



of Companies

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

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED



FAISAL SPINNING MILLS LIMITED

Vision

*A company,
providing quality textile products
and maintaining
an excellent level of ethical
and
professional standards.*





FAISAL SPINNING MILLS LIMITED

Mission Statement

*To become the leaders of
Textile products
In the local
&
International market
And to achieve
The highest level of success.*



FAISAL SPINNING MILLS LIMITED

DIRECTORS' REVIEW

The Board of directors is pleased to present before you the un-audited condensed financial statements for the nine months ended 31st March 2013. These statements have been prepared in compliance with IAS-34 and are being submitted under section 245 of The Companies Ordinance 1984.

Operating Results

Operating result of the company for the nine months ended 31st March 2013 is as under;

	PKR in Million
Sales	6,212.264
Gross profit	818.383
Profit before tax	509.990
Profit after tax	447.948
	=====
	PKR per share
Earnings per share	44.79
Breakup value per share	266.10

By the blessing of Allah Al Mighty the profitability of company during the nine months ended 31st March 2013 has increased as compared to previous nine months ended 31st March 2012. In previous nine months the profit after tax was PKR 169.892 Million which has increased to PKR 447.948 Million during the current nine months ended 31st March 2013.

Overview and Future Prospects

Currently the price of cotton in local market and international market is increasing. In local market, it is around PKR 6,600 per maund. Due to lower production of cotton in Pakistan the prices of cotton is expected to be higher in subsequent quarter.

The intensity of gas load shedding has increased in Punjab during the nine months ended 31st March 2013 as compared to previous nine months. In the absence of gas the machineries had to be operated through power generation based on furnace oil which caused increased in fuel and power cost.

The board of directors has approved the expansion plan of expanding spinning capacity by 6,000 spindles. These spindles will be added in unit I of company situated at Nooriabad. The estimated cost of expansion is around PKR 560.0 Million. The cost of expansion will be financed through bank borrowing. It is expected that the expansion will be completed by October 2013. In the present scenario the results are likely to be positive in coming quarters. The management of the company is doing its best efforts to maintain the profitability margin.

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

Karachi : 30th April, 2013

Bilal Sharif
Chief Executive



FAISAL SPINNING MILLS LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At 31st March, 2013

	31 st March 2013 Rupees	30 th June 2012 Rupees
Note		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
12,000,000 (2012: 12,000,000) ordinary shares of PKR 10 each	120,000,000	120,000,000
Issued, subscribed and paid up capital	100,000,000	100,000,000
Reserves	2,100,000,000	2,100,000,000
Unappropriated profits	461,010,500	63,062,272
	2,661,010,500	2,263,062,272
NON CURRENT LIABILITIES		
Long-term financing - secured	136,656,625	177,449,500
Obligation under finance lease	2,661,081	4,230,147
Deferred liabilities	93,090,187	77,401,541
	232,407,893	259,081,188
CURRENT LIABILITIES		
Trade and other payables	487,870,551	437,587,390
Mark-up accrued on loans and other payables	34,385,232	13,012,924
Short-term borrowings - secured	1,612,900,000	540,500,000
Current portion of long term loan	76,329,452	95,563,160
	2,211,485,235	1,086,663,474
CONTINGENCIES AND COMMITMENTS	5	-
	5,104,903,628	3,608,806,934

The annexed notes form an integral part of these financial statements

Bilal Sharif
Chief Executive

Karachi : 30th April, 2013



FAISAL SPINNING MILLS LIMITED

**Condensed Interim Balance Sheet (Un-Audited)
As At 31st March, 2013**

	Note	31 st March 2013 Rupees	30 th June 2012 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,320,586,237	1,439,394,698
Capital work-in-progress		84,452,078	46,673,647
Long term investment		421,381,211	380,628,631
Long term deposits		5,033,195	5,033,195
		1,831,452,721	1,871,730,171
CURRENT ASSETS			
Stores, spare parts and loose tools		78,450,078	75,822,894
Stock in trade		2,487,873,577	1,189,893,043
Trade debts		402,724,683	319,241,243
Loans and advances		94,727,729	9,764,300
Trade deposits and prepayments		26,927,709	14,958,548
Other receivables		2,594,432	2,964,932
Sales tax refundable		58,186,215	56,510,211
Income tax refundable		34,014,269	31,940,392
Cash and Bank balances		87,952,215	35,981,200
		3,273,450,907	1,737,076,763
		<u>5,104,903,628</u>	<u>3,608,806,934</u>

Mohammad Salim
Director



FAISAL SPINNING MILLS LIMITED

Condensed Interim Profit and Loss Account (Unaudited) For The Nine Months Ended 31st March 2013

	Nine Months Ended		Quarter Ended	
	31 st March 2013 Rupees	31 st March 2012 Rupees	31 st March 2013 Rupees	31 st March 2012 Rupees
Sales	6,212,264,626	5,465,189,105	2,204,829,087	1,830,166,182
Cost of goods sold	5,393,881,280	4,911,757,120	1,860,256,706	1,615,746,180
Gross profit	818,383,346	553,431,985	344,572,381	214,420,002
Other operating income	3,278,035	4,581,171	630,321	4,056,518
	821,661,381	558,013,156	345,202,702	218,476,520
Distribution cost	187,107,655	169,713,615	68,526,613	55,513,082
Administrative expenses	39,471,305	36,046,845	14,933,061	13,099,141
Other operating expenses	24,445,639	10,069,863	10,362,409	4,299,856
Finance cost	107,345,127	150,855,454	54,494,820	63,867,180
	358,369,726	366,685,777	148,316,903	136,779,259
	463,291,655	191,327,379	196,885,799	81,697,261
Share of profit of associated undertaking	46,698,380	32,441,608	18,693,546	14,506,022
	509,990,035	223,768,987	215,579,345	96,203,283
Profit before tax				
Provision for taxation				
Current year	62,041,807	54,541,661	21,944,949	18,367,546
Prior year	-	(664,869)	-	(664,869)
	62,041,807	53,876,792	21,944,949	17,702,677
Profit after tax	447,948,228	169,892,195	193,634,396	78,500,606
Earnings per share - basic and diluted	44.79	16.99	19.36	7.85

The annexed notes form an integral part of these financial statements

Bilal Sharif
Chief Executive

Mohammad Salim
Director

Karachi : 30th April, 2013



FAISAL SPINNING MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-Audited) For The Nine Months Ended 31st March 2013

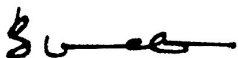
	31 st March 2013 Rupees	31 st March 2012 Rupees
Cash flows from operating activities		
Profit before tax	509,990,035	223,768,987
Adjustments for:		
Depreciation of property, plant and equipment	118,679,945	124,461,000
Share profit of associated undertaking	(46,698,380)	(32,441,608)
Provision for bad debts	87,206	135,873
Bad debts recovered	(1,425,489)	(3,400,000)
Infrastructure fee	5,499,078	1,576,638
Provision for employee benefits	18,054,000	16,425,000
(Gain) on disposal of property, plant and equipment	(639,007)	(289,050)
Finance cost	107,345,127	150,855,454
	200,902,480	257,323,307
Operating cash flows before movements in working capital	710,892,515	481,092,294
(Increase) in stores, spares and loose tools	(2,627,184)	(7,700,348)
(Increase) in stock in trade	(1,297,980,534)	(496,229,467)
(Increase) in trade debts	(83,570,646)	(122,541,406)
Decrease / (Increase) in loans and advances	(84,963,429)	9,554,427
(Increase) in trade deposits	(11,969,161)	(928,873)
Decrease in other receivables	370,500	-
Decrease / (Increase) in sales tax refund and other receivables	(250,515)	(9,657,271)
Increase in trade and other payables	49,886,573	16,299,501
	(1,431,104,396)	(611,203,437)
Cash generated by operations	(720,211,881)	(130,111,143)
Finance cost paid	(85,972,819)	(125,655,524)
Employee benefit costs paid	(7,864,432)	(7,508,624)
Income taxes paid	(64,115,684)	(56,223,431)
	(157,952,935)	(189,387,579)
Net cash from operating activities	(878,164,816)	(319,498,722)

FAISAL SPINNING MILLS LIMITED

**Condensed Interim Cash Flow Statement (Un-Audited)
For The Nine Months Ended 31st March 2013**

	31 st March 2013 Rupees	31 st March 2012 Rupees
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	8,629,310	350,000
Addition in property plant and equipment	(45,640,218)	(71,060,795)
Dividend received	5,945,800	8,918,700
Net cash used in investing activities	(31,065,108)	(61,792,095)
Cash flows from financing activities		
Payment of loan from sponsors and relatives	-	(100,000,000)
Payment of long-term financing	(57,672,719)	(36,575,000)
Payment of obligation under finance lease	(3,922,930)	(2,006,690)
Increase / (decrease) in short-term borrowings	1,072,400,000	603,904,632
Dividend paid	(49,603,412)	(74,389,599)
Net cash from financing activities	961,200,939	390,933,343
Net increase in cash and cash equivalents	51,971,015	9,642,526
Cash and cash equivalent at the beginning of period	35,981,200	37,739,909
Cash and cash equivalent at the end of period	87,952,215	47,382,435

The annexed notes form an integral part of these financial statements



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi : 30th April, 2013



FAISAL SPINNING MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Unaudited) For The Nine Months Ended 31st March 2013

	Reserves					Total
	Share Capital	Capital Reserves	General Reserves	Total	Unappropriated Profit	
	Rupees	Rupees	Rupees		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
Final dividend for the year ended June 30, 2011 PKR. 7.5 per share	-	-	-	-	(75,000,000)	(75,000,000)
Profit for the nine months ended 31 st March 2012	-	-	-	-	169,892,195	169,892,195
Balance as at 31st March, 2012	100,000,000	24,150,000	1,775,850,000	1,800,000,000	233,957,015	2,133,957,015
Profit for the remaining period	-	-	-	-	129,105,257	129,105,257
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
Final dividend for the year ended June 30, 2012 PKR. 5.0 per share	-	-	-	-	(50,000,000)	(50,000,000)
Profit for the nine months ended 31 st March 2013	-	-	-	-	447,948,228	447,948,228
Balance as at 31st March, 2013	100,000,000	24,150,000	2,075,850,000	2,100,000,000	461,010,500	2,661,010,500

The annexed notes form an integral part of these financial statements

Bilal Sharif
Chief Executive

Mohammad Salim
Director

Karachi : 30th April, 2013

FAISAL SPINNING MILLS LIMITED

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the Nine Months Ended 31st March 2013**

	Nine Months Ended		Quarter Ended	
	31 st March 2013 Rupees	31 st March 2012 Rupees	31 st March 2013 Rupees	31 st March 2012 Rupees
Profit for the nine months after taxation	447,948,228	169,892,195	193,634,396	78,500,606
Other comprehensive income for the nine months	-	-	-	-
Total comprehensive Income for the nine months	<u>447,948,228</u>	<u>169,892,195</u>	<u>193,634,396</u>	<u>78,500,606</u>

The annexed notes form an integral part of these financial statements



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi : 30th April, 2013



FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Unaudited) For The Nine Months ended 31st March, 2013

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 company is principally engaged in manufacturing and sale of yarn and fabrics. The registered office is located at Umer House, 23/1, Sector 23, S.M Farooq Road, Korangi Industrial Area, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 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 30th June, 2012.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 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

4.2 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 30th June, 2012.

4.3 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 30 June 2012.

5 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

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

6 PROPERTY, PLANT AND EQUIPMENTS

	MARCH 2013 Rupees	JUNE 2012 Rupees
Written down value of assets - opening	1,439,394,698	1,513,757,757
Addition during the period	7,861,787	87,170,114
Disposal during the period - written down value	(7,990,303)	(296,054)
Depreciation charged during the period	(118,679,945)	(161,237,119)
Written down value of asset - closing	<u>1,320,586,237</u>	<u>1,439,394,698</u>

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Unaudited) For The Nine Months ended 31st March, 2013

7 TRANSACTIONS WITH ASSOCIATED UNDERTAKING

The Company enters into transactions with the related parties in normal course of business at arm's length price 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:

	Nine Months Ended		Quarter Ended	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
	Rupees	Rupees	Rupees	Rupees
Services received	4,802,478	3,162,000	1,219,878	2,022,000
Services rendered	3,041,259	15,204,600	(1,111,473)	15,204,600
Electricity purchased	62,640,488	119,873,652	17,577,739	46,965,677
Purchase of yarn, fabric and stores	539,926,560	550,021,816	165,908,023	143,680,137
Sales of cotton, yarn and fabric	124,827,595	189,561,719	58,265,529	9,273,678
Dividend received	5,945,800	8,918,700	-	-

8 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison. Significant reclassifications made is as following:

From	TO	Nature	Amount
Loan & Advances	Trade deposits and prepayments		
Security Deposits	Trade Deposits	Proper classification	2,782,000

9 DATE OF AUTHORIZATION FOR ISSUE

These nine months period financial statements were authorized for issue on 30th April 2013 by the board of directors of the Company.

10 DIVIDEND


The Company has paid cash dividend at the rate of 50% (i.e. PKR 5.0 per share) on the ordinary shares as approved in 28th Annual General Meeting held on 24th October, 2012.

11 OTHERS

There are no other significant activity since 30th June, 2012 affecting the financial statements.

12 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 half year and quarter.



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi : 30th April, 2013

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