



of Companies

**THIRD QUARTERLY ACCOUNTS
2017-2018
(UN - AUDITED)**

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED

Vision

A Company,
providing quality textile products
and maintaining
an excellent level of esthetical
and
professional standards.



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

On behalf of the board of directors of Faisal Spinning Mills Limited, I am presenting the unaudited condensed interim financial statements for the nine months ended 31st March, 2018.

Key financial performance during the nine months ended 31st March, 2018;

During nine months ended 31st March, 2018 the company has made a net profit after of PKR 389.106 million compared to PKR 348.293 million in the corresponding period ended 31st March, 2017.

Earnings per share for the nine months ended 31st March 2018 is PKR 38.91 (31st March, 2017 PKR 34.83).

Break-up value of the share as on 31st March, 2018 is PKR 438.76 (30th June 2017: 417.10). The profits during the nine months ended 31st March, 2018 has increased by PKR 40.813 million as compared to corresponding period ended 31st March, 2017.

Forthcoming Predictions

With no major change in extreme issues like electricity and gas shortage, unemployment, and poverty, Pakistan may continue to face the problem of fiscal consolidation even after the formation of new government expected in 2018. The absence of practicable ideas based on ground realities to deal with the changing circumstances, may turn out to be the government's most significant weakness to maintain financial discipline and economic harmony.

Whereas on the other hand balance of payments issue may pose very serious risks to economy in upcoming years, mostly because of ballooning deficits erosion in foreign exchange reserves down the line and weakening rupee against dollar. The business community also expects years ahead to be full of economic challenges. The debt servicing is also a major non development expenditure that is hampering the economic growth badly.

However, an encouraging news is that government finally release PKR 5 billion to clear claims of duty drawback of taxes (DDT) allowed under the Prime Minister's Trade Enhancement Initiative. This apparently seems to be positive gesture by the government for sustainability of textile sector and a much needed initiative to flip to textile exports.

The financial stress of textile exporters would be mitigated through payment of outstanding duty drawback of taxes and technology up gradation fund schemes, but immediate payment of stuck-up liquidity in sales tax, income tax and customs rebate refund regime also needs to be addressed to derive maximum industrial growth and a significant rise in exports of textiles.

Acknowledgment

The Board highly appreciates the contribution of employees, bankers, corporate regulators, stakeholders and other government authorities for their extended co-operation and support.

For and on behalf of the Board

Karachi: 26th April 2018

Bilal Sharif
Chief Executive

ڈائریکٹرز کی رپورٹ

فیصل اسپننگ ملز لمیٹڈ کے ڈائریکٹروں کی بورڈ کی جانب سے میں غیر آڈٹ شدہ ملٹف مجوری مالی بیانات نو 31 مارچ، 2018 ختم ہونے کے لئے پیش کر رہا ہوں۔
31 مارچ، دو دہڑا شمارہ نمبر کے دوران اہم مالیاتی کارکردگی ختم ہو گیا

31 مارچ، 2018 ختم نو ماہ کے دوران 389.106 ملین روپے کے مقابلے میں روپے کی متعلقہ مدت میں 348.293 لاکھ 31 مارچ، 2017 ختم ہونے کے بعد یعنی ایک منافع بنا دیا ہے۔

نی شیٹرو 31 مارچ 2018 ختم ماہ آمدنی (38.91 روپے 31 مارچ، 34.83 2017 روپے) ہے۔

ریک اپ کی قدر صدر 31 مارچ، 2018 طور پر ہے 438.76 روپے (30 جون، 2017 : 417.10

31 مارچ 2018 ختم نو ماہ کے دوران ہونے والے منافع میں اضافہ ہوا ہے 40.813 ملین روپے کی طرف سے متعلقہ مقابلے 31 مارچ، 2017 دور ختم ہو گیا۔

آئندہ پیش گوئی

مکمل اور گیس کی قلت، بے روزگاری اور غربت اور پاکستان جیسے اہمائی مسائل میں کوئی بڑی تبدیلی کے بعد بھی 2018 کی عدم موجودگی میں نئی حکومت کے قیام کی توقع مالی ہنگامی کے مسئلہ کا سامنا کرنا جاری رکھ سکتے ہیں کے ساتھ بدلے ہوئے حالات کے ساتھ شہنشاہ کے لئے زمین حقائق پہنچائی گئی کے نظریات، مالیاتی تقیم و ضبط اور معاشی ہم آہنگی کو برقرار رکھنے کے لئے حکومت کی سب سے اہم کردہ پوزیشن ہونا ہے۔

بیکردوری کی جانب ادائیگیوں کا توازن مسئلہ معیشت کے لئے بہت سنگین خطرات آئندہ سالوں میں زیادہ تر کی وجہ سے بالوٹا گ لائی جیپے گڑ کے غیر ملکی ذرمبادلہ کے ذخائر میں کمی اور روپیہ ڈالر کے خلاف اضطراب پزیر ہونا ہو سکتا ہے۔ برٹس کیونٹی بھی سال آگے اقتصادی چیلنجوں کی مکمل ہونے کی توقع رکھتا ہے۔ قرض سرودھج بھی اقتصادی ترقی کو بری طرح باہر لگتا ہے ایک بڑے غیر ترقیاتی اخراجات ہے۔

تاہم، ایک حوصلہ افزا غیر حکومت ہالڈ خراب کارنگس (DDT) کا وزیر اعظم کی تجارت بڑھانے کی اقدام کے تحت کی اجازت فرض چھوٹ کے جھون کو صاف کرنے کے لیے روپے 5 ارب ہے۔ یہ بظاہر یکجہاں تکس کی پامیاری کے لئے حکومت کی طرف سے مثبت اشارہ دکھائی دیتا ہے اور ایک زیادہ یکجہاں بڑا عداوت کو پھیلانے کے لئے اقدام کی ضرورت ہے۔

یکجہاں بڑا منگتنے کے مالیاتی کیونٹی گیس اور تدریج فنڈس کیونٹی کی غیر معمولی فرض چھوٹ کی ادائیگی، لیکن سٹریٹس، اہم گیس اور کسٹم چھوٹ تم کی داہنی کی حکومت میں اپ خدمت تھے اٹاٹوں کی فوری طور پر ادائیگی کے ذریعے بھی ایس کے تخفیف کی جائے گی زیادہ سے زیادہ مضبوطی ترقی اور یکجہاں کی بڑا عداوت میں نمایاں اضافے کے لئے خصوصی توجہ دینے کی ضرورت ہے۔

تسلیم کرنا

بورڈ کے ملازمین، بینکاروں، کارپوریٹس، اہلکاروں اور ادارے، اسٹیٹک ہولڈرز اور دیگر سرکاری حکام نے ان کو تسبیح تبادان اور رعایت کے لیے امانت اہمائی قدر کرتا ہے۔

بورڈ کی جانب سے

بال شریف

چیف ایگزیکٹو

کراچی، 26 اپریل، 2018



FAISAL SPINNING MILLS LIMITED

Condensed Interim Statement of Financial Position (Un-audited) As At March 31, 2018

| | Note | March 31, 2018 Un-Audited Rupees | June 30, 2017 Audited Rupees |
|---|------|--|------------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 12,000,000 (June 30, 2017: 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>3,890,000,000</u> | 3,890,000,000 |
| Unappropriated profits | | <u>397,617,947</u> | 181,011,828 |
| | | 4,387,617,947 | 4,171,011,828 |
| NON CURRENT LIABILITIES | | | |
| Long term financing - secured | | <u>1,465,156,118</u> | 1,626,135,483 |
| Deferred liabilities | 4 | <u>756,512,658</u> | 627,362,726 |
| | | 2,221,668,776 | 2,253,498,209 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | <u>720,497,931</u> | 554,011,847 |
| Unclaimed Dividends | | <u>7,302,446</u> | 5,431,439 |
| Accrued markup / interest | | <u>24,057,487</u> | 18,583,998 |
| Short term borrowings - secured | | <u>763,607,715</u> | 164,039,661 |
| Current portion of non current liabilities | | <u>204,068,072</u> | 160,431,324 |
| | | 1,719,533,651 | 902,498,269 |
| CONTINGENCIES AND COMMITMENTS | 5 | - | - |
| TOTAL EQUITY AND LIABILITIES | | <u>8,328,820,374</u> | <u>7,327,008,306</u> |

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

Bilal Sharif
Chief Executive

Karachi: 26th April 2018



FAISAL SPINNING MILLS LIMITED

Condensed Interim Statement of Financial Position (Un-audited) As At March 31, 2018

| | Note | March 31, 2018 Un-Audited Rupees | June 30, 2017 Audited Rupees |
|-------------------------------------|------|--|------------------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 3,485,545,153 | 3,499,179,464 |
| Long term investment | | 580,323,994 | 549,595,877 |
| Long term deposits | | 8,859,135 | 8,859,135 |
| | | 4,074,728,282 | 4,057,634,476 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 81,319,182 | 85,731,511 |
| Stock in trade | | 2,782,662,732 | 2,010,274,290 |
| Trade debts | 6 | 713,131,032 | 395,871,780 |
| Loans and advances | | 62,952,912 | 71,488,616 |
| Trade deposits and prepayments | | 85,927,956 | 74,568,804 |
| Other receivables | | 7,862,810 | 2,594,432 |
| Advance income tax | | 293,689,305 | 307,380,377 |
| Sales tax refundable | | 156,146,544 | 210,749,047 |
| Cash and bank balances | | 70,399,619 | 110,714,973 |
| | | 4,254,092,092 | 3,269,373,830 |
| TOTAL ASSETS | | 8,328,820,374 | 7,327,008,306 |

MOHAMMAD SALIM
Director

ANWAR HUSSAIN
Chief Financial Officer

FAISAL SPINNING MILLS LIMITED

Condensed Interim Profit and Loss Account (Un-Audited) For The Nine Months Ended March 31, 2018

| | Nine Months Ended | | Quarter Ended | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | March 31 2018 Rupees | March 31 2017 Rupees | March 31 2018 Rupees | March 31 2017 Rupees |
| Sales | 8,506,520,106 | 8,004,679,029 | 2,881,481,647 | 2,829,827,663 |
| Cost of goods sold | 7,620,542,772 | 7,150,162,440 | 2,570,911,067 | 2,480,149,043 |
| Gross profit | 885,977,334 | 854,516,589 | 310,570,580 | 349,678,620 |
| Distribution cost | 226,458,650 | 246,622,866 | 74,749,581 | 98,444,641 |
| Administrative expenses | 78,931,435 | 68,779,359 | 26,234,543 | 22,027,386 |
| | 305,390,085 | 315,402,225 | 100,984,124 | 120,472,027 |
| Other income | 2,690,777 | (952,099) | 938,615 | (880,154) |
| | 583,278,026 | 538,162,265 | 210,525,071 | 228,326,439 |
| Other operating expenses | 34,711,572 | 29,595,022 | 12,225,402 | 12,863,030 |
| Finance cost | 102,051,129 | 118,141,721 | 41,944,575 | 44,271,542 |
| | 136,762,701 | 147,736,743 | 54,169,977 | 57,134,572 |
| Operating Profit | 446,515,325 | 390,425,522 | 156,355,094 | 171,191,867 |
| Share of profit of associated undertaking | 48,922,265 | 37,627,225 | 19,128,887 | 11,822,430 |
| Profit before tax | 495,437,590 | 428,052,747 | 175,483,981 | 183,014,297 |
| Provision for taxation - current year | 7 106,331,501 | 79,759,373 | 36,018,521 | 28,102,176 |
| Profit after tax | 389,106,089 | 348,293,374 | 139,465,460 | 154,912,121 |
| Earnings per share - basic and diluted | 38.91 | 34.83 | 13.95 | 15.49 |

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



BILAL SHARIF
Chief Executive



MOHAMMAD SALIM
Director



ANWAR HUSSAIN
Chief Financial Officer

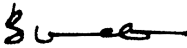
Karachi: 26th April 2018

FAISAL SPINNING MILLS LIMITED

**Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine Months Ended March 31, 2018**

| | Nine Months Ended | | Quarter Ended | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | March 31 2018 Rupees | March 31 2017 Rupees | March 31 2018 Rupees | March 31 2017 Rupees |
| Profit for the period after taxation | 389,106,089 | 348,293,374 | 139,465,460 | 154,912,121 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive Income for the period | <u>389,106,089</u> | <u>348,293,374</u> | <u>139,465,460</u> | <u>154,912,121</u> |

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



BILAL SHARIF
Chief Executive



MOHAMMAD SALIM
Director



ANWAR HUSSAIN
Chief Financial Officer

Karachi: 26th April 2018

FAISAL SPINNING MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-Audited) For The Nine Months Ended March 31, 2018

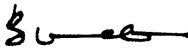
| | March 31 2018 Rupees | March 31 2017 Rupees |
|---|----------------------------|----------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 495,437,590 | 428,052,747 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 259,551,000 | 273,270,832 |
| Share of profit of associated undertaking | (48,922,265) | (37,627,225) |
| Infrastructure fee - ETO | 11,455,228 | 14,846,777 |
| Infrastructure fee - Gas | 97,951,029 | - |
| Provision for employee benefits | 36,315,000 | 24,243,250 |
| (Gain) / loss on disposal of property, plant and equipment | (143,021) | 3,369,820 |
| Finance cost | 102,051,129 | 118,141,721 |
| | 458,258,100 | 396,245,175 |
| Operating cash flows before movements in working capital | 953,695,690 | 824,297,922 |
| Decrease in stores, spares and loose tools | 4,412,329 | (12,310,325) |
| Increase in stock in trade | (772,388,442) | (255,842,088) |
| Increase in trade debts | (317,259,252) | (138,263,504) |
| Increase in loans and advances | 8,535,704 | (128,009,034) |
| Increase in trade deposits | (11,359,152) | (6,406,130) |
| Increase in other receivable | (5,268,378) | - |
| Decrease in sales tax refund and other receivables | 54,602,503 | 67,588,883 |
| Increase in trade and other payables | 166,486,084 | 127,244,043 |
| | (872,238,604) | (345,998,155) |
| Cash generated from operations | 81,457,086 | 478,299,767 |
| Finance cost paid | (96,577,640) | (110,384,197) |
| Employee benefit costs paid | (16,571,325) | (20,621,984) |
| Income taxes paid | (92,640,429) | (82,183,362) |
| | (205,789,394) | (213,189,543) |
| Net cash (used in) / generated from operating activities | (124,332,308) | 265,110,224 |

FAISAL SPINNING MILLS LIMITED

**Condensed Interim Cash Flow Statement (Un-Audited)
For The Nine Months Ended March 31, 2018**

| | March 31 2018 Rupees | March 31 2017 Rupees |
|---|----------------------------|----------------------------|
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 250,000 | 37,050,000 |
| Addition in property plant and equipment | (246,023,668) | (441,493,738) |
| Dividend received | 18,194,148 | 5,945,800 |
| Net cash used in investing activities | <u>(227,579,520)</u> | <u>(398,497,938)</u> |
| Cash flows from financing activities | | |
| Proceed from long term finance | - | 387,621,084 |
| Repayment of long term financing | (117,342,617) | (86,979,480) |
| Increase in short term borrowings | 599,568,054 | (99,483,953) |
| Dividends paid | (170,628,963) | (49,501,545) |
| Net cash generated from financing activities | <u>311,596,474</u> | <u>151,656,106</u> |
| Net (decrease) / increase in cash and cash equivalents | (40,315,354) | 18,268,392 |
| Cash and cash equivalent at the beginning of period | 110,714,973 | 53,766,633 |
| Cash and cash equivalent at the end of period | <u>70,399,619</u> | <u>72,035,025</u> |

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



BILAL SHARIF
Chief Executive



MOHAMMAD SALIM
Director



ANWAR HUSSAIN
Chief Financial Officer

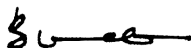
Karachi: 26th April 2018

FAISAL SPINNING MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-Audited) For The Nine Months Ended March 31, 2018

| | Reserves | | | | Unappropriated Profit Rupees | Total Rupees |
|--|--------------------|-------------------|----------------------|----------------------|------------------------------------|----------------------|
| | Share Capital | Capital Reserves | General Reserves | Total | | |
| | Rupees | Rupees | Rupees | | | |
| 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 period ended March 31, 2017 | - | - | - | - | 348,293,374 | 348,293,374 |
| Balance as at March 31, 2017 | 100,000,000 | 24,150,000 | 3,625,850,000 | 3,650,000,000 | 338,595,659 | 4,088,595,659 |
| Total comprehensive income for the remaining | - | - | - | - | 82,416,169 | 82,416,169 |
| Transferred to general reserve | - | - | 240,000,000 | 240,000,000 | (240,000,000) | - |
| Balance as at 30th June, 2017 | 100,000,000 | 24,150,000 | 3,865,850,000 | 3,890,000,000 | 181,011,828 | 4,171,011,828 |
| Final dividend for the year ended June 30, 2017 PKR 17.25 per share | - | - | - | - | (172,499,970) | (172,499,970) |
| Total comprehensive income for the nine months period ended 31 March, 2018 | - | - | - | - | 389,106,089 | 389,106,089 |
| Balance as at March 31, 2018 | 100,000,000 | 24,150,000 | 3,865,850,000 | 3,890,000,000 | 397,617,947 | 4,387,617,947 |

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



BILAL SHARIF
Chief Executive



MOHAMMAD SALIM
Director



ANWAR HUSSAIN
Chief Financial Officer

Karachi: 26th April 2018

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Un-Audited) For The Nine Months ended March 31, 2018

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, 2017.

2.1 Statement of compliance

These condensed unconsolidated interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017". Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 March 31, 2018

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, 2017.

| | Note | March 31, 2018 Un-Audited Rupees | June 30, 2017 Audited Rupees |
|--------------------------------------|------|--|------------------------------------|
| 4 DEFERRED LIABILITIES | | | |
| Infra structure fee payable - ETO | | 84,401,244 | 72,946,016 |
| Infra structure fee payable - Gas | | 458,994,434 | 361,043,405 |
| Staff retirement benefits - gratuity | | 154,399,396 | 134,655,721 |
| Deferred taxation | | 58,717,584 | 58,717,584 |
| | | <u>756,512,658</u> | <u>627,362,726</u> |

5 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2017 except following:

| | | | |
|--|--|--------------------|-------------------|
| 5.1 Bills Discounted | | <u>927,791,661</u> | <u>15,479,614</u> |
| Commitments | | | |
| Letter of credit (for store, raw material and machinery) | | <u>890,865,715</u> | <u>11,132,963</u> |

6 PROPERTY, PLANT AND EQUIPMENT

| | | | |
|-------------------------------|-----|-----------------------------|-----------------------------|
| Operating fixed assets | | | |
| - assets owned by the Company | 6.1 | 3,385,224,829 | 3,256,739,270 |
| Capital work in progress | | 100,320,324 | 242,440,194 |
| | | <u>3,485,545,153</u> | <u>3,499,179,464</u> |

6.1 Assets owned by the Company

| | | | |
|--|--|-----------------------------|-----------------------------|
| Net book value at the beginning of the period/year | | 3,256,739,270 | 3,196,192,909 |
| Additions during the period/year | | | |
| Freehold land | | 382,362,501 | - |
| Non factory buildings | | - | 617,567 |
| Plant and machinery | | - | 458,135,412 |
| Electric installation | | - | 11,354,185 |
| Office Equipment | | - | 1,115,300 |
| Furniture and fixture | | 31,500 | - |
| Equipment and other assets | | - | 4,869,224 |
| Vehicles | | 5,749,537 | 12,003,258 |
| | | 388,143,538 | 488,094,946 |
| Net book value of assets disposed during the period/year | | (106,979) | (87,599,370) |
| Depreciation for the period/year | | (259,551,000) | (339,949,215) |
| Net book value at the end of the period/year | | <u>3,385,224,829</u> | <u>3,256,739,270</u> |

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Un-Audited) For The Nine Months ended March 31, 2018

| | Note | March 31, 2018 Un-Audited Rupees | June 30, 2017 Audited Rupees |
|----------|------------------------------|--|------------------------------------|
| 7 | TRADE DEBTS | | |
| | Considered good | | |
| | Foreign secured | 223,864,842 | 137,904,728 |
| | Local unsecured | 489,266,190 | 257,967,052 |
| | | 713,131,032 | 395,871,780 |
| | Considered doubtful: | | |
| | Export | 14,204,494 | 14,204,494 |
| | Local | 55,957,952 | 55,957,952 |
| | | 70,162,446 | 70,162,446 |
| | Provision for doubtful debts | (70,162,446) | (70,162,446) |
| | | 713,131,032 | 395,871,780 |

8 PROVISION FOR TAXATION

8.1 Provision for current tax has been made in accordance with the requirements of Income Tax Ordinance, 2001.

9 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 include the Chief Executive and Directors of the Company.

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.

| | Nine Months Ended | | Quarter Ended | |
|---|-------------------|------------------|------------------|------------------|
| | March 31 2018 | March 31 2017 | March 31 2018 | March 31 2017 |
| Rupees | Rupees | Rupees | Rupees | |
| 9.1 Transactions with related parties | | | | |
| Nature of relationship | | | | |
| Associated companies | | | | |
| Nature of transaction | | | | |
| Purchases | 914,512,886 | 855,847,445 | 264,237,161 | 240,315,832 |
| Sales | 18,677,824 | 92,298,663 | 3,437,748 | 29,602,536 |
| Rent | 231,750 | 243,000 | 77,250 | 81,000 |
| Purchase of electricity | 300,728,645 | 329,663,491 | 88,289,754 | 113,158,161 |
| Dividend received | 18,194,148 | 5,945,800 | - | - |
| Dividend paid | 22,130,025 | 6,414,500 | - | - |
| Remuneration to Key Management Personal | 13,752,000 | 13,900,000 | 4,584,000 | 5,200,000 |

9.2 Balances with related parties

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

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Un-Audited) For The Nine Months ended March 31, 2018

10 SEGMENT REPORTING

The Company has two 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

Spinning

Weaving

Principal activity

Manufacture and sale of yarn

Manufacture and sale of woven fabric

Information about operating segments as at March 31, 2018 is as follows:

| | Nine Months ended March 31, 2018 | | |
|---------------------------------|----------------------------------|-------------------|-----------------|
| | Spinning Rupees | Weaving Rupees | Total Rupees |
| Revenue from external customers | 4,133,558,409 | 4,372,961,697 | 8,506,520,106 |
| Inter-segment transfers | 44,900,100 | - | 44,900,100 |
| Segment results | 298,153,475 | 285,124,551 | 583,278,026 |

| | Nine Months ended March 31, 2017 | | |
|---------------------------------|----------------------------------|-------------------|-----------------|
| | Spinning Rupees | Weaving Rupees | Total Rupees |
| Revenue from external customers | 3,884,037,867 | 4,120,641,162 | 8,004,679,029 |
| Inter-segment transfers | 52,607,400 | - | 52,607,400 |
| Segment results | 171,930,993 | 366,231,272 | 538,162,265 |

| | As at March 31, 2018 | | | |
|----------------|----------------------|-------------------|------------------------|-----------------|
| | Spinning Rupees | Weaving Rupees | Un-allocated Rupees | Total Rupees |
| Segment assets | 4,021,902,778 | 3,352,695,004 | 954,222,592 | 8,328,820,374 |

| | As at June 30, 2017 | | | |
|----------------|---------------------|-------------------|------------------------|-----------------|
| | Spinning Rupees | Weaving Rupees | Un-allocated Rupees | Total Rupees |
| Segment assets | 3,145,859,215 | 3,030,655,129 | 1,150,493,962 | 7,327,008,306 |

| | As at March 31, 2018 | | | |
|---------------------|----------------------|-------------------|------------------------|-----------------|
| | Spinning Rupees | Weaving Rupees | Un-allocated Rupees | Total Rupees |
| Segment liabilities | 1,722,172,764 | 2,075,910,835 | 143,118,828 | 3,941,202,427 |

| | As at June 30, 2017 | | | |
|---------------------|---------------------|-------------------|------------------------|-----------------|
| | Spinning Rupees | Weaving Rupees | Un-allocated Rupees | Total Rupees |
| Segment liabilities | 1,186,038,734 | 1,838,294,144 | 131,663,600 | 3,155,996,478 |

FAISAL SPINNING MILLS LIMITED

Condensed Interim Notes to the Financial Statements (Un-Audited) For The Nine Months ended March 31, 2018

11 EVENTS AFTER THE REPORTING PERIOD

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

12 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.

13 GENERAL

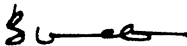
13.1 There are no other significant activities since June 30, 2017 affecting the interim financial information.

13.2 Corresponding figures have been re-arranged where necessary to comply with requirements of Companies Act 2017 and to facilitate comparison. GIDC / Rate difference payable to SNGP / SSGC amounting to Rs 458,994,434 (June 2017: Rs 361,043,405) has been classified from current liabilities to non current liabilities owing to stay granted by court.

13.3 Figures have been rounded off to the nearest Rupee.

14 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 April 26, 2018.



BILAL SHARIF
Chief Executive



MOHAMMAD SALIM
Director



ANWAR HUSSAIN
Chief Financial Officer

Karachi: 26th April 2018

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FAISAL SPINNING MILLS LIMITED

Umer House, 23/1, Sector 23, S.M. Farooq Road,
Korangi Industrial Area, Karachi-74900, Pakistan

Phone : 021 - 35115177 - 80

Fax no. : 021 - 35063002 - 3

E-mail : khioff@umergroup.com

Website: <http://www.umergroup.com>