

**TAHA SPINNING MILLS LIMITED**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**(UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

**TAHA SPINNING MILLS LIMITED**  
**COMPANY INFORMATION**

<b>Board of Directors</b>	Mr. Ashfaq Ahmed Chief Executive Mr. Saqib Ashfaq Executive Director Mr. Amir Ashfaq Executive Director Mr. Niaz Mohammad Independent Mr. M. Farooq Non Executive Mr. Ikhtlaq Husain Non Executive Mr. Saleem Abbas Non Executive
<b>Audit Committee</b>	Mr. Niaz Mohammad Chairman Mr. Ikhtlaq Husain Mr. M. Farooq
Human Resource & Remuneration Committee	Mr. Amir Ashfaq Chairman Mr. Ikhtlaq Hussain Mr. Saleem Abbas
<b>Chief Financial Officer</b>	Mr. Shakeel Akhtar
<b>Company Secretary</b>	Mr. Muhammad Sarfraz
<b>Auditors</b>	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1 <sup>st</sup> floor, Modern House Beamount Road Karachi.
<b>Bankers</b>	Habib Bank Limited Askari Bank Limited National Bank of Pakistan
<b>Legal Advisor</b>	Farooq Rashid & Co Advocates and Corporate Consultants 403 Commerce Centre Hasrat Mohani Road Karachi-74200
<b>Share Registrar and Transfer Office</b>	Najeeb Consultants (Pvt)Ltd 405-Commerce Centre, Hasrat Mohani Road, Karachi
<b>Registered Office</b>	406-Commerce Centre, Hasrat Mohani Road, Karachi Karachi 74200

**REVIEW REPORT ON CONDENSED INTERIM FINANCIAL  
INFORMATION TO THE MEMBERS  
For the period ended December 31, 2013**

**INTRODUCTION:**

We have reviewed the accompanying condensed interim balance sheet of **M/S. TAHA MILLS LIMITED** ("the Company") as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "condensed interim financial information") for the six months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

**SCOPE OF REVIEW:**

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

**BASIS FOR ADVERSE CONCLUSION:**

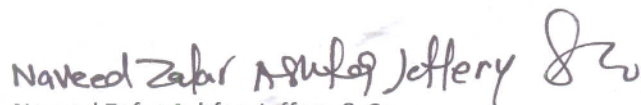
As stated in note no.1.1 to the financial statements, the company has sold fixed assets and settled major liabilities of banks. Accumulated loss for the period ended December 2013 stands at Rs. (25.97) million (December 31 2012: Rs. (84.31) million. Settlement with a bank and court cases are still pending. Banks /Financial institutions are not willing to finance the company due to non-clearance of CIB report, default in payments to financial institutions and court cases.

NZAJ

The company has, therefore, not prepared any detailed business plan including profit or cash flow projection for an appropriate period subsequent to the balance sheet date. The foregoing condition indicate material uncertainty which cast a significant doubt about the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of its business. However, no adjustments to the effect have been made in these financial statements.

**CONCLUSION:**

Based on our review, due to significance of matter described in the preceding paragraph, that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2013; is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants

Ahsan Elahi Vohra – FCA  
Engagement Partner

Karachi

Dated: 27-02-2014

# TAHA SPINNING MILLS LIMITED

## DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE HALF YEAR PERIOD ENDED DECEMBER 31,2013

The directors are pleased to present the financial statements for the half year period ended December 31,2013

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 the pre-tax profit/gain on sale of assets held for sale for the second quarter of Rs:74.22 million . The corresponding period loss for the half year ended of Rs: (4.74) million.

4. **Earnings Per Share**

The earning per share for the period is Rs: 18.33 and corresponding period earning is Rs 1.17 per share.

5. **Finance Cost**

The company is still under the pressure of finance cost as settlement with a bank is still in process and has not yet been finalized. Finance cost of the company for the period is Rs: 0.0048 million as compared to Rs. Nil of the comparable period of the last year.

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

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

Mounting pressure from the creditors and court cases forced the management to sell the undertaking 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 except one bank and few creditors. Negotiation are still continue to settle the remaining issue amicably. Management is not sure how long it will take time. Future business plan will be decided after settlement of all issues and looking the available funds and clear CIB report of the company.

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: February 27, 2014

# TAHA SPINNING MILLS LIMITED

## Condensed Interim Balance Sheet

As at December 31, 2013

	NOTE	December 2013 Rupees	June 2013 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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	4	40,500,000	40,500,000
Accumulated Loss		(25,972,701)	(49,815,471)
		14,527,299	(9,315,471)
<b>CURRENT LIABILITIES</b>			
Trade and other payables		536,170	1,463,670
Interest and accrued markup		937,726	937,726
Current portion of non current liabilities		15,508,127	111,139,312
		16,982,023	113,540,708
CONTINGENCIES AND COMMITMENTS	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,509,322</b>	<b>104,225,237</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		-	396,510
Long term deposits		546,250	546,250
<b>CURRENT ASSETS</b>			
Advance income tax		192,824	146,388
Other receivables		9,700,745	5,950,745
Cash and bank balances		21,069,503	4,185,344
		30,963,072	10,282,477
Non current assets held for sale	6	-	93,000,000
<b>TOTAL ASSETS</b>		<b>31,509,322</b>	<b>104,225,237</b>

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

N2A-1

  
CHIEF EXECUTIVE

  
DIRECTOR

**TAHA SPINNING MILLS LIMITED**  
 Condensed Interim Profit and Loss Account (Un-audited)  
 For The Six Months & Quarter Period Ended December 31, 2013

	Half year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Administrative expenses	(533,894)	(685,910)	(206,957)	(65,035)
Profit on bank account	398,990	-	398,990	-
Finance cost	(4,816)	-	(959)	-
	(139,720)	(685,910)	191,074	(65,035)
Gain on disposal of assets held for sale	74,360,785	-	-	-
<b>Profit/(loss) before taxation</b>	<b>74,221,065</b>	<b>(685,910)</b>	<b>191,074</b>	<b>(65,035)</b>
Taxation	-	5,430,956	-	-
<b>Profit/(loss) after taxation</b>	<b>74,221,065</b>	<b>4,745,046</b>	<b>191,074</b>	<b>(65,035)</b>
<b>Earnings per share (basic and diluted)</b>	<b>18.33</b>	<b>1.17</b>	<b>0.05</b>	<b>(0.02)</b>

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

*N222*

  
 CHIEF EXECUTIVE

  
 DIRECTOR

**TAHA SPINNING MILLS LIMITED**  
**Condensed Interim Statement Of Comprehensive Income (Un-Audited)**  
**For The Six Months & Quarter Period Ended December 31, 2013**

	Half year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Profit/(loss) after taxation	74,221,065	4,745,046	191,074	(65,035)
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	<b>74,221,065</b>	<b>4,745,046</b>	<b>191,074</b>	<b>(65,035)</b>

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

*NZD*

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



**TAHA SPINNING MILLS LIMITED**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
**For The Six Months Period Ended December 31, 2013**

	December 31, 2013 Rupees	December 31, 2012 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	74,221,065	(685,910)
<b>Adjustments for:</b>		
Gain on disposal of assets held for sale	(74,360,785)	-
Finance cost	4,816	-
	(74,355,969)	-
Loss before working capital changes	(134,904)	(685,910)
<b>(Increase)/Decrease in current assets</b>		
Trade debts	-	15,575,412
Loans and advances	-	(600)
Other receivable	(3,750,000)	-
	(3,750,000)	15,574,812
<b>Increase/(Decrease) in current liabilities</b>		
Trade and other payables	(927,500)	255,199
Cash used in operations	(4,812,404)	15,144,101
Finance cost paid	(4,816)	-
Taxes paid/adjustment	(46,436)	-
	(51,252)	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(4,863,656)</b>	<b>15,144,101</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of assets held for sale	117,379,000	-
<b>Net cash generated from investing activities</b>	<b>117,379,000</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(95,631,185)	(300,000)
<b>Net cash used from financing activities</b>	<b>(95,631,185)</b>	<b>(300,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,884,159</b>	<b>14,844,101</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>4,185,344</b>	<b>1,745,275</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>21,069,503</b>	<b>16,589,376</b>

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

N2A2

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**TAHA SPINNING MILLS LIMITED**  
 Condensed Interim Statement of Changes in Equity (Un-audited)  
 For The Six Months Period Ended December 31, 2013

	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 profit for the period ended December 31, 2012	-	4,745,046	-	4,745,046
<b>Balance as at December 31, 2012</b>	<b>40,500,000</b>	<b>(84,312,654)</b>	<b>-</b>	<b>(43,812,654)</b>
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 December 31, 2013	-	74,221,065	-	74,221,065
Realized gain on assets classified as held for sale	-	-	(50,378,295)	-
<b>Balance as at December 31, 2013</b>	<b>40,500,000</b>	<b>(25,972,701)</b>	<b>-</b>	<b>64,905,594</b>

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

  
 CHIEF EXECUTIVE

  
 DIRECTOR

12/13

**TAHA SPINNING MILLS LIMITED**  
**Selected Notes to the Condensed Interim Financial Information (Un-Audited)**  
**For the Six Months Period Ended December 31, 2013**

**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 December 2013 stands at Rs.(25.97) million (December 31 2012 : Rs.(84.31) million. Settlement with a bank is still pending. Banks /Financial institutions are not willing to finance the company due to non-clearance of CIB report, default in payments to financial institutions and pending court cases. Management is in the process of negotiation with the bank and other creditors to clear their dues. Future business plan depends on clearance from banks, clear CIB report of the company, settlement of court cases and exact availability of funds after settlement.

**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 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2013	2012		(Un-Audited)	(Audited)
			DECEMBER 30, 2013 Rupees	JUNE 30, 2013 Rupees
<b>Number of shares</b>				
4,050,000	4,050,000	Ordinary shares of Rs. 10 each fully paid in cash	40,500,000	40,500,000
4,050,000	4,050,000		40,500,000	40,500,000

- 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.

N22

## 5 CONTINGENCIES AND COMMITMENTS

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

	(Un-Audited) DECEMBER 30, 2013 Rupees	(Audited) JUNE 30, 2013 Rupees
<b>6 ASSETS HELD FOR SALES</b>		
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>

Revaluation of freehold land, building and generator was carried out on 01 January, 2013 to arrive at the fair value of fixed assets which was credited to assets held for sale account to comply with the requirement of IFRS-5 Revaluation was carried out by the independent valuers of PBC M/s Asif Associates (Pvt) Limited.

## 7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 27-02-2014 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

N2A5  
  
DIRECTOR