

**QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED
30TH SEPTEMBER 2013
(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 Executive Director Mr. Amir Ashfaq Executive Director Mr. Niaz Mohammad Independent Mr. M. Farooq Non Executive Mr. Ikhlaq Husain Non Executive Mr. Saleem Abbas Non Executive
Audit Committee	Mr. Niaz Mohammad Chairman Mr. Ikhlaq Husain Mr. M. Farooq
Human Resource & Remuneration Committee	Mr. Amir Ashfaq Chairman Mr. Ikhlaq Hussain Mr. Saleem Abbas
Chief Financial Officer	Mr. Irfan Ahmed
Company Secretary	Mr. Muhammad Sarfraz
Auditors	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1 st floor, Modern House Beamont 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 SEPTEMBER 30,2013

The directors are pleased to present the financial statements for the quarter ended September 30,2013

1. Sales

There is no sale during the period as the management has sold out 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 of Rs:74.02 million on sale of fixed assets. The corresponding period loss was Rs: (0.62) million.

4. Earnings Per Share

The earning per share for the period is Rs: 18.28 and corresponding period earning is Rs 1.19 per share.

5. Finance Cost

Finance cost of the company for the period is Rs: 0.0038 million as compared to Rs. nil of the comparable period of the last year.

6. Current and Future Summary and Prospects

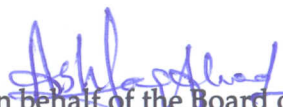
The major issues faced by the industry are load shedding of electricity and gas to industrial sector. High rate of mark-up, rapid increase in fuel cost and wages is the main cause of increase of manufacturing cost which resulted non revival of the company. These issues need the attention of the government for revival of the industry.

Mounting pressure from the creditors and court cases forced the management to sell the undertaking of the company and pay off its liabilities in an orderly manner. Subsequently management sold the fixed assets and settled the liabilities of the financial institution except one bank and few creditors. Negotiation are continue to settle the remaining issues 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.

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: October 28, 2013


Taha Spinning Mills Limited

Balance Sheet

As At September 30, 2013

	NOTE	Un- Audited September 2013 Rupees	Audited 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)		(26,163,775)	(49,815,471)
		14,336,225	(9,315,471)
CURRENT LIABILITIES			
Trade and other payables		841,170	1,463,670
Interest and accrued markup		937,726	937,726
Current portion of non current liabilities		15,758,127	111,139,312
		17,537,023	113,540,708
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		31,873,248	104,225,237
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		-	396,510
Long term deposits		546,250	546,250
CURRENT ASSETS			
Loans and advances income tax		152,564	146,388
Other receivables		9,700,745	5,950,745
Cash and bank balances		21,473,689	4,185,344
		31,326,998	10,282,477
Non current assets held for sale	6	-	93,000,000
TOTAL ASSETS			
		31,873,248	104,225,237

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE



DIRECTOR

Karachi: 28th October, 2013

TAHA SPINNING MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

	2013 Rupees	2012 Rupees
Administrative expenses	(326,937)	(620,875)
Other operating income	74,360,785	-
Finance cost	(3,857)	-
Profit/(Loss) before taxation	74,029,991	(620,875)
Taxation	-	5,430,956
Profit/(Loss) after taxation	74,029,991	4,810,081
Earnings per share (basic and diluted)	18.28	1.19

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

	2013 Rupees	2012 Rupees
Profit after taxation	74,029,991	4,810,081
Other comprehensive income	-	-
Total comprehensive profit for the period transferred to equity	<u>74,029,991</u>	<u>4,810,081</u>

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 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 September 30, 2012		4,810,081		4,810,081
Balance as at September 30, 2012	<u>40,500,000</u>	<u>(84,247,619)</u>	-	<u>(43,747,619)</u>
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)
Balance as at September 30, 2013	<u>40,500,000</u>	<u>(26,163,775)</u>	-	<u>14,336,225</u>

The annexed notes form an integral part of these financial statements



CHIEF EXECUTIVE


DIRECTOR

TAHA SPINNING MILLS LIMITED
CASHFLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2013

	2013 Rupees	2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	74,029,991	(620,875)
Adjustments for:		
Gain on sale of fixed assets	(74,360,785)	-
Finance cost	3,857	-
	(74,356,928)	-
Loss before working capital changes	(326,937)	(620,875)
(Increase)/Decrease in current assets		
Trade debts	-	525,000
Loans and advances	(5,300)	(600)
Other receivable	(3,750,000)	-
	(3,755,300)	524,400
Increase/(Decrease) in current liabilities		
Trade and other payables	(622,500)	(975,187)
Cash used in operations	(4,704,737)	(1,071,662)
Finance cost paid	(3,857)	-
Taxes paid/adjustment	(876)	-
	(4,733)	-
Net cash (used in)/generated from operating activities	(4,709,470)	(1,071,662)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets and stores	117,379,000	-
Net cash generated from investing activities	117,379,000	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(95,381,185)	(300,000)
Net cash used from financing activities	(95,381,185)	(300,000)
Net increase/(decrease) in cash and cash equivalents	17,288,345	(1,371,662)
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	21,473,689	373,613

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


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, 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** The Company suspended its production of yarn operation since July, 2008. The Company has incurred a net profit/gain of Rs. 74.02 million (September 30, 2012 : Rs.4.81 million) during the year. Accumulated loss stands at Rs.(26.16) million (September 30 2012 : Rs.(84.24) million. 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, therefore management of the company decided to disposed off the fixed assets of the company. Shareholders have also approved the disposal of fixed assets. Future business plan was not decided due to non availability of funds and undecided court cases. In the meantime a prospective buyer approached the management for purchase of land and building of the company. The deal was finalized and subsequently land and building is sold out. Management is in the process of negotiation with the banks and other creditors to clear their dues. Future business plan depends on clearance from banks, clear CIB report of the company and settlement of court issues.

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

2013	2012	SEPTEMBER 30, 2013 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.

		SEPTEMBER 30, 2013 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>

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 October 28, 2013 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 October, 2013