



of Companies

**FIRST QUARTERLY ACCOUNTS
2012 - 2013
(UN - AUDITED)**

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED



FAISAL SPINNING MILLS LIMITED

DIRECTORS REVIEW

The Board of directors is pleased to present before you the un-audited condensed financial statements for the first quarter ended 30th September 2012.

Operating Results

Operating result of the company for the first quarter ended 30th September 2012 is as under;

	September 2012 Rupees in Million	September 2011 Rupees in Million
Sales	1,974.335	1,823.1555
Gross profit	185.931	166.047
Profit before tax	101.657	58.728
Profit after tax	81.906	40.607
	Rupees per Share	Rupees per Share
Earnings per share	8.19	4.06
Breakup value per share	234.50	226.30

Future Prospects

The reduction in discount rate by State Bank of Pakistan to 10% is appreciated but the State Bank of Pakistan should consider a further reduction in discount rate and it should be brought in single digit.

Plan of gas load shedding has been prepared by Energy Management Cell for winter season. Six hours a day gas load shedding has been finalized for textile industries. Due to unavailability of gas the machineries have to be operated through power generation based on furnace oil which caused increased in fuel and power cost.

Future profitability will depend on direction of raw cotton price and corresponding price of yarn and fabric. Currently the price of cotton in local market is steady. Pakistan cotton production is estimated around 15.5 million. Prices of cotton are expected to be firm in subsequent quarter. In the present scenario the management expects satisfactory results unless there is any unusual event occurs.

Acknowledgement

Yours Directors would like to place their appreciation of the cooperation of the financial institutions and dedication shown by the executives, officers, staff, technicians and workers of the company in the performance of their duties.

For and on behalf of the Board
BILAL SHARIF
Chief Executive

Karachi: October 24th, 2012



FAISAL SPINNING MILLS LIMITED

**Condensed Interim Balance Sheet (Un-Audited)
As At 30th September, 2012**

Note	30 th September 2012 Rupees	30 th June 2012 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
12,000,000 (2012: 12,000,000) ordinary shares of PKR 10 each	<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid up capital	<u>100,000,000</u>	100,000,000
Reserves	<u>2,100,000,000</u>	2,100,000,000
Unappropriated profits	<u>144,969,010</u>	63,062,272
	2,344,969,010	2,263,062,272
NON CURRENT LIABILITIES		
Long-term financing - secured	<u>161,144,875</u>	177,449,500
Obligation under finance lease	<u>3,762,157</u>	4,230,147
Infrastructure fee payable	<u>13,025,408</u>	12,550,081
Deferred liabilities	<u>68,258,970</u>	64,851,460
	246,191,410	259,081,188
CURRENT LIABILITIES		
Trade and other payables	<u>480,291,178</u>	437,587,390
Mark-up accrued on loans and other payables	<u>11,073,315</u>	13,012,924
Short-term borrowings - secured	<u>15,000,000</u>	540,500,000
Current portion of long term loan	<u>95,096,770</u>	95,563,160
	601,461,263	1,086,663,474
CONTINGENCIES AND COMMITMENTS	3	-
	<u>3,192,621,683</u>	<u>3,608,806,934</u>

The annexed notes form an integral part of these financial statements

BILAL SHARIF
Chief Executive

Karachi: 24th October 2012



FAISAL SPINNING MILLS LIMITED

Condensed Interim Balance Sheet (Un-Audited)
As At 30th September, 2012

ASSETS	Note	30 th September 2012 Rupees	30 th June 2012 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	4	1,396,237,023	1,439,394,698
Capital work-in-progress		55,898,548	46,673,647
Long term investment		392,759,813	380,628,631
Long term deposits		5,033,195	5,033,195
		1,849,928,579	1,871,730,171
CURRENT ASSETS			
Stores, spare parts and loose tools		90,309,864	75,822,894
Stock in trade		630,797,202	1,189,893,043
Trade debts		418,939,576	319,241,243
Loans and advances		27,991,201	11,136,650
Trade deposits and prepayments		18,804,858	13,586,198
Other receivables		2,964,932	2,964,932
Income tax and sales tax refundable		86,088,087	88,450,603
Bank balances		66,797,384	35,981,200
		1,342,693,104	1,737,076,763
		<u>3,192,621,683</u>	<u>3,608,806,934</u>

MOHAMMAD SALIM
Director



FAISAL SPINNING MILLS LIMITED

**Condensed Interim Profit and Loss Account (Un-Audited)
For The First Quarter Ended 30th September 2012**

	30 th September 2012 Rupees	30 th September 2011 Rupees
Sales	1,974,335,382	1,823,155,573
Cost of goods sold	1,788,404,116	1,657,108,216
Gross profit	185,931,266	166,047,357
Other operating income	750,115	181,580
	186,681,381	166,228,937
Distribution cost	56,926,401	60,055,151
Administrative expenses	12,917,871	12,041,920
Other operating expenses	4,711,902	2,675,638
Finance cost	22,599,069	40,619,088
	97,155,243	115,391,797
	89,526,138	50,837,140
Share of profit of associated undertaking	12,131,182	7,890,891
Profit before tax	101,657,320	58,728,031
Provision for taxation	19,750,582	18,120,525
Profit after tax	81,906,738	40,607,506
Earnings per share - basic and diluted	8.19	4.06

The annexed notes form an integral part of these financial statements

BILAL SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 24th October 2012



FAISAL SPINNING MILLS LIMITED

**Condensed Interim Cash Flow Statement (Un-Audited)
For The First Quarter Ended 30th September 2012**

	30 th September 2012 Rupees	30 th September 2011 Rupees
Cash flows from operating activities		
Profit before tax	101,657,320	58,728,031
Adjustments for:		
Depreciation of property, plant and equipment	39,563,945	41,487,000
Share profit of associated undertaking	(12,131,182)	(7,890,891)
Provision for bad debts	99,230	-
Infrastructure fee	475,327	1,119,018
Provision for employee benefits	6,003,120	5,475,000
(Gain) on disposal of property, plant and equipment	(385,580)	-
Finance cost	22,599,069	40,619,088
	<u>56,223,929</u>	<u>80,809,215</u>
Operating cash flows before movements in working capital	157,881,249	139,537,246
(Increase) in stores, spares and loose tools	(14,486,970)	(10,959,809)
Decrease in stock in trade	559,095,841	421,758,064
(Increase) in trade debts	(99,797,563)	(193,032,041)
Decrease / (Increase) in loans and advances	(16,854,551)	8,086,359
(Increase) in trade deposits	(5,218,660)	(928,699)
(Increase) in sales tax refund and other receivables	(868,560)	(9,590,578)
Increase / (Decrease) in trade and other payables	42,703,788	(20,355,699)
	<u>464,573,325</u>	<u>194,977,597</u>
Cash generated by operations	622,454,574	334,514,843
Finance cost paid	(24,538,678)	(37,268,344)
Employee benefit costs paid	(2,595,610)	(1,942,291)
Income taxes paid	(16,519,506)	(17,947,488)
	<u>(43,653,794)</u>	<u>(57,158,123)</u>
Net cash from operating activities	578,800,780	277,356,720
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	3,979,310	-
Addition in property plant and equipment	(9,224,901)	(7,010,785)
Net cash used in investing activities	(5,245,591)	(7,010,785)
Cash flows from financing activities		
Payment of long-term financing	(16,304,625)	(2,525,000)
Payment of obligation under finance lease	(934,380)	(645,943)
Increase / (decrease) in short-term borrowings	(525,500,000)	(278,270,703)
Net cash from financing activities	(542,739,005)	(281,441,646)
Net increase / (decrease) in cash and cash equivalents	30,816,184	(11,095,711)
Cash and cash equivalent at the beginning of year	35,981,200	37,739,909
Cash and cash equivalent at the end of year	66,797,384	26,644,198

The annexed notes form an integral part of these financial statements

BILAL SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 24th October 2012

QUARTERLY REPORT 2012

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FAISAL SPINNING MILLS LIMITED

**Condensed Interim Statement of Changes In Equity (Un-Audited)
For The First Quarter Ended 30th September 2012**

	Share Capital Rupees	Capital Reserves Rupees	Reserves		Unappropriated Profit	
			General Reserves Rupees	Total Rupees	Profit Rupees	Total Rupees
Balance as at 30th June, 2011	100,000,000	24,150,000	1,775,850,000	1,800,000,000	139,064,820	2,039,064,820
Profit for the quarter ended 30 th September 2011	-	-	-	-	40,607,506	40,607,506
Balance as at 30th September, 2011	100,000,000	24,150,000	1,775,850,000	1,800,000,000	179,672,326	2,079,672,326
Final dividend for the year ended June 30, 2011 PKR.7.5 per share	-	-	-	-	(75,000,000)	(75,000,000)
Profit for the remaining period	-	-	-	-	258,389,946	258,389,946
Transferred to general reserve	-	-	300,000,000	300,000,000	(300,000,000)	-
Balance as at 30th June, 2012	100,000,000	24,150,000	2,075,850,000	2,100,000,000	63,062,272	2,263,062,272
Profit for the quarter ended 30 th September 2012	-	-	-	-	81,906,738	81,906,738
Balance as at 30th September, 2012	100,000,000	24,150,000	2,075,850,000	2,100,000,000	144,969,010	2,344,969,010

BILAL SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 24th October 2012



FAISAL SPINNING MILLS LIMITED

**Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The First Quarter Ended 30th September 2012**

	30 th September 2012 Rupees	30 th September 2011 Rupees
Profit for the quarter after taxation	81,906,738	40,607,506
Other comprehensive income for the quarter	-	-
Total comprehensive Income for the quarter	81,906,738	40,607,506

The annexed notes form an integral part of these financial statements

BILAL SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 24th October 2012



FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes To The Financial Statements (Unaudited) For The First Quarter Ended 30th September, 2012

1 Nature and Scope Of The Business

The company was incorporated in Pakistan as a Public limited company on January 31, 1985. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The principal business of the company is manufacturing and sale of yarn and woven fabrics. The registered office is located at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi.

2 Accounting Policies

All accounting policies adopted for the preparation of these quarterly financial statements are the same as applied in preparation of the preceding annual published financial statements of the company for the year ended June 30, 2012.

3 Contingent Liabilities and Capital Commitments

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2012.

	September 2012 RUPEES	June 2012 RUPEES
4 Acquisition and Disposal of Fixed Assets		
Written down value of assets - opening	1,439,394,698	1,513,757,757
Addition during the period	-	87,170,114
Disposal during the period - written down value	(3,593,730)	(296,054)
Depreciation charged during the period	(39,563,945)	(161,237,119)
Written down value of asset - closing	<u>1,396,237,023</u>	<u>1,439,394,698</u>

5 Transactions with Associated Undertaking

The Company enters into transactions with the related parties in normal course of business at arm's length determined in accordance with "comparable Uncontrolled Price Method". Transactions with related parties other than remuneration and benefits to key management personnel under the terms of employment are as follows:

	Sep 2012	Sep 2011
Services received	2,214,000	570,000
Electricity purchased	17,760,979	33,002,737
Purchase of yarn, fabric and stores	163,366,420	259,600,875
Sales of cotton, yarn and fabric	27,095,786	124,447,383

6 Comparative Figures

In order to comply with the requirements of international Accounting Standards 34 "Interim Financial Reporting", Balance Sheet has been compared with the balances of annual financial statements while profit & Loss accounts has been compared with corresponding figures of last year quarter.

BILAL SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 24th October 2012

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