Number of shares			
Ordinary shares of Rs. 10 each fully paid in cash			
4,050,000	4,050,000	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>

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

- 4.2 There is no movement in share capital during the year.

**5 CONTINGENCIES AND COMMITMENTS**

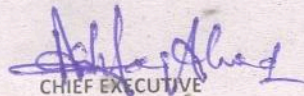
There has been no significant change in the contingencies and commitments since the last audited financial statements.

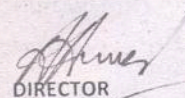
**6 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on October 29, 2014 by the board of directors of the company.

**7 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

Karachi: 29th October, 2014