



of Companies

40th Annual Report 2024

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED



Vision

A company providing quality textile products by maintaining an excellent level of ethical & professional standards.



Mission Statement

To become the leader of textile products globally and to achieve the epitome level of success.

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Corporate Information

Governing Board

Mr. Mohammad Salim	Non-Executive Director / Chairman
Mr. Muhammad Shaheen	Non-Executive Director
Mr. Hamza Shakeel	Non-Executive Director
Mr. Khurram Salim	Non-Executive Director
Mr. Bilal Sharif	Executive Director /CEO
Mr. Muhammad Amin	Non-Executive Director
Mrs. Fatima Amin	Non-Executive Director
Mr. Tauqeer Ahmed Sheikh	Independent Director
Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director

Chief Financial Officer

Mr. Anwar Hussain	FCA
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Company Secretary

Mr. Adeel-ur-Rehman	MBA (Finance)
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Audit Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Muhammad Amin	Member
Mr. Khurram Salim	Member

Human Resource Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Muhammad Shaheen	Member
Mr. Hamza Shakeel	Member

Statutory Auditors

M/s Mushatq and Company (Chartered Accountants)
407, Commerce Centre, Hasrat Mohani Road, Karachi.

Legal Advisor

M. Zahid Farooq- Advocate Lahore High Court

Bankers

Bank Alfalah Limited	Bank Islami Pakistan Ltd
Dubai Islamic Bank	Bank Al Habib Limited
Faysal Bank Ltd	Habib Metropolitan Bank Ltd
Habib Bank Limited	Askari Bank Limited
MCB Bank Limited	The Bank of Punjab Ltd
Meezan Bank Limited	Soneri Bank Limited
Samba Bank Limited	Allied Bank Limited
United Bank Limited	

Share Registrar

Hameed Majeed Associated (Private) Limited
5th Floor Karachi Chamber, Karachi.

Registered Office

Umer House, 23/1, Sector 23, S. M. Farooq Road,
Korangi Industrial Area, Karachi, Pakistan
Tel : 021 35115177 - 80 ; Fax: 021 -35063002-3
Email: khioff@umergroup.com
URL : <http://www.umergroup.com>

Liaison / Correspondence Office

9th Floor, City Towers, 6-K, Main Boulevard
Gulberg - II, Lahore, Pakistan
Tel : 042 111 130 130 ; Fax: 042 -35770015
Email: lhroff@umergroup.com

Manufacturing Units

Spinning Unit - I is located at:
A-150, S.I.T.E. Nooriabad. Tel: (+92-0222) 660-002

Weaving Unit - II located at:
Ferozwattwan, Sheikhpura, Punjab. Tel: 056 3731723

Finishing Unit - III & Home Division IV located at:
1.7 KM , Warburton Road , Ferozwattwan , Sheikhpura, Punjab.

FAISAL SPINNING MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the members of **Faisal Spinning Mills Limited** will be held on Monday, 28th October 2024 at 04:00 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

The following ordinary and special business is proposed to be conducted in the meeting:

Ordinary Business:

1. To confirm the minutes of the last annual general meeting held on 27th October, 2023.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2024 together with the auditors' and directors' report thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:



URL: <http://www.umergroup.com/faisal-financial-reports.html>

3. To appoint the auditors for the next term i.e. year 2024-2025 and fix their remuneration as per last year at PKR 2,775,000.00. The retiring auditor Messer's Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.

4. Special Business:

(A) To approve by way of special resolution with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2025.

Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval."

5. Any Other Business:

To transact any other business with the permission of the chairman.

The statement of material facts in relation to aforesaid special business as required under section 134(3) of the Act and SRO 423 (I)/2018 is enclosed.

Moreover, the notice along with statement of material fact have been dispatched to the shareholders by post and uploaded placed on company website at "www.umergroup.com".

Karachi:

(By the order of the Board)

Dated: 30th September, 2024

**Adeel ur Rehman Ansari
Company Secretary**

Notes:

1. For attending the meeting electronically

In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting electronically, the members can attend the meeting through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) can access with following ID and password:

Join Zoom Meeting

<https://us05web.zoom.us/j/3822738660?pwd=T2ppUWYxSctjUXduQ2ErOINSEMzQT09>

Meeting ID: 382 273 8660

Passcode: fsmcorp

2. The Shares Transfer Books of the Company will remain closed from 21st October 2024 to 28th October, 2024 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 20th October 2024 will be treated in time for the purpose of entitlement of dividend (if any) and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at fsm.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the meeting.
4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

*"I/We, _____ being a member of **Faisal Spinning Mills Limited**, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."*

Signature of Member

5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividend or modarba certificates as on June 30, 2024 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office regarding any unclaimed dividend, shares or modarba certificates. In case of failure to lodge the claim for unclaimed dividends that were overdue for more than 3 years within 90 days of this notice, the amount of such unclaimed dividends shall be deposited to the credit of Federal Government in accordance with the requirement of the Companies Act, 2017.
6. Members are requested to immediately inform us on any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.

Pursuant to the provisions of the Finance Act 2024 effective July 1, 2024, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

- a. For filer of income tax return 15%
- b. For non-filers of income tax return 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Hameed Majeed Associates (Private) Limited, by the first day of Book Closure.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing.

In the event of non-receipt of the information by 20th October 2024, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly

7. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

Further, Securities and Exchange Commission of Pakistan (SECP) vide notification No. SRO 1145(1)2017 dated November 6, 2017 in terms of provision of section 242 of the Companies Act, 2017 issued regulations for distribution of dividends by the listed companies requiring entitled shareholders to provide valid information pertaining to designated bank account including name of bank, title of account, address of bank branch and international bank account number. In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

8. Pursuant to Notification vide SRO 787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.umergroup.com. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 2MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.

9. E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.

a) **E-Voting**

- i) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 20th October, 2024. Thus, those members who intends to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 20th October, 2024 with the registrar of the company or email us at: "fsm.corporate@umergroup.com".
- ii) The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.
- iv) E-Voting lines will start from October 25, 2024, 9:00 a.m. and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

b) **Postal Ballot**

- i) Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper is annexed to this notice and the same is also be downloaded from the Company's website www.umergroup.com.
- ii) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Saturday, October 26, 2024 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.
- c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.
- d) The board of directors under the clause 11 of SRO 254(1)/2018 have appointed Messer's Mushtaq and Company, Chartered Accountants, being eligible with satisfactory QCR rating from ICAP. They possess necessary knowledge and experience to independently scrutinize and conduct the voting services.

10. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

The following are key features of holding shares in book-entry form in CDC:

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.
- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

Statement of Material Facts Under Section 134 (3) of The Companies Act, 2017

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2024.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2024 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2024.

The transactions entered with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2024.

Related Party Transactions

The related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out sale and purchase of goods and services transactions with various related parties. Names, basis of relationship, nature and description of related party transactions along with monetary value are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Bhanero Textiles Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	18.49%
Bhanero Energy Limited	Common directorship	N/A
Admiral (Private) Limited	Directorship of close family relative	N/A
Mohammad Salim	Director	0.29%
Yasmeen Begum	Directorship of close family relative	2.39%
Khurram Salim	Director	2.00%
Farrukh Salim	Directorship of close family relative	1.37%
Yousaf Salim	Directorship of close family relative	3.13%
Saqib Salim	Directorship of close family relative	1.99%
Muhammad Umer	Directorship of close family relative	0.97%
Yahya Farrukh	Directorship of close family relative	2.74%
Amna Khurram	Directorship of close family relative	1.10%
Saba Yousaf	Directorship of close family relative	0.98%
Saba Saqib	Directorship of close family relative	2.12%
Bilal Sharif	Director / Chief executive	3.64%
Samia Bilal	Directorship of close family relative	5.34%
Abdullah Bilal	Directorship of close family relative	3.37%
Ali Bilal	Directorship of close family relative	3.37%
Azan Bilal	Directorship of close family relative	3.37%
Mohammad Shaheen	Director	0.33%
Mohammad Amin	Director	4.61%
Seema Shaheen	Directorship of close family relative	3.35%
Mohammad Qasim	Directorship of close family relative	3.95%
Fatima Amin	Directorship of close family relative	4.51%
Sumbul Qasim	Directorship of close family relative	2.35%
Mohammad Shakeel	Directorship of close family relative	0.48%
Nazli Shakeel	Directorship of close family relative	4.29%
Adil Shakeel	Directorship of close family relative	4.77%
Faisal Shakeel	Directorship of close family relative	4.77%
Hamza Shakeel	Director	4.77%

Nature of relationship	Nature of transactions	2024 Rupees	2023 Rupees
Associated undertaking	Sales of fabric	124,346,113	27,604,549
	Sales of yarn	29,143,584	13,381,559
	Purchase of yarn	4,165,270,350	3,586,289,535
	Purchase of cotton	307,118,741	703,026,274
	Sales of cotton	24,098,925	-
	Purchase of fabric	863,612,838	3,033,601,964
	Misc purchases	10,384	-
	Services received	618,000	309,000
	Dividend received	19,621,140	39,242,280
	Electricity purchased	51,855,186	10,351,833
	Loan received from directors and sponsors during the year	-	134,937,600

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2024 to June 30, 2025.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2025 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2025 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Chairman Review Report

I would like to take this opportunity to express my views in the enclosed Chairman Review Report for the year ended June 30, 2024 required under the provisions of section 192(4) of Companies Act, 2017 on overall performance and effectiveness of the board of Faisal Spinning Mills Limited (“FSML”) in achieving its objectives. The report depicts governance standards set by board and the executive management along with the effectiveness of internal control and risk management procedures applied in achieving the corporate objectives.

The fiscal year ending in June 2024 did not portray a conducive economic environment for the country and textile sector that experienced significant challenges. Likewise, to other regions of the world, Pakistan's industrial manufacturing industry has suffered during the global economic downturn brought on by the conflict in Ukraine and middle east, massive increase in energy costs, inflationary pressure that led to high lending rate as a monetary measure by the government. Since independence, Pakistan's textile industry has played a vital role in the nation's GDP, employment, and exports. However, because of the nation's weak economy and protracted periods of political unrest, the industry faces additional difficulties. In current scenario, the role of governing board is significant since it's a crucial driver to measure the company's performance. The corporate governance deployed at FSML serves as the foundation to make decisions that consider a variety of contexts, including the economic, social, regulatory, and market environments.

Governance and Risk Management

To protect and enhance shareholder value, the board has a strong ongoing commitment to transparency and good corporate governance as an imperative part of discharging its responsibilities. At FSML we have always maintained a high level of corporate governance and we continue to refine our practices in this area each year. During the year, the board actively contributed to the oversight of the company and group's business, strategy and people development. The board sub-committees met on a regular basis during the year and continued to provide the board with the necessary input for managing risk.

Employees

One of the underlying strengths of the company is the quality of its people and their commitment towards the company where FSML core values underpins the results achieved this year. On behalf of the board, I would like to thank all employees for their special efforts and contributions during the year under review.

Board and Committee composition

The consideration is given for diversity in a multitude of realms including age, gender, experience, skills and experiences to be on the governing board of FSML. The existing board of ten members comprised of five non-executive, one executive, three independent and one female director (NXD) who represents

an adequate mix of age, gender, and expertise. Both the human resource and audit committees to the board are led by an independent director and all members actively participate in committee meetings. Furthermore, the human resource committee ensures that executive director and chief executive officer compensation is align with their abilities, knowledge and responsibility without conceding their independence. The board and committees met at regular interval under provisions of the Companies Act 2017 and Code of Corporate Governance Regulations, 2019.

Organization and Operation of the Board

The chairman is a non-executive director and the board of FSML has explicitly defined the roles and responsibilities of both chairman and chief executive offices of the company, which is led by different individuals. The chairman is responsible for the board's leadership and ensuring that the board is effective in carrying out its responsibilities. The entire Board is accredited under the requirements of the Code for directors training program (DTP). The FSML board is responsible for risk governance and determining the company's risk tolerance by establishing risk management policies. The board conducts an overall review of business risks at least annually to ensure that management maintains a sound system of risk identification, risk management, and related systemic and internal controls to safeguard the company's assets, resources, reputation, and interests. A structured and effective mechanism for annual review of the Board's own performance, members of the Board, and committees is established.

Control Environment and Risk

The main components of FSML's control environment are well defined and strictly adhered to corporate governance norms, which are intended to manage all risks holistically and to reasonably assess any potential risks to which the company may be exposed. By coordinating business strategy with risk tolerance, the board oversees determining the optimal risk balance for the organization. In addition, the Board oversees and approves risks that beyond the company's defined risk tolerance in addition to any significant weaknesses in internal control.

Investor's Relationship and Facilitation

There has been reliable system for handling and promptly resolving shareholder complaints, inquiries, unclaimed dividends, and other routine concerns. In addition, a comprehensive website is kept up to date to inform shareholders of announcements, elections, notices, and business financial performance. Via PUCARS, all relevant information was promptly shared with the Commission, PSX, and shareholders. Every year, in accordance with PSX requirements, a corporate briefing session is held to provide timely information to the company's shareholders and analyst community.



Mohammad Salim

(Chairman)

30th September 2024, Karachi.

Directors Report

The Board of Directors of Faisal Spinning Mills Limited are pleased to present Annual Report along with the audited financial statements of company together with auditors' report thereon for the year ended June 30, 2024.

Financial Recitals

The financial performance for June 30, 2024 are here as under:

	June 30, 2024	June 30, 2023
	PKR	Restated PKR
Sales - Net	45,029,600,571	37,672,807,610
Cost of sales	(42,288,491,572)	(33,110,576,747)
Gross profit	2,741,108,999	4,562,230,863
Other income	139,714,667	453,100,553
	2,880,823,666	5,015,331,416
Distribution cost	(1,463,591,179)	(1,605,961,445)
Administrative expenses	(527,296,363)	(423,508,171)
Other operating expenses	(46,921,853)	(115,125,932)
Finance cost	(1,608,042,214)	(1,267,154,365)
	(3,645,851,609)	(3,411,749,913)
	(765,027,943)	1,603,581,503
Share of (loss) / profit from associated undertaking	(315,451,214)	170,283,670
(Loss) / Profit before levies and income taxes	(1,080,479,157)	1,773,865,173
Levies	(440,136,401)	(383,155,294)
(Loss) / Profit before income taxes	(1,520,615,558)	1,390,709,879
Income tax	136,844,164	98,186,308
(Loss) / Profit after taxation	(1,383,771,394)	1,488,896,187
(Loss) / Earnings per share - basic and diluted	(138.38)	148.89

The company posted a loss of PKR (1,520,615,558) and PKR (1,383,771,394) before and after tax respectively. There has been a sales growth by almost 20 percent during the fiscal year ended June 30, 2024 however, during the current year gross margin is dropped from 12 percent to 6 percent due to increase in cost of sales.

The company's financial performance was undesirably impacted by several challenges during the current fiscal year. These challenges include a global economic slowdown, persistent domestic economic difficulties, and record-high inflation that reached 38 percent in May 2023. In response, the State Bank of Pakistan (SBP) implemented aggressive monetary policies by raising lending rates at all time high of 22 percent in June 2023. Additionally, the government's eliminating energy subsidies to secure an IMF loan led to a sharp increase in energy prices. Furthermore, stringent fiscal measures such as the withdrawal of zero-rating for local inputs in exports and the introduction of SRO 350(1)2024 in sales tax coupled with delayed sales tax refunds, high financing costs, volatility in global cotton and yarn price have significantly reduced our profitability and gross margins.

The significant decline in Pakistan's core inflation rate to 9.6 percent, as reported by the Pakistan Bureau of Statistics (PBS), there is strong anticipation for a decrease in the policy rate during the upcoming monetary policy expected in November 2024. The lower inflation allows SBP to be more flexible in lowering the lending rate that could stimulate overall economic activity, lower borrowing costs, and potentially boost investment and consumption.

We acknowledge the challenges and reassure our stakeholders that company is taking proactive measures to improve its financial performance in the upcoming years. The company has already taken renewable energy initiative to have an optimal energy mix that led to decrease in the energy cost of the company. Given the high policy rate and its impact on borrowing costs, the management is making efforts for reducing stock levels to mitigate short-term finance expenses.

Dividends and Reserves Appropriation

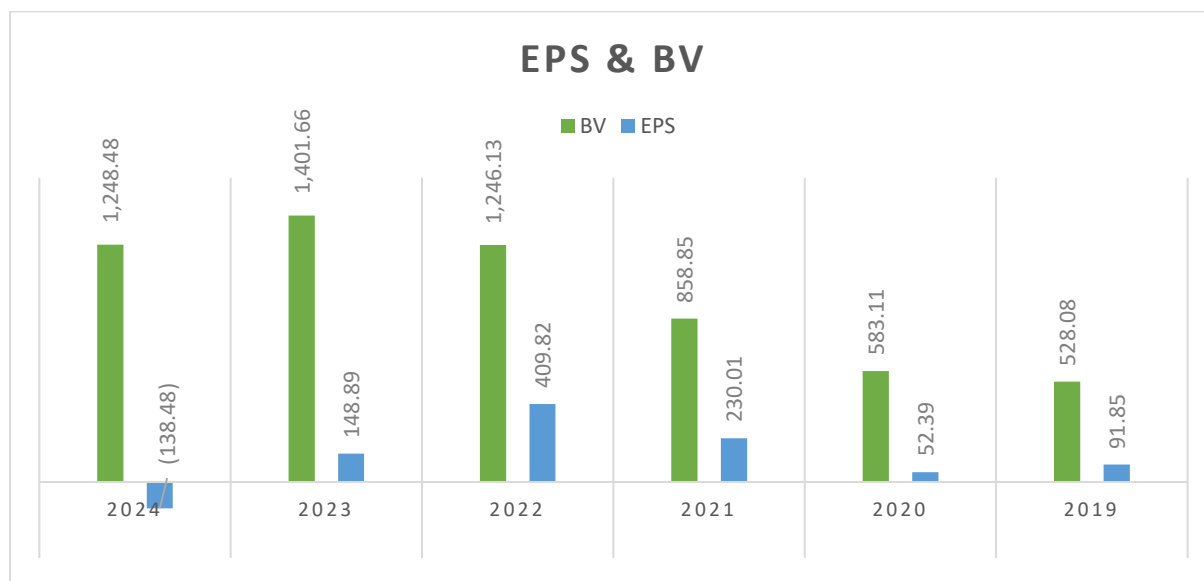
The board of directors have not declared dividends for fiscal year ending June 30,2024 following the recommendation of the audit committee since company has posted a significant loss during the current year. Nonetheless, the consideration will be given for the declaration of interim dividends by the board of directors depending on profitability and economic viability during the year.

Earning and Break-up Value of Share

By examining a company's EPS, investors can ascertain its profitability. A company's capacity to raise dividends gradually and maintain profitability may be shown by a consistent increase in EPS. When making decisions that affect the interests and wealth of its shareholders, the board puts a high priority on the value of its shareholders and devotes a significant consideration to this process.

The company's reported loss per share of PKR (138.38) for the year ending June 30, 2024 whereas it has an EPS of PKR 148.89 in the corresponding year.

The breakup value of share during the current fiscal year ending June 30, 2024 is PKR 1,248.48 (Year 2023: PKR 1,401.66).



Working Capital Management

The company's ability to succeed is greatly influenced by its ability to manage its working capital, thus the company places a strong emphasis on effective working capital management and strives to maximize the use of its working capital-related resources.

The current ratio during the current year has been slightly decreased during the year from 1.43 in June 2023 to 1.35 in June 2024 but still within acceptable limits as per industry norms and quite sufficient to cover its financial obligations.

Financial Leverage

The combination by utilizing appropriate mix in its capital structure is critical for every company since it can impact its profitability and long-term sustainability. As a result, our capital structure has been preserved in a way that maximizes its benefits and allows it to adapt to the volatile dynamic of business environment in the country. The board employs an ideal capital structure plan that combines debt and equity to lower capital costs, improve organizational profitability and raise shareholders' value.

The company's long-term borrowing decreased from PKR 4,019.676 million in June 30, 2023, to PKR 3,518.351 billion in June 30, 2024. Moreover, the gearing ratio of 1.09 (2023: 1.07) has been marginally increased during the corresponding years.

The shareholder equity is PKR 12,484.766 million during the year ended June 30, 2024 whereas it was PKR 14,016.609 million in the corresponding year ending June 30, 2023.

Renewable Energy Initiatives

So far, the company has taken renewable energy initiatives for the installation of around 2.5 megawatt solar energy at Punjab Units amounting to PKR 250.00 million approximately. Additionally, the board has also approved CAPEX of 1,500.00 million approximately during the current year for the installation of 4.80 Mega Watt Wind Mill Project at Unit-I under renewable energy initiative. The project operates at annual efficiency of around 40 percent thus total energy requirement of 4.50 megawatt of the Unit-I will be reduced to 2.58 megawatt.

Credit Rating

The entity's rating reaffirmed at A/A-1 (Single A / A-One) with 'Stable' outlook on given ratings is based on assessment by Messer's VIS Credit Rating Company Limited on September 26, 2023.

Financial Statements

As required under Companies Act 2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2024, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Mushtaq & Co, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2024 and clean review report on Statement of Code of Corporate Governance Regulations, 2019 "Code". These reports are attached with the financial statements.

Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Act, 2017 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Act as well as through directives issued by the Securities and Exchange Commission of Pakistan.

Overview of Economic Environment

The World Bank (WB) predicted Pakistan's economy is expected to grow by only 1.8 percent (FY 2023-24: 2.38 Percent) in the current fiscal year ending June 2024-25. The WB emphasize that structural reforms are required for sustainable improvement on the economic outlook. The WB stressed for better fiscal management to lower inflation, narrow the current account deficit, improve financial sector stability and increase credit to the private sector, all of which are critical for robust economic recovery.

Exports of apparel and textiles decreased by 3.09 percent in the first month of FY 2025, suggesting that the industry may find it difficult to compete with rivals in the region because of the imposition of severe tax

laws during this fiscal year. The government's announcement of export-biased measures in its recent budget, caused decline in textile and clothing exports. The textiles had the largest share of over 60 percent in total exports showed a contraction for the second consecutive month after a negative growth of 0.93 percent in June. The effects of all the adverse factors that have developed over the last couple of years results in this decline of our textile exports.

Our ability to compete has diminished due high production costs as compared to our regional competitors. Conversely, their workforce, management, and regulatory bodies are significantly more skilled and trained than ours and they have acquired skills that we do not. During last two years, exports of apparel and textiles have not increased despite having an installed capacity of \$25 billion due to structural problems.

The country is facing numerous challenges but we believe until our country's prosperity and progress won't materialize until we are free of the IMF's influence. To revive our economic stability, we must give agriculture top priority and move quickly toward contemporary agricultural research if we are to attain economic stability and prosperity. Regrettably, research is not given enough attention, especially in the cotton industry.

In Pakistan's history, we have produced three exceptionally large cotton harvests and the most recent abundant crop year, 2014-15, we harvested over 14 million cotton bales. Since then, we barely manage a produce of 8 to 9 million bales, the reason being that cotton research in Pakistan has been severely affected, leading to a rapid decline in cotton production. The USDA forecasts that Pakistan's cotton production in 2024-2525 will be 6.59 million bales, which is less than the 2023-24 production of 8.2 million bales.

Our import bill of cotton worth billions of dollars annually since our textile industry uses 16 million bales of cotton annually. The government should investigate and take drastic measures to overcome the impediments that are causing decline in cotton production

We suggest following measure to enhance the cotton production in the country:

- The government should offer cotton producers various subsidies and incentives for agricultural inputs.
- Ensure availability of water and for this purpose significant investments shall be made to upgrade existing irrigation system in contemporary with better infrastructure. The use of good irrigation design and management avoids water logging and ensure that the crop gets enough water since cotton thrives on heat but doesn't respond well to overwatering.
- Make the accessible supply at concessional rate of contemporary farming equipment and high-quality cotton seeds that generate high-quality produce. The proper seed treatment and management enables farmers to select appropriate seed with proven fibre quality and better yield potential.
- Familiarize farmers to enhance cotton yield by using agronomic practices that protect the crop from pests, disease, weeds and providing adequate water and nutrients in the right quantity and at the right time.
- Prioritize research and development in cotton cultivation, provide inexpensive electricity to farmers.
- Assure availability of insecticides, fertilizers and pest resilient seeds to the farmers.

- Government should organize training sessions and programs that assist farmers in adopting better techniques to increase cotton productivity.
- The growth on cotton production is dependent of government intentions for implementation of long term consistent and sustainable policies, topography and easy access to markets.

Compliance with Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.

Statement on Corporate and Financial Reporting Framework

The Directors of your company are aware of their responsibilities under Companies Act 2017, Regulations under Code Corporate Governance Regulations 2019 “Code”, Rule Book of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its general meeting unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance Regulations, 2019.

- There has been a proper updated record of the significant policies duly approved by the board of directors on human resource, whistle blower, procurement, communication mechanism with stakeholders, related party, environment, health and safety, director’s remuneration, anti-money laundering and risk management, environmental, social & governance, anti-harassment for employees duly updated by incorporating the mechanism prescribed under protection against harassment of women at workplace Act 2010 etc.
- The company has made the disclosure of gender pay gap in the overview of ESG performance by the company during the year ending June 30,2024 as required under circular 10 of 2024 dated April 17, 2024.
- As required by the Code of Corporate Governance and Companies Act 2017, we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
 - Chairman review report under the provisions of section 192(4) of the Companies Act.
 - Statement of compliance duly signed by the chairman under regulation 36 of the Code.
- Key operating and financial statistics for last six years. Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company’s shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

Pattern of Shareholding

The pattern of shareholding and relevant information thereon is annexed accordingly.

Related Party Transactions

The Related Party Transactions (RPT) and their status are adequately disclosed by complying the requirement under IAS 24. Moreover, there is a robust policy in place for all in pursuant to the notification issued by Securities and Exchange Commission of Pakistan vide SRO 768(1)2019 and the guidelines have been duly incorporated in the company policy regarding transactions and maintenance of records.

The RPT were duly approved by the internal audit followed by the approval of the audit committee before presentation of the same in the board meeting, to ensure that all the transactions are at arm’s length during the normal conduct of business activity.

All the RPT's during the current fiscal year ending June 30, 2024 will be presented before the general meeting of the company for member's approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal year ending June 30, 2025 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

Board Evaluation

The company evaluates board, individual director and committee members to assess and report on their individual and collective performance. The analysis of results depicts strengths and highlights gaps in performance, which may ultimately help to promote deeper board engagement and encourage directors to utilize their unique perspectives to enhance board performance.

In accordance with regulation 10(3)(v) of Code of Corporate Governance, a thorough and organized internal evaluation was carried out to identify areas of strength and areas where improvements can be made to improve the overall functioning and performance of the board, including the board's own performance, members, and committees. The company conducts its annual evaluation process internally.

Board Composition

As required under regulation 34 of Code the board of ten (10) directors is comprised as follows;

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Directors	3	0	3
(ii)	Executive Director	1	0	1
(ii)	Non- Executive Directors	5	1	6

Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company in person or through video conference under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable cause.
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2023-24:

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Muhammad Shaheen	4	4	-	-	1	1
Mr. Khurram Salim	4	4	6	6	-	-
Mr. Bilal Sharif	4	4	-	-	-	-
Mr. Muhammad Amin	4	3	6	6	-	-
Mr. Hamza Shakeel	4	4	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	4	4	6	6	-	-
Mr. Asif Elahi	4	4				
Mr. Mustafa Tanvir	4	4				
Mrs. Fatima Amin	4	4				

Audit Committee

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Non- Executive Director
ii	Muhammad Amin	Member	Non- Executive Director
iii	Khurram Salim	Member	Independent Director

The audit committee comprises of three members of which chairman is an independent director whereas all the other are non-executive directors and discharge its responsibilities under terms of reference assigned by the board of directors.

The appointment of financial literate member has been made in line with Regulation 27(1)(iii) in the Chapter 10 of the Code. The audit committee met regularly in compliance with the Regulation 27(2) of the Code to review the both interim and annual financial statements before the approval of board of

directors along with an additional meeting once a year with an external auditor in absence of the CFO and another with an internal auditor in absence of both the CFO and external auditor.

The audit committee (AC) of a business's board of directors oversees the financial reporting and disclosure process. The AC is well-versed in the internal controls and processes of the organization. The AC normally works with the management group, independent auditor, and internal auditors to oversee the selection of accounting policies and principles and guarantee adherence to laws and regulations.

The AC closely collaborates with management to guarantee that appropriate steps are taken to detect fraud and that appropriate policies and procedures are in place to prevent and identify fraud, including financial statement fraud, asset misappropriation, and corruption.

The AC plays an important role in setting the tone of an organization by ensuring that effective communication channels and a code of conduct are put in place. The AC needs to be kept up to date on issues like current investigations, disciplinary actions, and management's efforts to maintain legal and regulatory compliance. The AC members collaborate to stop fraudulent activity and are adept at spotting irregularities and accounting problems.

Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Independent Director
ii	Mohammad Shaheen	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

The human resource and remuneration committee (HRRC) is comprised of three members of which all are non-executive directors whereas chairman is an independent director. The HRRC recommends significant human resource management policies to the Board for selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.

The aim of HRRC is to boost organization productivity, enhancing an effectiveness of the board, management and employee performance. The Board is responsible for receiving advice on human resource management policy from the HRRC. The Committee will be in responsibility of making recommendations for the appointment, evaluation, compensation, and succession planning of the Company Secretary, CFO, and CEO.

The HRRC supports the board and management with senior management recruiting and training, salary, performance evaluation, succession planning, and measures for effective human capital utilization.

Corporate Social Responsibility Policy

To us Corporate Social Responsibility (CSR) is the overall ethos that drives us to adopt policies and practices that support sustainability, societal and other ethical ends. Our CSR is based on the belief that

businesses have a greater duty to society than just providing jobs and making profits. It requires us to consider the decisions having environmental and social impacts to reduce harm where possible. We create rules on a company's ethical, sustainable, and environmental duties and makes sure that it has a positive influence on the environment and local communities.

The company has a social responsibility and discharge the same in an ethical manner by fulfilling our civic duty and taking actions that are beneficial for community and the environment in all aspects of its operations, including pollution, waste, product safety, and labour. This includes not only providing funds to the community and social environment, but also maintaining good long-term relationships with parties related to the company.

To operate in a way that is economically, socially, and environmentally sustainable, the company oversees a comprehensive Corporate Social Responsibility (CRS) policy. This policy aims to reduce pollution and greenhouse gas emissions, use natural resources sustainably, minimize waste and dispose of it properly, and encourage recycling during the manufacturing process. By utilising Pakistan's plentiful sunshine through solar energy alternatives, renewable energy plays a critical role in both sustainable development and the country's present energy issue. To cut carbon emissions, establish energy independence, and improve the environment, the corporation has implemented renewable energy initiatives across its units located in Sindh and Punjab.

Health, Safety and Environment Policy

The company's Health, Safety and Environment (HSE) policy aims to proactively manage hazards and hazardous situations with the potential for adverse impact on people, environment, assets and our reputation. We will achieve this by establishing and attaining high standards and through an active and consultative approach with all stakeholders.

We're committed to provide a safe and healthy workplace as well as environmental protection and takes responsibility to provides safe working conditions that will minimize all work-related accidents, illnesses, property losses, and negative environmental consequences. A comprehensive group life insurance policy is already in place for employees in the event of an unforeseen disaster. The corporation has also created health coverage plans for its administrative personnel in both the Karachi and Lahore offices.

Environmental, health, and safety concerns are integrated into all facets of work and are given the same weight as the company's other business goals. The organization aggressively works to improve environmental, health, and safety performance on a constant basis. The company's top concerns are drinking water quality, smog, air and water pollution, chemical and oil spills, land management and conservation, and wildlife preservation.

Environmental, Social and Governance - ESG

The initiatives are taken by the board for the adoption of ESG guidelines by SECP.

Addressing Sustainability Risks

Sustainability risks are unforeseen events or circumstances related to society or the environment that, if occur, could have a serious negative impact on the company. These also include the opportunity that an organization might have as a result of changing social or environmental conditions. A few of the negative consequences of resource overuse are pollution, poverty, ill health, biodiversity loss, and climate change. These problems are related to one another and frequently make one another worse. The textile business uses a variety of natural resources, including land, water, and fossil fuels. This industry accounts for 2 to 8 percent of global carbon emissions and is the second most water-intensive. The dyeing procedure is especially hazardous since dyes are not easily biodegradable and can contaminate waste water.

The company is fully committed to ensuring that its current needs are met during regular business operations without putting the environment in danger or preserving it for future generations. It also encourages its stakeholders, including suppliers, employees, and customers, to adopt more ethical and environmentally friendly policies while carrying out organizational tasks and requirements.

The organization took following measure to mitigate the sustainability risks:

- The business installed heat recovery boilers, which are an environmentally friendly method of producing steam from waste heat. These lessen the environmental impact that the production process has on the environment and assist reduce carbon footprints and energy usage.
- Vehicles transporting raw materials or finished goods must have flame arrestors installed since cotton is a highly flammable material. By capturing harmful pollutants, keeping them from being released into the sky, and reducing the likelihood of fire outbreaks, this contributes to environmental protection. All cars that are connected to the organization on a commercial basis must have flame arrestors installed.
- The company installed Forced Drafts (FD) Fans in its boilers to preserve the ideal air-fuel ratio, enhancing the efficiency of combustion and lowering greenhouse gas emissions.
- The company uses non-hazardous chemicals in its production process, which are not intrinsically dangerous to people, the environment, or wildlife. Nevertheless, the chemicals are disposed of carefully and under control to protect public health and have the least possible impact on the environment.
- The company has built a water treatment plant for the environmental sustainability, reducing the pollution that led to problems such as disease, death of plants and animals, and destruction of habitats. The company ensures that water has low levels of the chemical disinfectant when it leaves the treatment plant. This prevents the contamination of water bodies and helps maintain the balance of aquatic ecosystems, safeguarding the health of plants, animals & marine life.
- To preserve climate change, maintain biodiversity, enhance air quality for workers and the environment, and reduce air pollution and carbon emissions from industry, the corporation organizes recurring planting campaigns. In addition, it stops soil erosion, controls the water cycle, and provides wildlife with habitats and resources.

- The company has installed renewable energy to meet the energy needs of the production process. The company makes sure to use the energy mix in a way that contributes to the decrease of greenhouse gas emissions. By installing solar panels and windmills, it lessens our reliance on fossil fuels, which contribute to issues like climate change, harsh weather, rising sea levels, and harm to our ecology.

Promoting the Diversity, Equity and Inclusion - DEI

We're dedicated to establishing an atmosphere where everyone may access equal possibilities. To ensure that every team member feels appreciated and included, we, as an equal opportunity employer, provide a safe and effective work environment. The organization promotes a culture that respects diversity, cherishes it, and highlights each person's unique ideas, perspectives, experiences, and skills. The company's goal is to create a diverse and inclusive work environment that is free from all types of prejudice and recognizes diversity as a strategic advantage that can have a significant impact on the business.

The board is in the charge of our DEI strategy, which emphasizes the importance of empowering every member of our diverse team, with a focus on the women who work with us. The installation of a childcare facility within the company for female employees contributes to the development of a closer connection between improved organizational output and supporting working parents. Parents who have access to live video recordings have their safety and security worries answered. The facility's contemporary amenities, flexible hours, and compatibility with the organization's schedule all support employee performance, retention, productivity, and happiness. It also encourages inclusivity by questioning conventional gender stereotypes and promoting a diverse workplace.

Diversity is frequently examined through the prisms of gender, colour, sexual orientation or culture, but diversity of thinking is also becoming more and more popular. Neurodiversity is one area where diversity of thought is important. To broaden the pool of potential employees and bring new viewpoints to the workplace, the company welcomes this kind of diversity in hiring and performance assessments. The organization also views a more diverse workforce in terms of backgrounds and life experiences, as this leads to a more varied pool of ideas and a more demographically diverse workforce.

The company assures that all workers, regardless of colour, sex, age, or other personal characteristics, receive compensation commensurate with their performance and job responsibilities, and that everyone should have access to the tools necessary to be successful in and enjoy their work.

The organization promotes inclusivity by cultivating a work environment where a diverse range of individuals feel free to be who they are and operate in a way that best meets our needs as a business. Everyone is respected in our company, and we truly think that every one of us contributes something worthwhile to the attainment of our shared objectives.

Directors Remuneration Policy

The purpose of our company's directors' remuneration policy is to reward the employee with all the financial aid that they deserve and motivate them to work efficiently and effectively. The policy serves to safeguard the company's interests and guarantee that directors get just compensation for their work.

Besides, the policy also helps the company to attract and retain qualified professionals, align the interests of the directors with the shareholders, ensure that remuneration reflects the performance of the directors, promote its sustainable success, discourage directors from taking risks that are inconsistent with the company's strategic objectives.

The remuneration policy is prepared under the recommendations and suggestions by human resource and remuneration committee (HRRC) to the board under the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations, 2019.

The executive directors entitled for the fixed monthly remuneration and other perquisites recommended by HRRC which were duly approved by the board and followed by the approval of members in general meeting of the company.

In pursuance of section 227(l)(a) of the Act, the following remuneration as disclosed in note 35 of the financial statement has been paid to the directors of the company during the current fiscal year:

- a) Mr. Bilal Sharif (CEO) - PKR 800,000/- per month.

Besides, the other fringe benefits for above directors includes company maintained vehicle with fuel, business travelling and communication expenses.

No fee or remuneration has been paid to any other directors of the company.

Statutory Auditors

The present auditor's M/s Mushtaq & Company, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 28, 2024 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2025. The external auditor M/s Mushtaq & Company, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are fully complied with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

The statutory auditors neither performed any of the decision making, internal audit or management functions nor they have any sort of relationship with any directors or executives of the company. The engagement partners were rotated after completion of every five years.

The Board of Directors also recommended the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2025 and the remuneration of the auditors has been fixed as per last year at PKR 2,775,000 (Year 2024: PKR 2,775,000) for the year 2024-25 as recommended by the audit committee to the board under regulation 32(3) of the Code. The assignments include statutory audit, half yearly review and code of corporate governance review.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of report of directors' report.

The SECP has made some amendments in the Fourt Schedule of the Companies Act, 2017 for reporting on Shariah and Non-Shariah related matters vide SRO 1278(I)/2024 dated August 15, 2024, the same will be complied accordingly for the fiscal year 2024-25.

Acknowledgement

I am extremely obligated to the board of directors, valued shareholders, customers, lenders, suppliers, and other stakeholders for their encouragement, confidence, and support and would like to express my gratitude to every employee for their commitment, perseverance, and hard work in helping the business succeed.

For and on behalf of the Board



Bilal Sharif
(Chief Executive Officer)

Karachi: September 30, 2024



Mohammad Salim
(Director)

Overview of Environmental, Social and Governance (ESG) Performance

Considering the amendments made by Securities and Exchange Commission of Pakistan “SECP” in Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 dated June 12, 2024, the management has taken initial steps to outline ESG performance of the company.

Since SECP encourage for adoption ESG guidelines, the board is reviewing the same for necessary compliance and comprehensive reporting in due course.

I am presenting this ESG report on behalf of the board, outlining our company's commitment to environmental, social, and governance (ESG) principles. The organization feels that sustainable and responsible business practices are not only the right thing to do, but also necessary for long-term success.

This report provides an overview of the Environmental, Social, and Governance (ESG) performance of **Faisal Spinning Mills Limited** (“Company”) for the year 2024. The report aims to reveal our efforts and initiative that have significant impact of ESG on climate, society and corporate governance.

The company emphasizes its initiatives to reduce its impact on the environment, promote social justice, and upholds high standards of corporate governance. We take our responsibilities seriously and acknowledge that the world around us can be significantly impacted by the things we do as a corporation.

The company has proven its dedication to quality and sustainability by obtaining multiple certifications and being recognized for its operations that meet the requirements of Standard OEKO-TEX® compliance, ISO 9001, 14001:2015, BCI Cotton, USA Cotton, Inditex, GOTS and GRS. The company is fully committed to business responsibility. The Environment, Social, and Governance (ESG) framework comprises three domains wherein the company has incorporated accountability as part of its ongoing commitment to contribute towards sustainable and impactful goods.

Environmental

Our company is working toward a goal of 35 to 45 percent emissions reduction over the next five years by transitioning to renewable energy, which will benefit the environment as well as our cost base. Our main priority is lowering the carbon footprint of our products and services.

The company has taken the renewable energy initiatives by the installation 2.50 megawatt solar energy at their manufacturing facilities located in Punjab which will result in annual reduction of carbon footprints by 1,805 tons.

During the year FY 2033-24, the board has also approved CAPEX of 1,500.00 million approximately for the installation of 4.80 Mega Watt Wind Mill Project at Unit-I under renewable energy initiative. The project operates at annual efficiency of 40 percent thus total energy requirement of 4.50 megawatt of the Unit-I will be reduced to 2.58 megawatt.

Since cotton is a very flammable material, each vehicle accessing our units must have a flame arrester installed to prevent the ignition of flammable vapours and gases. The company assures installation of

flame arresters during normal operating conditions to prevent an explosion or fire propagation under emergency situations.

By eliminating dangerous pollutants, water treatment helps to safeguard our ecosystem. It also contributes to the preservation of aquatic ecosystems' equilibrium, preserving the wellbeing of flora, fauna and marine life. The company has set up a Simens Effluent Treatment Plant at Finishing Unit-III located in the province of Punjab, with 125m³/day of the installed capacity for the of waste water treatment. Our next goal is to go for water recycling by 2025 on ZDL approach.

The company has installed waste heat recovery boilers (WHRB's) to utilize waste heat to generate steam and utilized the same in yarn conditioned machines. The WHRB doesn't requires natural gas or biomass for combustion, so they don't add emissions to the environment and help in reduction of environmental impact by using waste heat to generate steam. The 4 installed WHRB's generates steam of around 3,291 KW / Hour instead of venting the same in the environment.

Social

As part of our ESG efforts, we reduce our carbon footprint, promote diversity and inclusivity, support worker health and safety, and ensure that our business practices are morally and ethically sound. We attempt to communicate with our stakeholders and pay attention to their issues in order to continuously improving and making a good impact on the places in which we operate. By providing goods with strong social values, the company aims to have a positive social influence on local communities in addition to its own workforce.

Our anti-harassment policy demonstrates our dedication to upholding a harassment-free workplace for the benefit of our workers' well-being. In our workplace, intimidation, humiliation, and sabotage of others will not be accepted. Any wilful discrimination on the grounds of age, disability, race, ethnicity, religion or sexual orientation is likewise forbidden. Considering the 2010 Protection Against Harassment of Women at the Workplace Act, the organization has a thorough harassment policy. The goal of the policy is to shield employees both men and women from sexual harassment in the workplace.

To protect children from health risks, developmental delays that could harm their moral or psychological well-being, and to prevent child labor, the company has a rigorous policy against using child labor.

There are five distinct areas where we concentrate on as part of our ESG strategy to address societal challenges are:

i) Participation in the community

The organization participates with the communities in which it operates by hiring locals and pursuing philanthropic and charity endeavors. This promotes a positive image and reduces the likelihood of potential financial risks. While workers living within the mill's labor colonies receive subsidies for transportation, groceries, utilities, and meals, office staff in Karachi and Lahore receive free meals from the corporation. Additionally, the company runs a free medical facility in Sindh for the benefit of the local people, complete with a lab, an ultrasound machine, and free medications. Free consultations are

available to the community from family doctors, female doctors, visiting faculty members in paediatrics and dermatologists.

ii) Employee well-being and engagement

We prioritize the health and well-being of our employees above all else, in part by putting in place initiatives like fair compensation, flexible work hours, and mental health assistance. The company has taken the initiative to construct an on-site day care at our liaison office in Lahore. This is especially beneficial to working mothers as it offers convenience and peace of mind, allowing them to focus on their professional responsibilities. Ensuring safe and healthy working environments is a crucial component of ESG initiatives. The knowledgeable and compassionate daycare workers handle a variety of problems during the day while ensuring that the kids are in a stimulating atmosphere.

Since medical has become extremely expensive for those in need thus, company has arranged a comprehensive health policy to fulfill the medical needs of employees and their families for the staff of Karachi and Lahore Offices. Besides, a group life insurance policy is also in place across the board for all office employees and mill workers.

iii) DEI initiatives

The company has developed policies and initiatives to promote diversity and inclusivity in the workplace, such as hiring practices, training, mentorship programs, and other areas that help increase the participation and representation of different groups of people. Additionally, the goal of equity measures is to ensure that all employees are treated equally and have equal opportunities. Among our DEI values are acknowledging that people have different challenges to conquer and not undervaluing the common ways of thinking and acting. We emphasize that through our successful DEI initiatives, a personnel that more truly represents a company's clientele can be reached.

iv) Social responsibility and moral behavior

Social responsibility and ethical behavior can be effectively promoted via codes of conduct, accountability, and transparency. The business actively encourages organizations to follow its internal code of conduct.

v) Corporate purpose and culture

Our employees' perception of the significance and influence of their job informs our corporate purpose, which is more than just a written tagline issued by the organization. ESG goals, including social ones, are incorporated into our business purpose to shape our workplace culture.

vi) Gender Diversity and Pay Gaps

We encourage an inclusive workplace by assuring equitable and fair representation at all organizational levels irrespective of gender discrimination. At the head office of Karachi and Lahore, women currently make up approximately 26 percent of the company's total staff. There is 5.74 percent and 8.21 percent mean and median gender pay gap however, the variation in pay is due to individual performance over time, employment tenure and specific set of skill.

Governance

The company's governance system aims to ensure moral behavior, transparency, and responsibility across the board, which is advantageous to us both strategically and morally. It improves the company's long-term prosperity, financial stability, and overall reputation. Building transparency, moral behavior, and accountability puts us in a position to grow responsibly and wins over stakeholders. Our leadership is dedicated to upholding the best standards of corporate governance, as well as any legal requirements and industry standards.

Planning for succession

In the instances where key employees or directors leaves the organization, our succession planning approach guarantees a seamless transfer of ownership and leadership and prevents disruptions if any employees or directors resign, die away, or take up new opportunities. We believe that inclusion and diversity are moral prerequisites for a flourishing and long-lasting organization.

Engagement of Stakeholders

The company has demonstrated positive and collaborative interactions with both local and global stakeholders, in addition to their own initiatives. The company firmly believes that that managing the social and environmental effects depends on the connections between stakeholders hence, the initiatives for stakeholder engagement are adapted rigorously across the board.

Ethical Conduct

The company has an anti-bribery and confidentiality policy that complies with legal standards, as well as a high-level ethical policy that intersects with social policy and is fully compliant with regulatory requirements. As a public interest corporation, PSX discloses all relevant information to regulatory bodies, the Federal Board of Revenue and public through the publication of quarterly and yearly financial statements as well as the disclosure of taxes put in the government treasury. For any assessments or audits on social and labor conduct, the company ensures openness and transparency by being fully compliant with the relevant local labor office, such as SESSI, PESSI, and EOBI.

The board members provide indispensable skills and knowledge to guide the company's strategic direction.

- The company values diversity and discourage all sorts of discriminate based on age or gender. The board comprised of 10 members with an appropriate mix of experience, age and gender. Presently, we have three independent directors and one female director on board along with other executive and non-executive directors. The roles CEO and chairman are performed by different individuals whereas the chair is an independent director.
- An evaluation of board and committees to the board is conducted annually in accordance with the provisions of the Code of Corporate Governance Regulations, 2019 (CCG 2019). The process to evaluate the board's performance carried out internally. The evaluation promotes a culture of

responsibility, transparency, trust, and openness to improvement and constructive criticism, all of which are characteristics of a high-performing board.

- The Board of Directors and executive management provide steadfast guidance and support to enable responsible business management and strategic decision-making.
- All the members of the governing board are either certified under directors training program or exempted based on their credentials.
- The chairman to the audit and human resource committee is an independent director.
- The board reviews, update, amend its significant policies to follow good governance for the success of the organization:
 - Risk Management & Internal Control
 - Human Resource
 - Whistle Blower
 - Directors Remuneration
 - Environmental, Health and Safety
 - Anti-Money Laundering (AML)
 - Related Party
 - Anti-Harassment & Protection of Women at Workplace Act 2010 Act (Amended 2022).
 - Diversity, Equity and Inclusion-(DIE)
 - Environmental, Social and Governance-(ESG)
 - Business Ethics

Faisal Spinning Mills Limited



Bilal Sharif
(Chief Executive Officer)
30th September, 2024

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The statement is being presented to comply with the requirement of regulation 36(1) contained in Code of Corporate Governance Regulations, 2019 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

Faisal Spinning Mills Limited Year Ending June 30, 2024

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are ten (10) as per the following,-

- a. Male : Nine (9)
- b. Female : One(1)

2. The composition of the Board is as follows:

Sr	Category	Name
i)	Independent Directors (*)	Mr. Tauqeer Ahmed Sheikh Mr. Asif Elahi Mr. Mustafa Tanvir
ii)	Non-Executive Directors - Male	Mr. Muhammad Salim Mr. Muhammad Shaheen Mr. Khurram Salim Mr. Muhammad Amin Mr. Hamza Shakeel
iii)	Non-Executive Directors - Female	Mrs. Fatima Amin
iv)	Executive Director	Mr. Bilal Sharif

(*) Explanation required under Regulation 6(1) of Code:

While calculating the minimum number of ID directors the fraction was not rounded upwards to 1. The reason being that as per general rule only number exceeding 0.5 shall be rounded to next number.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:
The entire board is accredited under directors training program.
(Name of Executive & Designation - (N/A);

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

(a) Audit Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Khurram Salim	Member - Non- Executive Director
Mr. Muhammad Amin	Member - Non- Executive Director

(b) Human Resource & Remuneration Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Muhammad Shaheen	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

c) Nomination Committee (N/A)

The explanation stated below for not forming the nomination committee.

d) Risk Management Committee (N/A)

The explanation stated below for not forming the nomination committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

Name of Committee	Frequency of Meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Nomination Committee	Not applicable
Risk Management Committee	Not applicable

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr	Requirement	Explanation for Non-Compliance	Reg No
1	Disclosure of Significant Policies on Website	<i>The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1) hence, company posts limited on its website. Nonetheless, subject to the approval board, the company may consider the uploading of key elements on its website.</i>	35
2	Significant Policies	<i>The aspects of workplace harassment for the employees are covered under the company's code of conduct. Nonetheless, the requirements introduced recently by SECP through its notification dated June 12, 2024 are being incorporated in an independent anti-harassment policy as prescribe under Protection against Harassment of Women at the Workplace Act 2010.</i>	10(4)(xvi)
3	Role of board and its members to address Sustainability Risks and Opportunities	<i>Through its notification dated June 12, 2024, the Securities and Exchange Commission of Pakistan announced several amendments to Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The amendments encourage board to adopt ESG practices hence, the initial steps were taken by the company to report of company's ESG performance. Since, these amendments were made during the year the management is now reviewing these amendments and necessary compliance will be carried in due course.</i>	10(A)
4	Formation of the Nomination Committee	<i>As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee. The board may consider the formation of NC at the reconstitution of the board.</i>	29(1)
5	Formation of the Risk Management Committee	<i>As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed by the Audit Committee. The board may consider the formation of RMC at the reconstitution of the board.</i>	30(1)

For and on behalf of the Board



MOHAMMAD SALIM

(Chairman)

September 30, 2024, Karachi

Independent Auditor's Review Report

To the members of Faisal Spinning Mills Limited on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Faisal Spinning Mills Limited** for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Place: Lahore

Dated: 01-October-2024

UDIN: CR202410724ouC5NIvr3

Mushtaq & Co.
MUSHTAQ & CO.
Chartered Accountants



Engagement Partner:
Nouman Arshad, ACA

Independent auditor's report to the members of

Faisal Spinning Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Faisal Spinning Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss, the statements of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Revenue Recognition Refer to note 3.18 & 31 to the financial	Our key audit procedures in this area amongst others included the following;

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not

<p>statements.</p> <p>Revenue from sale of Company’s products for the year ended 30 June 2024 has increased by approximately 20% as compared to last year. The Company recognizes revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.</p> <p>There is an inherent risk that revenue may be overstated since the Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the control has been transferred.</p> <p>Considering revenue recognition a significant risk area, we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> • Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; • Evaluated the appropriateness of the Company's revenue recognition accounting policy and its compliance with IFRS 15: 'Revenue from Contracts with Customers'. • Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; • Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority. • Ensured that presentation and disclosures related to revenue are being addressed appropriately.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Nouman Arshad, ACA.**

Mushtaq & Co.
MUSHTAQ & CO
Chartered Accountants



Lahore.

Dated: 01-October-2024

UDIN: AR202410724i1oms5xB2

Faisal Spinning Mills Limited

Statement of Profit or Loss For the Year Ended June 30, 2024

	Note	June 30, 2024 PKR	June 30, 2023 Restated PKR
Sales - Net	31	45,029,600,571	37,672,807,610
Cost of sales	32	(42,288,491,572)	(33,110,576,747)
Gross profit		2,741,108,999	4,562,230,863
Other income	33	139,714,667	453,100,553
		2,880,823,666	5,015,331,416
Distribution cost	34	(1,463,591,179)	(1,605,961,445)
Administrative expenses	35	(527,296,363)	(423,508,171)
Other operating expenses	36	(46,921,853)	(115,125,932)
Finance cost	37	(1,608,042,214)	(1,267,154,365)
		(3,645,851,609)	(3,411,749,913)
		(765,027,943)	1,603,581,503
Share of (loss) / profit from associated undertaking		(315,451,214)	170,283,670
(Loss) / Profit before levies and taxation		(1,080,479,157)	1,773,865,173
Levies	38.1	(440,136,401)	(383,155,294)
(Loss) / Profit before taxation		(1,520,615,558)	1,390,709,879
Taxation	38.2	136,844,164	98,186,308
(Loss) / Profit after taxation		(1,383,771,394)	1,488,896,187
(Loss) / Earnings per share - basic and diluted	39	(138.38)	148.89

The annexed notes from 1 to 53 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Comprehensive Income For the Year Ended June 30, 2024

	Note	June 30, 2024 PKR	June 30, 2023 Restated PKR
(Loss) / Profit after taxation		(1,383,771,394)	1,488,896,187
Other comprehensive (loss) / income for the year			
Items that will not be reclassified to profit or loss:			
Actuarial loss on remeasurement of employees retirement benefits - gratuity	10.2	(29,525,137)	(31,134,625)
Share of OCI of associate	20	(3,546,616)	(2,893,537)
		(33,071,753)	(34,028,162)
Total comprehensive (Loss) / Income for the year		(1,416,843,147)	1,454,868,025

The annexed notes from 1 to 53 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Changes in Equity For the Year Ended June 30, 2024

	Share Capital	Capital Reserves	Revenue Reserves		Loans from directors and sponsors	Total
			General Reserves	Unappropriated Profit		
		PKR.....			
Balance as at June 30, 2022	100,000,000	24,150,000	9,975,850,000	1,431,590,875	937,781,000	12,469,371,875
Effect of Restatement - Note 5	-	-	-	171,931,514	-	171,931,514
Balance as at June 30, 2022 - Restated	100,000,000	24,150,000	9,975,850,000	1,603,522,389	937,781,000	12,641,303,389
Loans from directors and sponsors received during the year	-	-	-	-	134,937,600	134,937,600
Total comprehensive income for the year						
Profit for the year	-	-	-	1,488,896,187	-	1,488,896,187
Other comprehensive loss	-	-	-	(34,028,162)	-	(34,028,162)
Dividends						
Final dividend for the year ended June 30, 2022 PKR. 21.45 per share	-	-	-	(214,500,000)	-	(214,500,000)
Transferred to general reserve	-	-	-	-	-	-
Balance as at June 30, 2023 - Restated	100,000,000	24,150,000	9,975,850,000	2,843,890,414	1,072,718,600	14,016,609,014
Loans from directors and sponsors received during the year	-	-	-	-	-	-
Total comprehensive income for the year						
Loss for the year	-	-	-	(1,383,771,394)	-	(1,383,771,394)
Other comprehensive loss	-	-	-	(33,071,753)	-	(33,071,753)
Dividends						
Final dividend for the year ended June 30, 2023 PKR. 11.50 per share	-	-	-	(115,000,000)	-	(115,000,000)
Transferred to general reserve	-	-	-	-	-	-
Balance as at June 30, 2024	100,000,000	24,150,000	9,975,850,000	1,312,047,267	1,072,718,600	12,484,765,867

The annexed notes from 1 to 53 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Cash Flows For the Year Ended June 30, 2024

	June 30, 2024	June 30, 2023 Restated
Note	PKR	PKR
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before levies and taxation	(1,080,479,157)	1,773,865,173
Adjustments for:		
Depreciation of property, plant and equipment	886,637,072	913,778,903
Share of profit from associated undertaking	315,451,214	(170,283,670)
Provision for ECL	9,052,781	1,870,769
Reversal of allowance for ECL	(1,870,769)	(42,687,149)
Provision for staff retirement benefits	159,056,707	126,340,049
Gain on disposal of property, plant and equipment	(6,839,026)	(1,827,675)
Finance cost	1,608,042,214	1,267,154,365
	2,969,530,193	2,094,345,592
Operating cash flows before movements in working capital	1,889,051,036	3,868,210,765
Changes in working capital		
Stores, spares and loose tools	(231,566,588)	(290,361,391)
Stock in trade	2,987,696,350	(9,789,842,536)
Trade debts	(402,556,058)	(393,585,304)
Loans and advances	29,352,461	5,745,280
Trade deposits	9,070,962	(98,073,586)
Other receivables	51,963,817	(61,419,248)
Sales tax refund	387,638,061	(339,971,897)
Trade and other payables	88,983,584	764,298,941
	2,920,582,589	(10,203,209,741)
Cash generated from / (used in) operations	4,809,633,625	(6,334,998,976)
Finance cost paid	(1,821,218,642)	(910,612,034)
Staff retirement benefits - gratuity paid	(60,734,542)	(41,359,817)
Income taxes and levies paid - net	(518,756,203)	(620,802,577)
Long term deposits	(5,234,637)	(3,657,265)
	(2,405,944,024)	(1,576,431,693)
Net cash generated from / (used in) operating activities	2,403,689,601	(7,911,430,669)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	17,800,000	26,053,000
Addition in property, plant and equipment	(852,852,144)	(799,321,791)
Dividend received	19,621,140	39,242,280
Net cash used in investing activities	(815,431,004)	(734,026,511)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term finances	229,733,450	53,629,032
Proceeds of loan from directors and sponsors	-	134,937,600
Repayment of long term financing	(692,054,193)	(582,157,381)
(Decrease) / increase in short term borrowings	(1,016,515,016)	5,388,822,470
Dividend paid	(113,865,486)	(212,436,477)
Net cash (used in) / generated from financing activities	(1,592,701,245)	4,782,795,244
Net decrease in cash and cash equivalents	(4,442,648)	(3,862,661,936)
Cash and cash equivalent at the beginning of year	579,854,395	4,442,516,331
Cash and cash equivalent at the end of year	575,411,747	579,854,395

The annexed notes from 1 to 53 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Notes to the financial statements**For the year ended June 30, 2024****1 The Company and its Operations**

1.1 Faisal Spinning Mills Limited ("the Company") was incorporated on 31st January 1985 as a public limited company in Pakistan under repealed Companies Ordinance, 1984 now the Companies Act, 2017 and is quoted on Pakistan Stock Exchange Limited. The registered office of the Company is located at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area Karachi.

1.2 The company is principally engaged in manufacturing and sales of yarn, greige fabric, dyed fabric and home textile products. The production facilities are located at Nooriabad, District Dadu in the province of Sindh and Feroze Wattowan, District Sheikhupura in the province of Punjab.

2 Basis of Preparation**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value and obligations for TERF is stated at present value and Investment in associate is accounted for using equity method. In these financial statements, except for cash flow statements, all transactions have been accounted for on accrual basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest Rupee.

2.4 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

2.5.2 **Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:**

		Effective date (annual reporting periods beginning on or after
IAS 1	Presentation of financial statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025

Notes to the financial statements

For the year ended June 30, 2024

IFRS 7	Financial Instruments: Disclosures (Amendments) Insurance Contracts (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2024;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

3 Material Accounting Policies Information

3.1 Accounting for minimum taxes and final taxes

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The guide issued by ICAP provides two (2) approaches to account for minimum and final regime taxes, which is a choice of accounting policy of which the Company has chosen the following:

Designate the amount calculated on gross amount of revenue or other basis as a levy within the scope of IFRIC 21 / IAS 37 and recognise it as an operating expense. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12.

The deferred tax will be measured using the average effective rate of tax rather than the enacted / notified tax rate.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy'. If super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37.

Advance taxes paid under any section of the Income Tax Ordinance, 2001 have been netted off with the levy amount and the net position is shown in the statement of financial position.

The above changes have been accounted for in these financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy result in re-statement of financial statements since deferred tax liability recognised in the year ended June 30, 2023 was at enacted rate and the application of this guide did not result in any material differences except for restatement in note 5.

3.2 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3.3 Employee benefits

Post retirement benefits

Defined benefit plans

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

Amounts recognized in the statement of financial position represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

**Notes to the financial statements
For the year ended June 30, 2024**

Actuarial gains and losses are recognized in comprehensive income for the period in which these arise.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

3.4 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is accounted for using the statement of financial position liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes after considering, the effective rate of tax and enacted tax rate and the amounts used for tax purposes. The deferred tax will be measured using the average effective rate of tax rather than the enacted / notified tax rate. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

3.5 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.6 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoices to the company.

3.7 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

3.8 Property, plant and equipment and depreciation**Owned assets**

Property, plant and equipment, except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work-in-progress are stated at cost.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Notes to the financial statements
For the year ended June 30, 2024**Depreciation**

Depreciation is charged to profit or loss on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note except for equipment and other assets. Equipment and other assets are depreciated over the period of three and four years. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is material.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Impairment

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

Leased assets**Recognition**

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company). The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement**Lease liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement**Lease liability**

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

**Notes to the financial statements
For the year ended June 30, 2024****Ijarah Contracts**

Payments made under ijarah contract are charged to the statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

3.9 Capital work in progress

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

3.10 Investments in associate - Equity Method

Entities in which the Company has significant influence but not control and which are neither its subsidiaries nor joint ventures are associates and are accounted for by using the equity method of accounting. These investments are initially recognized at cost, thereafter the carrying amount is increased or decreased to recognize the company's share of profit or loss of associates. Share of post acquisition profit and loss of associates is accounted for in the company's profit and loss account. Distribution received from investee, reduces the carrying amount of investment. The changes in the associate's equity which are not recognized in the associates' profit or loss account, are recognized directly in the equity of the Company.

3.11 Financial assets and liabilities**Financial assets**

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Notes to the financial statements**For the year ended June 30, 2024**

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.12 Impairment**Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.14 Stores and spares

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.15 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows.

Raw material	At weighted average cost
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost
Waste	Net realizable value

Valuation of raw material, work in process and finished goods as on 30th June have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

Raw material in transit is stated at invoice price plus other charges paid thereon upto the statement of financial position date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Notes to the financial statements**For the year ended June 30, 2024**

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

3.16 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

3.18 Revenue recognition

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

Interest income is recognized on the basis of constant periodic rate of return.

Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

3.19 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit or loss account currently.

3.20 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date.

Exchange differences, if any, are taken to profit or loss account.

3.21 Transactions with related party

Transactions with related parties are priced at comparable uncontrolled market price. All transactions involving related parties arising in the normal course of business are conducted at arm's length using valuation modes, as admissible. Parties are said to be related when they meet the definition as provided in the Companies Act, 2017.

3.22 Segment reporting

Segment reporting is based on the operating (business) segments of the company. An operating segment is a component of the company that engages in a business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CEO to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprises mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

The business segments are engaged in providing products and services which are subject to risks and rewards which differ from the risk and reward of other segment Segments reported are Spinning, Weaving and Power Generation, which also reflects the management structure of company.

3.23 Deferred Government Grants

In accordance with IFRS 9 the benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity and temporary economic refinance facility, is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in statement of financial position as deferred government grant. The amortisation of deferred government grant is netted off with finance cost within in the statement of profit or loss.

Notes to the financial statements
For the year ended June 30, 2024
4 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further the company is not subject to externally imposed capital requirements.

5 Impact of restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 IAS 12, Income Taxes (Revised 2012) and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been effect on the statement of financial position, the statement of changes in equity, the statement of profit or loss and earning per share as a result of this change.

Previously recognized deferred taxes have been reassessed and necessary adjustments have been made to align with the effective rate of current tax under the new accounting policy

	Amount in Rupees		
	Had there been no change in accounting policies	Impact of Change in Accounting Policies	After Incorporating effect of change in accounting policies
Effect on Statement of Financial Position 2022			
Reserves	11,431,590,875	171,931,514	11,603,522,389
Deferred taxation	403,954,780	(153,118,039)	250,836,741
Long term Investment	1,665,323,062	(18,813,475)	1,684,136,537
Effect on Statement of Financial Position 2023			
Reserve	12,645,507,664	198,382,750	12,843,890,414
Deferred taxation	418,683,878	(148,624,959)	270,058,919
Long term Investment	1,762,526,599	(49,757,791)	1,812,284,390
Effect on Statement of changes in equity 2023			
Unappropriated profits	2,645,507,664	198,382,750	2,843,890,414
Effect on Statement of Profit or Loss 2023			
Share of profit from associated undertaking	138,813,770	31,469,900	170,283,670
(Loss) / Profit Before levies and taxation	1,742,395,273	31,469,900	1,773,865,173
Levies	-	383,155,294	383,155,294
Taxation	284,968,986	(383,155,294)	(98,186,308)
(Loss) / Profit after taxation	1,461,919,367	26,976,820	1,488,896,187
Earnings per share - basic and diluted	146.19	2.70	148.89

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2024
6 Issued, Subscribed and Paid up Capital

Number of shares		Note	June 30, 2024	June 30, 2023
June 30 2024	June 30 2023		Rs.	Rs.
6,300,000	6,300,000	Ordinary shares of Rs 10 each allotted for consideration - fully paid in cash	63,000,000	63,000,000
3,700,000	3,700,000	Ordinary shares of Rs 10 each allotted as bonus shares	37,000,000	37,000,000
<u>10,000,000</u>	<u>10,000,000</u>		<u>100,000,000</u>	<u>100,000,000</u>

6.1 Associated company holds 1,282,900 (2023: 1,282,900) ordinary shares of Rs. 10 each in the company.

6.2 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction. There is no movement in share capital during the year.

7 Reserves

Capital Reserves		24,150,000	24,150,000
General Reserves	7.1	9,975,850,000	9,975,850,000
Unappropriated Profit		1,312,047,267	2,843,890,414
		<u>11,312,047,267</u>	<u>12,843,890,414</u>

7.1 General reserve is primarily a revenue reserve being maintained to have adequate resources for future requirements and business operations.

8 Loan from Directors and Sponsors

Directors and sponsors had entered into a contract with the Company to finance equity portion i.e land, building and local components of plant & machinery of new Finishing and Home Textile Division. As per contract, the loans are unsecured, interest free and repayable at the discretion of the Company. The loan is presented under equity as per Technical Release-32 of The Institute of Chartered Accountants of Pakistan.

9 Long Term Financing - Secured From Financial Institutions

Facility	Rate	Repayments	Frequency	Security	June 30, 2024 Rs.	June 30, 2023 Rs.
United Bank Limited						
LTFF	SBP rate + Spread ranging from 0.5 % to 0.75% (2023: SBP rate + Spread ranging from 0.5 % to 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from 2015 and ending in 2029	Quarterly	First pari passu charge over plant and machinery of Weaving Unit situated at 1Noori Abad, to the extent of Rs. 1.374 billion.	381,840,319	467,857,059
	SBP rate + Spread ranging from 0.5 % to 1% (2023: SBP rate + Spread ranging from 0.5 % to 1%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from 2015 and ending in 2032		First pari passu charge over plant and machinery of Weaving Unit situated at 18 KM, Faisalabad Road, Feroz Watwan, District Sheikhpura, to the extent of Rs. 2.205 billion.	797,809,847	979,858,299
TERF	SBP rate + Spread 0.75% (2023: SBP rate + Spread 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from Aug 2023 and ending in May 2031		First charge over plant and machinery of Weaving Unit situated at 18 KM, Faisalabad Road, Feroz Watwan, Sheikhpura, to the extent of Rs. 2.205 billion.	111,408,389	124,211,397
					1,291,058,555	1,571,926,755
Bank Al Falah Limited						
LTFF	SBP rate + 0.75% (2023: SBP rate + 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from Nov 2022 and ending in June 2032	Quarterly	First charge over plant and machinery of Finishing Unit situated at 1.7KM Warburton Road Sheikhpura, Punjab to the extent of Rs. 5.1 billion.	2,379,676,042	2,730,818,406
TERF	SBP rate + 0.75% (2023: SBP rate + 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from March 2023 and ending in Nov 2031			319,306,094	338,312,493
					2,698,982,136	3,069,130,899

					June 30, 2024	June 30, 2023
					Rs.	Rs.
Dubai Islamic Bank Limited						
LTFF	SBP rate + Spread 2.0% (2023: SBP rate + Spread 2.0%)	The loans are repayable in twenty equal installments, commenced from May 2023 and ending in February 2028.	Quarterly	Exclusive charge on Jenbacher Natural Gas Genset location at Faisal Spinning Mills Ltd, A-150, SITE Area Nooriabad, Jamshoro, Sindh to the extent of Rs. 76.148 million.	46,104,750	58,399,350
					46,104,750	58,399,350
Bank Islami Limited						
IFRE	SBP rate + Spread 1.0% (2023: SBP rate + Spread 1.0%)	The loans are repayable in thirty nine equal installments, commenced from July 2022 and ending in March 2032.	Quarterly	Specific Charge over plant and machinery comprising solar power equipment installed at finishing Unit situated at 1.7KM Warburton Road Sheikhpura, Punjab to the extent of Rs. 25 Million.	17,582,903	19,048,160
					17,582,903	19,048,160
Habib Bank Limited						
Term Finance	3 months Kibor + 1% (2023: Nil)	The loans are repayable in Thirty Two equal quarterly installments, commenced from July 2026 and ending in June 2034	Quarterly	Specific charge over plant and machinery of Spinning Unit situated at Noori Abad, to the extent of Rs. 1.113 billion and ranking charge over plant & machinery of the Company to the extent of Rs. 371 million..	229,733,450	-
					229,733,450	-
					4,283,461,794	4,718,505,164
Less: Current portion shown in current liabilities					17	698,829,182
					3,518,351,068	4,019,675,982

10 Employees Retirement Benefits
10.1 Movement in liability recognized in the statement of financial position

Balance at beginning of the year		395,311,495	279,196,638
Charged to profit or loss account and other comprehensive income	10.2	188,581,844	157,474,674
Benefits paid during the year		(60,734,542)	(41,359,817)
Balance at the end of the year		523,158,797	395,311,495

10.2 Amount charged to profit or loss account / other comprehensive income

	Note	June 30, 2024 Rs.	June 30, 2023 Rs.
Current service cost		105,351,648	82,632,188
Interest cost		53,705,059	43,707,861
Charge to profit or loss account		159,056,707	126,340,049
Remeasurement charge to other comprehensive income		29,525,137	31,134,625
		188,581,844	157,474,674

10.3 The company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. Actuarial valuation has been carried out by independent actuary as at June 30, 2024 using the "Projected Unit Credit Method" assuming a discount rate of 14.75% (June 30, 2023: 16.25%) per annum, expected rate of increase in salaries at 13.75% (June 30, 2023: 15.25%) per annum.

10.4 There is no unrecognized actuarial loss / gain.

10.5 Historical information

	Actuarial adjustment arising (%)	Present value of defined benefit obligation Rs.	Experience adjustment on plan liabilities Rs.
30 th June 2023	7.88%	395,311,495	31,134,625
30 th June 2022	-0.05%	279,196,638	(131,268)
30 th June 2021	0.85%	220,775,762	1,879,925
30 th June 2020	5.47%	192,521,328	10,525,632

10.6 Sensitivity analysis of actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.

	Increase in assumption	Decrease in assumption
Discount rate	(18,019,997)	18,956,988
Expected rate of increase in future salary	18,956,988	(18,331,557)

10.7 The expected post employment benefit cost comprising of service cost and net interest for the year ending 30th June 2025 works out to Rs. 213,035,545.

10.8 The weighted average duration of defined benefit obligation is 5 years.

11 Deferred Taxation	June 30, 2024	June 30, 2023 Restated
	Rs.	Rs.
Deferred tax liability on taxable temporary differences	219,266,073	270,058,919
Deferred tax asset on deductible temporary differences	-	-
	219,266,073	270,058,919

2024			
As at July 01, 2023	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2024
Taxable temporary differences			
Accelerated tax depreciation on owned assets	-	-	-
Investment in associated company	270,058,919	(50,792,846)	219,266,073
	270,058,919	-	219,266,073
Deductible temporary differences			
Provision for employee benefit	-	-	-
Provision for doubtful debts and obsolete store	-	-	-
	-	-	-
	270,058,919	-	219,266,073

2023			
As at July 01, 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2023
Taxable temporary differences			
Accelerated tax depreciation on owned assets	-	-	-
Investment in associated company	250,836,741	19,222,178	270,058,919
	250,836,741	19,222,178	270,058,919
Deductible temporary differences			
Provision for employee benefit	-	-	-
Provision for doubtful debts and obsolete store	-	-	-
	-	-	-
	250,836,741	19,222,178	270,058,919

11.1 Deferred tax is provided for only investment in associates and unused tax credit expected to be expired. Deferred tax has been calculated at 15% of the timing differences arising on investment in associate based on tax rates notified by the Government of Pakistan for dividends of current and future years. Deferred tax on temporary differences other than Investment on associate is not recognized for the year as effective tax rate is zero as per guidance issued by ICAP.

12 Deferred government grant	Note	June 30, 2024 Rs.	June 30, 2023 Rs.
Balance at beginning of the year		130,363,502	157,647,366
Amortized during the year		(27,277,373)	(27,283,864)
		103,086,129	130,363,502
Less: current portion	17	(24,781,803)	(27,273,374)
Balance at the end of the year		78,304,326	103,090,128

12.1 The Company obtained long-term loan agreements with Bank Al Falah Limited and United bank limited under "SBP Temporary Economic Refinance Facility" for additions of new plant & machinery. The facilities carry mark-up at State Bank of Pakistan (SBP) rate 1% plus bank's spread of 0.75% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loans have been measured at fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

13 Trade and Other Payables		June 30, 2024	June 30, 2023
Creditors		2,450,132,672	2,096,313,850
Accrued liabilities		671,463,224	706,889,098
Advance from customers & others	13.1	89,797,123	279,809,343
Road Infrastructure cess payable	13.2	708,998,702	602,416,909
Gas Infrastructure cess payable	13.3	409,741,290	467,316,662
Workers' profit participation fund	13.4	-	79,614,251
Workers' welfare fund	13.5	224,064,703	235,087,755
Others		55,063,892	52,830,154
		4,609,261,606	4,520,278,022

13.1	Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs.275,221,982 (2023: Rs.244,057,359) has been recognised in current year in respect of advances from customers at the beginning of period.			
13.2	Movement in liability recognized in the statement of financial position	Note	June 30, 2024	June 30, 2023
			Rs.	Rs.
	Balance at beginning of the year		602,416,909	321,851,183
	Accrued for the year		106,581,793	280,565,726
	Paid during the year		-	-
	Balance at the end of the year		<u>708,998,702</u>	<u>602,416,909</u>
	Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has filed petitions vide CP No. 4306 of 2021, 4323 of 2021, 4460 of 2021 in Supreme Court of Pakistan and obtained stay on the recovery of these levies. During the pendency of final judgement on this, the Honorable Courts granting stay have directed the petitioners to arrange bank guarantees for the amount in favour of ETO. The company has provided bank guarantees amounting to Rs. 664.29 Million (June 30, 2023: Rs. 593.39 Million) in respect of unpaid infrastructure fee.			
13.3	Movement in liability recognized in the statement of financial position			
	Balance at beginning of the year		467,316,662	441,744,722
	Accrued for the year		-	28,480,330
	Paid / reversed during the year		(57,575,372)	(2,908,390)
	Balance at the end of the year		<u>409,741,290</u>	<u>467,316,662</u>
	It includes an amount of Rs. 186.20 million (2023: Rs. 186.20 million) on account of tariff difference on captive and general rates against which the Company has provided bank guarantee / post dated cheques of an aggregate amount of Rs. 129.03 million (2023: Rs. 129.03 million) on the orders of Sindh High Court and has accrued unpaid tariff difference. The Company vide petition 1234/2021 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 22 November 2020 had suspended the recovery of GIDC installments. Further, the Company vide petition 1848/2021 dated 30 August 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified			
	The Company is a party to ongoing litigation (Suit No. 1848 of 2021) before the High Court of Sindh, Karachi, challenging the imposition of Gas Infrastructure Development Cess (GIDC). This suit was filed in light of the Supreme Court's judgment dated August 13, 2020, which stipulated that GIDC would become permanently inoperative if work on the gas pipeline was not initiated within six months of the judgment.			
	The hearings in this matter have been conducted regularly in recent months, and on September 21, 2024, the Court reserved the case for judgment after hearing arguments from all counsels. The announcement of the judgment is at the discretion of the presiding judge, and the Company is not certain about announcement of judgement and awaiting further developments.			
13.4	Workers' profit participation fund			
	Balance at beginning of the year		79,614,251	221,879,854
	Interest on funds utilized in the Company's business	13.4.1	3,983,199	9,008,762
			83,597,450	230,888,616
	Paid during the year		(83,597,450)	(230,888,616)
	Allocation / expense for the year		-	79,614,251
			<u>-</u>	<u>79,614,251</u>
13.4.1	Interest on workers' profit participation fund has been provided @ 86.25% (June 30, 2023: 160.88%) per annum.			
13.5	Workers' welfare fund			
	Balance at beginning of the year		235,087,755	199,576,074
	Payment during the year		(47,046,732)	-
			188,041,023	199,576,074
	Allocation / expense for the year		36,023,680	35,511,681
			<u>224,064,703</u>	<u>235,087,755</u>
13.5.1	The company has partly discharged its liability during the year and remaining liability subsequent to the year end without any default surcharge or penalty. Relevant authorities have not demanded any default surcharge or penalty and accepted the amount paid.			
14	Unclaimed Dividend			
	Unclaimed dividend		19,460,365	18,325,851
15	Accrued Markup / Interest			
	Accrued markup / interest on secured			
	- long term financing		42,452,246	35,308,922
	- short term borrowings		160,653,371	380,973,123
			<u>203,105,617</u>	<u>416,282,045</u>
16	Short Term Borrowings			
	From banking companies-secured			
	Running finance / Musharika		184,843,764	6,145,606,668
	Money market loans		1,110,000,000	464,000,000
	Import finances	16.3	2,081,419,598	-
	State Bank of Pakistan (SBP) refinances	16.4	4,137,422,710	3,651,369,999
	Export finances	16.4	1,730,775,579	-
			<u>9,244,461,651</u>	<u>10,260,976,667</u>

FAISAL SPINNING MILLS LIMITED**Notes to the financial statements**

For the year ended June 30, 2024

- 16.1** The aggregate approved short term borrowing facilities amounted to Rs. 24,451.25 Million (2023: Rs. 19,850.75 Million). Out of total facilities, facilities of Rs. 14,843.52 Million (2023: Rs. 9,608.86 million) are unavailed at the reporting date.
- 16.2** Facilities, other than those described in Note 16.3 and 16.4, are subject to mark-up ranging from 1 to 3 month KIBOR + spread between 0.1% to 2% (2023: 1 to 3 month KIBOR + spread between 0.1% to 2%) per annum payable quarterly.
- 16.3** The rates of mark-up range from 5.6% to 6.75% (2023: Nil) per annum during the year on the balance outstanding.
- 16.4** The rates of mark-up range from 2% to 19% (2023: 3% to 19%) per annum during the year on the balance outstanding.
- 16.5** Short term facilities are secured against hypothecation charge on stock, stores and receivables.

17	Current Portion of Non Current Liabilities	Note	June 30, 2024	June 30, 2023
			Rs.	Rs.
	Long term financing		765,110,726	698,829,182
	Deferred government grant		24,781,803	27,273,374
			789,892,529	726,102,556

18 Contingencies and Commitments**Contingencies**

- 18.1** In normal course of business, the Company has issued Post dated cheques / indemnity bonds amounting to Rs. 23,243.12 Million (2023: Rs. 5,016.65 Million) in favour of collector of customs in lieu of custom and sales tax levies against various statutory notification and the indemnity bond furnished by the Company are likely to be released after fulfilment of the terms of related SRO's.
- 18.2** Bank guarantees issued to utility companies on behalf of the company amounting Rs. 454.95 million (June 30, 2023: Rs. 451.20 million), Excise and Taxation - Government of Sindh Rs. 656.41 million (June 30, 2023: Rs. 585.51 million), Excise and Taxation - Government of Punjab Rs. 7.90 million (June 30, 2023: Rs. 7.90 million) and Pakistan State Oil Company Limited Rs. 2.250 million (June 30, 2023: Rs. 2.250 million).
- 18.3** The Company vide petition ICA 239111 of 2018 filed before the High Court of Lahore challenged the recovery of Cotton Cess against the judgment passed in writ petition No. 311009 of 2016 and writ petition No. 214708 of 2018 respectively. No further date is fixed for hearing.
- 18.4** The Government has levied Super Tax on high earning persons as well on companies assessed under final tax regime, which was levied by the Government for the tax year 2022 in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 in the Sindh High Court who decided the matter in favour of the petitioners ultra vires to the Constitution of Pakistan. The FBR challenged the said decision before the Supreme Court of Pakistan who, vide interim order dated February 2023, directed that the taxpayers shall pay super tax to Nazir on the direction of Sindh High Court. The Company, complying with the directions, provided security of 100% super tax to the Nazir of High Court. 50% of which was encashed and deposited with the FBR. The hearing and appeal before the Supreme Court of Pakistan is pending. Amendments made through finance act 2023 are also being challenged in honorable high courts.

18.5	Bills discounted		5,293,441,788	6,549,622,870
18.6	Share of contingencies of its associated company, Blessed Textiles Limited:			
	Bank guarantees		183,562,089	180,430,246
	Bills discounted		211,415,346	382,520,529
	Post dated cheques		2,577,127,929	2,806,892,240
			2,972,105,364	3,369,843,015

Commitments

- 18.7** Letters of credit for: (Raw material, stores & machinery)
- 18.8** Share of commitments of its associated company Blessed Textiles Limited:
- purchase of fixed assets / capital commitments
 - purchase of stores and spares
 - purchase of raw material
- 18.9** Ijarah Vehicles:
- The Company has entered into Ijarah arrangements for vehicles with Meezan Bank Limited. These arrangements have been made for the period of five years. This arrangements carry Mark up 3 Month KIBOR+ 0.50 per annum. The rate would be fixed for the first three months on the last working day before the first disbursement date and subsequently on each last working day immediately preceding the beginning of next three months. Lease rentals shall be revised in accordance with the change in KIBOR to appropriately reflect the Bench Mark. Future Ijarah payments due under these arrangements at the period end are as follows:
- Not later than one year
 - Later than one year & not later than five years
 - Later than five years

			5,230,879,829	705,867,442
			40,417,922	-
			38,843,094	4,056,669
			89,747,952	81,275,919
			169,008,968	85,332,588
			29,176,716	13,710,843
			95,409,381	40,030,459
			-	-
			124,586,097	53,741,302
19	Property, Plant and Equipment			
	Operating fixed assets	19.1	9,096,167,363	9,832,038,951
	Capital work in progress	19.6	976,776,990	285,651,304
			10,072,944,353	10,117,690,255

Notes to the financial statements
For the year ended June 30, 2024

19.1 Operating fixed assets

Description	COST				DEPRECIATION				Book value as at June 30, 2024	Depreciation %
	As at July 01, 2023	Additions	Transfers / (Disposal)	As at June 30, 2024	As at July 01, 2023	Charge for the year	Transfers / (Disposal)	As at June 30, 2024		
-----Rupees-----										
Freehold land	1,015,729,449	1,330,911	-	1,017,060,360	-	-	-	-	1,017,060,360	-
Leasehold land	222,877,085	-	-	222,877,085	-	-	-	-	222,877,085	-
Factory building on freehold land	2,039,989,306	-	-	2,039,989,306	496,332,366	154,365,694	-	650,698,060	1,389,291,246	10
Factory building on leasehold land	252,617,099	-	-	252,617,099	176,732,850	7,595,064	(66,393)	184,261,521	68,355,578	10
Factory building on Leasehold extension	5,169,785	-	-	5,169,785	4,505,856	59,754	66,393	4,632,003	537,782	10
Non factory building on freehold land	494,944,251	-	-	494,944,251	76,121,018	21,074,192	-	97,195,210	397,749,041	5
Non factory building on leasehold land	20,390,399	-	-	20,390,399	15,950,183	222,011	-	16,172,194	4,218,205	5
Non factory building on Leasehold extension	168,065,547	-	-	168,065,547	78,372,700	6,746,156	-	85,118,856	82,946,691	5
Plant and machinery	9,439,138,724	-	76,133,885	9,501,172,818	3,576,860,342	589,176,377	4,541,293	4,159,084,973	5,342,087,845	10
			(14,099,791)				(11,493,039)			
Electric equipment and fitting	362,756,394	-	-	362,756,394	169,286,937	19,346,945	-	188,633,882	174,122,512	10
Gas line and pipe fitting	7,943,179	-	-	7,943,179	6,734,942	115,691	51,328	6,901,961	1,041,218	10
Factory equipment	39,921,355	-	-	39,921,355	15,990,993	2,107,766	(8,425,398)	9,673,361	30,247,994	10
Office equipment	37,970,377	-	-	37,970,377	2,164,071	75,367	-	2,239,438	35,730,939	10
Furniture and fixtures	162,471,017	-	-	162,471,017	27,334,795	13,513,622	-	40,848,417	121,622,600	10
Equipment and other assets	317,993,200	-	43,924,186	361,917,386	280,713,997	32,270,945	3,832,777	316,817,719	45,099,667	3 to 4 years
Vehicles	297,243,355	40,337,476	(29,836,672)	307,744,159	126,080,521	39,967,488	(21,482,450)	144,565,559	163,178,600	20
	14,885,220,522	41,668,387	120,058,071	15,003,010,517	5,053,181,571	886,637,072	-	5,906,843,154	9,096,167,363	
			(43,936,463)				(32,975,489)			
2024	14,885,220,522	41,668,387	120,058,071	15,003,010,517	5,053,181,571	886,637,072	-	5,906,843,154	9,096,167,363	
			(43,936,463)				(32,975,489)			

Operating fixed assets

Description	COST				DEPRECIATION				Book value as at June 30, 2023	Depreciation %
	As at July 01, 2022	Additions	Transfers / (Disposal)	As at June 30, 2023	As at July 01, 2022	Charge for the year	Transfers / (Disposal)	As at June 30, 2023		
-----Rupees-----										
Freehold land	1,012,237,079	3,492,370	-	1,015,729,449	-	-	-	-	1,015,729,449	-
Leasehold land	222,877,085	-	-	222,877,085	-	-	-	-	222,877,085	-
Factory building on freehold land	1,870,115,425	-	169,873,881	2,039,989,306	342,116,897	154,215,469	-	496,332,366	1,543,656,940	10
Factory building on leasehold land	252,617,099	-	-	252,617,099	168,227,496	8,505,354	-	176,732,850	75,884,249	10
factory building on Leasehold extension	5,169,785	-	-	5,169,785	4,505,856	-	-	4,505,856	663,929	10
Non factory building on freehold land	379,970,399	-	114,973,852	494,944,251	56,824,038	19,296,980	-	76,121,018	418,823,233	5
Non factory building on leasehold land	20,390,399	-	-	20,390,399	15,716,487	233,696	-	15,950,183	4,440,216	5
Non factory building on Leasehold extension	168,065,547	-	-	168,065,547	73,652,024	4,720,676	-	78,372,700	89,692,847	5
Plant and machinery	9,058,688,173	-	453,737,530	9,439,138,724	3,000,039,013	627,491,784	-	3,576,860,342	5,862,278,382	10
			(73,286,979)				(50,670,455)			
Electric equipment and fitting	337,236,833	-	25,519,561	362,756,394	150,191,284	19,095,653	-	169,286,937	193,469,457	10
Gas line and pipe fitting	7,943,179	-	7,943,179	7,943,179	6,657,725	77,217	-	6,734,942	1,208,237	10
Factory equipment	33,348,430	-	6,572,925	39,921,355	10,510,197	5,480,796	-	15,990,993	23,930,362	10
Office equipment	37,970,377	-	37,970,377	37,970,377	2,080,331	83,740	-	2,164,071	35,806,306	10
Furniture and fixtures	154,213,855	-	8,257,162	162,471,017	13,160,667	14,174,128	-	27,334,795	135,136,222	10
Equipment and other assets	297,366,550	13,478,295	7,148,355	317,993,200	252,112,792	28,601,205	-	280,713,997	37,279,203	3 to 4 years
Vehicles	226,380,473	75,912,855	-	297,243,355	97,719,488	31,802,205	(3,441,172)	126,080,521	171,162,834	20
			(5,049,973)				-			
	14,084,590,688	92,883,520	786,083,266	14,885,220,522	4,193,514,295	913,778,903	-	5,053,181,571	9,832,038,951	
			(78,336,952)				(54,111,627)			
2023	14,084,590,688	92,883,520	786,083,266	14,885,220,522	4,193,514,295	913,778,903	-	5,053,181,571	9,832,038,951	
			(78,336,952)				(54,111,627)			

19.2 Equipment and other assets includes assets costing PKR 103,868,484 (2023: PKR 103,315,668) which have been fully depreciated.

FAISAL SPINNING MILLS LIMITED

**Notes to the financial statements
For the year ended June 30, 2024**

	Note	Year ended June 30 2024	Year ended June 30 2023
	Rupees.....	
19.3 The depreciation charge for the year has been allocated as follows:			
Cost of sales	32	833,080,595	867,718,830
Administrative expenses	35	53,556,477	46,060,073
		886,637,072	913,778,903

19.4 Free hold lands of the Company are located at Ferozwattoan Sheikhpura with an area of 187 Kanal 7 Marla (2023: 186 Kanal 5 Marla), Gajjumata Kasur with an area of 90 Kanal 10 Marla (2023: 90 Kanal 10 Marla), Warburton Sheikhpura 714 Kanal 1 Marla (2023: 711 Kanal 18 Marla), and leasehold lands of the Company are located at SITE Nooriabad with an area of 284.5 Kanal (2023: 284.5 Kanal).

19.5 Disposal of operating fixed assets

Description	Cost	Accumulated depreciation	Book value	Proceeds from disposal of property, plant and equipment	Gain on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
.....Rupees.....							
Plant and machinery							
Simplex	4,405,493	4,341,006	64,487	100,000	35,513	Negotiation	Hafeez Brothers, Jhanda Singh Wala near Govt. Primary School, Samundari Road, Faisalabad
Drawing Frame	669,018	501,679	167,339	200,000	32,661	Negotiation	
Compressors	9,025,280	6,650,354	2,374,926	2,700,000	325,074	Negotiation	
	<u>14,099,791</u>	<u>11,493,039</u>	<u>2,606,752</u>	<u>3,000,000</u>	<u>393,248</u>		
Vehicles							
Honda Civic	2,097,220	1,934,635	162,585	700,000	537,415	Negotiation	Mr. Muhammad Altaf. House No 55/A, Civil line, Rashid Minhas Road, Rawalpindi Cantonement
Toyota Fortuner	9,328,240	3,513,637	5,814,603	8,000,000	2,185,397	Negotiation	Qamar u Zaman Jathol, Kotali khair, Dakkhana Narag mandi, Muridke, Zila Sheikhpura
Toyota Corolla	2,435,255	2,059,033	376,222	2,000,000	1,623,778	Negotiation	Guarantee Mills (Pvt) Ltd. Survey 275, Thana Bula Khan, Nooriabad, Jam Shoro
Suzuki Cultus	1,056,440	907,557	148,883	300,000	151,117	Negotiation	Mr. Haseeb Riaz, Chak No. 215, Faisalabad
Audi	7,567,067	6,557,780	1,009,287	1,800,000	790,713	Negotiation	Saeed Pipe Industries (Pvt) Ltd. House No 4 Shah Jamal, Lahore
Audi	7,352,450	6,509,808	842,642	2,000,000	1,157,358	Negotiation	Mr. Mutahir Rassol, House No. 64-M, Defence Housing Authority, Lahore
	<u>29,836,672</u>	<u>21,482,450</u>	<u>8,354,222</u>	<u>14,800,000</u>	<u>6,445,778</u>		
30-Jun-24	<u><u>43,936,463</u></u>	<u><u>32,975,489</u></u>	<u><u>10,960,974</u></u>	<u><u>17,800,000</u></u>	<u><u>6,839,026</u></u>		
30-Jun-23	<u><u>78,336,952</u></u>	<u><u>54,111,627</u></u>	<u><u>24,225,325</u></u>	<u><u>26,053,000</u></u>	<u><u>1,827,675</u></u>		

19.6 Capital work in progress

	2024			
	As at July 01, 2023	Additions	Transfers	As at June 30, 2024
	Rs.	Rs.	Rs.	Rs.
Building and other civil works	100,861,752	113,503,757	-	214,365,509
Plant and machinery	174,016,552	468,097,519	(76,133,885)	565,980,186
Electric installation	-	189,932,160	-	189,932,160
Others	10,773,000	39,650,321	(43,924,186)	6,499,135
	285,651,304	811,183,757	(120,058,071)	976,776,990
	2023			
	As at July 01, 2022	Additions	Transfers	As at June 30, 2023
	Rs.	Rs.	Rs.	Rs.
Building and other civil works	102,591,146	283,118,339	(284,847,733)	100,861,752
Plant and machinery	261,958,591	378,891,019	(466,833,058)	174,016,552
Electric installation	746,562	24,121,682	(24,868,244)	-
Others	-	20,307,231	(9,534,231)	10,773,000
	365,296,299	706,438,271	(786,083,266)	285,651,304

20 Long term Investment

	Note	June 30, 2024	June 30, 2023 Restated
		Rs.	Rs.
Investment in associates		1,473,665,420	1,812,284,390
Investment in shares of Blessed Textiles Limited		1,473,665,420	1,812,284,390
Cost of investment 1,189,160 ordinary shares of Rs. 10 each (2023: 1,189,160 shares)		11,891,600	11,891,600
Accumulated share of post acquisition profit / OCI - net of dividends received		1,800,392,790	1,672,244,937
Share of profit for the year		(315,451,214)	170,283,670
Share of OCI for the year		(3,546,616)	(2,893,537)
Dividend received during the year		(19,621,140)	(39,242,280)
		1,461,773,820	1,800,392,790
		1,473,665,420	1,812,284,390
Total assets		23,032,774,754	27,639,131,516
Total liabilities		14,950,212,436	17,725,026,584
Net assets		8,082,562,318	9,914,104,932
Company's share of associate's net assets		1,494,319,000	1,832,937,970
Sales- net		31,821,773,255	24,156,586,324
Profit for the year		(1,706,231,465)	921,040,535
OCI for the year		(19,183,149)	(15,650,738)
Company's share of associate's profit for the year		(315,451,214)	170,283,670
Company's share of OCI for the year		(3,546,616)	(2,893,537)
Company's share of Contingencies for the year		2,972,105,364	3,369,843,015
Company's share of Commitments for the year		169,008,968	85,332,588
Market value per share		241.99	331.62

20.1 Summarized Statement of Financial Position

Non Current Assets	7,965,574,161	8,364,437,646
Current Assets	15,067,200,593	19,274,693,870
	23,032,774,754	27,639,131,516
Non Current Liabilities	4,061,321,148	4,754,039,998
Current Liabilities	10,888,891,288	12,970,986,586
	14,950,212,436	17,725,026,584
Net Assets	8,082,562,318	9,914,104,932

20.2 Summarized Statement of Profit or Loss

Revenue	31,821,773,255	24,156,586,324
(Loss) / Profit before taxation	(1,706,231,465)	1,013,920,699

20.3 Reconciliation to carrying amount

Opening net assets	9,811,444,432	9,118,310,635
Profit for the year	(1,706,231,465)	921,040,535
OCI	(19,183,149)	(15,650,738)
Dividend paid during the year	(106,128,000)	(212,256,000)
	(1,831,542,614)	693,133,797
	7,979,901,818	9,811,444,432
Loan from directors	102,660,500	102,660,500
Net assets	8,082,562,318	9,914,104,932
Shareholding in associate	18.49%	18.49%
Proportion of associate ownership	1,475,338,937	1,813,957,907
Other adjustments	(1,673,517)	(1,673,517)
	1,473,665,420	1,812,284,390

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2024

20.4 This represents 18.49% shares in Blessed Textiles Limited, an associated company (The Company). Investment has been accounted for using 'Equity Method' of accounting as per IAS - 28 Investments in Associates and Joint Ventures. The Company is incorporated in Pakistan as a Public Limited Company and is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric. 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 18 KM, Feroze Wattoan, Sheikhpura Road, District Sheikhpura in the Province of Punjab.

21 Long Term Deposits	Note	June 30, 2024	June 30, 2023
		Rs.	Rs.
Security deposits		24,959,115	24,959,115
Ijarah deposits		9,860,302	4,625,665
Others	21.1	1,604,800	1,604,800
		36,424,217	31,189,580
21.1	It includes security deposit amounting to Rs. 20,000 given to Admiral (Private) Limited, an associated company, against rent of building in normal course of business.		
22 Stores, Spare Parts and Loose Tools			
Stores, spare parts and loose tools		975,150,418	743,583,830
Provision for slow moving store items	22.1	(2,088,830)	(2,088,830)
		973,061,588	741,495,000
22.1 Provision for slow moving items comprises;			
Balance at the beginning of the year		2,088,830	2,088,830
Recognized during the year		-	-
Balance at the end of the year		2,088,830	2,088,830
22.2	No item of stores, spares and loose tools is pledged as security as at reporting date.		
23 Stock in Trade			
Raw material		5,718,045,160	10,526,231,859
Raw material in transit		1,092,700,214	521,079,366
Work in process		1,221,492,891	960,979,255
Finished goods	23.1	4,307,428,492	3,319,072,627
		12,339,666,757	15,327,363,107
23.1	Stock of finished goods includes stock of waste valued at Rs. 2,758,104 (2023: Rs. 2,268,516).		
23.2	No item of stock in trade is pledged as security as at the reporting date.		
24 Trade Debts			
Considered good			
Foreign: secured through letters of credit		1,720,475,162	1,494,568,452
Foreign: unsecured		397,395,951	558,818,670
Local : unsecured		1,970,996,085	1,640,106,030
		4,088,867,198	3,693,493,152
Considered doubtful		165,559,686	158,377,674
Allowance for ECL	24.1	(165,559,686)	(158,377,674)
		4,088,867,198	3,693,493,152
24.1 Particulars of allowance for ECL on doubtful debts			
Balance at beginning of the year		158,377,674	199,194,054
Allowance no longer required / recovered		(1,870,769)	(42,687,149)
Charge during the year	35	9,052,781	1,870,769
Balance at the end of the year		165,559,686	158,377,674
25 Loans And Advances			
Considered good			
Advances to suppliers - unsecured		122,813,507	167,190,899
Advances to employees	25.1	28,461,800	15,149,586
Letters of credit		2,693,389	562,050
Advances to suppliers - unsecured; considered doubtful		64,213	64,213
Others		-	418,622
		154,032,909	183,385,370
Provision for doubtful advances		(64,213)	(64,213)
		153,968,696	183,321,157
25.1	These represent advances to employees against future salaries and post employment benefits in accordance with the company policy.		
26 Trade Deposits and Prepayments			
Deposit against infrastructure fee payable	26.1	412,391,427	425,391,427
Prepaid expenses		9,782,903	5,853,865
		422,174,330	431,245,292
26.1	Effective mark up rate on these deposits range from 18% to 20.25% per annum (June 30, 2023: 6% to 19.50% per annum).		

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2024

		June 30, 2024	June 30, 2023
		Rs.	Rs.
27 Other Receivables	Note		
Claims receivable		44,437,540	96,401,357
		<u>44,437,540</u>	<u>96,401,357</u>
28 Income Tax Refundable			
Advance income tax refundable		572,896,986	408,225,866
Prepaid Levies adjustable		482,565,071	481,556,475
		<u>1,055,462,057</u>	<u>889,782,341</u>
Provision for levies		(440,136,401)	(383,155,294)
Provision for income taxes		(42,428,670)	(98,401,181)
		<u>(482,565,071)</u>	<u>(481,556,475)</u>
		<u>572,896,986</u>	<u>408,225,866</u>
29 Sales Tax Refundable			
Sales tax refundable		936,509,067	1,324,147,128
Excise duty and federal excise duty refundable		2,007,435	2,007,435
Provision for doubtful excise duty and federal excise duty refundable		(2,007,435)	(2,007,435)
		<u>-</u>	<u>-</u>
		<u>936,509,067</u>	<u>1,324,147,128</u>
30 Cash and Bank Balances			
Cash in hand		-	834,220
Balances with banks in:			
Current accounts		400,074,339	348,620,013
Foreign currency accounts		156,278,644	212,024,599
Saving accounts	30.1	19,058,764	18,375,563
		<u>575,411,747</u>	<u>579,020,175</u>
		<u>575,411,747</u>	<u>579,854,395</u>
30.1	It carries mark up at the rate of 18% to 18.50% per annum (2023: 19.50% to 21.50% per annum).		
31 Sales - Net			
Export			
Yarn		16,061,068,710	13,220,144,272
Fabric		11,641,203,177	9,656,644,844
Made ups		11,417,561,944	9,029,644,772
		<u>39,119,833,831</u>	<u>31,906,433,888</u>
Export rebate		-	4,561,825
		<u>39,119,833,831</u>	<u>31,910,995,713</u>
Local			
Yarn		385,822,047	629,327,665
Fabric		6,883,461,415	6,391,377,870
Cotton		24,098,925	-
Made Up		31,438,596	35,515,138
Waste and others		315,140,761	289,807,618
		<u>7,639,961,744</u>	<u>7,346,028,291</u>
Gross sales		46,759,795,575	39,257,024,004
Discount on sales		(55,058,905)	(26,699,745)
Sales tax		(1,675,136,099)	(1,557,516,649)
		<u>45,029,600,571</u>	<u>37,672,807,610</u>
31.1	Export sales include Rs. 3,499.99 million exclusive of sales tax (2023: Rs. 2,692.27 million) in respect of indirect export sales.		
32 Cost of Sales			
Raw material consumed	32.1	34,148,790,079	27,486,208,333
Packing material consumed		621,648,943	434,159,689
Stores and spare parts consumed		1,826,608,719	1,442,145,103
Cost of cotton sold		21,903,302	-
Salaries, wages and benefits	32.2	2,408,860,016	1,998,268,410
Fuel, power and water		3,417,738,522	2,168,020,237
Insurance		101,032,242	81,155,055
Repair and maintenance		20,069,801	14,089,961
Rent, rates and taxes		716,150	1,119,351
Travelling, conveyance and entertainment		24,926,856	17,843,051
Vehicle running expenses		52,318,590	41,952,179
Communication		1,267,964	1,098,509
Fee and subscription		16,314,999	13,491,955
Depreciation	19.3	833,080,595	867,718,830
Others		15,012,123	12,085,574
		<u>43,510,288,901</u>	<u>34,579,356,237</u>
Work in process			
Opening stock		960,979,255	656,970,486
Closing stock		(1,221,492,891)	(960,979,255)
		<u>(260,513,636)</u>	<u>(304,008,769)</u>
Cost of goods manufactured		<u>43,249,775,265</u>	<u>34,275,347,468</u>
Finished stocks			
Opening stock		3,319,072,627	2,117,128,024
Finished goods purchased - fabric		27,072,172	45,546,331
Finished goods theft		-	(8,372,449)
Closing stock		(4,307,428,492)	(3,319,072,627)
		<u>(961,283,693)</u>	<u>(1,164,770,721)</u>
		<u>42,288,491,572</u>	<u>33,110,576,747</u>

FAISAL SPINNING MILLS LIMITED
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For the year ended June 30, 2024

	Note	June 30, 2024 Rs.	June 30, 2023 Rs.
32.1 Raw material consumed			
Opening stock		11,047,311,225	2,763,422,061
Purchases		29,939,296,400	35,810,831,577
Cost of raw material sold - yarn/fabric		(27,072,172)	(40,734,080)
Closing stock		(6,810,745,374)	(11,047,311,225)
		34,148,790,079	27,486,208,333
32.2	Salaries, wages and benefits includes employees retirement benefits amounting to Rs. 130,367,903 (June 30, 2023: Rs. 104,870,247).		
33 Other Income			
Income from financial assets			
Interest on bank deposits		129,311,285	290,379,403
Reversal of ECL		1,870,769	42,687,149
Exchange gain on foreign currency translation		-	27,289,986
Dividends from short term investments		12,726	90,421,094
Gain on sale of mutual fund units		1,680,861	495,246
Income from non financial assets			
Gain on disposal of fixed assets	19.5	6,839,026	1,827,675
		139,714,667	453,100,553
34 Distribution Cost	Note	June 30, 2024 Rs.	June 30, 2023 Rs.
Export			
Steamer, air freight & forwarding		298,277,376	415,948,433
Trailer freight		192,236,999	112,900,984
Clearing and forwarding		146,607,293	111,859,797
Export development surcharge		87,315,821	67,365,729
Commission		420,519,879	609,053,623
Sales promotion expenses		98,718,902	102,041,860
Insurance expenses		6,336,263	9,754,065
Salaries, wages and benefits	34.1	103,495,002	73,929,070
Other export expenses		15,569,065	11,498,305
		1,369,076,600	1,514,351,866
Local			
Freight on local sales		16,404,933	13,195,237
Commission		74,262,173	77,761,153
Quality claim		-	26,640
Others		3,847,473	626,549
		94,514,579	91,609,579
		1,463,591,179	1,605,961,445
34.1	Salaries, wages and benefits includes employees retirement benefits amounting to Rs. 7,895,984 (June 30, 2023: Rs. 3,911,397).		
35 Administrative Expenses			
Directors' remuneration		9,600,000	9,600,000
Staff salaries and benefits	35.1	258,322,897	210,475,675
Traveling, conveyance and entertainment		73,878,869	52,202,227
Printing and stationery		11,341,779	12,079,223
Communication expenses		4,836,424	4,063,438
Vehicles running and maintenance		45,985,158	40,943,153
Legal and professional		8,270,584	5,513,225
Auditors' remuneration	35.2	2,775,000	2,775,000
Fee and subscription		9,831,264	8,096,696
Repair and maintenance		1,363,882	720,367
Rent, rates and taxes		1,160,478	5,156,906
Depreciation	19.3	53,556,477	46,060,073
Charity and donation	35.3	-	4,900,000
Provision for ECL		9,052,781	1,870,769
Ijarah lease rental		24,621,705	7,837,683
Software license renewal and maintenance fee		912,214	7,439,644
Others		11,786,851	3,774,092
		527,296,363	423,508,171
35.1	Staff salaries and benefits includes employee retirement benefits amounting to Rs. 20,792,819 (June 30, 2023: Rs. 17,558,405).		
35.2 Auditors' remuneration			
Annual statutory audit		2,505,000	2,505,000
Half yearly review		190,000	190,000
Review of Code of Corporate Governance		80,000	80,000
		2,775,000	2,775,000
35.3	During the year, donation to following party exceeded Rs. Nil (2023: Rs. 1 million). No director or his spouse had any interest in the donee. Lahore Institute of Health Sciences	-	2,000,000

FAISAL SPINNING MILLS LIMITED
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36	Other Operating Expenses	Note	June 30, 2024	June 30, 2023
			Rs.	Rs.
	Workers' Profit Participation Fund	13.4	-	79,614,251
	Workers' Welfare Fund		36,023,680	35,511,681
	Exchange loss on foreign currency		10,898,173	-
			<u>46,921,853</u>	<u>115,125,932</u>

37 Finance Cost
Mark-up on:

		June 30, 2024	June 30, 2023
		Rs.	Rs.
- long term financing		129,069,020	142,677,305
- short term borrowings		1,263,518,490	919,674,552
- workers' profit participation fund		3,983,199	9,008,762
Letter of credit discounting		191,139,442	172,470,894
Bank charges and commission		20,332,063	23,322,852
		<u>1,608,042,214</u>	<u>1,267,154,365</u>

37.1 During the year, the company has capitalized the borrowing cost of Rs. 14,792,569 (2023: 3,769,121).

37.2 Capitalization rates used to determine the amount of borrowing cost eligible for capitalization range from 21.01% to 23.26%. (2023: 4.5%).

38	Levies and Taxation	Note	June 30, 2024	June 30, 2023
			Rs.	Restated Rs.
	Levies	38.1	440,136,401	383,155,294
	Taxation	38.2	(136,844,164)	(98,186,308)
			<u>303,292,237</u>	<u>284,968,986</u>

38.1 Levies

	June 30, 2024	June 30, 2023
	Rs.	Rs.
Final tax	440,136,401	383,155,294

This represents final taxes paid on export sales as per section 154 of the income tax ordinance, 2001 respectively representing levy in line with the requirements of IRIC 21/IAS 37 and guide on IAS 12 issued by ICAP.

38.2 Taxation

	June 30, 2024	June 30, 2023
	Rs.	Rs.
Current tax		
- Current year	42,428,670	98,401,181
- Prior years	(128,479,988)	(215,809,667)
	(86,051,318)	(117,408,486)
Deferred tax	(50,792,846)	19,222,178
	<u>(136,844,164)</u>	<u>(98,186,308)</u>

38.3 The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001 for tax year 2024. Provision for income tax is made accordingly. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

38.4 There is no relationship between tax expense and accounting profit since the Company's profits are subject to tax under the Final Tax Regime for the current year. Accordingly, no numerical reconciliation has been presented.

39	(Loss) / Earnings per Share - Basic and Diluted	Note	June 30, 2024	June 30, 2023
			Rs.	Restated Rs.
	The calculation of the basic (loss) / earnings per share is based on the following data:			
	(Loss) / Earnings			
	(Loss) / Earnings for the purpose of basic loss per share - After tax (loss) / profit for the year		(1,383,771,394)	1,488,896,187
	Number of shares			
	Weighted average number of ordinary shares		10,000,000	10,000,000
	Basic (loss) / earnings per share have been computed by dividing earnings as stated above with weighted average number of ordinary shares.			
	Basic (loss) / earnings per share		(138.38)	148.89

No figure for diluted (loss) / earnings per share has been presented as the company has not issued any instruments carrying options which would have an impact on (loss) / earnings per share when exercised.

40 Non Adjusting Events after the Reporting Period

In respect of current period, the board of directors in their meeting held on September 30, 2024 has proposed to pay cash dividend of Nil i.e. Rs. Nil per ordinary share of Rs. 10 each. This dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

41 CHANGES FROM FINANCING CASH FLOWS

	June 30, 2024			
	Loan from directors and sponsors	Long term finances	Short term borrowings	Unclaimed dividend
As at beginning of the year	1,072,718,600	4,718,505,164	10,260,976,667	18,325,851
Long term finances obtained	-	229,733,450	-	-
Repayment of loan	-	(692,054,193)	-	-
Loan accretion	-	27,277,373	-	-
Net increase in short term borrowings	-	-	(1,016,515,016)	-
Dividend declared	-	-	-	115,000,000
Dividend paid	-	-	-	(113,865,486)
As at end of the year	<u>1,072,718,600</u>	<u>4,283,461,794</u>	<u>9,244,461,651</u>	<u>19,460,365</u>

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2024

	June 30, 2023			
	Loan from directors and sponsors	Long term finances	Short term borrowings	Unclaimed dividend
As at beginning of the year	937,781,000	5,219,749,649	4,872,154,197	16,262,328
Long term finances obtained	-	53,629,032	-	-
Repayment of loan	134,937,600	(582,157,381)	-	-
Loan accretion	-	27,283,864	-	-
Net increase in short term borrowings	-	-	5,388,822,470	-
Dividend declared	-	-	-	214,500,000
Dividend paid	-	-	-	(212,436,477)
As at end of the year	<u>1,072,718,600</u>	<u>4,718,505,164</u>	<u>10,260,976,667</u>	<u>18,325,851</u>

42 Remuneration of Chief Executive, Directors and Executives

	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Remuneration	9,600,000	-	196,032,101	9,600,000	-	134,541,661
Allowances	-	-	33,512,282	-	-	23,056,013
Post employment benefits	-	-	30,911,963	-	-	21,853,985
	<u>9,600,000</u>	<u>-</u>	<u>260,456,346</u>	<u>9,600,000</u>	<u>-</u>	<u>179,451,659</u>
Number of persons	<u>1</u>	<u>-</u>	<u>60</u>	<u>1</u>	<u>-</u>	<u>49</u>

42.1 In addition to the above, the Chief Executive Officer and all directors are provided with free use of Company maintained cars and telephone for business use.

42.2 No remuneration to non executive directors have been paid.

43 Related Party Transactions

The related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out sale and purchase of goods and services transactions with various related parties. Names, basis of relationship, nature and description of related party transactions along with monetary value are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding		
Bhanero Textiles Limited	Common directorship	N/A		
Blessed Textiles Limited	Common directorship	18.49%		
Bhanero Energy Limited	Common directorship	N/A		
Admiral (Private) Limited	Directorship of close family relative	N/A		
Mohammad Salim	Director	0.29%		
Yasmeen Begum	Directorship of close family relative	2.39%		
Khurram Salim	Director	2.00%		
Farrukh Salim	Directorship of close family relative	1.37%		
Yousaf Salim	Directorship of close family relative	3.13%		
Saqib Salim	Directorship of close family relative	1.99%		
Muhammad Umer	Directorship of close family relative	0.97%		
Yahya Farrukh	Directorship of close family relative	2.74%		
Amna Khurram	Directorship of close family relative	1.10%		
Saba Yousaf	Directorship of close family relative	0.98%		
Saba Saqib	Directorship of close family relative	2.12%		
Bilal Sharif	Director / Chief executive	3.64%		
Samia Bilal	Directorship of close family relative	5.34%		
Abdullah Bilal	Directorship of close family relative	3.37%		
Ali Bilal	Directorship of close family relative	3.37%		
Azan Bilal	Directorship of close family relative	3.37%		
Mohammad Shaheen	Director	0.33%		
Mohammad Amin	Director	4.09%		
Seema Shaheen	Directorship of close family relative	1.58%		
Mohammad Qasim	Directorship of close family relative	6.24%		
Fatima Amin	Directorship of close family relative	4.51%		
Sumbul Qasim	Directorship of close family relative	2.36%		
Mohammad Shakeel	Directorship of close family relative	0.48%		
Nazli Shakeel	Directorship of close family relative	4.29%		
Adil Shakeel	Directorship of close family relative	4.77%		
Faisal Shakeel	Directorship of close family relative	4.77%		
Hamza Shakeel	Director	4.77%		
Nature of relationship	Nature of transactions		2024	2023
			Rupees	Rupees
Associated undertaking	Sales of fabric		124,346,113	27,604,549
	Sales of yarn		29,143,584	13,381,559
	Purchase of yarn		4,165,270,350	3,586,289,535
	Purchase of cotton		307,118,741	703,026,274
	Sales of cotton		24,098,925	-
	Purchase of fabric		863,612,838	3,033,601,964
	Misc purchases		10,384	-
	Services received		618,000	309,000
	Dividend received		19,621,140	39,242,280
	Electricity purchased		51,855,186	10,351,833
	Loan received from directors and sponsors during the year		-	134,937,600
Retirement benefits	Provision for gratuity		188,581,844	157,474,674

43.1 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 42.

FAISAL SPINNING MILLS LIMITED
**Notes to the financial statements
For the year ended June 30, 2024**
44 SEGMENT INFORMATION
44.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment

Spinning

Weaving

Finishing & Home Textile

Information regarding Company's reportable segments is presented below.

44.2 Information about reportable segments

	June-2024			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from external customers	16,102,490,911	12,387,435,553	16,539,674,107	45,029,600,571
Intersegment revenues	41,286,250	180,520,977	32,780,774	254,588,001
Depreciation	123,237,338	177,759,856	585,639,878	886,637,072
Segment results	(798,198,322)	529,762,893	1,111,449,700	843,014,271
Segment assets	9,112,063,489	6,406,647,551	12,739,429,742	28,258,140,782
Segment liabilities	4,807,179,476	2,495,667,909	10,544,948,217	17,847,795,602
Interest income	126,010,144	1,282,031	2,019,110	129,311,285
Additions to non-current assets	31,412,260	248,301,162	239,754,389	519,467,811
Disposals of property, plant and equipment	2,982,974	2,163,397	5,814,603	10,960,974
	June-2023			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from external customers	13,489,088,018	10,569,062,526	13,614,657,066	37,672,807,610
Intersegment revenues	7,784,500	379,234,422	8,323,394	395,342,316
Depreciation	131,806,908	176,173,970	605,798,025	913,778,903
Segment results	193,078,839	886,258,316	1,791,398,713	2,870,735,868
Segment assets	12,734,594,728	5,523,724,337	12,487,153,223	30,745,472,288
Segment liabilities	6,934,415,011	2,541,494,946	9,896,073,367	19,371,983,324
Interest income	278,562,453	11,816,950	-	290,379,403
Additions to non-current assets	173,769,657	270,488,017	455,924,919	900,182,593
Disposals of property, plant and equipment	276,295	22,616,524	1,332,506	24,225,325

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

44.3 Reconciliations of reportable segment information
44.3.1 Segment revenues

	June-2024			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	16,143,777,161	12,567,956,530	16,572,454,881	45,284,188,572
Inter-segment revenues	(41,286,250)	(180,520,977)	(32,780,774)	(254,588,001)
Total for the Company	16,102,490,911	12,387,435,553	16,539,674,107	45,029,600,571
	June-2023			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	13,496,872,518	10,948,296,948	13,622,980,460	38,068,149,926
Inter-segment revenues	(7,784,500)	(379,234,422)	(8,323,394)	(395,342,316)
Total for the Company	13,489,088,018	10,569,062,526	13,614,657,066	37,672,807,610

FAISAL SPINNING MILLS LIMITED
**Notes to the financial statements
For the year ended June 30, 2024**
44.3.2 Segment Profits

	June-2024			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Operating Profit	(777,803,401)	540,441,801	1,127,297,724	889,936,124
Unallocated expenses				(46,921,853)
Other operating expenses				(1,608,042,214)
Finance cost				(315,451,214)
Share of loss from associated undertaking				(440,136,401)
Levies				(440,136,401)
Total for the Company	(777,803,401)	540,441,801	1,127,297,724	(1,520,615,558)

	June-2023			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Operating Profit	162,691,587	944,491,228	1,878,678,985	2,985,861,800
Unallocated expenses				(115,125,932)
Other operating expenses				(1,267,154,365)
Finance cost				170,283,670
Share of profit from associated undertaking				(383,155,294)
Levies				(383,155,294)
Total for the Company	162,691,587	944,491,228	1,878,678,985	1,390,709,879

44.3.3 Segment assets

	June-2024			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	9,112,063,489	6,406,647,551	12,739,429,742	28,258,140,782
Unallocated assets				1,509,406,053
Taxation recoverable				412,391,427
Bank deposits				1,473,665,420
Long term investment				36,424,217
Long term deposit				36,424,217
Total for the Company	9,112,063,489	6,406,647,551	12,739,429,742	31,690,027,899

	June-2023			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	12,734,594,728	5,523,724,337	12,487,153,223	30,745,472,288
Unallocated assets				1,732,372,994
Taxation recoverable				425,391,427
Bank deposits				1,812,284,390
Long term investment				31,189,580
Long term deposit				31,189,580
Total for the Company	12,734,594,728	5,523,724,337	12,487,153,223	34,746,710,679

44.3.4 Segment liabilities

	June-2024			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	4,807,179,476	2,495,667,909	10,544,948,217	17,847,795,602
Un-allocated liabilities				19,460,365
Unclaimed dividends				1,118,739,992
Infrastructure fee				219,266,073
Deferred taxation				219,266,073
Total for the Company	4,807,179,476	2,495,667,909	10,544,948,217	19,205,262,032

FAISAL SPINNING MILLS LIMITED**Notes to the financial statements
For the year ended June 30, 2024**

	June-2023			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	6,934,415,011	2,541,494,946	9,896,073,367	19,371,983,324
Un-allocated liabilities				18,325,851
Unclaimed dividends				1,069,733,571
Infrastructure fee				270,058,919
Deferred taxation				270,058,919
Total for the Company	6,934,415,011	2,541,494,946	9,896,073,367	20,730,101,665

44.4 Geographical information

The geographic information analyses the entity's revenue and non current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	June 30, 2024	June 30, 2024
China	12,325,926,270	10,007,362,299
United States	3,750,433,514	1,927,622,148
United Kingdom	3,490,665,973	1,701,982,789
Portugal	2,852,863,393	2,603,231,258
Japan	1,609,589,058	1,481,756,620
Germany	1,407,432,886	1,341,597,212
France	1,340,066,459	1,516,821,849
Italy	1,277,202,196	802,024,923
Other Countries	7,056,278,320	7,359,109,787
Pakistan	11,649,337,506	10,515,515,119
	46,759,795,575	39,257,024,004
Export Rebate	-	-
Discount	(55,058,905)	(26,699,745)
Sales tax	(1,675,136,099)	(1,557,516,649)
	45,029,600,571	37,672,807,610

44.5 Information about significant customers

Sales amounting to PKR 4,884,782,220 (2023: Nil) were made to one single significant external customer which accounts for more than 10% of the Company's total sales made during the year.

44.6 Company do not have any non current assets outside Pakistan.

Notes to the financial statements
For the year ended June 30, 2024

45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arms length transaction. As at June 30, 2024 the net fair value of all financial instruments has been based on the valuation methodology outlined below:-

Long-term deposits

Long term deposits does not carry any rate of return. The fair value of it has been taken at book value as it is not considered materially different and readily exchangeable.

Non-current liabilities

For all non-current liabilities except for loan from sponsors, the fair values have been taken at book values as these are not considered materially different based on the current market rates of return and reprising profiles of similar non-current liabilities.

Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

The analysis of yield / mark-up rate risk is as under:

	2024							
	Interest / Markup bearing			Non Interest / Markup bearing			Total	Effective Interest Rate %
	Maturity Upto One year	Maturity After One year	Subtotal	Maturity Upto One year	Maturity After One year	Subtotal		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Financial assets								
Trade debts	-	-	-	4,088,867,198	-	4,088,867,198	4,088,867,198	
Advances to employees	-	-	-	28,461,800	-	28,461,800	28,461,800	
Trade deposits	412,391,427	-	412,391,427	-	-	-	412,391,427	18 to 20.25
Other receivables	-	-	-	44,437,540	-	44,437,540	44,437,540	
Bank balance	19,058,764	-	19,058,764	556,352,983	-	556,352,983	575,411,747	18 to 18.50
Long-term deposits	-	-	-	-	36,424,217	36,424,217	36,424,217	
Long term investments	-	-	-	-	1,473,665,420	1,473,665,420	1,473,665,420	
	<u>431,450,191</u>	<u>-</u>	<u>431,450,191</u>	<u>4,718,119,521</u>	<u>1,510,089,637</u>	<u>6,228,209,158</u>	<u>6,659,659,349</u>	
Financial liabilities								
Long-term financing	765,110,726	3,518,351,068	4,283,461,794	-	-	-	4,283,461,794	1.75 to 5.15 and 3 Months Kibor + 1%
Trade creditors	-	-	-	2,539,929,795	-	2,539,929,795	2,539,929,795	
Accrued liabilities	-	-	-	671,463,224	-	671,463,224	671,463,224	
Unclaimed dividend	-	-	-	19,460,365	-	19,460,365	19,460,365	
Other payables	-	-	-	55,063,892	-	55,063,892	55,063,892	
Mark-up accrued on loans	-	-	-	203,105,617	-	203,105,617	203,105,617	
Short-term borrowings	9,244,461,651	-	9,244,461,651	-	-	-	9,244,461,651	KIBOR + 0.1 to 2 and 2 to 19
	<u>10,009,572,377</u>	<u>3,518,351,068</u>	<u>13,527,923,445</u>	<u>3,489,022,893</u>	<u>-</u>	<u>3,489,022,893</u>	<u>17,016,946,338</u>	
On balance sheet gap	<u>(9,578,122,186)</u>	<u>(3,518,351,068)</u>	<u>(13,096,473,254)</u>	<u>1,229,096,628</u>	<u>1,510,089,637</u>	<u>2,739,186,265</u>	<u>(10,357,286,989)</u>	

	2023							
	Interest / Markup bearing			Non Interest / Markup bearing			Total	Effective Interest Rate %
	Maturity Upto One year	Maturity After One year	Subtotal	Maturity Upto One year	Maturity After One year	Subtotal		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Financial assets								
Trade debts	-	-	-	3,693,493,152	-	3,693,493,152	3,693,493,152	
Advances to employees	-	-	-	15,149,586	-	15,149,586	15,149,586	
Trade deposits	425,391,427	-	425,391,427	-	-	-	425,391,427	6 to 19.5
Other receivables	-	-	-	96,401,357	-	96,401,357	96,401,357	
Bank balances	18,375,563	-	18,375,563	561,478,832	-	561,478,832	579,854,395	19.50 to 21.50
Long-term deposits	-	-	-	-	31,189,580	31,189,580	31,189,580	
Long term investments	-	-	-	-	1,812,284,390	1,812,284,390	1,812,284,390	
	<u>443,766,990</u>	<u>-</u>	<u>443,766,990</u>	<u>4,366,522,927</u>	<u>1,843,473,970</u>	<u>6,209,996,897</u>	<u>6,653,763,887</u>	
Financial liabilities								
Long-term financing	698,829,182	4,019,675,982	4,718,505,164	-	-	-	4,718,505,164	0.75 to 5.15
Trade creditors	-	-	-	2,376,123,193	-	2,376,123,193	2,376,123,193	
Accrued liabilities	-	-	-	706,889,098	-	706,889,098	706,889,098	
Unclaimed dividend	-	-	-	18,325,851	-	18,325,851	18,325,851	
Other payables	79,614,251	-	79,614,251	52,830,154	-	52,830,154	132,444,405	
Mark-up accrued on loans	-	-	-	416,282,045	-	416,282,045	416,282,045	KIBOR + 0.1 to 2 and 7.5 to 19
Short-term borrowings	10,260,976,667	-	10,260,976,667	-	-	-	10,260,976,667	
	<u>11,039,420,100</u>	<u>4,019,675,982</u>	<u>15,059,096,082</u>	<u>3,570,450,341</u>	<u>-</u>	<u>3,570,450,341</u>	<u>18,629,546,423</u>	
On balance sheet gap	<u>(10,595,653,110)</u>	<u>(4,019,675,982)</u>	<u>(14,615,329,092)</u>	<u>796,072,586</u>	<u>1,843,473,970</u>	<u>2,639,546,556</u>	<u>(11,975,782,536)</u>	

45.1 Interest rate risk management

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. Changes in interest rates can affect the rates charged on interest bearing liabilities. This can result in an increase in interest expense relative to financial borrowings or vice versa. The Company manages its risk by interest rate swapping, maintaining a fair balance between interest rates and financial assets and financial liabilities. The effective interest rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

45.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of PKR 6,659.66 million (June 30, 2023: PKR 6,653.76 million) unsecured trade debts, advances to employees, and other receivables amounting in aggregate to PKR 2,441.29 million (June 30, 2023: PKR 2,310.48 million) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

45.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

45.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2024, the total foreign currency risk exposure was PKR 192.73 million (June 30, 2023: PKR 2,265.41 million) in respect of foreign trade debts.

**Notes to the financial statements
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45.5 Credit risk
45.5.1 Maximum credit exposure

The carrying amount of financial assets, excluding cash in hand, represents maximum credit exposure. The maximum exposure to credit risk as at the reporting date is:

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
Loans and receivables:			
Trade debts		4,088,867,198	3,693,493,152
Advances to employees		28,461,800	15,149,586
Trade deposits		412,391,427	425,391,427
Other receivables		44,437,540	96,401,357
Bank Balances		575,411,747	579,854,395
Long-term deposits		36,424,217	31,189,580
		<u>5,185,993,929</u>	<u>4,841,479,497</u>

45.5.2 Concentration of credit risk

Maximum exposure to credit risk by geographical region as at the reporting date is:

Domestic	1,970,996,085	1,640,106,030
Europe	921,114,574	1,082,764,803
Asia and Middle East	715,491,880	472,562,387
USA	481,264,659	498,059,932
	<u>4,088,867,198</u>	<u>3,693,493,152</u>

45.5.3 Impairment losses

The ageing of trade debts as at the reporting date is as follows:

Not past due	2,985,517,104	3,382,618,041
Past due less than one year	1,063,446,070	312,692,209
Past due more than one year but less than three years	24,589,862	53,671
Past due more than three years	180,873,848	156,506,905
	<u>4,254,426,884</u>	<u>3,851,870,826</u>
Impairment	(165,559,686)	(158,377,674)
	<u>4,088,867,198</u>	<u>3,693,493,152</u>

The movement in allowance for impairment in respect of trade debts during the year is as follows:

As at beginning of the year	158,377,674	199,194,054
Impairment loss recognized	9,052,781	1,870,769
Impairment loss reversed	(1,870,769)	(42,687,149)
As at end of the year	<u>165,559,686</u>	<u>158,377,674</u>

Credit quality of counter parties is assessed based on historical default rates. All trade debts not past due are considered good. The management believes that allowance for impairment of trade debts past dues is not necessary, as these comprise amounts due from old customers, which have been re-negotiated from time to time and are also considered good.

45.5.4 Collateral held

The Company does not hold collateral to secure its loans and receivables. However, foreign trade receivables of the Company are secured through letters of credits and exposure to credit risk in respect of these is minimal.

45.6 Liquidity risk

Following are the contractual maturities of financial liabilities, including estimated interest payments

	As at June 30, 2024				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	4,283,461,794	5,256,768,725	725,805,440	3,117,647,801	1,413,315,484
Short term borrowings	9,244,461,651	9,244,461,651	9,244,461,651	-	-
Accrued markup / interest	203,105,617	203,105,617	203,105,617	-	-
Trade creditors	2,450,132,672	2,450,132,672	2,450,132,672	-	-
Accrued liabilities	671,463,224	671,463,224	671,463,224	-	-
Unclaimed dividend	19,460,365	19,460,365	19,460,365	-	-
Other payables	144,861,015	144,861,015	144,861,015	-	-
	<u>17,016,946,338</u>	<u>17,990,253,269</u>	<u>13,459,289,984</u>	<u>3,117,647,801</u>	<u>1,413,315,484</u>

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	As at June 30, 2023				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees	Rupees
Long term financing	4,718,505,164	5,256,768,725	725,805,440	3,117,647,801	1,413,315,484
Short term borrowings	10,260,976,667	10,260,976,667	10,260,976,667	-	-
Accrued markup / interest	416,282,045	416,282,045	416,282,045	-	-
Trade creditors	2,096,313,850	2,096,313,850	2,096,313,850	-	-
Accrued liabilities	706,889,098	706,889,098	706,889,098	-	-
Unclaimed dividend	18,325,851	18,325,851	18,325,851	-	-
Other payables	52,830,154	52,830,154	412,253,748	-	-
	18,270,122,829	18,808,386,390	14,636,846,699	3,117,647,801	1,413,315,484

45.7 Market risk

	June 30, 2024	June 30, 2023
	Rupees	Rupees
45.7.1 Currency risk		
a) The Company's exposure to currency risk as at the reporting date is as follows:		
Trade receivables	2,117,871,113	2,053,387,122
Cash and cash equivalents	156,278,644	212,024,599
Short term borrowings	(2,081,419,598)	-
Total exposure	192,730,159	2,265,411,721

b) Exchange rates applied as at the reporting date.

The following spot exchange rates were applied as at the reporting date wherever applicable.

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	Rupees	Rupees	Rupees	Rupees
CHF	309.16	309.71	320.34	320.90
JPY	1.73	1.73	2.00	2.00
Euro	297.88	298.41	313.72	314.27
CNY	38.47	38.53	39.91	39.98
USD	278.30	278.80	286.60	287.10

A ten percent appreciation in Rupee would have increased profit or decreased loss by PKR 19.27 million (2023: PKR 226.54 million). A ten percent depreciation would have had the equal but opposite effect on profit or loss. This sensitivity analysis based on assumption that all variables, with the exception of foreign exchange rates, remain unchanged.

	June 30, 2024	June 30, 2023
	Rupees	Rupees
45.7.2 Interest rate risk		
The interest rate profile the Company's interest bearing financial instruments as at the reporting date is as follows:		
Fixed rate instruments		
Financial assets	431,450,191	443,766,990
Financial liabilities	12,003,346,231	8,369,875,163
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,524,577,214	6,609,606,668

The Company is not exposed to interest rate risk in respect of its fixed rate instruments. A 100 basis points increase in variable interest rates would have increased loss or decreased profit by PKR 15.25 million (2023: PKR 66.1 million). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

45.7.3 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

45.8 Fair values

Fair value is a price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

Notes to the financial statements
For the year ended June 30, 2024
45.9 Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Carrying Amount			Carrying Amount		
2024			2023		
At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
-----Rupees-----					
Financial assets					
Long term deposits	36,424,217	-	31,189,580	-	-
Advances to employees	28,461,800	-	15,149,586	-	-
Trade receivables	4,088,867,198	-	3,693,493,152	-	-
Deposit with financial institutions	422,174,330	-	431,245,292	-	-
Other receivables	44,437,540	-	96,401,357	-	-
Cash at banks	575,411,747	-	579,020,175	-	-
	5,195,776,832	-	4,846,499,142	-	-
Financial Liabilities					
Long term financing	4,283,461,794	-	4,718,505,164	-	-
Short term borrowings	9,244,461,651	-	10,260,976,667	-	-
Accrued markup / interest	203,105,617	-	416,282,045	-	-
Trade creditors	2,450,132,672	-	2,096,313,850	-	-
Accrued liabilities	671,463,224	-	706,889,098	-	-
Unclaimed dividend	19,460,365	-	18,325,851	-	-
Other payables	55,063,892	-	52,830,154	-	-
	16,927,149,215	-	18,270,122,829	-	-

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

46 CORRESPONDING FIGURES

Corresponding figures have been re-arranged where necessary to facilitate comparison. Following major reclassifications has been made during the year.

Description	Reclassified from	Reclassified to	Note	Amount
Road Infrastructure cess payable	Long Term Payables	Trade and Other Payable	13	602,416,909
Gas Infrastructure cess payable	Long Term Payables	Trade and Other Payable	13	467,316,662

47 Accounting Estimates and Judgments

47.1 Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

47.2 Investment stated at fair value

Management has determined fair value of certain investments by using quotations from active market conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgment (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

47.3 Property, plant and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

47.4 Stock-in-trade and stores and spares

The Company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with a corresponding affect on the amortization charge and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

47.5 Interest rate and cross currency swap

The Company has entered into various interest rates and cross currency swap over the last year. The calculation involves use of estimates with regard to interest and foreign currency rates which fluctuate with the market forces.

48 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	2024	2023
	Rs.	Rs.
Total debt	4,413,825,296	4,876,152,530
Total equity	12,484,765,867	14,016,609,014
	16,898,591,163	18,892,761,544
Gearing	26.12%	25.81%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance. The decrease in the gearing ratio resulted primarily from increase in equity of the Company.

49 Fair Value Measurements

49.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments approximate to their fair values.

49.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than certain financial instruments are measured at fair value.

FAISAL SPINNING MILLS LIMITED**Notes to the financial statements**

For the year ended June 30, 2024

50 Plant Capacity and Actual Production	2024	2023
50.1 Spinning unit		
Number of spindles installed	38,208	38,208
Installed capacity in kilograms converted into 20/1	23,161,653	23,161,653
Actual production of yarn in kilograms	22,321,532	20,101,182
50.2 Weaving unit		
Number of looms installed	265	265
Installed capacity in meters, after conversion into 50 picks	68,379,830	68,379,830
Actual production of fabric in meters	39,682,149	38,211,707
50.3 Finishing / Processing unit		
Production capacity in meters	33,000,000	33,000,000
Actual production in meters	35,151,288	34,338,963
50.4 Home Textile / Stitching		
The plant capacity of this division is indeterminable due to multi product plans involving varying processes of manufacturing and run length of order lots.		
50.5	It is difficult to precisely describe production capacity and the resultant production in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed, twist etc, in case of spinning. In case of weaving fluctuation depends on factors such as loom width, width of fabric produced, type of yarn used etc. It would vary accordingly to the pattern of production adopted in a particular year.	
51 DATE OF AUTHORIZATION FOR ISSUE	These financial statements have been approved by the board of directors of the Company and authorized for issue on September 30, 2024.	
52 NUMBER OF EMPLOYEES	2024	2023
As at the reporting date	2,202	2,094
Average for the year	2,169	2,004
53 GENERAL	The figures have been rounded off to the nearest Rupee.	



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Historical Data for the Year Ended June 30, 2024

Year-Wise Operating Data

	2024	2023	2022	2021	2020	2019
Spinning Unit						
Spindle installed	38,208	38,208	38,208	38,208	38,208	38,208
Spindles worked - Average	38,208	38,208	38,208	38,208	38,208	38,208
Installed capacity after conversion into 20/s count - Kg	23,161,653	23,161,653	23,161,653	23,161,653	23,485,861	24,916,086
Actual production - Kg	22,321,532	20,101,182	22,834,826	19,921,801	20,628,185	19,448,902

Weaving Unit

Air jet looms installed	265	265	265	265	265	265
Air jet looms worked	265	265	265	265	265	265
Installed capacity after conversion into 50 picks - Meter	68,379,830	68,379,830	67,578,655	64,308,255	64,308,255	64,308,255
Actual production - Meter	39,682,149	38,211,707	41,155,105	40,242,805	43,789,732	44,560,931

Finishing Unit

Production Capacity in meters	33,000,000	33,000,000	28,000,000	26,766,667	-	-
Actual Production - Meter	35,151,288	34,338,963	28,674,769	7,133,010	-	-

(Year 2021 Inclusive of Trial & Commercial)

Year-Wise Financial Data

	2024	2023	2022	2021	2020	2019
--	------	------	------	------	------	------

Rupees in Thousands
Profit and loss account

Turnover (Net)	45,029,601	37,672,808	32,074,370	17,065,186	14,895,550	14,028,566
Gross profit	2,741,109	4,562,231	6,372,386	2,488,776	1,410,283	1,884,038
Operating profit	402,878	2,519,050	4,540,496	2,440,270	858,601	1,275,441
Financial expenses	1,608,042	1,267,154	408,214	296,590	246,852	290,548
Share profit/(loss) of associate	(315,451)	138,814	592,861	396,627	78,626	117,479
Profit/(Loss) before tax	(1,520,616)	1,390,710	4,725,143	2,540,307	690,375	1,102,372
Profit/(Loss) after tax	(1,383,771)	1,488,896	4,098,223	2,300,119	523,879	918,500
Cash dividend	-	115,000	214,500	214,500	150,000	185,000

Balance Sheet

Share capital	100,000	100,000	100,000	100,000	100,000	100,000
Reserves	11,312,047	12,843,890	11,603,522	7,300,000	5,300,000	4,900,000
Shareholder equity	12,484,766	14,016,609	12,641,303	8,588,498	5,831,060	5,280,827
Long term loans	3,518,351	4,019,676	4,632,023	4,404,730	5,831,060	1,478,484
Short term loan	9,244,462	10,260,977	4,872,154	1,878,178	3,876,009	1,430,911
Current liabilities	14,866,182	15,941,965	9,319,146	3,699,052	5,006,663	2,467,436
Current portion of long term loans	789,893	726,103	615,010	359,135	55,003	226,342
Fixed assets	9,096,167	9,832,039	9,891,076	8,619,791	3,860,627	3,533,394
Current assets	20,106,994	22,785,546	15,284,828	7,919,505	8,499,266	5,925,995

Ratios**Performance**

Sales growth percentage - Year to Year basis

Gross profit (%)

Profit/(Loss) before tax -%

Profit/(Loss) after tax - %

Breakup value per share - Rupees per share

Market value of share - at the year end - Rupees per share

Earnings/(Loss) per share - Rupees per share

Price earning ratio

Leverage

Gearing ratio

Debt to equity (%)

Interest covering ratio

Liquidity ratio

Current ratio

	2024	2023	2022	2021	2020	2019
Sales growth percentage - Year to Year basis	19.53%	17.45%	87.95%	14.57%	6.18%	18.45%
Gross profit (%)	6.09%	12.11%	19.87%	14.58%	9.47%	13.43%
Profit/(Loss) before tax -%	-3.38%	3.69%	14.73%	14.89%	4.63%	7.86%
Profit/(Loss) after tax - %	-3.07%	3.95%	12.78%	13.48%	3.52%	6.55%
Breakup value per share - Rupees per share	1,248.48	1,401.66	1,264.13	858.85	583.11	528.08
Market value of share - at the year end - Rupees per share	280.12	323.75	450.00	420.00	251.00	237.50
Earnings/(Loss) per share - Rupees per share	(138.38)	146.19	409.82	230.01	52.39	91.85
Price earning ratio	(2.02)	2.21	1.10	1.83	4.79	2.59
Gearing ratio	1.09	1.07	0.81	0.77	1.35	0.59
Debt to equity (%)	28.18%	28.68%	36.64%	51.29%	100.00%	28.00%
Interest covering ratio	0.05	2.10	12.58	9.57	3.80	4.79
Current ratio	1.35	1.43	1.64	2.14	1.70	2.40

FAISAL SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2024

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors, Chief Executive Officer, and their spouse and minor children.	17	3,679,385	36.79
2	Associated Companies, Undertaking and Related Parties	16	3,958,415	39.58
3	NIT and ICP	1	500	0.01
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	1	3,600	0.04
5	Insurance Company	1	222,700	2.23
6	Share holders holding 10%	1	1,282,900	12.83
7	General Public			
	Local	762	850,771	8.51
	Foreign	-	-	-
8	Other Companies	2	2	0.00
9	Joint Stock Companies	2	1,727	0.02
		803	10,000,000	100.00

DETAIL OF PATTERN OF SHAREHOLDING**AS AT JUNE 30, 2024****INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE**

SR #	CATEGORIES OF SHAREHOLDERS	PERCENTAGE	NUMBER OF SHARES HELD
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	ADMIRAL (PVT) LTD	12.83	1,282,900
	MR. MOHAMMAD SHAKEEL	0.48	48,077
	MR. ADIL SHAKEEL	4.77	477,321
	MR. FARRUKH SALEEM	1.37	136,919
	MR. YOUSUF SALEEM	3.13	312,688
	MR. SAQIB SALEEM	1.99	199,055
	MR. MUHAMMAD QASIM	6.24	624,110
	MR. FAISAL SHAKEEL	4.77	477,321
	MR. ABDULLAH BILAL	3.37	337,257
	MR. MUHAMMAD UMER	0.97	97,000
	MR. YAHYAA FURRUKH	2.74	274,000
	MRS. MARIUM ADIL	0.01	500
	MRS. NAZLI BEGUM	4.29	429,244
	MRS. SABA YOUSUF	0.98	97,923
	MRS. SABA SAQIB	2.12	211,500
	MRS. SUMBUL QASIM	2.36	235,500
2	NIT AND ICP		
	INVESTMENT CORPORATION OF PAKISTAN	0.01	500
3	DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		
	MR. MUHAMMAD SALEEM	0.29	28,846
	MR. MUHAMMAD SHAHEEN	0.33	32,692
	MR. KHURRAM SALEEM	2.00	200,380
	MR. BILAL SHARIF	3.64	363,841
	MR. MUHAMMAD AMIN	4.09	408,611
	MR. HAMZA SHAKEEL	4.77	477,322
	MR. ASIF ELAHI	0.01	500
	MR. MUSTAFA TANVIR	0.01	500
	MR. TAUQEER AHMED SHEIKH	0.01	600
	MRS. YASMIN BEGUM	2.39	238,577
	MRS. SEEMA BEGUM	1.58	158,333
	MRS. AMNA KHURRAM	1.10	109,500
	MRS. SAMIA BILAL	5.34	533,960
	MRS. FATIMA AMIN	4.51	451,000
	MASTER ALI BILAL	3.37	337,361
	MASTER AZAAN BILAL	3.37	337,362
4	BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES		
	NATIONAL DEVELOPMENT FINANCE CORPORATION (INVESTAR)	0.04	3,600
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	2.23	222,700

5	JOINT STOCK COMPANIES	0.02	1,727
6	OTHER COMPANIES	0.00	2
7	GENERAL PUBLIC	8.51	850,771
	TOTAL	100.00	10,000,000
8	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN		
	Shares gifted by Mrs. Seema Begum to her son	1.77	176,582
	Shares gifted by Mr. Muhammad Amin to his brother	0.52	52,312
9	SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST		
	ADMIRAL (PVT) LTD	12.83	1,282,900

FAISAL SPINNING MILLS LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2024

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	PERCENTAGE
	FROM	TO		
364	1	100	10,738	0.11
319	101	500	146,522	1.47
31	501	1000	28,500	0.29
38	1001	5000	95,673	0.96
12	5001	10000	87,711	0.88
3	10001	15000	34,400	0.34
1	15001	20000	16,000	0.16
1	25001	30000	28,846	0.29
2	30001	35000	66,348	0.66
1	35001	40000	38,900	0.39
2	45001	50000	98,077	0.98
1	50001	55000	52,700	0.53
2	95001	100000	194,923	1.95
1	105001	110000	109,500	1.10
1	125001	130000	126,400	1.26
2	135001	140000	275,919	2.76
1	155001	160000	158,333	1.58
1	195001	200000	199,055	1.99
1	200001	205000	200,380	2.00
1	210001	215000	211,500	2.12
1	220001	225000	222,700	2.23
1	230001	235000	235,000	2.35
1	235001	240000	237,577	2.38
1	270001	275000	274,000	2.74
1	310001	315000	312,688	3.13
3	335001	340000	1,011,980	10.12
1	360001	365000	363,841	3.64
1	405001	410000	408,611	4.09
1	425001	430000	429,244	4.29
1	450001	455000	451,000	4.51
3	475001	480000	1,431,964	14.32
1	530001	535000	533,960	5.34
1	620001	625000	624,110	6.24
1	1280001	1285000	1,282,900	12.83
803			10,000,000	100.00








* Note: The slabs representing nil holding have been omitted.










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This disclosure is being added as per requirements of Securities and Exchange
Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.

ڈائریکٹرز کی رپورٹ

ہم، فیصل اسپننگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز، کمپنی کے آڈٹ شدہ مالی بیانات پر سالانہ رپورٹ کے ساتھ ساتھ آڈیٹرز کے 30 جون، 2024 کو ختم ہونے والے سال کی رپورٹ پیش کرنے پر خوش ہیں۔

مالی نتائج

Statement of Profit or Loss For the Year Ended June 30, 2024

	June 30, 2024	June 30, 2023 Restated
	PKR	PKR
Sales - Net	45,029,600,571	37,672,807,610
Cost of sales	42,288,491,572	33,110,576,747
Gross profit	2,741,108,999	4,562,230,863
Other income	139,714,667	453,100,553
	2,880,823,666	5,015,331,416
Distribution cost	1,463,591,179	1,605,961,445
Administrative expenses	527,296,363	423,508,171
Other operating expenses	46,921,853	115,125,932
Finance cost	1,608,042,214	1,267,154,365
	3,645,851,609	3,411,749,913
	(765,027,943)	1,603,581,503
Share of (loss) / profit from associated undertaking	(315,451,214)	170,283,670
(Loss) / Profit before levies and income taxes	(1,080,479,157)	1,773,865,173
Levies	440,136,401	383,155,294
(Loss) / Profit before income taxes	(1,520,615,558)	1,390,709,879
Income tax Expense	136,844,164	98,186,308
(Loss) / Profit after taxation	(1,383,771,394)	1,488,896,187
(Loss) / Earnings per share - basic and diluted	(138.38)	148.89

کمپنی کو ٹیکس سے پہلے اور بعد میں بالترتیب PKR (1,520,615,558.00) اور PKR (1,383,771,394.00) کا نقصان ہوا۔ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران فروخت میں تقریباً 20 فیصد اضافہ ہوا ہے تاہم رواں سال کے دوران فروخت کی لاگت میں اضافے کی وجہ سے مجموعی مارجن 12 فیصد سے کم ہو کر 6 فیصد رہ گیا ہے۔

کمپنی کی مالی کارکردگی رواں مالی سال کے دوران متعدد چیلنجوں سے ناپسندیدہ طور پر متاثر ہوئی۔ ان چیلنجوں میں عالمی معاشی سست روی، مسلسل گھریلو اقتصادی مشکلات اور ریکارڈ بلند افراط زر شامل ہیں جو مئی 2023 میں 38 فیصد تک پہنچ گئی (نے قرضے کی شرح میں ہر وقت بلندی پر اضافہ کرتے ہوئے جارحانہ SBP تھی۔ اس کے جواب میں، اسٹیٹ بینک آف پاکستان) قرض حاصل کرنے کے لیے توانائی کی IMF مالیاتی پالیسیاں نافذ کیں۔ جون 2023 میں 22 فیصد۔ مزید برآں، حکومت کی جانب سے سبسڈی ختم کرنے سے توانائی کی قیمتوں میں زبردست اضافہ ہوا۔ مزید برآں، سخت مالیاتی اقدامات جیسے کہ برآمدات میں مقامی متعارف کرانے کے ساتھ ساتھ سیلز ٹیکس کی 2024 (1) 350 SRO آدانوں کے لیے زیرو ریٹنگ کی واپسی اور سیلز ٹیکس میں واپسی میں تاخیر، زیادہ مالیاتی اخراجات، عالمی کپاس اور دھاگے کی قیمتوں میں اتار چڑھاؤ شامل ہے۔ ہمارے منافع اور مجموعی مارجن کو نمایاں طور پر کم کر دیا۔

پاکستان کی بنیادی افراط زر کی شرح میں نمایاں کمی، 9.6 فیصد تک، جیسا کہ پاکستان بیورو آف سٹیٹسٹکس (PBS) نے رپورٹ کیا ہے، نومبر 2024 میں متوقع آئندہ مانیٹری پالیسی کے دوران پالیسی ریٹ میں کمی کی قوی توقع ہے۔ قرض دینے کی شرح کو کم کرنے میں زیادہ لچکدار ہونا جو مجموعی اقتصادی سرگرمی کو متحرک کر سکتا ہے، قرض لینے کے اخراجات کو کم کر سکتا ہے، اور ممکنہ طور پر سرمایہ کاری اور کھپت کو بڑھا سکتا ہے۔

ہم چیلنجوں کو تسلیم کرتے ہیں اور اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ کمپنی آنے والے سالوں میں اپنی مالی کارکردگی کو بہتر بنانے کے لیے فعال اقدامات کر رہی ہے۔ کمپنی نے پہلے ہی قابل تجدید توانائی کی پہل کی ہے تاکہ ایک بہترین انرجی مکس ہو جس کی وجہ سے کمپنی کی توانائی کی قیمت میں کمی واقع ہوئی۔ اعلیٰ پالیسی کی شرح اور قرض لینے کے اخراجات پر اس کے اثرات کے پیش نظر، انتظامیہ مختصر مدت کے مالیاتی اخراجات کو کم کرنے کے لیے اسٹاک کی سطح کو کم کرنے کی کوششیں کر رہی ہے۔

منافع اور ریزرو مختص۔

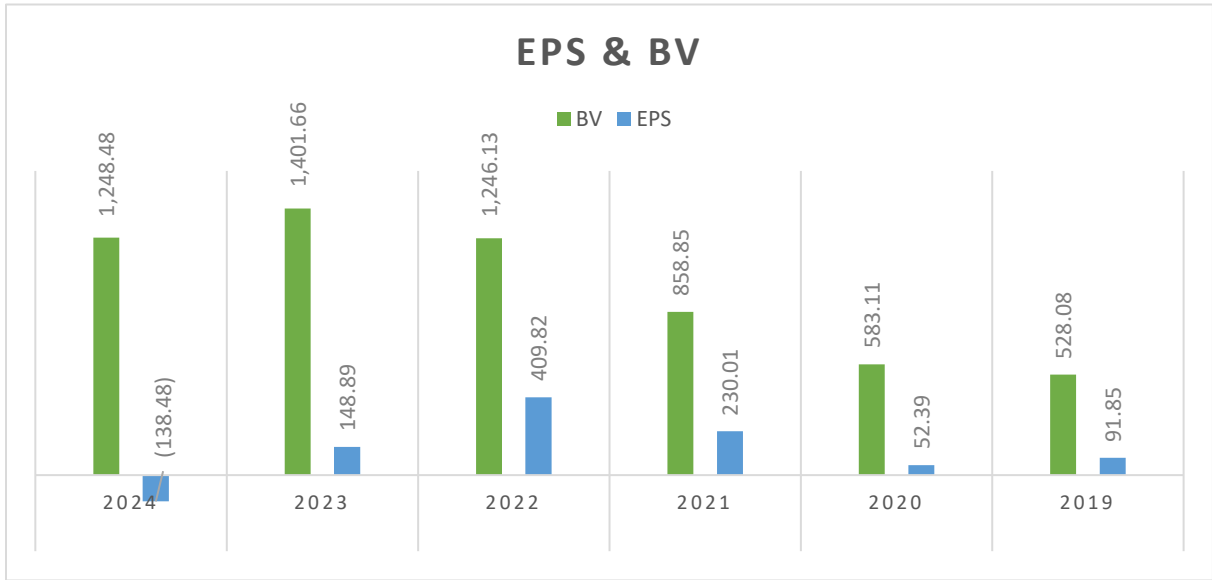
بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش کے بعد جون 2024، 30 کو ختم ہونے والے مالی سال کے لیے منافع کا اعلان نہیں کیا ہے کیونکہ کمپنی نے رواں سال کے دوران نمایاں نقصان پہنچایا ہے۔ بہر حال، بورڈ آف ڈائریکٹرز کی جانب سے سال کے دوران منافع اور معاشی استحکام کی بنیاد پر عبوری منافع کے اعلان پر غور کیا جائے گا۔

شیئر کی کمائی اور بریک اپ ویلیو۔

سرمایہ کار کسی خاص کمپنی کے EPS کو دیکھ کر اس کے منافع کا تعین کر سکتے ہیں۔ EPS میں مسلسل اضافہ کمپنی کے منافع اور بتدریج ڈیویڈنڈ بڑھانے کی صلاحیت کی علامت ہو سکتا ہے۔ بورڈ اپنے شیئر ہولڈرز کی قدر کو ترجیح دیتا ہے اور ایسے فیصلے کرتے ہوئے کافی وقت اور کوششیں لگاتا ہے جس سے اس کے شیئر ہولڈرز کے مفادات اور دولت پر اثر پڑے۔

کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے (138.38) PKR کے فی شیئر نقصان کی اطلاع دی ہے جبکہ اسی سال میں اس کا EPS PKR 148.89 ہے۔

30 جون 2024 کو ختم ہونے والے موجودہ مالی سال کے دوران شیئر کی بریک اپ ویلیو PKR 1,248.48 (سال 2023: PKR 1,401.66) ہے۔



ورکنگ کیپٹل مینجمنٹ

کسی بھی کاروباری ادارے کی کامیابی میں ورکنگ کیپٹل مینجمنٹ کا اہم کردار ہوتا ہے اس لیے کمپنی ورکنگ کیپٹل کے موثر انتظام کو یقینی بنانے اور ورکنگ کیپٹل سے منسلک وسائل کے زیادہ سے زیادہ استعمال کے لیے کوشش کرنے پر توجہ مرکوز کرتی ہے۔ موجودہ سال کے دوران موجودہ تناسب 30 جون 2024 میں 1.43 سے 1.35 تک اسی سال کے دوران قدرے کم ہوا ہے لیکن پھر بھی صنعت کے اصولوں کے مطابق قابل قبول حد کے اندر ہے اور اس کی مالی ذمہ داریوں کو پورا کرنے کے لیے کافی ہے۔

مالی بیعانہ

کمپنی کے سرمائے کے ڈھانچے کا فیصلہ بہت اہم ہے کیونکہ یہ منافع اور طویل مدتی عملداری کو متاثر کر سکتا ہے، اس کے نتیجے میں ڈھانچے کو اس طرح برقرار رکھا گیا ہے جو سب سے زیادہ فائدہ مند ہے جو اس سے زیادہ سے زیادہ فائدہ اٹھاتا ہے اور متحرک کاروباری ماحول کو اپنانے کے قابل ہوتا ہے۔ بورڈ ایک بہترین سرمائے کے ڈھانچے کی حکمت عملی پر عمل پیرا ہے جس میں قرض اور ایکویٹی مل کر سرمائے کی لاگت کو کم کرتے ہیں اور تنظیمی منافع میں اضافہ کرتے ہیں اور شیئر ہولڈرز کی قدر میں اضافہ کرتے ہیں۔ کمپنی کا طویل مدتی قرضہ 30 جون 2023 کو PKR 4.02 بلین سے کم ہو کر 30 جون 2024 کو PKR 3.52 بلین ہو گیا۔ مزید برآں، 1.09 (2023: 1.07) کے گینٹنگ ریشو میں سال کے دوران معمولی اضافہ ہوا ہے۔

30 جون 2024 کو ختم ہونے والے سال کے دوران شیئر ہولڈر کی ایکویٹی PKR 12,484.766 ہے جبکہ اسی سال یہ PKR 14,016.609 ملین تھی۔

قابل تجدید توانائی کے اقدامات

اب تک، کمپنی نے پنجاب یونٹس میں تقریباً 250.00 ملین PKR کی تقریباً 2.5 میگا واٹ شمسی توانائی کی تنصیب کے لیے قابل تجدید توانائی کے اقدامات کیے ہیں۔ مزید برآں، بورڈ نے قابل تجدید توانائی اقدام کے تحت یونٹ-1 میں 4.80 میگا واٹ ونڈ مل پروجیکٹ کی تنصیب کے لیے رواں سال کے دوران تقریباً 1,500.00 ملین کے CAPEX کی منظوری بھی دی ہے۔ یہ منصوبہ تقریباً 40 فیصد سالانہ کارکردگی پر کام کرتا ہے اس طرح یونٹ 1 کی کل 4.50 میگاواٹ کی توانائی کی ضرورت کم ہو کر 2.58 میگاواٹ رہ جائے گی۔

کریڈٹ ریٹنگ

موجودہ سال کے لیے 26 ستمبر 2023 کو Messer's VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی طرف سے A/A-1 (سنگل A/A-One) پر ہستی کی درجہ بندی کی دوبارہ تصدیق کی گئی ہے۔ دی گئی درجہ بندیوں پر ہستی کے آؤٹ لک کو 'مستحکم' کے طور پر تفویض کیا گیا ہے۔

مالیاتی گوشوارے

جیسا کہ کمپنیز ایکٹ 2017 کے تحت ضرورت ہے، پی ایس ایکس کے ریگولیشن ریگولیشنز اور ایس ای سی پی کی طرف سے جاری کردہ ہدایات چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات پیش کیے، ان کے متعلقہ دستخطوں کے تحت غور کے لیے توثیق کی گئی، جاری کرنے اور گردش کے لیے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔

کمپنی کے مالیاتی بیانات کو کمپنی کے آڈیٹرز، مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے باقاعدہ طور پر آڈٹ کیا ہے اور آڈیٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے مالی بیانات پر صاف آڈٹ رپورٹ جاری کی ہے اور کوڈ کے بیان پر صاف جائزہ رپورٹ کارپوریٹ گورننس ریگولیشنز، 2019 "کوڈ"۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ، 2017 اور اس طرح کے منظور شدہ بین الاقوامی اکاؤنٹنگ سٹینڈرڈز اور انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مکمل طور پر عکاسی کرتی ہیں جیسا کہ اس ایکٹ کے تحت مطلع کیا گیا ہے اور ساتھ ہی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کے ذریعے۔

اقتصادی آؤٹ لک

ورلڈ بینک (ڈبلیو بی) نے پیش گوئی کی ہے کہ جون 2024-25 کو ختم ہونے والے رواں مالی سال میں پاکستان کی معیشت میں صرف 1.8 فیصد (مالی سال 2023-24: 2.38 فیصد) کی شرح نمو متوقع ہے۔ ڈبلیو بی اس بات پر زور دیتا ہے کہ اقتصادی نقطہ نظر میں بائیدار بہتری کے لیے ساختی اصلاحات کی ضرورت ہے۔ ڈبلیو بی نے مہنگائی کو کم کرنے، کرنٹ اکاؤنٹ خسارے کو کم کرنے، مالیاتی شعبے کے استحکام کو بہتر بنانے اور نجی شعبے کو قرضے بڑھانے کے لیے بہتر مالیاتی انتظام پر زور دیا، یہ سب مضبوط معاشی بحالی کے لیے اہم ہیں۔

مالی سال 2025 کے پہلے مہینے میں ملبوسات اور ٹیکسٹائل کی برآمدات میں 0.93 فیصد کی کمی واقع ہوئی ہے، جس سے اندازہ ہوتا ہے کہ رواں مالی سال کے دوران ٹیکس کے سخت قوانین کے نفاذ کی وجہ سے صنعت کو خطے میں اپنے حریفوں کا مقابلہ کرنا مشکل ہو سکتا ہے۔ حکومت کی جانب سے اپنے حالیہ بجٹ میں برآمدات پر مبنی اقدامات کا اعلان ٹیکسٹائل اور کپڑوں کی برآمدات میں کمی کا باعث بنا۔ مجموعی برآمدات میں ٹیکسٹائل کا سب سے زیادہ حصہ 60 فیصد سے زیادہ تھا جو جون میں 0.93 فیصد کی منفی نمو کے بعد مسلسل دوسرے مہینے میں سکڑاؤ کو ظاہر کرتا ہے۔ پچھلے چند سالوں میں پیدا ہونے والے تمام منفی عوامل کے اثرات ہماری ٹیکسٹائل کی برآمدات میں اس کمی کا نتیجہ ہیں۔

ہمارے علاقائی حریفوں کے مقابلے میں زیادہ پیداواری لاگت کی وجہ سے مقابلہ کرنے کی ہماری صلاحیت کم ہو گئی ہے۔ اس کے برعکس، ان کی افرادی قوت، نظم و نسق، اور ریگولیٹری ادارے ہمارے مقابلے میں نمایاں طور پر زیادہ پُر مند اور تربیت یافتہ ہیں اور انہوں نے ایسی مہارتیں حاصل کی ہیں جو ہم نہیں رکھتے۔ ڈھانچہ جاتی مسائل کی وجہ سے پچھلے دو سالوں کے دوران ملبوسات اور ٹیکسٹائل کی برآمدات میں 25 بلین ڈالر کی تنصیب کی گنجائش کے باوجود اضافہ نہیں ہوا۔

ملک کو بے شمار چیلنجز کا سامنا ہے لیکن ہمیں یقین ہے کہ جب تک ہم آئی ایم ایف کے اثر سے آزاد نہیں ہوتے تب تک ہمارے ملک کی خوشحالی اور ترقی ممکن نہیں ہوگی۔ اپنے معاشی استحکام کو بحال کرنے کے لیے اگر ہمیں معاشی استحکام اور خوشحالی حاصل کرنا ہے تو ہمیں زراعت کو اولین ترجیح دینا ہوگی اور عصری زرعی تحقیق کی جانب تیزی سے آگے بڑھنا ہوگا۔ افسوس کہ تحقیق پر خاطر خواہ توجہ نہیں دی جاتی، خاص طور پر کائن انڈسٹری میں۔

پاکستان کی تاریخ میں، ہم نے تین غیر معمولی طور پر بڑی کپاس کی فصلیں پیدا کیں اور حالیہ وافر فصل سال، 2014-15، ہم نے 14 ملین سے زیادہ کپاس کی گانٹھیں حاصل کیں۔ اس کے بعد سے، ہم بمشکل 8 سے 9 ملین گانٹھوں کی پیداوار کا انتظام کر پاتے ہیں، جس کی وجہ یہ ہے کہ پاکستان میں کپاس کی تحقیق شدید متاثر ہوئی ہے، جس کی وجہ سے کپاس کی پیداوار میں تیزی سے کمی واقع ہے۔ زراعت کی پیش گوئی ہے کہ 2024-25 میں پاکستان کی کپاس کی پیداوار 6.59 ملین گانٹھیں ہوں گی، جو USDA ہوتی ہے۔ 2023-24 کی پیداوار 8.2 ملین گانٹھوں سے کم ہے۔

ہمارا روٹی کا درآمدی بل اربوں ڈالر سالانہ ہے کیونکہ ہماری ٹیکسٹائل انڈسٹری سالانہ 16 ملین گانٹھیں روٹی استعمال کرتی ہے۔ حکومت کپاس کی پیداوار میں کمی کا باعث بننے والی رکاوٹوں پر قابو پانے کے لیے تحقیقات کرے اور سخت اقدامات کرے۔ ہم ملک میں کپاس کی پیداوار بڑھانے کے لیے درج ذیل اقدامات تجویز کرتے ہیں:

- حکومت کو کپاس پیدا کرنے والوں کو زرعی ان پٹ کے لیے مختلف سبسڈیز اور مراعات دینے چاہئیں۔
- پانی کی دستیابی کو یقینی بنائیں اور اس مقصد کے لیے موجودہ آبپاشی کے نظام کو بہتر انفراسٹرکچر کے ساتھ جدید انداز میں اپ گریڈ کرنے کے لیے اہم سرمایہ کاری کی جائے گی۔ آبپاشی کے اچھے ڈیزائن اور انتظام کا استعمال پانی بھرنے سے بچتا ہے اور اس بات کو یقینی بناتا ہے کہ فصل کو وافر مقدار میں پانی ملے کیونکہ کپاس گرمی پر پھلتی پھولتی ہے لیکن زیادہ پانی دینے کا اچھا جواب نہیں دیتی۔
- عصری کاشتکاری کے آلات اور اعلیٰ معیار کے کپاس کے بیجوں کی رعایتی شرح پر قابل رسائی فراہمی جو کہ اعلیٰ معیار کی پیداوار پیدا کرتے ہیں۔ مناسب بیج کا علاج اور انتظام کسانوں کو ثابت فائبر کوالٹی اور بہتر پیداوار کی صلاحیت کے ساتھ مناسب بیج کا انتخاب کرنے کے قابل بناتا ہے۔
- کاشتکاروں کو زرعی طریقوں کا استعمال کرتے ہوئے کپاس کی پیداوار کو بڑھانے کے لیے واقف کریں جو فصل کو کیڑوں، بیماریوں، جڑی بوٹیوں سے بچانے میں اور مناسب مقدار میں اور صحیح وقت پر مناسب پانی اور غذائی اجزاء فراہم کرتے ہیں۔
- کپاس کی کاشت میں تحقیق اور ترقی کو ترجیح دیں، کسانوں کو سستی بجلی فراہم کریں۔
- کسانوں کو کیڑے مار ادویات، کھادوں اور کیڑوں سے بچنے والے بیجوں کی دستیابی کو یقینی بنائیں۔
- حکومت کو تربیتی سیشن اور پروگرام منعقد کرنے چاہئیں جو کاشتکاروں کو کپاس کی پیداوار بڑھانے کے لیے بہتر تکنیکوں کو اپنانے میں مدد کریں۔
- کپاس کی پیداوار میں اضافہ طویل مدتی مستقل اور پائیدار پالیسیوں، ٹیپوگرافی اور منڈیوں تک آسان رسائی کے نفاذ کے لیے حکومتی ارادوں پر منحصر ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان۔

آپ کی کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 "کوڈ"، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ہدایات کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ ریگولیشنز کی تعمیل کے ایک حصے کے طور پر ہم مندرجہ ذیل کی تصدیق کرتے ہیں:

financial یہ مالیاتی بیانات، جو کمپنی کے انتظام کے ذریعہ تیار کیے گئے ہیں، اس کے معاملات کی منصفانہ حالت، اس کے کام کا نتیجہ، نقد بہاؤ اور ایکوٹی میں تبدیلیوں کو پیش کرتے ہیں۔

the کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔

account مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
- internal اندرونی کنٹرول کا نظام ڈیزائن میں درست تھا اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

the کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں تھے۔
 corporate کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی ، جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیلی ہے۔

- ہم نے ڈائریکٹروں اور ملازمین کے درمیان ایک ضابطہ اخلاق اور کاروباری حکمت عملی تیار اور گردش کی ہے۔
- Direct بورڈ آف ڈائریکٹرز نے ویژن اور مشن کا بیان اور مجموعی کارپوریٹ حکمت عملی کا بیان اپنایا ہے۔
- تمام ڈائریکٹرز نے اس کی عام میٹنگ میں شرکت کی ہے جب تک کہ معقول وجہ کی بنا پر روک نہ لگائی جائے۔
- تمام ڈائریکٹرز کو ان کی ذمہ داریوں ، کرداروں ، معاوضوں ، اختیارات اور ذمہ داری کے ساتھ ان کی شرائط کے آغاز پر کوڈ آف کارپوریٹ گورننس ، کمپنیز ایکٹ اور آرٹیکل آف ایسوسی ایشن کے مطابق تفویض کیا جاتا ہے۔

the کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹر ٹریننگ پروگرام (ڈی ٹی پی) کے تحت منظور شدہ / چھوٹ دی گئی ہے جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشنز ، 2019 کی ضرورت ہے۔

human انسانی وسائل ، سیٹی بجائے ، خریداری ، اسٹیک ہولڈرز کے ساتھ مواصلاتی طریقہ کار ، ماحولیات ، صحت اور حفاظت ، ڈائریکٹر کا معاوضہ ، اینٹی منی لائڈنگ اور رسک مینجمنٹ وغیرہ پر بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ اہم پالیسیوں کا مناسب تازہ ترین ریکارڈ موجود ہے۔

- کمپنی نے 2024 ، 30 کو ختم ہونے والے سال کے دوران کمپنی کی طرف سے کی کارکردگی کے جائزہ میں صنفی تنخواہ کے فرق کا انکشاف کیا ہے جیسا کہ 2024 کے سرکر 10 کے تحت 17 اپریل 2024 کو درکار ہے۔

- جیسا کہ کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کی ضرورت ، ہم نے درج ذیل معلومات کو اس رپورٹ میں شامل کیا ہے۔

- o شیئر ہولڈنگ کے پیٹرن کا بیان الگ سے دیا گیا ہے۔
- o متعلقہ کاروباری اداروں اور متعلقہ افراد کے حصص کا بیان۔
- o سال کے دوران ہونے والی بورڈ میٹنگز اور سالانہ جنرل میٹنگ کا بیان اور ہر ڈائریکٹر کی حاضری الگ سے دی گئی ہے۔
- o کمپنیز ایکٹ کے سیکشن 192 (4) کی دفعات کے تحت چیئرمین جائزہ رپورٹ۔
- o ضابطے کے ضابطہ 36 کے تحت چیئرمین کی طرف سے دستخط شدہ تعمیل کا بیان۔

six پچھلے چھ سالوں کے کلیدی آپریشن اور مالیاتی اعدادوشمار۔ ٹیکس اور لیویز کے بارے میں معلومات منسلک آڈٹ شدہ مالی بیانات میں مناسب طریقے سے ظاہر کی گئی تھیں۔

listed کمپنی ایس ای سی پی کی طرف سے جاری کردہ ہدایات کی سختی سے پیروی کرتی ہے جو کہ لسٹڈ کمپنیوں کے اندرونی تجارت کی ممانعت پر ہے اور کمپنی کے حصص میں کوئی تجارت اس کے ڈائریکٹر ، سی ای او ، سی ایف او ، کمپنی سیکرٹری ، ہیڈ آف انٹرنل آڈٹ اور ان کے میاں بیوی اور نابالغ بچوں کے علاوہ نہیں شیئر ہولڈنگ کے انداز میں انکشاف

شیئر ہولڈنگ کا نمونہ۔

شیئر ہولڈنگ کا پیٹرن اور اس سے متعلقہ معلومات اس کے مطابق منسلک ہیں۔

متعلقہ پارٹی لین دین

پارٹی ٹرانزیکشنز (RPT) اور ان کی حیثیت کا IAS 24 کے تحت ضرورت کی تعمیل کرنے ہوئے مناسب طور پر انکشاف کیا جاتا ہے۔ مزید برآں، SRO 768 (1) کے ذریعے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفکیشن کے مطابق سب کے لیے ایک مضبوط پالیسی موجود ہے۔ (2019 اور گائیڈ لائنز کو کمپنی کی پالیسی میں لین دین اور ریکارڈ کی دیکھ بھال کے حوالے سے مناسب طریقے سے شامل کیا گیا ہے۔ آر پی ٹی کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا تھا جس کے بعد بورڈ میٹنگ میں اسے پیش کرنے سے پہلے آڈٹ کمیٹی کی منظوری لی گئی تھی، تاکہ اس بات کو یقینی بنایا جا سکے کہ کاروباری سرگرمی کے معمول کے دوران تمام لین دین مکمل طور پر مکمل ہوں۔ 30 جون 2024 کو ختم ہونے والے موجودہ مالی سال کے دوران تمام RPT کو ممبر کی منظوری کے لیے کمپنی کی جنرل میٹنگ کے سامنے پیش کیا جائے گا۔ اسی طرح، بورڈ نے 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لین دین کے لیے کمپنی کی جنرل میٹنگ میں ممبران کی منظوری حاصل کرنے کا بھی فیصلہ کیا ہے اور اسے اگلے سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔ ان کی رسمی توثیق / منظوری۔

بورڈ کی تشخیص

بورڈ کی تشخیص بورڈ کی تاثیر اور کارکردگی کا اندازہ لگانے کے لیے ایک اہم ذریعہ ہے اور بورڈ کی باقاعدہ تشخیص انفرادی ڈائریکٹرز کے درمیان گروپ فیصلہ سازی اور فضیلت کو فروغ دیتی ہے۔ مزید برآں، یہ بورڈ کے ارکان کو بورڈ روم میں تنازعات کو کم کرنے اور اخلاق قیادت اور دوستی کے کلچر کو فروغ دینے کے لیے اچھی طرح سے تعاون کرنے کی ترغیب دیتا ہے۔ قانونی دستاویزات، اجلاسوں کے ایجنڈے، بورڈ اور کمیٹی کے اجلاسوں کے منٹس، اہم پالیسیوں اور دیگر ذیلی دستاویزات، سوالنامے، بورڈ اور کمیٹی کے ارکان کے ساتھ بات چیت کے ساتھ ایک جامع جائزہ لیا گیا ہے۔

بورڈ کی تشکیل

ضابطہ 34 کے تحت ضرورت کے مطابق دس (10) ڈائریکٹرز کا بورڈ مندرجہ ذیل پر مشتمل ہے۔

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Directors	3	0	3
(ii)	Executive Director	1	0	1
(ii)	Non- Executive Directors	5	1	6

بورڈ اور آڈٹ کمیٹی کے اجلاس

- تمام ڈائریکٹرز، میٹنگ میں شرکت کے اہل، کمپنی کی جنرل میٹنگز میں شرکت کی ہے۔ کوڈ کے ریگولیشن 10 (6) کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کسی معقول کی وجہ سے ایسا کرنے سے روک دیا جائے۔ 2023-24 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی میٹنگ کی تعداد درج ذیل ہے۔

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Muhammad Shaheen	4	4	-	-	1	1
Mr. Khurram Salim	4	4	6	6	-	-
Mr. Bilal Sharif	4	4	-	-	-	-
Mr. Muhammad Amin	4	3	6	6	-	-
Mr. Hamza Shakeel	4	4	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	4	4	6	6	-	-
Mr. Asif Elahi	4	4				
Mr. Mustafa Tanvir	4	4				
Mrs. Fatima Amin	4	4				

آڈٹ کمیٹی

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Non- Executive Director
ii	Muhammad Amin	Member	Non- Executive Director
iii	Khurram Salim	Member	Independent Director

آڈٹ کمیٹی تین ممبران پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے جبکہ باقی تمام نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ شرائط کے تحت اپنی ذمہ داریاں نبھاتے ہیں۔

مالیاتی خواندہ ممبر کی تقرری ضابطہ کے باب 10 میں ضابطہ 27(1)(iii) کے مطابق کی گئی ہے۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل عبوری اور سالانہ مالیاتی گوشواروں کا جائزہ لینے کے لیے کوڈ کے ضابطہ 27(2) کی تعمیل میں آڈٹ کمیٹی باقاعدگی سے میٹنگ کرتی تھی اور CFO کی غیر موجودگی میں بیرونی آڈیٹر کے ساتھ سال میں ایک بار اضافی میٹنگ کرتی تھی۔ اور دوسرا CFO اور بیرونی آڈیٹر دونوں کی غیر موجودگی میں اندرونی آڈیٹر کے ساتھ۔

کمیٹی کے بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی (AC)، جسے کمیٹی کے طریقہ کار اور اندرونی کنٹرول کا مکمل علم ہے، مالیاتی رپورٹنگ اور افشاء کرنے کے عمل کی نگرانی کا انچارج ہے۔ اکاؤنٹنگ پالیسیوں اور اصولوں کے انتخاب کی نگرانی کرنے اور قوانین اور ضوابط کی تعمیل کی ضمانت دینے کے لیے، AC عام طور پر انتظامی ٹیم، آزاد آڈیٹر، اور اندرونی آڈیٹرز کے ساتھ ہم آہنگی کرتا ہے۔

AC اس بات کو یقینی بنانے کے لیے انتظامیہ کے ساتھ مل کر کام کرتا ہے کہ دھوکہ دہی کا پتہ لگانے کے لیے ضروری اقدامات کیے گئے ہیں اور اس بات کو یقینی بناتا ہے کہ دھوکہ دہی کی روک تھام اور شناخت کے لیے مناسب پالیسیاں اور طریقہ کار موجود ہیں، جیسے کہ اثاثوں کا غلط استعمال، بدعنوانی، اور مالیاتی بیان میں دھوکہ دہی۔

اس بات کو یقینی بنا کر کہ ایک ضابطہ اخلاق لاگو کیا گیا ہے اور مواصلاات کے موثر راستے قائم کیے گئے ہیں، AC کسی تنظیم کے لہجے کو قائم کرنے میں اہم کردار ادا کرتا ہے۔ AC کو ان معاملات کے بارے میں آگاہ کیا جانا چاہیے جن میں جاری تحقیقات اور تادیبی کارروائیوں کے ساتھ ساتھ انتظامیہ قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے کیا کر رہی ہے۔ AC ممبران اکاؤنٹنگ کی غلطیوں اور اسامانیتاوں کی نشاندہی کرنے میں ماہر ہیں اور دھوکہ دہی کی سرگرمیوں کو روکنے کے لیے مل کر کام کرتے ہیں۔

انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Tauqeer A Sheikh	Chairman	Independent Director
ii	Mohammad Shaheen	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) تین ممبران پر مشتمل ہے جن میں سے سبھی نان ایگزیکٹو ڈائریکٹر ہیں جبکہ چیئرمین ایک آزاد ڈائریکٹر ہیں۔ HRRC سی ای او کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانشینی کی منصوبہ بندی کے لیے بورڈ کو انسانی وسائل کے انتظام کی اہم پالیسیوں کی سفارش کرتا ہے۔

HRRC کا مقصد کسی تنظیم کے بورڈ، انتظامی ٹیم اور عملے کی تاثیر کو بہتر بنا کر اس کی پیداواری صلاحیت کو بڑھانا ہے۔ HRRC انسانی وسائل کے انتظام کی پالیسیوں پر بورڈ کو مشورہ دینے کا انچارج ہے۔ کمیٹی CEO، CFO، اور کمپنی سیکرٹری کے انتخاب، تشخیص، تنخواہ اور جانشینی کی منصوبہ بندی کی تجویز پیش کرنے کی ذمہ دار ہوگی۔

HRRC سینئر مینجمنٹ کی بھرتی اور تربیت، تنخواہ، کارکردگی کی جانچ، جانشینی کی منصوبہ بندی، اور انسانی سرمائے کے مؤثر استعمال کے اقدامات کے ساتھ بورڈ اور انتظامیہ کی مدد کرتا ہے۔

کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی اس بات کو یقینی بناتی ہے کہ اس کا مقامی کمیونٹیز اور ماحول پر فائدہ مند اثر پڑے، کارپوریشن کمپنی کی اخلاقی، پائیدار، اور ماحولیاتی ذمہ داریوں سے متعلق پالیسیاں قائم کرتی ہے۔

کمپنی کی اپنی کارروائیوں کے تمام پہلوؤں بشمول آلودگی، فضلہ، مصنوعات کی حفاظت، اور مزدوری میں کمیونٹی اور ماحول کے تئیں سماجی ذمہ داری ہے۔ اس میں نہ صرف کمیونٹی اور سماجی ماحول کو فنڈز فراہم کرنا، بلکہ کمپنی سے متعلقہ فریقوں کے ساتھ اچھے طویل مدتی تعلقات کو برقرار رکھنا بھی شامل ہے۔ کمپنی آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنے، قدرتی وسائل کو پائیدار طریقے سے استعمال کرنے، کچرے کو کم سے کم اور مناسب طریقے سے ٹھکانے لگانے، اور دوبارہ سائیکلنگ کو فروغ دے کر اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے ایک جامع کارپوریٹ سماجی ذمہ داری (CRS) پالیسی کا انتظام کرتی ہے۔

صحت، حفاظت اور ماحولیاتی پالیسی

کمپنی ایک محفوظ اور صحت مند کام کی جگہ فراہم کرنے کے ساتھ ساتھ ماحولیاتی تحفظ کے لیے وقف ہے، اور اسے مکمل یقین ہے کہ حفاظت اور ماحولیاتی تحفظ ایک اچھا کاروبار ہے، اور یہ کہ کام سے متعلق تمام حادثات، بیماریاں، املاک کے نقصانات، اور منفی ماحولیاتی نتائج سے بچا جا سکتا ہے۔ اس مقصد کو پورا کرنے کے لیے، تنظیم اس بات کو یقینی بناتی ہے کہ انتظامیہ کارکنان اور ماحولیاتی تحفظ کی پوری ذمہ داری لے۔ کسی غیر متوقع آفت کی صورت میں ملازمین کے لیے ایک جامع گروپ لائف انشورنس پالیسی پہلے سے موجود ہے۔ کارپوریشن نے کراچی اور لاہور دونوں دفاتر میں اپنے انتظامی اہلکاروں کے لیے ہیلتھ کوریج کے منصوبے بھی بنائے ہیں۔

صحت، حفاظت، اور ماحولیاتی مسائل کو کمپنی کے دیگر تجارتی مقاصد کے برابر وزن دیا جاتا ہے، اور وہ کام کے تمام پہلوؤں میں مربوط ہوتے ہیں۔ تنظیم صحت، حفاظت اور ماحولیاتی کارکردگی کو مسلسل بڑھانے کے لیے سرگرم عمل ہے۔

پانی اور فضائی آلودگی، کیمیائی اور تیل کے اخراج، سموگ، پینے کے پانی کا معیار، زمین کا تحفظ اور انتظام، اور جنگلی حیات کا تحفظ کمپنی کی ترجیحات ہیں۔

ماحولیاتی، سماجی اور گورننس

ایس ای سی پی کی جانب سے ای ایس جی گائیڈ لائنز کو اپنانے کے لیے بورڈ کی جانب سے اقدامات کیے جاتے ہیں۔

پائیداری کے خطرات سے نمٹنا

پائیداری کے خطرات معاشرے یا ماحول سے متعلق غیر متوقع واقعات یا حالات ہیں جو، اگر واقع ہوتے ہیں، تو کمپنی پر سنگین منفی اثر ڈال سکتے ہیں۔ ان میں وہ موقع بھی شامل ہے جو کسی تنظیم کو بدلتے ہوئے سماجی یا ماحولیاتی حالات کے نتیجے میں حاصل ہو سکتا ہے۔ وسائل کے زیادہ استعمال کے چند منفی نتائج آلودگی، غربت، خراب صحت، حیاتیاتی تنوع میں کمی اور موسمیاتی تبدیلی ہیں۔ یہ مسائل ایک دوسرے سے متعلق ہیں اور اکثر ایک دوسرے کو خراب کرتے ہیں۔ ٹیکسٹائل کا کاروبار مختلف قسم کے قدرتی وسائل کا استعمال کرتا ہے، بشمول زمین، پانی اور فوسل فیول۔ یہ صنعت عالمی کاربن کے اخراج میں 2 سے 8 فیصد کا حصہ ہے اور یہ دوسری سب سے زیادہ پانی پر مشتمل ہے۔ رنگنے کا طریقہ خاص طور پر خطرناک ہے کیونکہ رنگ آسانی سے بایوڈیگریڈیبل نہیں ہوتے ہیں اور گندے پانی کو آلودہ کر سکتے ہیں۔

کمپنی اس بات کو یقینی بنانے کے لیے پوری طرح پرعزم ہے کہ ماحول کو خطرے میں ڈالے بغیر یا آنے والی نسلوں کے لیے اسے محفوظ کیے بغیر اس کی موجودہ ضروریات کو باقاعدہ کاروباری کارروائیوں کے دوران پورا کیا جائے۔ یہ اپنے اسٹیک ہولڈرز، بشمول سپلائرز، ملازمین، اور صارفین کی حوصلہ افزائی کرتا ہے کہ وہ تنظیمی کاموں اور ضروریات کو انجام دیتے ہوئے زیادہ اخلاقی اور ماحول دوست پالیسیاں اپنائیں۔

تنظیم نے پائیداری کے خطرات کو کم کرنے کے لیے درج ذیل اقدامات کیے:

- کاروبار نے ہیٹ ریکوری بوائلر نصب کیے، جو کہ فضلہ کی گرمی سے بھاپ پیدا کرنے کا ایک ماحول دوست طریقہ ہے۔ یہ پیداواری عمل کے ماحول پر پڑنے والے ماحولیاتی اثرات کو کم کرتے ہیں اور کاربن کے اثرات اور توانائی کے استعمال کو کم کرنے میں مدد کرتے ہیں۔
- خام مال یا تیار سامان کی نقل و حمل کرنے والی گاڑیوں میں شعلے گرفتار کرنے والے نصب ہونے چاہئیں کیونکہ کپاس ایک انتہائی آتش گیر مواد ہے۔ نقصان دہ آلودگیوں کو پکڑ کر، انہیں آسمان میں چھوڑنے سے روک کر، اور آگ کے پھیلنے کے امکانات کو کم کر کے، یہ ماحولیاتی تحفظ میں معاون ہے۔ تمام کاریں جو تجارتی بنیادوں پر تنظیم سے منسلک ہیں ان میں شعلے گرفتار کرنے والے نصب ہونے چاہئیں۔

- کمپنی نے اپنے بوائلرز میں جبری ڈرافٹس (پنکھے لگائے ہیں تاکہ ہوا کے ایندھن کے مثالی تناسب کو محفوظ رکھا جا سکے، جس سے دہن کی کارکردگی میں اضافہ ہو اور گرین ہاؤس گیسوں کے اخراج کو کم کیا جا سکے۔

- کمپنی اپنے پیداواری عمل میں غیر مضر کیمیکل استعمال کرتی ہے، جو لوگوں، ماحولیات یا جنگلی حیات کے لیے اندرونی طور پر خطرناک نہیں ہیں۔ اس کے باوجود، کیمیکلز کو احتیاط سے اور کنٹرول کے تحت ٹھکانے لگایا جاتا ہے تاکہ صحت عامہ کی حفاظت کی جا سکے اور ان کا ماحول پر کم سے کم اثر پڑے۔

- کمپنی نے ماحولیاتی پائیداری کے لیے ایک واٹر ٹریٹمنٹ پلانٹ بنایا ہے، جس سے آلودگی کو کم کیا گیا ہے جس کی وجہ سے بیماریاں، پودوں اور جانوروں کی موت، اور رہائش گاہوں کی تباہی جیسے مسائل پیدا ہوتے ہیں۔ کمپنی اس بات کو یقینی بناتی ہے کہ جب پانی

ٹریٹمنٹ پلانٹ سے نکلتا ہے تو اس میں کیمیائی جراثیم کش کی سطح کم ہوتی ہے۔ یہ آبی ذخائر کی آلودگی کو روکتا ہے اور آبی ماحولیاتی نظام کے توازن کو برقرار رکھنے میں مدد کرتا ہے، پودوں، جانوروں اور سمندری زندگی کی صحت کی حفاظت کرتا ہے۔ موسمیاتی تبدیلی کو برقرار رکھنے، حیاتیاتی تنوع کو برقرار رکھنے، کارکنوں اور ماحولیات کے لیے ہوا کے معیار کو بہتر بنانے اور صنعت سے فضائی آلودگی اور کاربن کے اخراج کو کم کرنے کے لیے، کارپوریشن بار بار شجر کاری کی مہمات کا اہتمام کرتی ہے۔ اس کے علاوہ، یہ مٹی کے کٹاؤ کو روکتا ہے، پانی کے چکر کو کنٹرول کرتا ہے، اور جنگلی حیات کو رہائش اور وسائل فراہم کرتا ہے۔

- کمپنی نے پیداواری عمل کی توانائی کی ضروریات کو پورا کرنے کے لیے قابل تجدید توانائی نصب کی ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ توانائی کے مکس کو اس طرح استعمال کیا جائے جو گرین ہاؤس گیسوں کے اخراج میں کمی میں معاون ہو۔ سولر پینلز اور ونڈ ملز نصب کرنے سے، یہ فوسل ایندھن پر ہمارا انحصار کم کرتا ہے، جو موسمیاتی تبدیلی، سخت موسم، سطح سمندر میں اضافہ، اور ہماری ماحولیات کو پہنچنے والے نقصان جیسے مسائل میں حصہ ڈالتے ہیں۔

تنوع، مساوات اور شمولیت کو فروغ دینا

ہم ایک ایسی فضا قائم کرنے کے لیے وقف ہیں جہاں ہر کوئی مساوی امکانات تک رسائی حاصل کر سکے۔ اس بات کو یقینی بنانے کے لیے کہ ٹیم کے ہر رکن کی تعریف کی جائے اور اس میں شامل ہو، ہم ایک مساوی مواقع کے آجر کے طور پر، ایک محفوظ اور موثر کام کا ماحول فراہم کرتے ہیں۔ تنظیم ایک ایسی ثقافت کو فروغ دیتی ہے جو تنوع کا احترام کرتی ہے، اسے پسند کرتی ہے، اور ہر فرد کے منفرد خیالات، نقطہ نظر، تجربات اور مہارتوں کو نمایاں کرتی ہے۔ کمپنی کا مقصد ایک متنوع اور جامع کام کا ماحول بنانا ہے جو ہر قسم کے تعصب سے پاک ہو اور تنوع کو ایک اسٹریٹجک فائدہ کے طور پر تسلیم کرتا ہو جو کاروبار پر نمایاں اثر ڈال سکتا ہے۔ حکمت عملی کا انچارج ہے، جو ہماری متنوع ٹیم کے ہر رکن کو باختیار بنانے کی اہمیت پر زور دیتا ہے، ان DE&I بورڈ ہماری خواتین پر توجہ مرکوز کرتے ہوئے جو ہمارے ساتھ کام کرتی ہیں۔ خواتین ملازمین کے لیے کمپنی کے اندر بچوں کی دیکھ بھال کی سہولت کی تنصیب بہتر تنظیمی پیداوار اور معاون کام کرنے والے والدین کے درمیان قریبی تعلق کو فروغ دینے میں معاون ہے۔ جن والدین کو لائیو ویڈیو ریکارڈنگ تک رسائی حاصل ہے ان کی حفاظت اور سلامتی کی پریشانیوں کا جواب ہے۔ سہولت کی عصری سہولیات، لچکدار گھنٹے، اور تنظیم کے نظام الاوقات کے ساتھ مطابقت سبھی ملازمین کی کارکردگی، برقراری، پیداواری صلاحیت اور خوشی کی حمایت کرتے ہیں۔ یہ روایتی صنفی دقیانوسی تصورات پر سوال اٹھا کر اور متنوع کام کی جگہ کو فروغ دے کر شمولیت کی حوصلہ افزائی کرتا ہے۔

تنوع کو اکثر جنس، رنگ، جنسی رجحان یا ثقافت کے پرزم کے ذریعے جانچا جاتا ہے، لیکن سوچ کا تنوع بھی زیادہ سے زیادہ مقبول ہوتا جا رہا ہے۔ اعصابی تنوع ایک ایسا شعبہ ہے جہاں فکر کا تنوع اہم ہے۔ ممکنہ ملازمین کے تالاب کو وسیع کرنے اور کام کی جگہ پر نئے نقطہ نظر لانے کے لیے، کمپنی ملازمت اور کارکردگی کے جائزوں میں اس قسم کے تنوع کا خیر مقدم کرتی ہے۔ یہ تنظیم پس منظر اور زندگی کے تجربات کے لحاظ سے زیادہ متنوع افرادی قوت کو بھی دیکھتی ہے، کیونکہ اس سے خیالات کا ایک زیادہ متنوع تالاب اور آبادی کے لحاظ سے متنوع افرادی قوت پیدا ہوتی ہے۔

کمپنی یقین دلاتی ہے کہ تمام کارکنان، رنگ، جنس، عمر، یا دیگر ذاتی خصوصیات سے قطع نظر، ان کی کارکردگی اور ملازمت کی ذمہ داریوں کے مطابق معاوضہ وصول کرتے ہیں، اور یہ کہ ہر کسی کو اپنے کام میں کامیاب ہونے اور لطف اندوز ہونے کے لیے ضروری آلات تک رسائی حاصل ہونی چاہیے۔

تنظیم کام کے ماحول کو فروغ دے کر شمولیت کو فروغ دیتی ہے جہاں مختلف قسم کے افراد بلا جھجھک محسوس کرتے ہیں کہ وہ کون ہیں اور اس طریقے سے کام کرتے ہیں جو بطور کاروبار ہماری ضروریات کو بہترین طریقے سے پورا کرتا ہے۔ ہماری کمپنی میں ہر ایک کا احترام کیا جاتا ہے، اور ہم صحیح معنوں میں سمجھتے ہیں کہ ہم میں سے ہر ایک اپنے مشترکہ مقاصد کے حصول کے لیے کچھ نہ کچھ قابل قدر حصہ ڈالتا ہے۔

ڈائریکٹر معاوضہ پالیسی

بورڈ آف ڈائریکٹرز کی معاوضے کی پالیسی کمپنی کے طویل مدتی مقاصد کو آگے بڑھانے کے لیے بورڈ پر مناسب عملے کو برقرار رکھنے اور سینئر مینجمنٹ میں کمپنی کی کارکردگی اور استحکام کی بنیاد ہے۔

چونکہ کمپنی کا بورڈ اور سینئر مینجمنٹ اسٹریٹجک سمت، اہم کاروباری انتخاب اور عمل درآمد فراہم کرنے کے ذمہ دار ہیں، اس لیے یہ ضروری ہے کہ انہیں ان کی کارکردگی کے لیے زیادہ ذمہ دار اور جوابدہ بنایا جائے۔ سینئر مینجمنٹ اور بورڈ کے ممبران کے معاوضے کے طریقے کارپوریٹ گورننس کے مجموعی فریم ورک کے سب سے اہم اجزاء میں سے ایک ہیں، کیونکہ یہ کمپنی کی کارکردگی کو متاثر کرتے ہیں، جس کے نتیجے میں عام شیئر ہولڈرز کو واپسی اور کمپنی کے استحکام پر اثر پڑتا ہے۔

معاوضے کی پالیسی کمپنیز ایکٹ 2017، کمپنیز آرٹیکل آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی دفعات کے تحت بورڈ کو انسانی وسائل اور معاوضے کی کمیٹی (HRRC) کی سفارشات اور تجاویز کے تحت تیار کی گئی ہے۔

ایگزیکٹو ڈائریکٹرز مقررہ ماہانہ معاوضے اور HRRC کی طرف سے تجویز کردہ دیگر مراعات کے حقدار ہیں جن کی بورڈ نے باضابطہ طور پر منظوری دی اور اس کے بعد کمپنی کے جنرل اجلاس میں ممبران کی منظوری لی گئی۔

ایکٹ کے سیکشن 227(a)(I) کی تعمیل میں، مالیاتی بیان کے نوٹ 35 میں ظاہر کردہ مندرجہ ذیل معاوضہ کمپنی کے ڈائریکٹرز کو رواں مالی سال کے دوران ادا کیا گیا ہے:

(a) جناب بلال شریف (CEO) - PKR 800,000.00 ماہانہ۔

اس کے علاوہ، اوپر والے ڈائریکٹرز کے لیے دیگر فوائد میں ایندھن کے ساتھ کمپنی کی دیکھ بھال کرنے والی گاڑی، کاروباری سفر اور مواصلات کے اخراجات شامل ہیں۔

کمپنی کے کسی دوسرے ڈائریکٹر کو کوئی فیس یا معاوضہ ادا نہیں کیا گیا ہے۔

قانونی آڈیٹرز۔

موجودہ آڈیٹر کے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 28 اکتوبر 2024 کو طے شدہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے، تاہم، اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2025 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹر تقرری کی تجویز دی ہے۔ کوالٹی کنٹرول کے تحت بیرونی آڈیٹر میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو تسلی بخش درجہ بندی دی گئی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کا جائزہ پروگرام۔ فرم اور اس کے تمام پارٹنر انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی طرف سے اپنائے گئے کوڈ آف ایتھکس پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے رہنما اصولوں کی تعمیل کرتے ہیں اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 136 کے تحت آڈٹ اور سائیٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔

قانونی آڈیٹرز نے نہ تو کوئی فیصلہ سازی، اندرونی آڈٹ یا انتظامی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹوز کے ساتھ کسی قسم کا تعلق ہے۔ منگنی کے شراکت داروں کو ہر پانچ سال کی تکمیل کے بعد گھمایا جاتا تھا۔ بورڈ آف ڈائریکٹرز نے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کو ختم ہونے والے سال کے لیے بطور ایکسٹرنل آڈیٹر تعینات کرنے کی بھی سفارش کی اور آڈیٹرز کا معاوضہ گزشتہ سال کی طرح (سال: 2024) PKR 2,775,000.00 مقرر کیا گیا ہے۔ (2,775,000.00) سال 2023-24 کے لیے جیسا کہ کوڈ کے ضابطے 32(3) کے تحت بورڈ کو آڈٹ کمیٹی نے تجویز کیا ہے۔ اسائنمنٹس میں قانونی آڈٹ، ششماہی جائزہ اور کارپوریٹ گورننس کا کوڈ شامل ہے۔

مادی تبدیلیاں اور وعدے۔

کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے کمپنی کے مالی سال کے اختتام کے درمیان نہیں ہوئے جس سے بیلنس شیٹ کا تعلق ہے اور ڈائریکٹرز کی رپورٹ کی تاریخ۔ ایس ای سی پی نے شرعی اور غیر شرعی امور کی رپورٹنگ کے لیے کمپنیز ایکٹ 2017 کے فورٹھ شیڈول میں ایس آر او (I)/20241278 مورخہ 15 اگست 2024 کے تحت کچھ ترامیم کی ہیں، مالی سال کے لیے اسی کے مطابق عمل کیا جائے گا۔ 2024-25۔

اعتراف

میں بورڈ آف ڈائریکٹرز، قابل قدر شیئر ہولڈرز، صارفین، قرض دہندگان، سپلائرز، اور دیگر اسٹیک ہولڈرز کا ان کی حوصلہ افزائی، اعتماد اور تعاون کے لیے انتہائی پابند ہوں اور میں ہر ملازم کے عزم، استقامت اور محنت کے لیے ان کا شکریہ ادا کرنا چاہوں گا۔ کاروبار کی کامیابی میں مدد کرنے میں۔
بورڈ کے لئے اور اس کی طرف سے

بلال شریف



چیف ایگزیکٹو



محمد سلیم

ڈائریکٹر

کراچی: 30 ستمبر 2024

Faisal Spinning Mills Ltd

Proxy Form

I/We _____ of _____ being a member of **FAISAL SPINNING MILLS LIMITED** and holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Sub Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her _____ of _____ as my / our proxy to act on my/our behalf at the 40th Annual General Meeting of the Company to be held on Monday 28th October, 2024 at 04:00 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi.

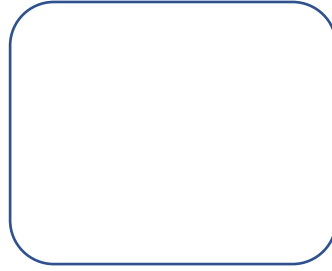
Witness: _____

Signature: _____ (Signature should agree with specimen registered with company)

Name: _____

CNIC/ PP: _____

Address: _____



Affix Rs.5 Revenue Stamp

Signed this _____ day of _____ 2024

Notes:

If a member is unable to attend the meeting, they may complete and sign this proxy form and sent it to the Company Secretary, Faisal Spinning Mills Limited, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. This proxy form shall reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner along with the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.

فیصل اسپننگ ملز لمیٹڈ

پراکسی فارم

میں _____ کے _____ کے رکن اور عام شیئر کے حامل کی حیثیت کے _____ (شیئر کی تعداد) _____ کے رجنٹر کا فوئیو نمبر _____ اور ایسی ڈی سی فوئیو کا آئی ڈی نمبر _____ اور ذیلی اکاؤنٹ نمبر _____ کے _____ کے _____ کو کمپنی کے سالانہ اجلاس جو 28 اکتوبر 2024 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے حاضر دکرنا ہوں / کرتے ہیں۔

دستخط _____ بروز _____ تاریخ _____ / _____ 2024 -

گواہان:

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

پاسپورٹ نمبر:

دستخط شیئر ہولڈر

(دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہو بہو مطابق ہونا ضروری ہے)

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

پاسپورٹ نمبر:

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹینگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کارکن ہونا ضروری نہیں۔ سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پراکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔



FAISAL SPINNING MILLS LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

Ballot Paper for the Special Businesses at the Annual General Meeting to be held on Monday, 28th October, 2024 at **04:00 pm** at the Registered Office of the Company located at Umer House, 23/1, Sector 23, SM Farooq Road, Korangi Industrial Area, 74900, Karachi.

Contact details of Chairman, where ballot paper may be sent:

Business Address: The Chairman, **Faisal Spinning Mills Limited** at Umer House, 23/1, Sector 23, SM Farooq Road , Korangi Industrial Area, 74900, Karachi.

Email Address: fsm.corporate@umergroup.com

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures {In case of representative of body corporate, corporation and Federal Government}	
Name of Authorized Signatory:	
NIC / Passport No. (in case of foreigner) of Authorized Signatory - (copy to be attached)	

I/We hereby exercise my/our vote in respect of the following Resolutions through postal ballot by giving my/our assent or dissent by placing tick 'mark in the appropriate box below:

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
<p>Agenda A(i)</p> <p><i>“Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed.”</i></p>		

<p>Agenda A(ii)</p> <p><i>“Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2025.</i></p> <p><i>Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval.”</i></p>		
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Notes:

1. Duly filled postal ballot should be sent to the Chairman of **Faisal Spinning Mills Ltd** at above-mentioned postal or email address.
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours on or before 27th October, 2024. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website at <https://www.umergroup.com> Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

Signature of Shareholder(s) / Proxy Holder(s) / Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place: _____

Dated: _____