



of Companies

THIRD QUARTERLY ACCOUNTS
2016-2017
(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 nine months ended 31st March 2017. 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 2017 is as under;

	March 2017 Rupees	March 2016 Rupees
Sales	8,004,679,029	6,917,159,414
Gross profit	854,516,589	510,847,593
Profit before tax	428,052,747	149,498,797
Profit after tax	348,293,374	80,458,409
Earnings per share	34.83	8.05

Breakup value of the share as on 31st March 2017 is PKR 408.85 (30th June, 2016 PKR 379.03).

Overview and Future Prospects

Energy crisis is still a major threat for economy of Pakistan. Government should take some immediate steps to resolve the energy crisis. Textile export is declining with the passage of time. Textile package announced by the government does not contain any provision of energy crisis.

The national cotton production stood at 10.727 million bales so far, showing an increase by 9.81 per cent, as compared with last year. Local production of cotton in current year is again unable to meet the consumption of spinners, therefore the cotton is being imported by the spinners. Currently, cotton price in local market seems to be going up.

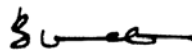
Government should extend export finance scheme to yarn and fabric in order to support spinning segment which is currently in crisis.

In the present scenario the results are likely to be moderate in coming quarter. The management of the company is doing its best efforts to maintain the profitability margin.

Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, technicians and workers who have worked vigorously to meet the target. Yours directors also extend their appreciation to the company's banker, buyers and suppliers for the cooperation extended by them.

For and on behalf of the Board



Karachi: 26th April 2017

Bilal Sharif
Chief Executive



FAISAL SPINNING MILLS LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At 31st March, 2017

Note	31 st March 2017 Rupees	30 th June 2016 Rupees
Authorized capital		
12,000,000 (2016: 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>3,650,000,000</u>	3,650,000,000
Unappropriated profits	<u>338,595,659</u>	40,302,285
	4,088,595,659	3,790,302,285
NON CURRENT LIABILITIES		
Long-term financing - secured	<u>1,624,790,014</u>	1,354,511,673
Infrastructure fee payable	<u>65,443,498</u>	50,596,721
Deferred liabilities	<u>172,854,436</u>	169,233,110
	1,863,087,948	1,574,341,504
CURRENT LIABILITIES		
Trade and other payables	<u>878,817,715</u>	751,075,218
Mark-up accrued on loans and other payables	<u>20,902,096</u>	13,144,572
Short-term borrowings - secured	<u>653,511,833</u>	752,995,786
Current portion of long term loan	<u>154,044,324</u>	123,681,061
	1,707,275,968	1,640,896,637
CONTINGENCIES AND COMMITMENTS	4	-
	-	-
TOTAL EQUITY AND LIABILITIES	<u>7,658,959,575</u>	<u>7,005,540,426</u>

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

Bilal Sharif
Chief Executive

Karachi: 26th April 2017



FAISAL SPINNING MILLS LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At 31st March, 2017

	Note	31 st March 2017 Rupees	30 th June 2016 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	3,324,073,658	3,196,270,573
Long term investment		541,779,793	510,098,368
Long term deposits		8,859,135	8,859,135
		3,874,712,586	3,715,228,076
CURRENT ASSETS			
Stores, spare parts and loose tools		78,847,165	66,536,840
Stock in trade		2,254,721,887	1,998,879,799
Trade debts		635,835,593	497,572,089
Loans and advances		248,989,545	120,980,511
Trade deposits and prepayments		68,775,207	62,369,077
Other receivables		2,594,432	2,594,432
Income tax refundable		231,706,799	229,282,810
Sales tax refundable		190,741,276	258,330,159
Bank balances		72,035,085	53,766,633
		3,784,246,989	3,290,312,350
TOTAL ASSETS		7,658,959,575	7,005,540,426

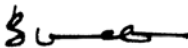
Mohammad Salim
Director

FAISAL SPINNING MILLS LIMITED

Condensed Interim Profit and Loss Account (Un-Audited) For The Nine Months Ended 31st March 2017

	Nine Months Ended		Quarter Ended	
	31 st March 2017 Rupees	31 st March 2016 Rupees	31 st March 2017 Rupees	31 st March 2016 Rupees
Sales	8,004,679,029	6,917,159,414	2,829,827,663	2,564,080,099
Cost of goods sold	7,150,162,440	6,406,311,821	2,480,149,043	2,349,495,218
Gross profit	854,516,589	510,847,593	349,678,620	214,584,881
Other income	(952,099)	52,327,821	(880,154)	(1,639,758)
	853,564,490	563,175,414	348,798,466	212,945,123
Distribution cost	246,622,866	235,242,612	98,444,641	88,987,414
Administrative expenses	68,779,359	65,195,641	22,027,386	21,328,054
Other operating expenses	29,595,022	12,315,686	12,863,030	4,736,797
Finance cost	118,141,721	108,744,127	44,271,542	41,066,644
	463,138,968	421,498,066	177,606,599	156,118,909
	390,425,522	141,677,348	171,191,867	56,826,214
Share of profit of associated undertaking	37,627,225	7,821,449	11,822,430	3,964,825
Profit before tax	428,052,747	149,498,797	183,014,297	60,791,039
Provision for taxation	6			
Current year	79,759,373	69,040,388	28,102,176	25,613,524
Prior year	-	-	-	-
	79,759,373	69,040,388	28,102,176	25,613,524
Profit after tax	348,293,374	80,458,409	154,912,121	35,177,515
Earnings per share - basic and diluted	34.83	8.05	15.49	3.52

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



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi: 26th April 2017



FAISAL SPINNING MILLS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-Audited) For the Nine Months Ended 31st March 2017

	Nine Months Ended		Quarter Ended	
	31 st March 2017 Rupees	31 st March 2016 Rupees	31 st March 2017 Rupees	31 st March 2016 Rupees
Profit for the period after taxation	348,293,374	80,458,409	154,912,121	35,177,515
Other comprehensive income for the year	-	-	-	-
Total comprehensive Income for the period	348,293,374	80,458,409	154,912,121	35,177,515

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

Bilal Sharif
Chief Executive

Mohammad Salim
Director

Karachi: 26th April 2017



FAISAL SPINNING MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-Audited) For The Nine Months Ended 31st March 2017

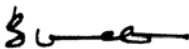
	31st March 2017 Rupees	31st March 2016 Rupees
Cash flows from operating activities		
Profit before tax	428,052,747	149,498,797
Adjustments for:		
Depreciation of property, plant and equipment	273,270,832	220,024,200
Share profit of associated undertaking	(37,627,225)	(7,821,449)
Provision for bad debts	-	445,024
Infrastructure fee	14,846,777	13,854,681
Provision for employee benefits	24,243,250	31,995,000
Loss / (Gain) on disposal of property, plant and equipment	3,369,820	(50,947,848)
Finance cost	118,141,721	108,744,127
	396,245,175	316,293,735
Operating cash flows before movements in working capital	824,297,922	465,792,532
(Increase) in stores, spares and loose tools	(12,310,325)	(10,162,302)
(Increase) in stock in trade	(255,842,088)	(646,349,360)
(Increase) in trade debts	(138,263,504)	(326,065,949)
Decrease / (Increase) in loans and advances	(128,009,034)	(33,512,752)
(Increase) in trade deposits	(6,406,130)	(14,789,899)
Decrease / (Increase) in sales tax refund and other receivables	67,588,883	(120,210,253)
Increase in trade and other payables	127,244,043	180,099,189
	(345,998,155)	(970,991,326)
Cash used in operations	478,299,767	(505,198,794)
Finance cost paid	(110,384,197)	(98,062,159)
Employee benefit costs paid	(20,621,924)	(14,849,448)
Income taxes paid	(82,183,362)	(62,441,685)
	(213,189,483)	(175,353,292)
Net cash used in operating activities	265,110,284	(680,552,086)

FAISAL SPINNING MILLS LIMITED

**Condensed Interim Cash Flow Statement (Un-Audited)
For The Nine Months Ended 31st March 2017**

	31 st March 2017 Rupees	31 st March 2016 Rupees
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	37,050,000	197,444,550
Addition in property plant and equipment	(441,493,738)	(917,319,083)
Dividend received	5,945,800	5,945,800
Net cash used in investing activities	(398,497,938)	(713,928,733)
Cash flows from financing activities		
Proceed from long term finance	387,621,084	847,573,300
Payment of long-term financing	(86,979,480)	(384,170,951)
Increase / (Decrease) in short-term borrowings	(99,483,953)	968,931,939
Dividend paid	(49,501,545)	(49,391,322)
Net cash from financing activities	151,656,106	1,382,942,966
Net increase / (decrease) in cash and cash equivalents	18,268,452	(11,537,853)
Cash and cash equivalent at the beginning of period	53,766,633	77,213,026
Cash and cash equivalent at the end of period	72,035,085	65,675,173

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



Bilal Sharif
Chief Executive



Mohammad Salim
Director


Karachi: 26th April 2017

FAISAL SPINNING MILLS LIMITED

**Condensed Interim Statement of Changes in Equity (Un-Audited)
For The Nine Months Ended 31st March 2017**

	Reserves					Unappropriated Profit Rupees	Total Rupees
	Share Capital	Capital Reserves	General Reserves	Total			
	Rupees	Rupees	Rupees				
Balance as at 30th June, 2015	100,000,000	24,150,000	3,475,850,000	3,500,000,000	64,385,963	3,664,385,963	
Final dividend for the year ended June 30, 2015 PKR. 5.0 per share	-	-	-	-	(50,000,000)	(50,000,000)	
Total comprehensive income for the Nine Months ended 31st March 2016	-	-	-	-	80,458,409	80,458,409	
Balance as at 31st March, 2016	100,000,000	24,150,000	3,475,850,000	3,500,000,000	94,844,372	3,694,844,372	
Total comprehensive income for the remaining period	-	-	-	-	95,457,913	95,457,913	
Transferred to general reserve	-	-	150,000,000	150,000,000	(150,000,000)	-	
Balance as at 30th June, 2016	100,000,000	24,150,000	3,625,850,000	3,650,000,000	40,302,285	3,790,302,285	
Final dividend for the year ended June 30, 2016 PKR. 5.0 per share	-	-	-	-	(50,000,000)	(50,000,000)	
Total comprehensive income for the Nine Months ended 31st March 2017	-	-	-	-	348,293,374	348,293,374	
Transferred to general reserve	-	-	-	-	-	-	
Balance as at 31st March 2017	100,000,000	24,150,000	3,625,850,000	3,650,000,000	338,595,659	4,088,595,659	

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



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi: 26th April 2017

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Un-Audited) For The Nine Months ended 31st March, 2017

1 REPORTING ENTITY

Faisal Spinning Mills Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The Company is primarily a spinning and weaving unit engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at Nooriabad District Dadu in the Province of Sindh and District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2016.

2.1 Statement of compliance

This condensed interim financial report has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

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

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgments, estimates and assumptions

The preparation of financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Un-Audited) For The Nine Months ended 31st March, 2017

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2016.

4 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2016.

	<i>Note</i>	March 31, 2017 <i>Rupees</i> <i>(Un-Audited)</i>	June 30, 2016 <i>Rupees</i> <i>(Audited)</i>
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
- assets owned by the Company	5.1	3,289,655,158	3,196,192,909
Capital work in progress		34,418,500	77,664
		<u>3,324,073,658</u>	<u>3,196,270,573</u>

5.1 Assets owned by the Company

Net book value at the beginning of the period/year	3,196,192,909	2,466,090,622
Additions during the period/year		
Factory buildings	-	2,067,506
Non factory buildings	-	6,149,791
Plant and machinery	395,852,974	1,164,825,520
Electric installation	-	7,207,604
Factory equipment	-	2,470,363
Equipment and other assets	-	9,229,799
Vehicles	11,299,928	14,366,445
	407,152,902	1,206,317,028
Net book value of assets disposed during the period/year	(40,419,821)	(175,716,952)
Depreciation for the period/year	(273,270,832)	(300,497,789)
Net book value at the end of the period/year	<u>3,289,655,158</u>	<u>3,196,192,909</u>

6 PROVISION FOR TAXATION

- 6.1 Provision for current tax has been in accordance with the requirements of section 18 and section 154 of the Income Tax Ordinance, 2001.

7 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Un-Audited) For The Nine Months ended 31st March, 2017

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction.

Details of transactions and balances with related parties is as follows:

Nine Months Ended		Quarter Ended	
31 st March 2017 Rupees	31 st March 2016 Rupees	31 st March 2017 Rupees	31 st March 2016 Rupees

7.1 Transactions with related parties

Nature of relationship

Associated companies

Nature of transaction

Purchases	855,847,445	785,609,082	240,315,832	234,775,339
Sales	92,298,663	22,790,526	29,602,536	6,677,904
Services received	243,000	236,250	81,000	77,250
Purchase of electricity	329,663,491	235,591,096	113,158,161	106,126,478
Dividend received	5,945,800	5,945,800	-	5,945,800

7.2 Balances with related parties

There are no balances with related parties as at the reporting date.

8 SEGMENT REPORTING

The Company has three reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufactures and sale of yarn
Weaving	Manufactures and sale of woven fabric
Power	Generation and sale of electricity

Information about operating segments as at March 31, 2017 is as follows:

	Nine Months ended 31-Mar-17			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	3,884,037,867	4,120,641,162	-	8,004,679,029
Inter-segment revenues	52,607,400	-	325,521,795	378,129,195

	Nine Months ended 31-Mar-16			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	3,263,306,940	3,653,852,474	-	6,917,159,414
Inter-segment revenues	25,691,600	-	363,273,777	388,965,377

FAISAL SPINNING MILLS LIMITED

**Condensed Interim Notes to the Financial Statements (Un-Audited)
For The Nine Months ended 31st March, 2017**

As at March 31, 2017					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>3,622,806,277</u>	<u>2,867,780,863</u>	<u>195,297,429</u>	<u>973,075,006</u>	<u>7,658,959,575</u>
As at June 30, 2016					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>3,171,603,306</u>	<u>2,620,882,625</u>	<u>206,484,023</u>	<u>1,006,570,472</u>	<u>7,005,540,426</u>
As at March 31, 2017					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>176,609,011</u>	<u>334,197,674</u>	<u>349,677,300</u>	<u>2,709,879,931</u>	<u>3,570,363,916</u>
As at June 30, 2016					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>157,594,409</u>	<u>328,533,498</u>	<u>253,283,144</u>	<u>2,475,827,090</u>	<u>3,215,238,141</u>

9 EVENTS AFTER THE REPORTING PERIOD

9.1 There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial report.

10 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

11 GENERAL

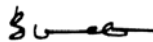
11.1 There are no other significant activities since June 30, 2016 affecting the interim financial information.

11.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

11.3 Figures have been rounded off to the nearest Rupee.

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on 26th April 2017.



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi: 26th April 2017

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