

**REVIEWED FINANCIAL STATEMENT
FOR THE HALF YEAR ENDED
DECEMBER 31, 2012**

Taba 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. Ikhtlaq Husain Non Executive Mr. Saleem Abbas Non Executive
Audit Committee	Mr. Niaz Mohammad Chairman Mr. Ikhtlaq Husain Mr. M. Farooq
Human Resource & Remuneration Committee	Mr. Amir Ashfaq Chairman Mr. Ikhtlaq Husain 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 Motors House, Beaumont Road, Karachi.
Bankers	NIB 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
Mills	Warburton Road, Tehsil Nankana Sahib Distt. Sheikhpura, Punjab

TAHIA SPINNING MILLS LIMITED
DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY
FOR THE HALF YEAR ENDED DECEMBER 31,2012

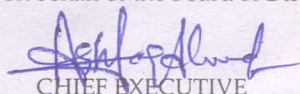
The directors are pleased to present the financial statements for the half year ended December 31,2012

1. **Sales**
There is no sale during the period as the manufacturing operation is suspended since July 2008.
2. **Gross Profit/Loss**
There is no gross profit and (loss) due to suspension of manufacturing operation
3. **Pre-Tax Profit/Loss**
The company has reported the pre-tax Loss of Rs: (0.68) Million as compared to corresponding period Loss of Rs: (0.81) .
4. **Earnings Per Share**
The earning per share of the company is Rs: 1.17 per share Rs (0.20) per share of the comparable period of the last year.
5. **Finance Cost**
Financial charges represents mark-up on the borrowing from banking companies and the financial institutions. Finance cost of the company for the period is Rs: nil Million as compared to Rs. 0.007 Million of the comparable period of the last year.
6. **Current and Future Summary and Prospects**
The major issues faced by the industry is availability of gas, high interest rates and impact of wages increase, which is the main cause of increase of manufacturing cost. These issues need the attention of the government for revival of the industry.

Due to above extraordinary events, management was unable to run the mills and suspended its yarn manufacturing operation in July 2008. There have been thefts at the mills also. We are taking steps for recovery of the stolen machinery worth Rs.22 million Furthermore due to pending issues in the courts, sale of fixed assets was stuck up. Management is trying its best to resolve these issues amicably outside the court. Alhamdulillah issues with NIB Bank have been resolved. Looking the adverse economy condition and energy crises, board of directors decided to dispose off the entire undertaking of the company and pay off its creditors. Shareholders of the company in their EOGM meeting held on 20th February,2013 have also approved the sale of entire undertaking of the company. The board will decide future plan after paying off the liabilities of the creditors and looking the available funds for investment.

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 hard work of all the company's staff and the support of its bankers

For and on behalf of the Board of Directors


CHIEF EXECUTIVE

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED

INTERIM FINANCIAL INFORMATION TO THE MEMBERS

For The Six Months Period Ended December 31, 2012

INTRODUCTION:

We have reviewed the accompanying condensed interim Balance Sheet of **M/S. TAHA SPINNING MILLS LIMITED** as at December 31, 2012, 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 for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures for the quarter ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

SCOPE OF REVIEW:

We conducted our review in accordance with 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 matter, 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 matter that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS FOR QUALIFIED CONCLUSION:

As stated in note no.1.2 to the financial statements, the management has closed down the factory in July, 2008, and production activities remained suspended. The management has subsequent to December 31, 2012; obtained approval from the shareholders in Extra Ordinary General Meeting to dispose off the assets of the company including land, building, plant & machinery and pay off to its creditors. No further business activities have been carried out by the company. Furthermore the company has 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 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, 2012; is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The financial statements of the company for the year ended June 30, 2012; were audited by another firm of Chartered Accountants who vide their auditor report dated October 08, 2012; issued qualified opinion.

Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

Shahid Hussain - FCA

Engagement Partner

Karachi

Dated: February 28, 2013

Taha Spinning Mills Limited

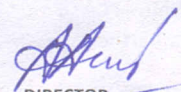
Condensed Interim Balance Sheet

As At December 31, 2012

EQUITY AND LIABILITIES	NOTE	DECEMBER 31, 2012	JUNE 30, 2012
		Rupees	Rupees
SHARE CAPITAL AND RESERVES			
Authorized share capital 6,100,000 (2012 : 6,100,000) ordinary shares of rupees 10 each.		61,000,000	61,000,000
Issued, subscribed and paid up share capital		40,500,000	40,500,000
Unappropriated loss		(84,312,654) (43,812,654)	(89,057,700) (48,557,700)
Surplus on revaluation of fixed assets		28,774,921	27,534,601
NON-CURRENT LIABILITIES			
Long term financing		5,677,045	14,057,272
Long term financing from directors		60,470,958	35,770,958
Deferred liabilities			6,671,276
CURRENT LIABILITIES			
Trade and other payables		1,398,670	1,143,472
Accrued markup / interest		28,765,581	28,765,581
Short term borrowings		13,162,139	13,162,139
Current portion of non current liabilities		49,846,515	66,466,288
		93,172,905	109,537,480
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		144,283,175	145,013,887
ASSETS			
	NOTE	DECEMBER 31, 2012	JUNE 30, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	6	115,335,495	115,335,495
Long term deposits		5,524,303	5,524,303
CURRENT ASSETS			
Stores, spares and loose tools		535,222	535,222
Trade debts - considered good		755,950	16,331,362
Other financial assets		408,162	408,162
Loans and advances		3,183,923	3,183,323
Other receivables		1,950,745	1,950,745
Cash and bank balances		16,589,375	1,745,275
		23,423,377	24,154,089
TOTAL ASSETS		144,283,175	145,013,887

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


CHIEF EXECUTIVE

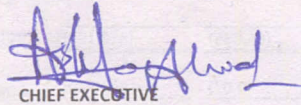

DIRECTOR

Karachi: February 28, 2013

Taha Spinning Mills Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Period Ended December 31, 2012

	DECEMBER 31, 2012 Rupees	DECEMBER 31, 2011 Rupees	DECEMBER 31, 2012 Rupees	DECEMBER 31, 2011 Rupees
Profit / (Loss) for the period after taxation	4,745,046	(1,098,673)	(65,035)	(810,198)
Comprehensive income for the period				
Total comprehensive profit/(loss) for the period	<u>4,745,046</u>	<u>(1,098,673)</u>	<u>(65,035)</u>	<u>(810,198)</u>

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


 CHIEF EXECUTIVE


 DIRECTOR

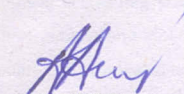
Karachi: February 28, 2013

Taha Spinning Mills Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the Period Ended December 31, 2012

	DECEMBER 31, 2012 Rupees	DECEMBER 31, 2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(685,910)	(1,098,673)
Adjustments for:		
Finance cost	-	1,316
Loss before working capital changes	(685,910)	(1,097,357)
(Increase)/Decrease in current assets		
Trade debts	15,575,412	4,000,000
Loans and advances	(600)	(230)
Increase/(Decrease) in current liabilities		
Trade and other payables	255,199	872,011
Cash generated from operations	15,144,101	3,774,424
Finance cost paid	-	(1,725,317)
Net cash inflow from operating activities	15,144,101	2,049,107
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(300,000)	(1,000,000)
Net cash (outflow) from financing activities	(300,000)	(1,000,000)
Net increased in cash and cash equivalents	14,844,101	1,049,107
Cash and cash equivalents at the start of the period	1,745,275	1,888,535
Cash and cash equivalents at the end of the period	16,589,376	2,937,642

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

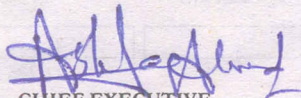

CHIEF EXECUTIVE


DIRECTOR

Taha Spinning Mills Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the Period Ended December 31, 2012

	PAID-UP SHARE CAPITAL	UN- APPROPRIATED PROFIT/(LOSS)	TOTAL
	-----Rupees-----		
Balance as at July 01, 2011	40,500,000	(72,047,024)	(31,547,024)
Total comprehensive loss for the period ended December 31, 2011	-	(1,098,673)	(1,098,673)
Balance as at December 31, 2011	40,500,000	(73,145,697)	(32,645,697)
Balance as at July 01, 2012	40,500,000	(89,057,700)	48,557,000
Total comprehensive loss for the period ended December 31, 2012	-	4,745,046	4,745,046
Balance as at December 31, 2012	40,500,000	(84,312,654)	(43,812,654)

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


CHIEF EXECUTIVE


DIRECTOR

Karachi: February 28, 2013

Taha Spinning Mills Limited

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)
For the Half year ended December 31, 2012

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 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. Mill is located at Sheikhpura in the Province of Punjab.
- 1.2 The Company has suspended its production of yarn operation since July, 2008. The Company has incurred a loss before tax of Rs. 0.68 million during the period and the accumulated loss stands at Rs.84.31 million. The current liabilities exceeds its current assets by Rs.69.75 million. Banks Financial institutions did not renewed banking facilities of the company. The management entered into a deal to sell land, building and machinery. The deal could not be finalized due to non performance of contract by the buyer. The High Court of Sindh has ordered to pay off creditors out of sale proceeds of assets. Future business plan will be determined by the management after finalization of court cases and completion of sale of assets.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the half year ended December 31, 2012 is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Companies Ordinance, 1984 (the Ordinance). This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended June 30, 2012.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi Stock Exchange and section 245 of the Companies Ordinances, 1984.

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2012. Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2012. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2012.

5 CONTINGENCIES AND COMMITMENTS

The company entered into a sale contract with a buyer. He paid a small amount against the machinery and later on occupy the mills premises. During his illegal occupancy he removed machinery worth of Rs.22 Million from the mill premises. After hard persuasion management got the possession of the mill with the order of the Honorable High Court of Sindh. The management is taking legal action against the illegal occupant for the recovery of stolen machinery. The realization of which is contingent upon the decision of the case and recovery from the buyer.

6 PROPERTY, PLANT AND EQUIPMENT

		(Unaudited)	(Audited)
		DECEMBER 31, 2012 Rupees	JUNE 30, 2012 Rupees
Opening book value	6.1	115,335,495	115,335,495
Depreciation			
		<u>115,335,495</u>	<u>115,335,495</u>

6.1 This includes Rs.22 million worth of assets approximately as mentioned in note 5.

7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on _____ by the board of directors of the company.

8 GENERAL

Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE

DIRECTOR

Karachi: February 28, 2013