

**QUARTERLY REPORT
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2014**

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	Executive Director
	Mr. Amir Ashfaq	Executive Director
	Mr. Niaz Mohammad	Independent
	Mr. Mohammad Azam	Non Executive
	Mr. Qamer Iqbal	Non Executive
	Mr. Saleem Abbas	Non Executive
Audit Committee	Mr. Niaz Mohammad	= Chairman
	Mr. Mohammad Azam	
	Mr. Qamer Iqbal	
Human Resource & Remuneration Committee	Mr. Amir Ashfaq	Chairman
	Mr. Qamer 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	
	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	
	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 MARCH 31,2014

The directors are pleased to present the financial statements for the quarter ended March 31,2014

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 suspension of manufacturing operation.

3. Pre-Tax Profit/Loss

The company has reported pre-tax profit/(loss) for the quarter is Rs(1.258) million and accumulated loss of Rs.(27.287) million as compared to the corresponding period loss of Rs: (0.722) million and accumulated loss of Rs.(85.03) million.

4. Earnings Per Share

The earning per share for the quarter is Rs: (0.32) and corresponding period earning is Rs (0.18) per share.

5. Finance Cost

Finance cost of the company for the quarter is Rs:0.683 million as compared to the corresponding period of Rs.0.408 million.

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 settled the liabilities of the financial institution and creditors. Negotiation for financial assistance with banks are continue to decide future business plan.. Pending the negotiation, the management has decided to generate cash flow through trading of textile products in international and local market.

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


CHIEF EXECUTIVE

Karachi: April 28, 2014

TAHA SPINNING MILLS LIMITED

Balance Sheet As At March 31, 2014

	NOTE	<u>UN- AUDITED</u> March 2014 Rupees	<u>AUDITED</u> June 2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
6,100,000 (2013 : 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)		(27,287,683)	(49,815,471)
		13,212,317	(9,315,471)
CURRENT LIABILITIES			
Trade and other payables		-	1,463,670
Interest and accrued markup		-	937,726
Current portion of non current liabilities		-	111,139,312
Provision for taxation		56,766	-
		56,766	113,540,708
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		13,269,083	104,225,237
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		-	396,510
Long term deposits		46,250	546,250
CURRENT ASSETS			
Advances income tax		210,986	146,388
Other receivables		5,950,745	5,950,745
Cash and bank balances		7,061,103	4,185,344
		13,222,833	10,282,477
Non current assets held for sale	6	-	93,000,000
TOTAL ASSETS		13,269,083	104,225,237

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


CHIEF EXECUTIVE


DIRECTOR

Karachi: 28th April, 2014

TAHA SPINNING MILLS LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Administrative expenses	(776,796)	(1,027,935)	(242,902)	(342,025)
Profit on bank account	567,663	-	168,673	-
Finance cost	(688,803)	(408,512)	(683,987)	(408,512)
	(897,936)	(1,436,447)	(758,216)	(750,537)
Gain on disposal of assets held for sale	73,860,785	28,252	(500,000)	28,252
Profit/(Loss) before taxation	72,962,849	(1,408,195)	(1,258,216)	(722,285)
Taxation	(56,766)	5,430,956	(56,766)	
Profit/(Loss) after taxation	<u>72,906,083</u>	<u>4,022,761</u>	<u>(1,314,982)</u>	<u>(722,285)</u>
Earnings / (Loss) per share (basic and diluted)	<u>18.00</u>	<u>0.99</u>	<u>(0.32)</u>	<u>(0.18)</u>

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


CHIEF EXECUTIVE

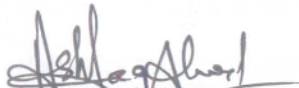

DIRECTOR

Karachi: 28th April, 2014

TAHA SPINNING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Profit/ (Loss) after taxation	72,906,083	4,022,761	(1,314,982)	(722,285)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period transferred to equity	<u>72,906,083</u>	<u>4,022,761</u>	<u>(1,314,982)</u>	<u>(722,285)</u>

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


CHIEF EXECUTIVE


DIRECTOR

Karachi: 28th April, 2014

TAHA SPINNING MILLS LIMITED

CASHFLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	72,962,849	(1,408,195)
Adjustments for:		
Gain on sale of fixed assets	(73,860,785)	(28,252)
Finance cost	688,803	408,512
	(73,171,982)	380,260
Loss before working capital changes	(209,133)	(1,027,935)
(Increase)/Decrease in current assets		
Other financial assets	-	408,162
Trade debts	-	16,331,362
Loans and advances	(18,162)	3,037,211
	(18,162)	19,776,735
Increase/(Decrease) in current liabilities		
Trade and other payables	(1,463,670)	255,199
Cash (used) generate in operations	(1,690,964)	19,003,999
Finance cost paid	(1,626,529)	(12,271,455)
Taxes paid/adjustment	(46,436)	-
	(1,672,965)	(12,271,455)
Net cash (used in)/generated from operating activities	(3,363,929)	6,732,544
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets and stores	117,379,000	250,000
Security deposit	-	1,852,477
Net cash generated from investing activities	117,379,000	2,102,477
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing		(13,162,139)
Long term financing	(111,139,312)	3,844,794
Net cash used from financing activities	(111,139,312)	(9,317,345)
Net increase/(decrease) in cash and cash equivalents	2,875,759	(482,325)
Cash and cash equivalents at the start of the period	4,185,344	1,745,275
Cash and cash equivalents at the end of the period	7,061,103	1,262,950

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


CHIEF EXECUTIVE


DIRECTOR

Karachi: 28th April, 2014

TAHA SPINNING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	PAID-UP SHARE CAPITAL	ACCUMULATED (LOSS)	RESERVE FOR ASSETS CLASSIFIED AS HELD FOR SALE	TOTAL
	-----Rupees-----			
Balance as at July 01, 2012	40,500,000	(89,057,700)	-	(48,557,700)
Total comprehensive income for the period ended March 31, 2013		4,022,761		4,022,761
Balance as at March 31, 2013	40,500,000	(85,034,939)	-	(44,534,939)
Balance as at July 01, 2013	40,500,000	(100,193,766)	50,378,295	(9,315,471)
Total comprehensive income for the period ended March 31, 2014		72,906,083	-	72,906,083
Realized gain on assets classified as held for sale			(50,378,295)	(50,378,295)
Balance as at March 31, 2014	40,500,000	(27,287,683)	-	13,212,317

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


CHIEF EXECUTIVE


DIRECTOR

Karachi: 28th April, 2014

TAHA SPINNING MILLS LIMITED

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited) for the period ended March 31, 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 After sale of fixed assets of the company and settlement of liabilities of banks, accumulated loss for the period ended 31st March 2014 stands at Rs.(27.28) million (March 31 2013 : Rs.(85.03) million. Pending the negotiation with banks for financial assistance. for future business plan. The management has decided to generate cash flow through trading of textile product in local and international market. In view of above situation financial statement has been prepared on going concern basis.

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, 2013

4 CONTINGENCIES AND COMMITMENTS

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

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2014	2013	MARCH 31, 2014 Rupees	JUNE 30,2013 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>

- 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.

	MARCH 31, 2014 Rupees	JUNE 30, 2013 Rupees
6 ASSETS HELD FOR SALES		
Transfer from Property Plant and Equipment:-		
Land - free hold	50,500,000	50,500,000
Building - free hold	42,500,000	42,500,000
Generator	-	15,000,000
Value of the assets	<u>93,000,000</u>	<u>108,000,000</u>
Less : Disposed off during the period	(93,000,000)	(15,000,000)
	<u>-</u>	<u>93,000,000</u>

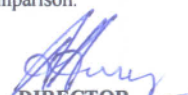
7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on April 28, 2014 by the board of directors of the company.

8 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: 28th April, 2014