



of Companies
32nd Annual Report 2016

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED

Vision

A Company providing quality textile

Products and maintaining

An excellent Level of ethical and

Professional standards



Mission Statement

To become a leader of textile products

In the local and

International markets

And to achieve

The highest level of success

CORPORATE INFORMATION

Board of Directors	Mr. Bilal Sharif Mr. Khurrum Salim Mr. Mohammad Amin Mr. Adil Shakeel Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shaheen Mr. Mohammad Shakeel Mr. Iqbal Mehboob Mr. Anwar Hussain, FCA	Chief Executive / Director Non Executive Director Non Executive Director Non Executive Director Non Executive Director / Chairman Executive Director Non Executive Director Executive Director Independent Director
Chief Financial Officer	Mr. Anwar Hussain, FCA	
Company Secretary	Syed Ashraf Ali, FCA	
Audit Committee	Mr. Iqbal Mehboob Mr. Mohammad Amin Mr. Adil Shakeel	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Mohammad Shaheen Mr. Mohammad Amin Mr. Mohammad Shakeel	Chairman Member Member
Auditors	M/s Mushatq and Company Chartered Accountants 407, Commerce Centre, Hasrat Mohani Road, Karachi	
Legal Advisor	Mr. Shahid Pervaiz Jami	
Bankers	Bank Al Habib Limited Bank Alfalah Limited Dubai Islamic Bank Habib Bank Limited Meezan Bank Limited Samba Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	
Share Registrar	Hameed Majeed Associates (Private) Limited 5 th 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 - Website: http://www.umergroup.com	
Liaison / Correspondence office	9 th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: lhroff@umergroup.com Website: http://www.umergroup.com	
Mills At:	Spinning Unit is situated at: A-150, SITE Nooriabad, Sindh Tel : 025 4670002 Weaving Unit is situated at: 18 - KM, Sheikhpura Faisalabad Road, Feroz Watwan, Sheikhpura, Punjab. Tel: 056 3731446-7	



FAISAL SPINNING MILLS LIMITED *of Companies*

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd Annual General Meeting of the members of **Faisal Spinning Mills Limited** will be held on Friday 28th October 2016 at 5:00 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:

Ordinary Business

1. To confirm the minutes of the Extra Ordinary General Meeting held on 31st December 2015.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2016 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 50% (i.e. PKR 5 per share) for the year ended 30th June, 2016, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2016-2017 and fix their remuneration. The retiring auditors M/S Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the chairman.

Special Business

6. To approve the remuneration of Chief Executive and two Directors of Company

Statement Under Section 160(1)/(b) of the Companies Ordinance 1984; Regarding the Special Business The shareholders approval is sought for remuneration of Chief Executive and two Directors of the company; For this purpose it is proposed that the following resolution be passed with or without modification by the shareholders as an ordinary resolution;

"Resolved that the company hereby approves the monthly remuneration of Mr. Bilal Sharif, Chief Executive, a sum not exceeding PKR 650,000, Mr. Mohammad Sharif - Director, a sum not exceeding PKR 650,000 and Mr. Mohammad Shakeel -Director, a sum not exceeding PKR 650,000. The perquisites will remain same as approved earlier.

(By the order of the Board)

Karachi:

Date: 27th September 2016

Syed Ashraf Ali, FCA
Company Secretary

NOTES:

1. The Shares Transfer Books of the Company will remain closed from 21st October 2016 to 28th October, 2016 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19th October 2016 will be treated in time for the purpose of entitlement of dividend in respect of the period ended 30th June, 2016.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person other than a member shall act as proxy.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed.
4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D. numbers, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.



FAISAL SPINNING MILLS LIMITED of Companies

NOTICE OF THE ANNUAL GENERAL MEETING

5. As instructed by Securities and Exchange Commission of Pakistan (SECP) vide their letter No. EMD/D-II/Misc/2009-1342 dated April 4, 2013 dividend warrants cannot be issued without insertion of CNIC Numbers; therefore, all shareholders holding physical shares were requested to submit copies of their valid CNICs as requested by our letters and also through advertisement in newspapers. All those shareholders who have not submitted their valid CNICs are once again requested to send a photocopy of their valid CNIC/National Tax numbers alongwith the folio numbers to the Company's Share Registrar. No dividend will be payable unless the CNIC number is printed on the dividend warrants, so please let us have your CNIC numbers failing, which we will not be responsible if we are not able to pay the dividends.
6. In order to make process of payment of cash dividend more efficient, SECP vide circular No. 8(4) SM/CDC 2008 dated April 5, 2013 have issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. You may therefore authorize the Company to credit the dividend directly to your bank account for all future dividends declared by the Company. Accordingly all non CDC shareholders are requested to send their bank account details to the Company's Registrar at the address given above. Shareholders who hold shares with Participant/Central Depository Company of Pakistan (CDC) accounts are advised to provide the mandate to the concerned Stock Broker/ Central Depository Company of Pakistan Ltd.
7. Members are requested to immediately inform of any change in their addresses to our share Registrar, Hameed Majeed Associates (Private) Limited.
8. Pursuant to Notification vide SRO787(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 1 MB 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. Pursuant to the provisions of the Finance Act 2016 effective July 1, 2016, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:
 - a. For filer of income tax return 12.5%
 - b. For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20%, 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 @ 20% instead of 12.5%.

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.



FAISAL SPINNING MILLS LIMITED *of Companies*

Directors' Report

On behalf of the Board of Directors of **Faisal Spinning Mills Limited**, I am pleased to submit audited financial statements of the Company for the year ended 30th June 2016.

Overview

The company has earned profit after tax of PKR 169.214 million during the year ended 30th June 2016 against the last year profit after tax of PKR 174.548 million. The earning per share of company is PKR 16.92 as compared to PKR 17.45 in previous year.

Economic Challenges and Current Crisis

Economic growth accelerated in Pakistan in Fiscal Year 2016 on the cumulative impact of sharply lower oil prices, improved security and government's macroeconomic and structural reform. Pakistan economy recorded highest GDP of 4.71% since 2008-09. But GDP of 4.71% is not at par. Concrete steps have to be taken by the government in order to achieve GDP at par. Current account deficit and declining export are now major concerns.

Pakistan Textiles goods are not competitive in world market. Our competitors are manufacturing goods in cost effective manner based on latest machineries, technological innovation and government support for capital and infrastructure. Continuous depreciation of Pakistani Rupee is also impacting on economy. Government should develop and implement a textile policy on broad basis in order to enable exporters to compete in the world.

Operating Results

Financial results of the company for the year ended 30th June 2016 is summarized as under;

	2016	2015
	Rupees	Rupees
Sales	9,281,954,560	9,281,026,639
Gross profit	675,979,290	807,076,487
Profit before taxation	177,970,350	253,027,249
Taxation		
Current year	-	50,148,224
Prior year	(3,167,649)	32,241
Deferred tax	11,923,781	28,297,887
	8,756,132	78,478,352
Profit after taxation	169,214,218	174,548,897
Comprehensive income		
Re-measurement of employees retirement benefits obligation – Actuarial gain / (loss)	7,207,892	(13,870,186)
Deferred tax	(505,788)	764,155
	6,702,104	(13,106,031)
Total comprehensive income	175,916,322	161,442,866
Un-appropriated profit brought forward	64,385,963	52,943,097
	240,302,285	214,385,963
Dividend paid	(50,000,000)	(50,000,000)
Profit available for appropriation	190,302,285	164,385,963
Appropriations:		
Transferred to General Reserve	(150,000,000)	(100,000,000)
Un-appropriated profit carried forward	40,302,285	164,385,963
	=====	=====
Basic and diluted earning per share	16.92	17.45
	=====	=====



FAISAL SPINNING MILLS LIMITED *of Companies*

During the year ended 30th June 2016, Company earned gross profit of PKR 675.979 million as compared to PKR 807.076 million in previous year. The decrease in gross profit during the current year as compared to corresponding year was mainly due to increase in salaries and wages, increase in depreciation and recession in textile industry particularly in spinning sector. The Company earned a net profit of PKR 169.214 million during the year, resulting in earnings per share of PKR 16.92 as compared to a net profit of PKR 174.548 million and earnings per share of PKR 17.45 of last year.

Dividend

The board of directors is pleased to recommend a final cash dividend of 50% i.e PKR 5.0 per share (June 2015: 50% i.e. PKR 5 per share) for the approval of shareholders at the forthcoming annual general meeting.

Capital Structure and Current Ratio

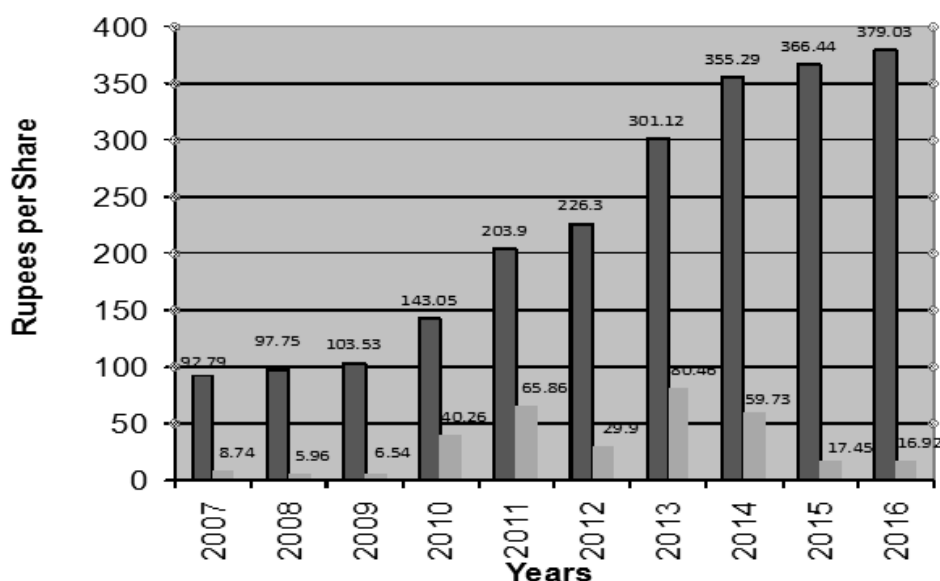
Long term borrowing at the year end was PKR 1,354.512 million (2015: PKR 704.433 million). Gearing ratio was 0.59 at 30th June 2016 as compared to 0.28 at 30th June 2015. The liquidity position of the company is good with a current ratio of 2.01 as at 30th June 2016 (June 2015: 2.78). The total of shareholders' fund stood at PKR 3.790 billion (2015: PKR 3.664 billion).

Cash Flow Management

The company is well placed for its commitments towards long and short term loans. During the year, the Company repaid its debt obligation of PKR 660.684 million while raising new debt of PKR 1.113 billion. The company has an effective Cash Flow Management System in place. Working capital requirements are planned through internal cash generations and short term borrowings.

Breakup Value and Earning per Share

The breakup value of your share as on 30th June 2016 is PKR 379.03 (30th June 2015: PKR 366.44). The Earning per Share (EPS) of your company for the year ended 30th June 2016 is PKR 16.92 (30th June 2015: PKR 17.45).



Statement on Corporate and Financial Reporting Framework

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of the Pakistan Stock Exchange Limited under instructions from the Securities & Exchange Commission of Pakistan. As a part of the compliance of the Code, 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.

FAISAL SPINNING MILLS LIMITED

- 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.
- Six directors of the Company had already completed Directors' Training Program (DTP). In addition three directors met the criteria of exemption under Code of Corporate Governance. Therefore all directors of the Company were in compliance of the Code of Corporate Governance in respect of Directors' Training Program (DTP).
- As required by the Code of Corporate Governance, 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 held during the year and attendance by each director has been given separately.
 - Key operating and financial statistics for last six years.
- Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- 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.

Board and Audit Committee Meetings

The number of board and audit committee meetings held during the year 2015-16 was four. The attendance of the directors and members are as under:

Name of Directors	Committees					
	Board of Directors		Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Sharif	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	2	2
Mr. Mohammad Shakeel	4	4	-	-	2	2
Mr. Khurram Salim	4	4	-	-	-	-
Mr. Bilal Sharif	4	4	-	-	-	-
Mr. Mohammad Amin	4	4	4	4	2	2
Mr. Adil Shakeel	4	4	4	4	-	-
Mr. Iqbal Mehboob	4	4	4	4	-	-



FAISAL SPINNING MILLS LIMITED *of Companies*

Related Party transaction and Transfer Pricing

Related party transactions were placed before the Audit Committee and approved by the Board. These transactions were in line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Ordinance, 1984. The Company maintains a thorough and complete record of all such transactions. It is the policy of the company to ensure that all transactions entered with related parties must be at arms length. The company has adopted comparable uncontrolled price method for pricing of transaction with related parties.

Audit Committee

The audit committee of the company is working as required by the code of corporate governance. The audit committee has established internal audit system to monitor and review the adequacy and implementation of internal control at each level. The meetings of audit committee were held in compliance of the requirements of Code of Corporate Governance. Interim and annual financial statements were reviewed by the audit committee before the approval of board of directors.

Human Resource and Remuneration Committee:

The human resource and remuneration committee of the company is working as required by the code of corporate governance and term of reference as approved by the board of directors. The human resource and remuneration committee has established sound and effective employees' development programme.

Financial statements

As required under listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and the board, after consideration and approval, authorize the signing of financial statements for issuance and circulation. The financial statements of the company have been duly audited by the auditors of the company, Mushtaq and Company, Chartered Accountants. Auditors have issued clean audit report on financial statements for the year ended 30th June 2016 and clean review report on Statement of Code of Corporate Governance and their reports are attached with the financial statements. No material changes in contingencies and commitments, affecting the financial position of your company, have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

Pattern of Shareholding

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

Auditors

The present auditors M/s Mushtaq and Company, Chartered Accountants shall retire offer themselves for re-appointment as auditor of the company. The audit committee has recommended the appointment of aforesaid M/s Mushtaq and Company, Chartered Accountants, as external auditor for the year ended 30th June 2017. The external auditors, M/s Mushtaq and Company, Chartered Accountants have been given satisfactory rating under the quality review program of the Institute of Chartered Accountants of Pakistan and the firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan.

Corporate Social Responsibility

Company is extensively sustaining educational and health projects with renowned NGO. Company spent PKR 5.550 million under social commitments during the year. The company worked closely with NGO to support their programs for health and education.

Safety, Health and Environment

We are committed to actively managing health and safety risks associated with our business and are actively working towards improving our procedures to reduce, remove or control the risk of fire, accidents or injuries to employees and visitors. All activities at all our premises are required to conform to international standards for health and safety.

With the blessing of Al-Mighty Allah no major accidents or incidents took place at the business units during the year under review.

Major Judgment Areas

Main areas related to income taxes, deferred tax, retirement benefit obligations and accounting estimates and judgments are detailed in notes to the financial statements.

Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Ordinance 1984 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Ordinance as well as through directives issued by the Securities and Exchange Commission of Pakistan.

Future Prospect and Cotton Expectation

Current cotton prices shows that it is now end of long bearish spell of cotton trading. The buying of cotton by China is driver for surge in cotton prices. The higher cotton prices are expected in the year 2016-17.

In order to boost export of spinning sector, export refinance facility should be extended to spinning sector as well. It is difficult to predict the results of the subsequent quarter of the next fiscal year, however the profitability will depend on the demand and prices of cotton and yarn.

Acknowledgement

I would like to show appreciation to, our shareholders, and also our customers, bankers and supplier for their continued patronage. I also appreciate to all employees for their dedication and devotion which enabled the Company to achieve its goals.

For and on behalf of the Board of Directors

Karachi:

Date: 27th September 2016



Bilal Sharif
Chief Executive

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407-Commerce Centre Hasrat Mohani Road Karachi-74200 Tel: 32638521-4 Fax: 32639843
Branch Office: 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626
Email: Address: mustaq_vohra@hotmail.com



leading edge alliance
innovation • quality • excellence

REVIEW REPORT TO THE MEMBERS

On the Statement of Compliance with Best Practices of the Code of Corporate Governance

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Faisal Spinning Mills Limited** ("the Company") for the year ended June 30, 2016 to comply with the Code contained in regulation No. 5.19 of the Rule book of Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As part of our audit of 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's statement on internal controls covers all the risks and control or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the audit committee and upon recommendation of audit committee, places before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

MUSHTAQ & COMPANY
Chartered Accountants

Karachi:
Date: 27th September 2016

Engagement Partner:
Mushtaq Ahmed Vohra,
FCA



FAISAL SPINNING MILLS LIMITED

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH JUNE, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited for purpose of establishing a framework of good corporate governance, whereby a listed company is managed in compliance with best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner.

1. The company encourages representation of independent non executive directors and directors representing minority interest on its Board of Directors. At present the board includes;

Category	Name
Independent Director	Mr. Iqbal Mehboob
Executive Directors	Mr. Bilal Sharif Mr. Mohammad Sharif Mr. Mohammad Shakeel
Non Executive Directors	Mr. Khurram Salim Mr. Mohammad Amin Mr. Adil Shakeel Mr. Mohammad Salim Mr. Mohammad Shaheen

The independent director meets the criteria of independence under clause 5.19.1 (b) of the Code of Corporate Governance.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the year.
5. 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.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged one training program for its directors during the year.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.



FAISAL SPINNING MILLS LIMITED

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH JUNE, 2016

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code.
15. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board of Directors

Bilal Sharif
Chief Executive

Karachi:

Date: 27th September 2016

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407-Commerce Centre Hasrat Mohani Road Karachi-74200 Tel: 32638521-4 Fax: 32639843
Branch Office: 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626
Email: Address: mustaq_vohra@hotmail.com



leading edge alliance
innovation • quality • excellence

AUDITORS' REPORT TO THE MEMBER

We have audited the annexed Balance Sheet of Faisal Spinning Mills Limited ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion;

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2016 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion 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.

MUSHTAQ & COMPANY
Chartered Accountants

Karachi:

Date: 27th September 2016

Engagement Partner:
Mushtaq Ahmed Vohra,
FCA


FAISAL SPINNING MILLS LIMITED

Balance Sheet As At 30th June, 2016

	Note	30 th June 2016 Rupees	30 th June 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
12,000,000 (2015: 12,000,000) ordinary shares of PKR 10 each		<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid up capital	5	100,000,000	100,000,000
Reserves		3,650,000,000	3,500,000,000
Unappropriated profits		40,302,285	64,385,963
		3,790,302,285	3,664,385,963
NON CURRENT LIABILITIES			
Long-term financing - secured	6	1,354,511,673	704,432,590
DEFERRED LIABILITIES	7	219,829,831	182,232,873
CURRENT LIABILITIES			
Trade and other payables	8	751,075,218	552,769,385
Accrued markup / interest	9	13,144,572	12,536,908
Short-term borrowings - secured	10	752,995,786	-
Current portion of non current liabilities	11	123,681,061	320,819,913
		1,640,896,637	886,126,206
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>7,005,540,426</u>	<u>5,437,177,632</u>

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi:
Date: 27th September 2016

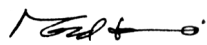


Bilal Sharif
Chief Executive

FAISAL SPINNING MILLS LIMITED

Balance Sheet As At 30th June, 2016

	Note	30 th June 2016 Rupees	30 th June 2015 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	13	3,196,192,909	2,466,090,622
Capital work-in-progress	14	77,664	808,225
Long term investment	15	510,098,368	496,397,757
Long term deposits	16	8,859,135	8,859,135
		3,715,228,076	2,972,155,739
CURRENT ASSETS			
Stores, spare parts and loose tools	17	66,536,840	67,833,505
Stock in trade	18	1,998,879,799	1,703,046,951
Trade debts	19	497,572,089	267,388,443
Loans and advances	20	120,980,511	93,802,032
Trade deposits and prepayments	21	62,369,077	35,552,377
Other receivables	22	2,594,432	2,594,432
Income tax refundable	23	229,282,810	137,452,054
Sales tax refundable	24	258,330,159	80,139,073
Cash and bank balances	25	53,766,633	77,213,026
		3,290,312,350	2,465,021,893
TOTAL ASSETS		7,005,540,426	5,437,177,632


Mohammad Salim
Director

Profit and Loss Account For the Year Ended 30th June 2016

	Note	30 th June 2016	30 th June 2015
		<u>Rupees</u>	<u>Rupees</u>
Sales	26	9,281,954,560	9,281,026,639
Cost of sales	27	8,605,975,270	8,473,950,152
Gross profit		675,979,290	807,076,487
Other income	28	28,138,352	8,716,155
		704,117,642	815,792,642
Distribution cost	29	293,399,992	269,261,308
Administrative expenses	30	96,767,491	78,981,247
Other operating expenses	31	12,136,544	17,927,097
Finance cost	32	143,489,676	211,756,168
		545,793,703	577,925,820
		158,323,939	237,866,822
Share of profit from associated undertaking		19,646,411	15,160,427
Profit before tax		177,970,350	253,027,249
Provision for taxation	33		
Current tax - Current year		-	50,148,224
Current tax - Prior year		(3,167,649)	32,241
Deferred		11,923,781	28,297,887
		8,756,132	78,478,352
Profit after taxation for the year		169,214,218	174,548,897
Earnings per share - basic and diluted	34	16.92	17.45

The annexed notes from 1 to 49 form an integral part of these financial statements.



Bilal Sharif
Chief Executive



Mohammad Salim
Director


Karachi:

Date: 27th September 2016

**Statement of Comprehensive Income
For the Year Ended 30th June 2016**

	30 th June 2016 Rupees	30 th June 2015 Rupees
Profit after taxation for the year	169,214,218	174,548,897
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss	-	-
Items that will not be reclassified to profit or loss:		
Actuarial gain / (loss) on remeasurement of employees retirement benefits - gratuity	7,207,892	(13,870,186)
Related deferred tax on remeasurement of employees retirement benefits - gratuity	(505,788)	764,155
	6,702,104	(13,106,031)
Total comprehensive Income for the year	175,916,322	161,442,866

The annexed notes from 1 to 49 form an integral part of these financial statements.



Bilal Sharif
Chief Executive



Mohammad Salim
Director

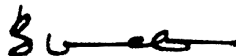
Karachi:

Date: 27th September 2016

Statement of Changes in Equity For The Year Ended 30th June 2016

	Share Capital Rupees	Reserves			Unappropriated Profit Rupees	Total Rupees
		Capital Reserves Rupees	General Reserves Rupees	Total		
Balance as at 30th June, 2014	100,000,000	24,150,000	3,375,850,000	3,400,000,000	52,943,097	3,552,943,097
Final dividend for the year ended June 30, 2014 PKR. 5.0 per share	-	-	-	-	(50,000,000)	(50,000,000)
Total comprehensive income for the year	-	-	-	-	161,442,866	161,442,866
Transferred to general reserve	-	-	100,000,000	100,000,000	(100,000,000)	-
Balance as at 30th June, 2015	100,000,000	24,150,000	3,475,850,000	3,500,000,000	64,385,963	3,664,385,963
Final dividend for the year ended June 30, 2015 PKR. 5.0 per share	-	-	-	-	(50,000,000)	(50,000,000)
Total comprehensive income for the year	-	-	-	-	175,916,322	175,916,322
Transferred to general reserve	-	-	150,000,000	150,000,000	(150,000,000)	-
Balance as at 30th June, 2016	100,000,000	24,150,000	3,625,850,000	3,650,000,000	40,302,285	3,790,302,285

The annexed notes from 1 to 49 form an integral part of these financial statements.



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi:

Date: 27th September 2016

FAISAL SPINNING MILLS LIMITED

Cash Flow Statement For The Year Ended 30th June 2016

	<u>30th June 2016</u>	<u>30th June 2015</u>
	<u>Rupees</u>	<u>Rupees</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	177,970,350	253,027,249
Adjustments for:		
Depreciation of property, plant and equipment	300,497,789	249,829,218
Share of profit from associated undertaking	(19,646,411)	(15,160,427)
Provision for bad debts	656,838	-
Infrastructure fee	17,671,209	4,021,665
Provision for staff retirement benefits - gratuity	37,383,888	34,571,430
(Gain) on disposal of property, plant and equipment	(26,687,599)	(6,499,972)
Finance cost	143,489,676	211,756,168
	453,365,390	478,518,082
Operating cash flows before movements in working capital	631,335,740	731,545,331
Changes in working capital		
Decrease in stores, spares and loose tools	1,296,665	17,323,322
Decrease / (Increase) in stock in trade	(295,832,848)	473,332,726
(Increase) in trade debts	(230,183,646)	(51,210,863)
(Increase) in loans and advances	(27,178,479)	(51,809,698)
(Increase) in trade deposits	(26,816,700)	(3,329,521)
(Increase) in sales tax refund and other receivables	(178,847,924)	(1,316,826)
Increase in trade and other payables	197,746,659	73,418,844
	(559,816,273)	456,407,984
Cash generated by operations	71,519,467	1,187,953,315
Finance cost paid	(142,882,012)	(221,998,846)
Staff retirement benefits - gratuity paid	(22,679,816)	(13,731,305)
Income taxes paid	(88,663,107)	(73,296,174)
Long-term deposits refunded	-	(1,300,900)
	(254,224,935)	(310,327,225)
Net cash from operating activities	(182,705,468)	877,626,090

Cash Flow Statement For The Year Ended 30th June 2016

	<u>30th June 2016 Rupees</u>	<u>30th June 2015 Rupees</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	202,404,550	11,100,000
Addition in property plant and equipment	(1,205,586,467)	(176,016,658)
Dividend received	5,945,800	2,972,900
Net cash used in investing activities	<u>(997,236,117)</u>	<u>(161,943,758)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from long term finance	1,113,624,050	30,361,000
Payment of long-term financing	(660,683,819)	(320,808,293)
Payment of obligation under finance lease	-	(2,223,403)
Decrease in short-term borrowings	752,995,786	(349,952,831)
Dividend paid	(49,440,825)	(49,500,170)
Net cash from financing activities	<u>1,156,495,192</u>	<u>(692,123,697)</u>
 Net increase / (decrease) in cash and cash equivalents	 (23,446,393)	 23,558,635
Cash and cash equivalent at the beginning of year	<u>77,213,026</u>	<u>53,654,391</u>
Cash and cash equivalent at the end of year	<u><u>53,766,633</u></u>	<u><u>77,213,026</u></u>

The annexed notes from 1 to 49 form an integral part of these financial statements.



Bilal Sharif
Chief Executive



Mohammad Salim
Director

Karachi:

Date: 27th September 2016



FAISAL SPINNING MILLS LIMITED

Notes to the financial statements For the year ended 30th June 2016

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 Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchanges 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 and fabric. The production facilities are located at Nooriabad, District Dadu in the province of Sindh and Feroz Watwan, District Sheikhpura in the province of Punjab.

2 Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

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. 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 affect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 45 to these financial statements.

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 Changes in accounting policies arising from standards, interpretations and amendments to published approved accounting standards that are effective in the current year

Following standards, amendments and interpretations are effective for the year ended June 30, 2016. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

Standards, interpretations and amendments	Description
IFRS 10 'Consolidated Financial Statements'	IFRS 10 'Consolidated Financial Statements'– (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 does not have any impact on the financial statements of the company.
IFRS 11 – Joint Arrangements	IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard does not have an impact on Company's financial statements.
IFRS 12 – Disclosure of Interests in Other Entities	IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard does not have material impact on Company's financial statements.
IFRS 13 – Fair Value Measurement	IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard does not have material impact on Company's financial statements except for some disclosures.

2.5.2 Approved accounting standards, interpretations and amendments thereto issued but not effective as at the reporting date

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date. Their impact on the Company's financial statements cannot be ascertained as at the reporting date.

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

Standards, interpretations and amendments

Amendments to IFRS 2 'Share-based Payment'
- Clarification on the classification and measurement of share-based payment transactions

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture

Description

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018) The amendments relate to the following areas:

- The accounting for the effects of vesting conditions on cash-settled share-based payment transactions;
- The classification of share-based payment transactions with net settlement features for withholding tax obligations; and
- The accounting for a modification to the terms and conditions of a share-based payment that changes the transactions from cash-settled to equity-settled.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture ('Effective date is deferred indefinitely. Earlier adoption is permitted.) The amendments relate to the following areas :

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:
- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.

-Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

- Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associated or joint venture.

The amendments apply prospectively to transactions occurring in annual periods beginning on or after 1 January 2016 with earlier application permitted. The amendments are not likely to have significant impact on Company's financial statements.

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements
For the year ended 30th June 2016

Standards, interpretations and amendments

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception

Description

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception (effective for annual periods beginning on or after 1 January 2016):

"The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities. The amendments apply retrospectively. The amendments are not likely to have impact on Company's financial statements."

Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations

Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016):

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations. Entities should apply the amendments prospectively. The amendments are not likely to have impact on Company's financial statements.

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative (effective for annual periods beginning on or after 1 January 2016):

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

Standards, interpretations and amendments

Description

	<p>"The amendments were a response to</p> <ul style="list-style-type: none"> - An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. - An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material. - In the other comprehensive income, section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following terms: <ul style="list-style-type: none"> • the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and • the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.
<p>Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative</p>	<p>Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative (effective for annual periods beginning on or after 1 January 2017):</p> <p>The amendments are part of the IASB's Disclosure Initiative project and introduce additional disclosure requirements intended to address investors' concerns that financial statements do not currently enable them to understand the entity's cash flows; particularly in respect of the management of financing activities.</p> <p>The amendments require disclosure of information enabling users financial statements to evaluate changes in liabilities arising from financing activities. The amendments do not define financing activities, instead they clarify that financing activities are based on the existing definition used in IAS 7.</p> <p>Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective to these amendments.</p> <p>The amendments are to be applied prospectively. Entities are not required to present comparative information for earlier periods.</p>
<p>Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses</p>	<p>Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2017):</p> <p>The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.</p> <p>The amendments also clarify that:</p> <ul style="list-style-type: none"> - The carrying amount of an assets does not limit the estimation of probable future taxable profits; and that - when comparing deductible temporary differences with future taxable profits, the future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences."

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements For the year ended 30th June 2016

Standards, interpretations and amendments

Description

The amendments are to be applied retrospectively.

Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization

Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have significant impact on Company's financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

IAS 27 (Revised 2011) – Separate Financial Statements

Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

2.5.3 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan till 30th June 2016:

Standards or interpretation

- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

Effective date - Annual period beginning on

- 1st January 2018
- 1st January 2016
- 1st January 2018
- 1st January 2019

3 Summary of Significant Accounting Policies

3.1 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

3.2 Employee benefits

Short term employees benefits

The company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements For the year ended 30th June 2016

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

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 balance sheet represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

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

3.3 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 balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. 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.

3.4 Provisions

A provision is recognized in the balance sheet 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.

3.5 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 billed to the company.

3.6 Dividend

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

3.7 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.

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

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.

Depreciation

Depreciation is charged to income 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 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

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Asset acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at the inception of the lease less accumulated depreciation and impairment losses, if any. Depreciation is charged on the same basis as used for owned assets.

Financial charges are allocated to accounting period in a manner so as to provide a constant rate of charge on outstanding liability.

3.8 Capital work in process

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.

3.9 Investments

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 and loss account, are recognized directly in the equity of the Company.

3.10 Derivative financial instruments

The Company uses derivative financial instruments such as forward exchange contracts and interest rate swaps to hedge its risks associated with foreign currency borrowings and effects on cash flow of any fluctuations in interest rates. Such derivative financial instruments are stated at fair value.

The fair value of forward exchange contracts is estimated by reference to current forward exchange rates for contracts with similar maturity profile. The fair value of interest rate swap contracts is estimated by reference to estimated market value for similar instruments.

In relation to cash flow hedges which meet the conditions for special hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income.

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

When the hedge commitment result in the recognition of an asset or a liability, then, the associated gains or losses previously recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of an asset or a liability. Effect of remaining period of hedge, if material, is taken to profit and loss account, being considered fair value hedge.

Hedge accounting is discontinued when the hedging instrument is expired or is sold, terminated or exercised, or no longer qualifies for special hedge accounting. At that point, any cumulative gain or loss on the hedging instrument recognized in equity is kept until the forecasted occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to net profit or loss for the period.

Other financial liabilities

All other financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently carried at amortized cost using effective interest rate method.

3.11 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.

3.12 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 or replacement cost whichever is lower
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost or net realizable value whichever is lower
Waste	Net realizable value

Valuation of raw material, work in process and finished goods as on 30th June 2016 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 balance sheet 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.

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

3.13 Trade debts and other receivables

These are carried at original invoice amount less provisions for any uncollectible amount. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written off.

3.14 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.

3.15 Revenue recognition

Revenue from sales is recognized when significant risks and rewards of ownership are transferred to the buyer.

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.

3.16 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 and loss account currently.



FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements For the year ended 30th June 2016

3.17 Impairment

All company's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the assets' recoverable amount is estimated. Impairment losses are recognized in the profit and loss account currently.

3.18 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 balance sheet date.

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

3.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet 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.

3.20 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 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 Ordinance 1984.

3.21 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.

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 Issued, Subscribed and Paid up Capital

Number of shares		30 th June 2016	30 th June 2015
June 30 2016	June 30 2015	Rupees	Rupees
6,300,000	6,300,000	63,000,000	63,000,000
3,700,000	3,700,000	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>

FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements For the year ended 30th June 2016

5.1 Associated company holds 1,282,900 (2015: 1,282,900) ordinary shares of Rs. 10 each in the company.

	LTFF Loans Rupees	Non LTFF Loans Rupees	30 th June 2016 Rupees	30 th June 2015 Rupees
6 Long Term Finances From Financial Institutions - Secured				
6.01 United Bank Limited - Term Finance Loan	-	-	-	60,976,000
6.02 United Bank Limited - Term Finance Loan	-	-	-	109,858,000
6.03 United Bank Limited - Term Finance Loan	-	-	-	86,000,000
6.04 United Bank Limited - Term Finance Loan	-	-	-	63,698,567
6.05 United Bank Limited - Term Finance Loan	-	-	-	84,329,068
6.06 United Bank Limited - Term Finance Loan	-	-	-	8,358,525
6.07 United Bank Limited - Term Finance Loan	-	-	-	140,860,387
6.08 United Bank Limited - Term Finance Loan	-	15,825,779	15,825,779	19,342,619
6.09 United Bank Limited - Term Finance Loan	-	14,714,000	14,714,000	17,811,680
6.10 United Bank Limited - Term Finance Loan	-	16,454,138	16,454,138	19,918,138
6.11 United Bank Limited - Term Finance Loan	-	-	-	37,498,000
6.12 United Bank Limited - Term Finance Loan	-	21,229,815	21,229,815	25,475,775
6.13 United Bank Limited - Term Finance Loan	-	84,673,120	84,673,120	101,607,744
6.14 United Bank Limited - Term Finance Loan	-	182,630,832	182,630,832	219,157,000
6.15 United Bank Limited - Term Finance Loan	29,041,000	-	29,041,000	30,361,000
6.16 United Bank Limited - Term Finance Loan	41,625,000	-	41,625,000	-
6.17 United Bank Limited - Term Finance Loan	74,181,000	-	74,181,000	-
6.18 United Bank Limited - Term Finance Loan	177,789,000	-	177,789,000	-
6.19 United Bank Limited - Term Finance Loan	255,457,000	-	255,457,000	-
6.20 United Bank Limited - Term Finance Loan	168,872,000	-	168,872,000	-
6.21 United Bank Limited - Term Finance Loan	220,434,750	-	220,434,750	-
6.22 United Bank Limited - Term Finance Loan	-	41,046,300	41,046,300	-
6.23 United Bank Limited - Term Finance Loan	45,616,000	-	45,616,000	-
6.24 United Bank Limited - Term Finance Loan	88,603,000	-	88,603,000	-
	1,101,618,750	376,573,984	1,478,192,734	1,025,252,503
Less: Current Maturity				
6.01 United Bank Limited - Term Finance Loan	-	-	-	20,324,000
6.02 United Bank Limited - Term Finance Loan	-	-	-	31,388,000
6.03 United Bank Limited - Term Finance Loan	-	-	-	43,000,000
6.04 United Bank Limited - Term Finance Loan	-	-	-	31,849,284
6.05 United Bank Limited - Term Finance Loan	-	-	-	42,164,532
6.06 United Bank Limited - Term Finance Loan	-	-	-	3,714,900
6.07 United Bank Limited - Term Finance Loan	-	-	-	62,604,616
6.08 United Bank Limited - Term Finance Loan	-	3,516,840	3,516,840	3,516,840
6.09 United Bank Limited - Term Finance Loan	-	3,097,680	3,097,680	3,097,680
6.10 United Bank Limited - Term Finance Loan	-	3,464,000	3,464,000	3,464,000
6.11 United Bank Limited - Term Finance Loan	-	-	-	16,669,333
6.12 United Bank Limited - Term Finance Loan	-	4,245,960	4,245,960	4,245,960
6.13 United Bank Limited - Term Finance Loan	-	16,934,624	16,934,624	16,934,600
6.14 United Bank Limited - Term Finance Loan	-	36,526,168	36,526,168	36,526,168
6.15 United Bank Limited - Term Finance Loan	5,280,000	-	5,280,000	1,320,000
6.16 United Bank Limited - Term Finance Loan	-	-	-	-
6.17 United Bank Limited - Term Finance Loan	-	-	-	-
6.18 United Bank Limited - Term Finance Loan	14,817,000	-	14,817,000	-
6.19 United Bank Limited - Term Finance Loan	21,288,000	-	21,288,000	-
6.20 United Bank Limited - Term Finance Loan	9,380,000	-	9,380,000	-
6.21 United Bank Limited - Term Finance Loan	-	-	-	-
6.22 United Bank Limited - Term Finance Loan	5,130,789	-	5,130,789	-
6.23 United Bank Limited - Term Finance Loan	-	-	-	-
6.24 United Bank Limited - Term Finance Loan	-	-	-	-
	50,765,000	72,916,061	123,681,061	320,819,913
Total Term Finance Loan Payable	<u>1,050,853,750</u>	<u>303,657,923</u>	<u>1,354,511,673</u>	<u>704,432,590</u>



FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements For the year ended 30th June 2016

	Security	Repayment	Markup on LTFF	Markup on Non LTFF
6.01	First pari passu charge over plant and machinery of Weaving Unit situated at 18 Kilometer, Faisalabad Road, Feroz Watwan, District Sheikhpora, to the extent of PKR 1,266.0 million.	The loan is repayable in sixteen equal quarterly installments, commenced from 14th September, 2015.	9.4% (2015: 9.4%)	-
6.02	Covered under securities for term finance 6.01	The loan is repayable in sixteen equal quarterly installments, commenced from 17th March, 2015.	9.05% (2015: 9.05%)	-
6.03	First pari passu charge over plant and machinery of Spinning Unit situated at A - 150, SITE Nooriabad, Sindh, to the extent of PKR 1.374 billion .	The loan is repayable in twelve equal quarterly installments, commencing from 11th September, 2014.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.04	Covered under securities for term finance 6.03	The loan is repayable in twelve equal quarterly installments, commencing from 20th September, 2014.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.05	Covered under securities for term finance 6.03	The loan is repayable in twelve equal quarterly installments, commencing from 24th September, 2014.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.06	Covered under securities for term finance 6.03	The loan is repayable in twelve equal quarterly installments, commencing from 8th October, 2014.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.07	Covered under securities for term finance 6.03	The loan is repayable in twelve equal quarterly installments, commencing from 16th October, 2014.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.08	Covered under securities for term finance 6.03	The loan is repayable in twenty four equal quarterly installments, commencing from 30th March, 2015.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.09	Covered under securities for term finance 6.03	The loan is repayable in twenty four equal quarterly installments, commencing from 5th May, 2015.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.10	Covered under securities for term finance 6.03	The loan is repayable in twenty four equal quarterly installments, commencing from 25th May, 2015.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

	Security	Repayment	Markup on LTFF	Markup on Non LTFF
6.11	Covered under securities for term finance 6.03	The loan is repayable in twelve equal quarterly installments, commencing from 28th October, 2014.	9.4% (2015: 9.4%)	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.12	Covered under securities for term finance 6.03	The loan is repayable in twenty four equal quarterly installments, commencing from 9th July, 2015.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.13	Covered under securities for term finance 6.03	The loan is repayable in twenty four equal quarterly installments, commencing from 4th August, 2015.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.14	Covered under securities for term finance 6.03	The loan is repayable in twenty four equal quarterly installments, commencing from 5th September, 2015.	-	Three month KIBOR plus 0.75% (2015: Three month KIBOR plus 0.75%)
6.15	Covered under securities for term finance 6.01	The loan is repayable in twenty equal quarterly installments, commenced from 2nd June, 2016.	5.15% (2015: 5.15%)	-
6.16	Covered under securities for term finance 6.01	The loan is repayable in thirty two equal quarterly installments, commenced from 4th November 2017.	3.50% (2015: Nil)	-
6.17	Covered under securities for term finance 6.01	The loan is repayable in thirty two equal quarterly installments, commenced from 14th November, 2017.	3.50% (2015: Nil)	-
6.18	Covered under securities for term finance 6.01	The loan is repayable in thirty two equal quarterly installments, commenced from 9th December, 2016.	3.50% (2015: Nil) 3.50% (2015: Nil)	-
6.19	Covered under securities for term finance 6.01	The loan is repayable in thirty six equal quarterly installments, commenced from 17th December, 2016.	3.50% (2015: Nil)	-
6.20	Covered under securities for term finance 6.01	The loan is repayable in thirty six equal quarterly installments, commenced from 23rd February, 2017.	2.50% (2015: Nil)	-
6.21	Covered under securities for term finance 6.01	The loan is repayable in thirty six equal quarterly installments, commenced from 13th September, 2018.	2.50% (2015: Nil)	-

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements For the year ended 30th June 2016

	Security	Repayment	Markup on LTFF	Markup on Non LTFF
6.22	Covered under securities for term finance 6.03	The loan is repayable in twenty four equal quarterly installments, commencing from 27th October, 2016.	-	Three month KIBOR plus 0.50% (2015: Nil)
6.23	Covered under securities for term finance 6.0	The loan is repayable in thirty two equal quarterly installments, commencing from 14th September, 2018.	2.5 % (2015: Nil)	-
6.24	Covered under securities for term finance 6.03	The loan is repayable in thirty two equal quarterly installments, commencing from 28th May, 2018.	2.50% (2015: Nil)	-

7	Deferred Liability	Note	30 th June 2016 Rupees	30 th June 2015 Rupees
	Infra structure fee payable	7.1	50,596,721	32,925,512
	Staff retirement benefits - gratuity	7.2.1	129,269,809	121,773,629
	Deferred taxation	7.3	39,963,301	27,533,732
			219,829,831	182,232,873

7.1 This represents amount payable to Excise and Taxation Department, Government of Sindh in respect of infrastructure fee levied through fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006). The Supreme Court in his judgment dated 17th May 2011 has decided that fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006) is valid and hence the levy imposed and collected from the effective date of the fifth version i.e. 28th December 2006 is valid and all imposition and collection before 28th December 2006 are declared to be invalid. The company has now filed petition in Sindh High Court, challenging fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006 regarding levy of infrastructure fee from the 28th December 2006. During the pendency of decision on fifth version of law, Sindh High Court has directed on 31st May 2011 to pay 50% of liability to Excise and Taxation Department, Government of Sindh, and provide bank guarantee of the remaining amount as calculated in accordance with the decision of Supreme Court of Pakistan. Subsequent imports of the company be released against 50% payment infrastructure fee to Excise and Taxation Department, Government of Sindh and furnishing bank guarantee of balance 50% amount. The company has provided bank guarantees amounting to PKR 50.705 Million (June 30, 2015: PKR 32.805 Million) in respect of unpaid infrastructure fee. The company has accrued unpaid infrastructure fee.

7.2	Staff retirement benefits - gratuity	Note	30 th June 2016 Rupees	30 th June 2015 Rupees
7.2.1	Movement in liability recognized in the balance sheet			
	Balance at beginning of year		121,773,629	87,063,318
	Charged to profit and loss account and other comprehensive income	7.2.2	30,175,996	48,441,616
	Benefits paid during the year		(22,679,816)	(13,731,305)
	Balance at the end of the year		129,269,809	121,773,629

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements
For the year ended 30th June 2016

	30th June 2016 Rupees	30th June 2015 Rupees
7.2.2 Amount charged to profit and loss account / other comprehensive income		
Current service cost	25,788,347	21,477,063
Interest cost	11,595,541	13,094,367
Charge to profit and loss account	37,383,888	34,571,430
Remeasurement charge to other comprehensive income	(7,207,892)	13,870,186
	30,175,996	48,441,616

7.2.3 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, 2016 using the "Projected Unit Credit Method" assuming a discount rate of 9% (June 30, 2015: 10.5%) per annum, expected rate of increase in salaries at 9% (June 30, 2015: 10.5%) per annum. Withdrawal rate is moderate (2015: low). Average duration of the defined benefit obligation is 12.9 years (2015: 11.6 years).

7.2.4 There is no unrecognised actuarial loss/gain.

7.2.5 Historical information

	Actuarial adjustment arising (%)	Present value of defined benefit obligation PKR	Experience adjustment on plan liabilities PKR
30 th June 2016	-5.58%	129,269,809	(7,207,892)
30 th June 2015	11.39%	121,773,629	13,870,186
30 th June 2014	6.44%	87,063,318	5,610,760
30 th June 2013	8.08%	79,050,611	6,383,339
30 th June 2012	4.49%	64,851,460	2,911,852

7.2.6 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.

	2016		2015	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	(15,026,158)	18,471,245	(13,388,385)	14,851,764
Expected rate of increase in future salary	18,950,406	(15,663,463)	15,302,412	(13,922,285)

7.2.7 The expected gratuity expense comprising of service cost and net interest for the year ending 30th June 2017 is work out to PKR 37,452,882.

	30 th June 2016 Rupees	30 th June 2015 Rupees
7.3 Deferred taxation		
Deferred tax liability / (assets) arising in respect of:		
Taxable temporary differences		
Accelerated tax depreciation on owned assets	70,226,880	37,993,379
Deductible temporary differences		
Provision for employee benefit	(9,071,046)	(6,708,914)
Unused tax losses and credit	(16,293,378)	-
Provision for doubtful debts	(4,899,155)	(3,750,733)
	(30,263,579)	(10,459,647)
	39,963,301	27,533,732

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

		30th June 2016	30th June 2015
		Rupees	Rupees
7.3.1 Deferred taxation has been recognized as follows			
Recognized in profit and loss account		11,923,781	28,297,887
Recognized in equity		505,788	764,155
		<u>12,429,569</u>	<u>29,062,042</u>
7.3.2	Revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. Deferred tax is provided for only that portion of timing differences that represent income taxable under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 30% of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.		
8 Trade and Other Payable	Note	30th June 2016	30th June 2015
		Rupees	Rupees
Creditors		303,139,867	186,705,695
Accrued liabilities		382,151,583	301,783,928
Workers' profit participation fund	8.1	8,577,137	12,866,553
Workers' welfare fund	31.1	48,743,995	45,184,588
Unclaimed dividend		4,939,756	4,380,581
Others		3,522,880	1,848,040
		<u>751,075,218</u>	<u>552,769,385</u>
8.1 Workers' profit participation fund			
Balance at beginning of the year		12,866,553	34,007,628
Interest on funds utilized in the Company's business	8.2	1,082,276	1,537,140
		<u>13,948,829</u>	<u>35,544,768</u>
Paid during the year		<u>(13,948,829)</u>	<u>(35,544,768)</u>
		-	-
Allocation / expense for the year		8,577,137	12,866,553
		<u>8,577,137</u>	<u>12,866,553</u>
8.2	Interest on workers' profit participation fund has been provided @ 37.5% (June 30, 2015: 37.5%) per annum.		
9 Accrued markup / interest			
Accrued markup / interest on secured			
- long-term financing		10,073,284	11,974,384
- short-term borrowings		3,071,288	562,524
		<u>13,144,572</u>	<u>12,536,908</u>
10 Short Term Borrowings			
From banking companies-secured			
Short term money market loan		<u>752,995,786</u>	<u>-</u>
10.1	The aggregate unded approved short term borrowing facilities amounted to PKR 4,360.0 Million (2015: PKR 4,360.0 Million).		
10.2	These facilities are subject to mark-up ranging from 1 to 3 month KIBOR + spread between 0.1% to 2% (2015: 1 to 3 month KIBOR + spread between 0.1% to 2%) per annum payable quarterly. These facilities are secured against hypothecation charge on stock, stores and receivables.		



FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements
For the year ended 30th June 2016

	30 th June 2016	30 th June 2015
	Rupees	Rupees
11 Current Portion of Non Current Liabilities		
Long term financing	123,681,061	320,819,913

12 Contingencies and Commitments

Contingencies

12.1 In normal course of business, the Company has issued indemnity bonds amounting to PKR 46.968 Million (June 30, 2015: PKR 46.968 Million) and post dated cheques amounting to PKR 464.239 Million (2015: PKR 188.461 Million) in favour of collector of customs and sales tax department 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 fulfillment of the terms of related SRO's.

12.2 Bank guarantee issued to Sui Southern Gas Company Limited on behalf of the company PKR 57.870 Million (June 30, 2015: PKR 52.567 million), Sui Northern Pipeline Company Limited amounting to PKR 44.398 Million (2015: PKR 44.398 million), Hyderabad Electric Supply Company Limited PKR 11.920 million (June 30, 2015: PKR 11.920 million), Excise and Taxation - Government of Sindh PKR 50.705 million (June 30, 2015: PKR 32.805) and Pakistan State Oil Company Limited PKR 2.250 million (June 30, 2015: PKR Nil).

Commitments

Letters of credit for: (Raw material, stores & machinery)	1,351,315,177	751,976,882
Civil works	-	-
	<u>1,351,315,177</u>	<u>751,976,882</u>

13 PROPERTY, PLANT AND EQUIPMENT

Description	COST				DEPRECIATION				Book value as at June 30, 2016	Rate
	As at July 01, 2015	Additions	Transfers / (disposals)	As at June 30, 2016	As at July 01, 2015	Charge For the year	Transfers / (disposal)	As at June 30, 2016		
Rupees.....									
Freehold land	23,879,028	-	(6,360,000)	17,519,028	-	-	-	-	17,519,028	-
Leasehold land	7,115,885	-	-	7,115,885	-	-	-	-	7,115,885	-
Factory building on freehold land	234,041,827	-	-	234,041,827	168,728,045	6,531,379	-	175,259,424	58,782,403	10
Factory building on leasehold land	81,785,248	-	-	81,785,248	67,538,746	3,119,916	-	70,658,662	11,126,586	10
factory building on Leasehold extension	133,551,808	2,067,506	-	135,619,314	38,007,353	7,969,091	-	45,976,444	89,642,870	10
Non factory building on freehold land	91,734,032	-	-	91,734,032	39,098,080	2,631,797	-	41,729,877	50,004,155	5
Non factory building on leasehold land	26,956,055	898,341	-	27,854,396	14,468,565	291,305	-	14,759,870	13,094,526	5
Non factory building on Leasehold extension	133,024,920	5,251,450	-	138,276,370	11,417,839	9,947,906	-	21,365,745	116,910,625	5
Plant and machinery	3,368,210,343	1,164,825,520	-	3,994,922,669	1,511,186,408	231,730,505	-	1,361,250,280	2,633,672,389	10
		(538,113,194)				(381,666,633)				
Electric equipment and fitting	192,726,983	7,207,604	-	199,934,587	58,737,126	13,262,409	-	71,999,535	127,935,052	10
Gas line and pipe fitting	7,943,179	-	-	7,943,179	5,255,618	268,756	-	5,524,374	2,418,805	10
Factory equipment	23,529,391	2,470,363	-	25,999,754	13,783,548	1,408,999	-	15,192,547	10,807,207	10
Office equipment	2,478,707	-	-	2,478,707	1,680,524	35,597	-	1,716,121	762,586	10
Furniture and fixtures	7,331,344	-	-	7,331,344	5,387,532	194,381	-	5,581,913	1,749,431	10
Equipment and other assets	195,124,827	9,229,799	(23,093,809)	181,260,817	162,740,961	14,731,624	(11,634,648)	165,837,937	15,422,880	Three years
Vehicles	67,781,033	14,366,445	(6,891,162)	75,256,316	33,093,643	8,374,124	(5,439,932)	36,027,835	39,228,481	20
	<u>4,597,214,610</u>	<u>1,206,317,028</u>	<u>-</u>	<u>5,229,073,473</u>	<u>2,131,123,988</u>	<u>300,497,789</u>	<u>-</u>	<u>2,032,880,564</u>	<u>3,196,192,909</u>	
2016		(574,458,165)				(398,741,213)				

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

PROPERTY, PLANT AND EQUIPMENT

Description	COST				DEPRECIATION				Book value as at June 30, 2015	Rate
	As at July 01, 2014	Additions / (disposals)	Transfers	As at June 30, 2015	As at July 01, 2014	Charge For the year	Transfers / (disposal)	As at June 30, 2015		
Rupees										
Freehold land	23,879,028	-	-	23,879,028	-	-	-	-	23,879,028	-
Leasehold land	7,115,885	-	-	7,115,885	-	-	-	-	7,115,885	-
Factory building on freehold land	234,041,827	-	-	234,041,827	161,470,957	7,257,088	-	168,728,045	65,313,782	10
Factory building on leasehold land	81,785,248	-	-	81,785,248	65,859,202	1,679,544	-	67,538,746	14,246,502	10
factory building on Leasehold extension	91,222,677	42,329,131	-	133,551,808	31,492,092	6,515,261	-	38,007,353	95,544,455	10
Non factory building on freehold land	91,734,032	-	-	91,734,032	36,327,766	2,770,314	-	39,098,080	52,635,952	5
Non factory building on leasehold land	26,956,055	-	-	26,956,055	14,165,869	302,696	-	14,468,565	12,487,490	5
Non factory building on Leasehold extension	63,544,124	69,480,796	-	133,024,920	8,592,749	2,825,090	-	11,417,839	121,607,081	5
Plant and machinery	2,948,571,818	468,569,987	-	3,368,210,343	1,372,493,332	183,192,692	(44,499,616)	1,511,186,408	1,857,023,935	10
			(48,931,462)							
Electric equipment and fitting	109,228,923	83,498,060	-	192,726,983	48,018,967	10,718,159	-	58,737,126	133,989,857	10
Gas line and pipe fitting	7,943,179	-	-	7,943,179	4,957,001	298,617	-	5,255,618	2,687,561	10
Factory equipment	23,529,391	-	-	23,529,391	12,423,858	1,359,690	-	13,783,548	9,745,843	10
Office equipment	2,478,707	-	-	2,478,707	1,640,972	39,552	-	1,680,524	798,183	10
Furniture and fixtures	7,331,344	-	-	7,331,344	5,171,552	215,980	-	5,387,532	1,943,812	10
Equipment and other assets	166,728,482	28,396,345	-	195,124,827	137,802,811	24,938,150	-	162,740,961	32,383,866	Three years
Vehicles	53,209,926	8,623,507	(1,055,300)	67,781,033	23,519,224	6,864,833	(887,103)	33,093,643	34,687,390	20
			7,002,900				3,596,689			
	3,939,300,646	700,897,826	(42,983,862)	4,597,214,610	1,923,936,352	248,977,666	(41,790,030)	2,131,123,988	2,466,090,622	

ASSETS SUBJECT TO FINANCE LEASE:

Vehicles	7,002,900	-	(7,002,900)	-	2,745,137	851,552	(3,596,689)	-	-	20
	7,002,900	-	(7,002,900)	-	2,745,137	851,552	(3,596,689)	-	-	
2015	3,946,303,546	700,897,826	(49,986,762)	4,597,214,610	1,926,681,489	249,829,218	(45,386,719)	2,131,123,988	2,466,090,622	

13.1 Equipment and other assets includes assets amounting to PKR 99,950,299 (2015: PKR 99,950,299) which has been fully depreciated.

Note	Year ended June 30 2016	Year ended June 30 2015
	Rupees	

13.2 The depreciation charge for the year has been allocated as follows:

Cost of sales

Administrative expenses

27	291,893,687	241,857,301
30	8,604,102	7,971,917
	300,497,789	249,829,218

13.3 Disposal of property, plant and equipment

Description	Cost	Accumulated depreciation	Book value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Rupees							
Land							
Freehold land	6,360,000	-	6,360,000	6,500,000	140,000	Negotiation	Mr. Tariq Farooq, Lahore
	6,360,000	-	6,360,000	6,500,000	140,000		
Plant and machinery							
Reiter Cards	20,587,149	13,642,103	6,945,046	7,200,000	254,954	Negotiation	Blessed Textiles Limited, Karachi
Generators	41,012,870	30,651,361	10,361,509	8,000,000	(2,361,509)	Negotiation	Orient Energy Systems (Private) Limited, Karachi
2 Looms	4,786,533	3,549,206	1,237,327	400,000	(837,327)	Negotiation	Mr. Liaquat Ali;
6 Looms	13,599,324	9,700,764	3,898,560	1,200,000	(2,698,560)	Negotiation	ZK Industries; Plot D-149/B Monghopir Road, S.I.T.E, Karachi
6 Looms	13,599,324	9,700,764	3,898,560	1,200,000	(2,698,560)	Negotiation	Abrasco
112 Air jet looms	371,998,260	261,199,846	110,798,414				
Equipment and other assets	23,093,809	11,634,648	11,459,161				

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements
For the year ended 30th June 2016

Description	Cost	Accumulated depreciation	Book value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Rupees							
4 Air jet looms	395,092,069	272,834,494	122,257,575	171,644,550	49,386,975	Negotiation	Noman Terry Towel, Bangladesh
14 Air jet looms	9,066,217	6,510,859	2,555,358	800,000	(1,755,358)	Negotiation	Hanan Trading Co, Lahore
2 Air jet looms	31,731,760	23,323,106	8,408,654	1,750,000	(6,658,654)	Negotiation	Madina Weaving factory, Gujranwala
	4,533,108	3,331,871	1,201,237	250,000	(951,237)	Negotiation	Hafiz Abrar, Main Street Bara Dari Town, Gujrat
12 Air jet looms	27,198,648	20,056,753	7,141,895	1,500,000	(5,641,895)	Negotiation	Ali Akhlaq (Private) Limited, Faisalabad
Vehicles	561,207,002	393,301,281	167,905,721	193,944,550	26,038,829		
Toyota Harrier - BD-6643	2,678,742	2,236,814	441,928	500,000	58,072	Negotiation	Mr. Nansha; House no. 8169/70, Labour Colony, Sector F2, Landhi, Karachi
Vehicle no. LEA-09-1163	1,404,140	1,065,448	338,692	500,000	161,308	Negotiation	M/s Toyota Township, Lahore
Vehicle no. LEA-09-1165	1,404,140	1,065,448	338,692	500,000	161,308	Negotiation	M/s Toyota Township, Lahore
Vehicle LEE-10-1167	1,404,140	1,072,222	331,918	460,000	128,082	Negotiation	M/s Toyota Township, Lahore
	6,891,162	5,439,932	1,451,230	1,960,000	508,770		
30-Jun-16	574,458,164	398,741,213	175,716,951	202,404,550	26,687,599		
Plant and machinery							
Ring Frame	36,129,757	32,904,767	3,224,990	7,250,000	4,025,010	Negotiation	Bhanero Textile Mills Limited, Karachi
Ring Frame	11,637,047	10,563,592	1,073,455	3,500,000	2,426,545	Negotiation	H. A. Haq Spinning Mills Limited, Faisalabad
Knitting machine	1,164,658	1,031,257	133,401	150,000	16,599	Negotiation	Bhanero Textile Mills Limited, Karachi
	48,931,462	44,499,616	4,431,846	10,900,000	6,468,154		
Vehicles							Athar Ahmed Khan, house #4, Muhallah
Honda City - LWQ-5520	1,055,300	887,103	168,197	200,000	31,803	Negotiation	Block No.7 Prem Nagar, Sanda Road, Lahore
	1,055,300	887,103	168,197	200,000	31,803		
30-Jun-15	49,986,762	45,386,719	4,600,043	11,100,000	6,499,957		

14 Capital Work in Progress

Building and other civil works
Plant and machinery

	30th June 2016 Rupees	30th June 2015 Rupees
	77,664	77,664
	-	730,561
	<u>77,664</u>	<u>808,225</u>

15 Long term Investment

Investment in associates

Investment in shares of Blessed Textiles Limited (1,189,160 ordinary shares of Rs. 10 each)

	510,098,368	496,397,757
Cost of investment	11,891,600	11,891,600
Accumulated share of post acquisition profit - net of dividends received	484,506,157	472,318,630
Share of profit for the year	19,646,411	15,160,427
Dividend received during the year	(5,945,800)	(2,972,900)
	498,206,768	484,506,157
	<u>510,098,368</u>	<u>496,397,757</u>



FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements
For the year ended 30th June 2016

	30 th June 2016	30 th June 2015
	Rupees	Rupees
15.1 Summarized financial information of Blessed Textiles Limited is set out below:		
Total assets	6,119,435,627	4,960,871,757
Total liabilities	3,360,384,954	2,282,031,080
Net assets	2,759,050,673	2,678,840,677
Company's share of associate's net assets	510,098,368	496,397,757
Sales- net	6,846,744,492	7,623,285,484
Profit for the year	112,369,996	82,000,630
Company's share of associate's profit for the year	19,646,411	15,160,427
15.2 Market value per share	141.00	146.00
Percentage of holding	18.49%	18.49%
	30 th June 2016	30 th June 2015
	Rupees	Rupees
16 Long Term Deposits		
Security deposits	8,597,335	8,597,335
Others deposits	261,800	261,800
	8,859,135	8,859,135
17 Stores, spare parts and loose tools		
Stores, spare parts and loose tools	51,253,141	53,011,625
Chemicals and lubricants	6,120,228	4,928,859
Packing material	10,243,959	10,973,509
	67,617,328	68,913,993
Provision for slow moving store items	(1,080,488)	(1,080,488)
	66,536,840	67,833,505
17.1 Provision for slow moving items comprises;		
Balance at the beginning of the year	1,080,488	1,080,488
Recognised during the year	-	-
Written off during the year	-	-
Balance at the end of the year	1,080,488	1,080,488
18 Stock in Trade		
Raw material	1,415,216,409	1,108,364,183
Raw material in transit	17,545,814	-
Work in process	96,305,274	88,168,950
Finished goods	466,610,195	502,128,606
Waste	3,202,107	4,385,212
	1,998,879,799	1,703,046,951

18.2 Finished goods stock cost PKR 18,842,280 (2015: PKR 146,648,110) has been valued at PKR 6,825,501 being the replacement value of finished goods. The amount charge to profit and loss in respect of finished goods written down to net realizable value is PKR 12,016,779 (2015:12,016,779).

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements For the year ended 30th June 2016

18.2 No item of stock in trade is pledged as security as at the reporting date.

		30 th June 2016	30 th June 2015
	Note	Rupees	Rupees
19 Trade Debts			
Considered good			
Foreign secured through letters of credit		117,774,358	93,483,534
Local : unsecured		379,797,731	173,904,909
		<u>497,572,089</u>	<u>267,388,443</u>
Considered doubtful:			
Export		14,204,494	14,204,494
Local		49,742,560	49,742,560
		63,947,054	63,947,054
Provision for doubtful debts	19.1	(63,947,054)	(63,947,054)
		<u>497,572,089</u>	<u>267,388,443</u>
19.1	The movement of the provision of doubtful receivable is as follow		
	Balance at the beginning of the year	63,947,054	63,947,054
	Bad debts recovered during the year	-	-
	Bad debts provided during the year	-	-
	Balance at the ended of the year	<u>63,947,054</u>	<u>63,947,054</u>
20 Loans and Advances			
Advances to suppliers - unsecured; considered good		86,187,573	87,210,769
Advances to employees		11,519,699	6,192,199
Letters of credit		23,259,129	394,228
Others		14,110	4,836
		<u>120,980,511</u>	<u>93,802,032</u>
21 Trade Deposits and Prepayments			
Deposit against infrastructure fee payable		51,322,586	33,838,030
Trade deposit		-	1,115,000
Prepaid expenses		11,046,491	599,347
		<u>62,369,077</u>	<u>35,552,377</u>
21.1	Effective mark up rate on these deposits range from 4.5% to 6% per annum (June 30, 2015: 5.5% to 8% per annum).		
22 Other Receivables			
Quality claim and other receivables		2,594,432	2,594,432
		<u>2,594,432</u>	<u>2,594,432</u>
23 Income Tax Refundable			
Advance income tax		88,663,105	86,759,207
Income tax refundable		140,619,705	101,062,225
		229,282,810	187,821,432
Provision for taxation		-	(50,369,378)
		<u>229,282,810</u>	<u>137,452,054</u>
24 Sales Tax Refundable			
Sales tax refundable		258,330,159	80,139,073
Excise duty and federal excise duty refundable		4,474,421	3,817,583
Provision for doubtful excise duty and federal excise duty refundable		(4,474,421)	(3,817,583)
		-	-
		<u>258,330,159</u>	<u>80,139,073</u>



FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements
For the year ended 30th June 2016

		30 th June 2016	30 th June 2015
	Note	Rupees	Rupees
25 Cash and bank balances			
Cash in hand		-	-
Balances with banks in:			
Current accounts		49,574,340	70,943,201
Foreign currency accounts		2,513,501	2,815,796
Deposit accounts	25.1	1,678,792	3,454,029
		<u>53,766,633</u>	<u>77,213,026</u>
25.1	It carries mark up at the rate of 4.5 to 6 (2015: 5 to 9.24) percent per annum.		
26 Sales - Net			
Export			
Yarn		3,774,180,027	4,360,748,597
Fabric		2,912,558,595	2,331,274,784
Waste		-	2,409,673
		6,686,738,622	6,694,433,054
Export rebate		1,902,127	2,932,943
		6,688,640,749	6,697,365,997
Local			
Yarn		496,688,603	261,030,143
Fabric		2,061,650,777	2,111,034,324
Cotton		-	164,624,484
Waste and others		118,931,209	117,723,067
		2,677,270,589	2,654,412,018
Gross sales		9,365,911,338	9,351,778,015
Sales tax		(83,956,778)	(70,751,376)
		<u>9,281,954,560</u>	<u>9,281,026,639</u>
26.1	Export sales include PKR 158,456,296 (2015: PKR Nil) in respect of indirect export sales.		
26.2	Export sales include exchange gain of PKR 123,178,297 (2015: PKR 55,596,291).		
27 Cost of Sales			
Raw material consumed	27.1	6,677,670,533	6,459,572,513
Packing material consumed		105,456,165	120,325,029
Stores and spare parts consumed		182,171,441	169,929,134
Salaries, wages and benefits	27.2	520,385,841	455,900,259
Fuel, power and water		742,593,281	837,945,042
Insurance		20,286,282	21,097,749
Repair and maintenance		7,599,653	9,973,406
Rent, rates and taxes		900,421	1,797,830
Travelling, conveyance and entertainment		1,595,951	1,113,055
Vehicle running expenses		6,475,187	7,937,369
Communication		656,196	624,435
Fee and subscription		556,510	193,630
Depreciation	13.2	291,893,687	241,857,301
Others		927,420	1,011,470
		<u>8,559,168,568</u>	<u>8,329,278,222</u>

FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements For the year ended 30th June 2016

		30thJune 2016	30thJune 2015
		Rupees	Rupees
Work in process			
Opening stock		88,168,950	104,810,078
Closing stock		(96,305,274)	(88,168,950)
		<u>(8,136,324)</u>	<u>16,641,128</u>
Cost of goods manufactured		8,551,032,244	8,345,919,350
Cost of cotton sold	27.3	-	160,992,034
Finished stocks			
Opening stock		506,513,818	466,751,462
Finished goods purchased		18,241,510	392,915
Yarn and waste purchased		-	6,408,209
Closing stock		(469,812,302)	(506,513,818)
		<u>54,943,026</u>	<u>(32,961,232)</u>
		<u>8,605,975,270</u>	<u>8,473,950,152</u>
27.1 Raw material consumed			
Opening stock		1,108,364,183	1,604,818,137
Purchases		7,009,328,106	6,125,374,051
Cost of Raw material sold - cotton		-	(155,847,283)
Cost of Raw material sold - yarn		(7,259,533)	(6,408,209)
Closing stock		(1,432,762,223)	(1,108,364,183)
		<u>6,677,670,533</u>	<u>6,459,572,513</u>
27.2 Salaries, wages and benefits includes employees retirement benefits amounting to PKR 30,183,977 (June 30,2015: PKR 27,913,183).			
27.3 Cost of cotton sold			
Cost of purchases		-	155,847,283
Direct expenses		-	5,144,751
		<u>-</u>	<u>160,992,034</u>
28 Other Income			
Income from financial assets			
Interest on bank deposits		1,383,828	2,136,935
Income from assets other than financial assets			
Gain on disposal of property, plant and equipment	13.3	26,687,599	6,499,972
Exchange gain/ on foreign currency translation		66,925	79,248
		<u>28,138,352</u>	<u>8,716,155</u>
29 Distribution Cost			
Export			
Steamer and air freight		60,730,728	87,580,170
Trailer freight		31,190,097	23,249,395
Clearing and forwarding		25,076,414	19,001,168
Export development surcharge		16,389,706	16,369,988
Commission		108,928,503	77,164,072
Sales promotion expenses		12,650,875	16,810,131
Insurance expenses		3,703,661	2,905,133
Claim settlement		1,251,660	320,559
Other export expenses		6,569,831	4,570,615
		<u>266,491,475</u>	<u>247,971,231</u>

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

		30thJune 2016	30thJune 2015
		Rupees	Rupees
Local			
	Freight on local sales	6,981,919	5,386,565
	Commission	19,879,459	14,777,543
	Quality claim		1,020,152
	Others	47,139	105,817
		<u>26,908,517</u>	<u>21,290,077</u>
		<u>293,399,992</u>	<u>269,261,308</u>
		30thJune 2016	30thJune 2015
		Rupees	Rupees
30	Administrative Expenses		
	Directors' remuneration	14,400,000	14,400,000
	Staff salaries and benefits	45,917,439	35,127,628
	Traveling, conveyance and entertainment	6,174,362	5,051,284
	Printing and stationery	2,104,479	1,750,122
	Communication expenses	856,979	872,702
	Vehicles running and maintenance	3,936,234	3,645,964
	Legal and professional	1,312,444	919,500
	Auditors' remuneration	1,716,000	1,700,000
	Fee and subscription	2,885,090	2,457,902
	Repair and maintenance	183,907	260,300
	Rent, rates and taxes	1,058,316	1,054,655
	Depreciation	8,604,102	7,971,917
	Charity and donation	5,550,000	2,250,000
	Bad debts expenses	656,838	-
	Software license renewal and maintenance fee	1,071,250	294,141
	Others	253,981	1,225,132
		<u>96,767,491</u>	<u>78,981,247</u>
30.1 Staff salaries and benefits includes employee retirement benefits amounting to PKR 7,199,911 (June 30, 2015: PKR 6,658,248).			
		30th June 2016	30th June 2015
		Rupees	Rupees
30.2	Auditors' remuneration		
	Annual statutory audit	1,460,000	1,460,000
	Half yearly review	176,000	160,000
	Review of Code of Corporate Governance	80,000	80,000
		<u>1,716,000</u>	<u>1,700,000</u>
31	Other Operating Expenses		
	Workers' Profit Participation Fund	8,577,137	12,866,553
	Workers' Welfare Fund	3,559,407	5,060,544
		<u>12,136,544</u>	<u>17,927,097</u>

31.1 It includes the provision for Workers' Welfare Fund. The company had accounted for all Workers' Welfare Fund liability in previous years. The company has filed the appeal before the Supreme Court of Pakistan against the decision of Sindh High Court. The case is pending before the Supreme Court of Pakistan.

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

	30 th June 2016	30 th June 2015
	Rupees	Rupees
32 Finance Cost		
Mark-up on:		
- long term financing	73,651,044	119,452,542
- short term borrowings	40,023,275	60,916,610
- finance lease	-	81,145
- workers' profit participation fund	1,082,276	1,537,140
Letter of credit discounting	25,646,869	27,108,425
Bank charges and commission	3,086,212	2,660,306
	<u>143,489,676</u>	<u>211,756,168</u>

33 Provision for Taxation

33.1 Provision for current tax for the year has been made in accordance with section 18 and section 154 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized upto tax year 2015. Tax credit under Section 65 B of Income Tax Ordinance 2001 amounting to PKR 95,215,592 (June 2015: PKR 43,724,316) has been deducted from tax payable.

33.2 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on September 23, 2016 has distributed sufficient cash dividend for the year ended 30 June 2016 which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in these financial statements for the year ended June 30, 2016.

	30 th June 2016	30 th June 2015
	%	%
33.3 Numerical reconciliation between the average tax rate and the applicable tax rate		
Applicable tax rate	32.00	33.00
Tax effect of amounts that are:		
adjustment of the prior years	(1.78)	-
Income chargeable to tax at different rate	29.94	16.07
Tax credit	(53.46)	(17.29)
Deferred tax	(6.70)	(11.94)
Effective tax rate	<u>-</u>	<u>19.84</u>

34 Earnings per Share - Basic and Diluted

The calculation of the basic earnings per share is based on the following data:

Earnings

Earnings for the purpose of basic earnings per share - After tax profit for the year	<u>169,214,218</u>	<u>174,548,897</u>
--	--------------------	--------------------

Number of shares

Weighted average number of ordinary shares	<u>10,000,000</u>	<u>10,000,000</u>
--	-------------------	-------------------

Basic earnings per share have been computed by dividing earnings as stated above with weighted average number of ordinary shares.

Basic earnings per share	<u>16.92</u>	<u>17.45</u>
---------------------------------	--------------	--------------

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements For the year ended 30th June 2016

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

35 NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

In respect of current period, the board of directors in their meeting held on 27th September 2016 has proposed to pay cash dividend of @50% i.e. PKR 5 per ordinary share of PKR 10 each. This dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

36 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief Executive		Director	
	Year ended June 30, 2016	Year ended June 30, 2015	Year ended June 30, 2016	Year ended June 30, 2015
Remuneration	4,800,000	4,800,000	9,600,000	9,600,000
	4,800,000	4,800,000	9,600,000	9,600,000
Number of persons	1	1	2	2

36.1 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.

36.2 No remuneration to executive directors have been paid

37 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. Nature and description of related party transactions along with monetary value are as follows:

Nature of relationship	Nature of transactions	30 th June 2016 Rupees	30 th June 2015 Rupees
Associated undertaking	Sales of fabric	3,424,750	1,529,195
	Sales of machinery, stores, spare parts and loose tools	8,424,000	9,910,140
	Sales of cotton	-	595,475
	Sales of yarn	12,564,695	4,681,334
	Purchase of yarn	831,006,010	807,544,618
	Purchase of cotton	150,082,711	65,787,172
	Purchase of fabrics	11,240,135	404,702
	Purchase of property, plant and equipment	-	2,223,000
	Services received	318,000	68,407,435
	Dividend received	5,945,800	2,972,900
	Electricity purchased	330,246,960	191,809,021
Retirement benefits	Provision for gratuity	30,175,996	48,441,616
Key management	Remuneration	14,400,000	14,400,000
Balance with related parties		20,000	20,000

39 Segment Analysis

The segment information for the reportable segments for the year ended 30th June 2016 is as follows

FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements
For the year ended 30th June 2016

38.1 Operating Results	Spinning		Weaving		Power Generation		Company	
	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15
Sales								
Export sales	3,774,180,027	4,363,158,270	2,912,558,595	2,331,274,784	-	-	6,686,738,622	6,694,433,054
Local sales	589,902,453	520,728,101	2,087,368,136	2,133,683,917	-	-	2,677,270,589	2,654,412,018
Custom rebate	-	-	1,902,127	2,932,943	-	-	1,902,127	2,932,943
Inter-segment sales	38,737,300	48,323,700	-	-	464,627,248	508,811,471	503,364,548	557,135,171
	4,402,819,780	4,932,210,071	5,001,828,858	4,467,891,644	464,627,248	508,811,471	9,869,275,886	9,908,913,186
Discount and sales tax								
Discount	-	-	-	-	-	-	-	-
Sales tax	(22,006,555)	(7,377,204)	(61,950,223)	(63,374,172)	-	-	(83,956,778)	(70,751,376)
	(22,006,555)	(7,377,204)	(61,950,223)	(63,374,172)	-	-	(83,956,778)	(70,751,376)
Net sales	4,380,813,225	4,924,832,867	4,939,878,635	4,404,517,472	464,627,248	508,811,471	9,785,319,108	9,838,161,810
Cost of sales	4,248,516,735	4,456,340,288	4,440,947,030	4,100,527,871	(83,488,495)	(82,918,007)	8,605,975,270	8,473,950,152
Gross profit	132,296,490	468,492,579	498,931,605	303,989,601	548,115,743	591,729,478	1,179,343,838	1,364,211,658
Distribution cost	101,870,717	136,284,319	191,529,275	132,976,989	-	-	293,399,992	269,261,308
Administrative cost	48,442,641	43,577,905	47,431,234	34,990,759	893,616	412,583	96,767,491	78,981,247
	150,313,358	179,862,224	238,960,509	167,967,748	893,616	412,583	390,167,483	348,242,555
Operating result	(18,016,868)	288,630,355	259,971,096	136,021,853	547,222,127	591,316,895	789,176,355	1,015,969,103
38.2 Segment assets	3,120,280,720	2,790,545,199	2,620,882,625	1,753,169,742	206,484,023	136,776,642	5,947,647,368	4,680,491,583
Unallocated assets							1,057,893,058	756,686,049
							7,005,540,426	5,437,177,632
38.3 Segment liabilities	1,346,554,606	1,016,831,659	1,426,226,998	491,485,847	346,956,759	199,634,338	3,119,738,363	1,707,951,844
Unallocated liabilities							95,499,778	64,839,825
							3,215,238,141	1,772,791,669

38.4 Inter-segment pricing

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. There were no major customer of company which formed 10 percent or more of the company's revenue.

39 Reconciliation of reportable segment turnover, cost of sales, assets and liabilities	30 th June 2016	30 th June 2015
	Rupees	Rupees
39.1 Turnover		
Total turnover for reportable segments	9,785,319,108	9,838,161,810
Elimination of inter-segment turnover	(503,364,548)	(557,135,171)
Total turnover	<u>9,281,954,560</u>	<u>9,281,026,639</u>
39.2 Cost of sales		
Total cost of sales for reportable segments	9,109,339,818	9,031,085,323
Elimination of inter-segment revenue	(503,364,548)	(557,135,171)
Total cost of sales	<u>8,605,975,270</u>	<u>8,473,950,152</u>
39.3 Assets		
Total assets for reportable segments	5,947,647,368	4,680,491,583
Taxation recoverable	487,612,969	217,591,127
Bank deposits	51,322,586	33,838,030
Long term investment	510,098,368	496,397,757
Long term deposit	8,859,135	8,859,135
Total assets	<u>7,005,540,426</u>	<u>5,437,177,632</u>



FAISAL SPINNING MILLS LIMITED *of Companies*

Notes to the financial statements
For the year ended 30th June 2016

	30 th June 2016	30 th June 2015
	Rupees	Rupees
39.4 Liabilities		
Total liabilities for reportable segments	3,119,738,363	1,707,951,844
Unclaimed dividends	4,939,756	4,380,581
Infrastructure fee	50,596,721	32,925,512
Deferred taxation	39,963,301	27,533,732
	<u>3,215,238,141</u>	<u>1,772,791,669</u>

	Note	Spinning		Weaving		Power Generation		Company	
		Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15
40 Cost of sales									
Raw material consumed	40.1	3,353,400,981	3,303,914,277	3,363,006,852	3,203,981,936	-	-	6,716,407,833	6,507,896,213
Packing material consumed		91,054,059	104,989,138	14,402,106	15,335,891	-	-	105,456,165	120,325,029
Stores and spare parts		31,170,479	31,843,081	138,678,793	120,069,457	12,322,169	18,016,596	182,171,441	169,929,134
Salaries, wages and benefits		267,071,079	231,650,359	245,108,985	215,201,154	8,205,777	9,048,746	520,385,841	455,900,259
Fuel, power and water									
Inter-segment		427,943,023	467,806,510	36,684,225	41,004,961	-	-	464,627,248	508,811,471
Other		47,455,453	27,766,521	357,288,512	432,355,150	337,498,540	380,982,955	742,242,505	841,104,626
		475,398,476	495,573,031	393,972,737	473,360,111	(127,128,708)	(127,828,516)	1,206,869,753	1,349,916,097
Electricity duty		-	-	-	-	350,776	(3,159,584)	350,776	(3,159,584)
Insurance		10,603,756	11,012,932	5,010,312	4,830,994	4,672,214	5,253,823	20,286,282	21,097,749
Repair and maintenance		4,517,419	5,237,794	2,533,527	3,696,692	548,707	1,038,920	7,599,653	9,973,406
Rent, rates and taxes		751,966	1,677,315	148,455	120,515	-	-	900,421	1,797,830
Travelling, conveyance and entertainment		986,118	607,501	520,016	322,997	89,817	182,557	1,595,951	1,113,055
Vehicle running expenses		4,508,811	6,094,811	1,862,013	1,693,420	104,363	149,138	6,475,187	7,937,369
Communication		140,001	188,797	495,103	414,032	21,092	21,606	656,196	624,435
Fee and subscription		3,800	-	552,710	193,630	-	-	556,510	193,630
Depreciation		155,636,300	136,804,098	118,944,875	90,711,082	17,312,512	14,342,121	291,893,687	241,857,301
Others		-	840	914,634	994,044	12,786	16,586	927,420	1,011,470
		4,395,243,245	4,329,593,974	4,286,151,118	4,130,925,955	381,138,753	425,893,464	9,062,533,116	8,886,413,393
Work in process									
Opening stock		20,654,369	22,648,416	67,514,581	82,161,662	-	-	88,168,950	104,810,078
Closing stock		(24,138,656)	(20,654,369)	(72,166,618)	(67,514,581)	-	-	(96,305,274)	(88,168,950)
		(3,484,287)	1,994,047	(4,652,037)	14,647,081	-	-	(8,136,324)	16,641,128
Cost of goods manufactured		4,391,758,958	4,331,588,021	4,281,499,081	4,145,573,036	381,138,753	425,893,464	9,054,396,792	8,903,054,521
Cost of cotton sold	40.2	-	160,992,034	-	-	-	-	-	160,992,034
Finished stocks									
Opening stock		122,239,806	134,323,739	384,274,012	332,427,723	-	-	506,513,818	466,751,462
Finished goods purchased		-	-	18,241,510	392,915	-	-	18,241,510	392,915
Yarn purchased		-	-	-	6,408,209	-	-	-	6,408,209
Closing stock		(226,744,729)	(122,239,806)	(243,067,573)	(384,274,012)	-	-	(469,812,302)	(506,513,818)
		(104,504,923)	12,083,933	159,447,949	(45,045,165)	-	-	54,943,026	(32,961,232)
		4,287,254,035	4,504,663,988	4,440,947,030	4,100,527,871	381,138,753	425,893,464	9,109,339,818	9,031,085,323
40.1 Raw material consumed									
Opening stock		947,853,583	1,416,192,975	160,510,600	188,625,162	-	-	1,108,364,183	1,604,818,137
Purchases									
Inter-segment		-	-	38,737,300	48,323,700	-	-	38,737,300	48,323,700
Other		3,620,386,586	2,991,422,168	3,388,941,520	3,133,951,883	-	-	7,009,328,106	6,125,374,051
		3,620,386,586	2,991,422,168	3,427,678,820	3,182,275,583	-	-	7,048,065,406	6,173,697,751
Raw material sold - cotton		-	(155,847,283)	-	-	-	-	-	(155,847,283)
Raw material sold - yarn		-	-	(7,259,533)	(6,408,209)	-	-	(7,259,533)	(6,408,209)
Closing stock		(1,214,839,188)	(947,853,583)	(217,923,035)	(160,510,600)	-	-	(1,432,762,223)	(1,108,364,183)
		3,353,400,981	3,303,914,277	3,363,006,852	3,203,981,936	-	-	6,716,407,833	6,507,896,213

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements For the year ended 30th June 2016

	Spinning		Weaving		Power Generation		Company	
	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15
40.2 Cost of cotton sold								
Cost of purchase	-	155,847,283	-	-	-	-	-	155,847,283
Direct expenses	-	5,144,751	-	-	-	-	-	5,144,751
	<u>-</u>	<u>160,992,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,992,034</u>
41 Distribution cost								
Export								
Steamer and air freight	25,891,574	46,500,354	34,839,154	41,079,816	-	-	60,730,728	87,580,170
Trailer freight	13,286,820	15,394,070	17,903,277	7,855,325	-	-	31,190,097	23,249,395
Clearing and forwarding	10,137,657	11,464,248	14,938,757	7,536,920	-	-	25,076,414	19,001,168
Export development surcharge	8,948,548	10,624,057	7,441,158	5,745,931	-	-	16,389,706	16,369,988
Commission	30,650,905	39,037,769	78,277,598	38,126,303	-	-	108,928,503	77,164,072
Sales promotion expenses	1,210,280	6,227,376	11,440,595	10,582,755	-	-	12,650,875	16,810,131
Adhesive stamps	-	-	3,703,661	2,905,133	-	-	3,703,661	2,905,133
Claim settlement	-	-	1,251,660	320,559	-	-	1,251,660	320,559
Other export expenses	525,386	213,663	6,044,445	4,356,952	-	-	6,569,831	4,570,615
	<u>90,651,170</u>	<u>129,461,537</u>	<u>175,840,305</u>	<u>118,509,694</u>	<u>-</u>	<u>-</u>	<u>266,491,475</u>	<u>247,971,231</u>
Local								
Freight on local sales	6,594,269	5,095,771	387,650	290,794	-	-	6,981,919	5,386,565
Commission	4,625,278	1,727,011	15,254,181	13,050,532	-	-	19,879,459	14,777,543
Quality claim	-	-	-	1,020,152	-	-	-	1,020,152
Others	-	-	47,139	105,817	-	-	47,139	105,817
	<u>11,219,547</u>	<u>6,822,782</u>	<u>15,688,970</u>	<u>14,467,295</u>	<u>-</u>	<u>-</u>	<u>26,908,517</u>	<u>21,290,077</u>
	<u>101,870,717</u>	<u>136,284,319</u>	<u>191,529,275</u>	<u>132,976,989</u>	<u>-</u>	<u>-</u>	<u>293,399,992</u>	<u>269,261,308</u>
42 Administrative cost								
Directors' remuneration	14,400,000	14,400,000	-	-	-	-	14,400,000	14,400,000
Staff salaries and benefits	24,687,616	19,911,042	21,229,823	15,216,586	-	-	45,917,439	35,127,628
Traveling, conveyance and entertainment	1,038,039	601,015	5,136,323	4,450,269	-	-	6,174,362	5,051,284
Printing and stationery	422,030	316,132	1,672,199	1,430,635	10,250	3,355	2,104,479	1,750,122
Communication expenses	296,577	307,315	560,402	565,387	-	-	856,979	872,702
Vehicles running and maintenance	708,145	1,381,831	3,228,089	2,264,133	-	-	3,936,234	3,645,964
Legal and professional	80,000	-	437,000	534,500	795,444	385,000	1,312,444	919,500
Auditors' remuneration	858,000	850,000	858,000	850,000	-	-	1,716,000	1,700,000
Fee and subscription	1,507,185	2,052,451	1,377,905	405,451	-	-	2,885,090	2,457,902
Repair and maintenance	-	186,050	183,907	74,250	-	-	183,907	260,300
Rent, rates and taxes	1,058,316	1,054,655	-	-	-	-	1,058,316	1,054,655
Depreciation	2,413,970	2,199,253	6,168,327	5,748,436	21,805	24,228	8,604,102	7,971,917
Charity and donation	300,000	-	5,250,000	2,250,000	-	-	5,550,000	2,250,000
Bad debts expenses	656,838	-	-	-	-	-	656,838	-
Software license renewal and maintenance fee	-	294,141	1,071,250	-	-	-	1,071,250	294,141
Others	15,925	24,020	238,056	1,201,112	-	-	253,981	1,225,132
	<u>48,442,641</u>	<u>43,577,905</u>	<u>47,431,234</u>	<u>34,990,759</u>	<u>893,616</u>	<u>412,583</u>	<u>96,767,491</u>	<u>78,981,247</u>

43 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, 2016 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.

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements For the year ended 30th June 2016

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

2016

	Interest / Markup bearing			Non Interest / Markup bearing			Total Rupees	Effective Interest Rate %
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees		
Financial assets								
Trade debts	-	-	-	497,572,089	-	497,572,089	497,572,089	
Loans and advances	-	-	-	11,533,809	-	11,533,809	11,533,809	
Trade deposits	51,322,586	-	51,322,586	-	-	-	51,322,586	4.50 to 6
Other receivables	-	-	-	2,594,432	-	2,594,432	2,594,432	
Bank balances	1,678,792	-	1,678,792	52,087,841	-	52,087,841	53,766,633	
Long-term deposits	-	-	-	-	8,859,135	8,859,135	8,859,135	
Long-term investments	-	-	-	-	510,098,368	510,098,368	510,098,368	
	<u>53,001,378</u>	<u>-</u>	<u>53,001,378</u>	<u>563,788,171</u>	<u>518,957,503</u>	<u>1,082,745,674</u>	<u>1,135,747,052</u>	
Financial liabilities								
Long-term financing	123,681,061	1,354,511,673	1,478,192,734	-	-	-	1,478,192,734	2.5 to 9.4 and KIBOR + 0.5 to 0.75
Trade and other payables	8,577,137	-	8,577,137	693,754,086	-	693,754,086	702,331,223	
Mark-up accrued on loans	-	-	-	13,144,572	-	13,144,572	13,144,572	
Short-term borrowings	752,995,786	-	752,995,786	-	-	-	752,995,786	KIBOR + 0.1 to 2
	<u>885,253,984</u>	<u>1,354,511,673</u>	<u>2,239,765,657</u>	<u>706,898,658</u>	<u>-</u>	<u>706,898,658</u>	<u>2,946,664,315</u>	
On balance sheet gap	<u>(832,252,606)</u>	<u>(1,354,511,673)</u>	<u>(2,186,764,279)</u>	<u>(143,110,487)</u>	<u>518,957,503</u>	<u>375,847,016</u>	<u>(1,810,917,263)</u>	
Contingencies								
Post dated cheques							188,461,262	
Indemnity bonds							46,968,016	
Guarantees (Note 8.1 and Note 13.2)							167,144,154	
Letters of credit							1,351,315,177	

2015

	Interest / Markup bearing			Non Interest / Markup bearing			Total Rupees	Effective Interest Rate %
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees		
Financial assets								
Trade debts	-	-	-	267,388,443	-	267,388,443	267,388,443	
Loans and advances	-	-	-	6,197,035	-	6,197,035	6,197,035	
Trade deposits	33,838,030	-	33,838,030	1,115,000	-	1,115,000	34,953,030	5.5 to 8
Other receivables	-	-	-	2,594,432	-	2,594,432	2,594,432	
Bank balances	3,454,029	-	3,454,029	73,758,997	-	73,758,997	77,213,026	
Long-term deposits	-	-	-	-	8,859,135	8,859,135	8,859,135	
Long term investments	-	-	-	-	496,397,757	496,397,757	496,397,757	
	<u>37,292,059</u>	<u>-</u>	<u>37,292,059</u>	<u>351,053,907</u>	<u>505,256,892</u>	<u>856,310,799</u>	<u>893,602,858</u>	

FAISAL SPINNING MILLS LIMITED of Companies

Notes to the financial statements
For the year ended 30th June 2016

2015

	Interest / Markup bearing			Non Interest / Markup bearing			Total Rupees	Effective Interest Rate %
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees		
Financial liabilities								6 to 11.1 and KIBOR + 0.75
Long-term financing	320,819,913	704,432,590	1,025,252,503	-	-	-	1,025,252,503	
Trade and other payables	12,866,553	-	12,866,553	494,718,244	-	494,718,244	507,584,797	
Mark-up accrued on loans	-	-	-	12,536,908	-	12,536,908	12,536,908	
Short-term borrowings	-	-	-	-	-	-	-	KIBOR + 0.1 to 2
	<u>333,686,466</u>	<u>704,432,590</u>	<u>1,038,119,056</u>	<u>507,255,152</u>	<u>-</u>	<u>507,255,152</u>	<u>1,545,374,208</u>	
On balance sheet gap	<u>(296,394,407)</u>	<u>(704,432,590)</u>	<u>(1,000,826,997)</u>	<u>(156,201,245)</u>	<u>505,256,892</u>	<u>349,055,647</u>	<u>(651,771,350)</u>	
Contingencies								
Post dated cheques							188,461,262	
Indemnity bonds							46,968,016	
Guarantees (Note 8.1 and Note 13.2)							129,770,754	
Letters of credit							751,976,882	

43.1 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.

43.2 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 1,135,747,052 (June 30, 2015: PKR 893,602,858), unsecured local trade debts, advances to suppliers, and other advances amounting in aggregate to PKR 511,700,330 (June 30, 2015: PKR 276,179,910) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales."

43.3 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 balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

43.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2016, the total foreign currency risk exposure was PKR 120,287,859 (June 30, 2015: PKR 96,299,330) in respect of foreign trade debts.

43.5 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.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values."

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

43.6 Credit risk

43.6.1 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:

	30 th June 2016 Rupees	30 th June 2015 Rupees
Loans and receivables:		
Long term deposits	8,859,135	8,859,135
Trade receivables	497,572,089	267,388,443
Deposit with financial institutions	62,369,077	35,552,377
Other receivables	2,594,432	2,594,432
Cash at banks	53,766,633	77,213,026
	625,161,366	391,607,413

43.6.2 Concentration of credit risk

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

Domestic	379,797,731	173,904,909
Europe	85,210,619	23,221,905
United States of America	-	7,675,506
Asia and Middle East	32,563,739	62,586,123
	497,572,089	267,388,443

43.6.3 Impairment losses

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

Not past due	445,227,980	267,388,443
Past dues less than one year	52,344,109	24,468
Past dues more than one year but less than three years	-	248,088
Past dues more than three years	63,947,054	63,698,966
	561,519,143	331,359,965
Impairment	(63,947,054)	(63,947,054)
	497,572,089	267,412,911

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

As at beginning of the year	63,947,054	63,947,054
Impairment loss recognized	-	-
Impairment loss reversed	-	-
As at end of the year	63,947,054	63,947,054

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.

43.6.4 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.

43.7 Liquidity risk

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

FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

	As at June 30, 2016				
	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	1,478,192,734	1,757,275,627	193,730,191	1,137,287,086	619,988,541
Short term borrowings	752,995,786	800,735,719	800,735,719	-	-
Accrued markup / Interest	13,144,572	13,144,572	13,144,572	-	-
Trade creditors	303,139,867	303,139,867	303,139,867	-	-
Accrued liabilities	382,151,583	382,151,583	382,151,583	-	-
Unclaimed dividend	4,939,756	4,939,756	4,939,756	-	-
Other payables	12,100,017	12,100,017	12,100,017	-	-
	<u>2,946,664,315</u>	<u>3,273,487,141</u>	<u>1,709,941,705</u>	<u>1,137,287,086</u>	<u>619,988,541</u>
	As at June 30, 2015				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	1,025,252,503	1,217,039,019	440,272,455	370,334,772	846,704,247
Accrued markup / interest	12,536,908	12,536,908	12,536,908	-	-
Trade creditors	186,705,695	186,705,695	186,705,695	-	-
Accrued liabilities	301,783,928	301,783,928	301,783,928	-	-
Unclaimed dividend	4,380,581	4,380,581	4,380,581	-	-
Other payables	14,714,593	14,714,593	14,714,593	-	-
	<u>1,545,374,208</u>	<u>1,737,160,724</u>	<u>960,394,160</u>	<u>370,334,772</u>	<u>846,704,247</u>
				30th June 2016	30th June 2015
				Rupees	Rupees

43.8 Market risk

43.8.1 Currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

Trade receivables	117,774,358	93,483,534
Cash and cash equivalents	2,513,501	2,815,796
Total exposure	<u>120,287,859</u>	<u>96,299,330</u>

All foreign currency balances are denominated in USD. Average exchange rate used during the year and spot exchange rate applied at the reporting date was PKR 104.80 / USD).

A ten percent appreciation in Rupee would have decreased profit or loss by PKR 12,028,786 (2015: PKR 9,629,933). 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.

43.8.2 Interest rate risk

The interest rate profile the Company's interest bearing financial instruments as at the reporting date is as follows:



FAISAL SPINNING MILLS LIMITED

Notes to the financial statements
For the year ended 30th June 2016

	30 th June 2016	30 th June 2015
	<u>Rupees</u>	<u>Rupees</u>
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	1,101,618,750	219,943,000
Variable rate instruments		
Financial assets	53,001,378	37,292,059
Financial liabilities	1,129,569,770	805,309,503

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 decreased profit or loss by PKR 11,295,698 (2015: PKR 8,053,095). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

43.9 Fair values

Fair value is the amount for which an asset could be exchanged or a liability be settled between knowledgeable willing parties, in an arm's length transaction. As at the reporting date, the fair values of all financial instruments are considered to approximate their book values.

44 Accounting Estimates and Judgments

44.1 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.

44.2 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.

44.3 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.

44.4 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.

44.5 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.

45 PLANT CAPACITY AND ACTUAL PRODUCTION

	2016	2015
45.1 Spinning unit		
Number of spindles installed	38,208	38,208
Number of spindles worked (Average)	38,208	38,208
Number of working days	364	364
Number of shifts per day	3	3
Installed capacity in kilograms, after conversion into 20/s count (based on actual number of working days)	19,921,801	19,921,801
Actual production of yarn in kilograms,	19,511,917	19,185,613



FAISAL SPINNING MILLS LIMITED

Notes to the financial statements For the year ended 30th June 2016

45.2 Weaving unit

Number of looms installed	265	263
Number of looms worked	265	263
Number of working days	364	364
Number of shifts per day	3	3
Installed capacity in meters, after conversion into 50 picks (based on number of actual working days)	41,550,746	41,237,155
Actual production of fabric in meters	35,797,770	32,012,776

45.3 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.

45.4 The difference between installed capacity and actual production is in normal course of business.

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on 23rd September 2016.

47 NUMBER OF EMPLOYEES

	2016	2015
Average number of employees for the year ended 30th June	<u>1,078</u>	<u>1,077</u>
Number of employees as on 30th June	<u>1,083</u>	<u>1,081</u>

48 CORRESPONDING FIGURES

48.1 Corresponding figures have not been rearranged and reclassified in these financial statements.

49 GENERAL

The figures have been rounded off to the nearest Rupee.

Bilal Sharif
Chief Executive

Karachi:

Date: 27th September 2016

Mohammad Salim
Director

FAISAL SPINNING MILLS LIMITED *of Companies*

Year wise Operating Data

Year Ended 30th June

	2016	2015	2014	2013	2012	2011
Spinning Unit						
Spindle installed	38,208	38,208	37,920	30,720	30,720	30,720
Spindles worked - Average	38,208	38,208	32,186	30,720	30,720	30,720
Installed capacity after conversion into 20/s count - Kg	19,921,801	19,921,801	11,957,025	11,434,172	11,434,172	11,434,172
Actual production - Kg	19,511,917	19,185,613	15,695,603	13,231,667	12,291,733	12,110,907

Weaving Unit

Air jet looms installed	265	263	263	277	263	263
Air jet looms worked	265	263	263	263	263	263
Installed capacity after conversion into 50 picks - Meter	41,550,746	41,237,155	41,237,155	41,237,155	41,237,155	41,237,155
Actual production - Meter	35,797,770	32,012,776	32,931,606	31,489,829	31,585,583	39,542,809

Year wise Financial Data

Year Ended 30th June

	2016	2015	2014	2013	2012	2011
Rupees in Thousands						
Profit and loss account						
Turnover (Net)	9,281,954	9,281,027	9,780,480	8,488,787	7,632,725	9,137,111
Gross profit	675,979	807,076	1,279,136	1,286,668	860,465	1,248,952
Operating profit	301,813	449,623	821,889	957,776	509,741	867,387
Financial expenses	143,489	211,756	231,377	154,786	186,617	223,733
Share profit of associate	19,646	15,160	42,516	72,957	52,374	112,704
Profit before tax	177,970	253,027	633,028	875,947	375,498	756,358
Profit after tax	169,214	174,549	597,259	798,232	298,997	658,553
Cash dividend	50,000	50,000	50,000	50,000	75,000	50,000

Balance Sheet

Share capital	100,000	100,000	100,000	100,000	100,000	100,000
Reserves	3,650,000	3,400,000	3,400,000			
Shareholder equity	3,790,302	3,664,386	3,552,943	3,011,294	2,263,062	2,039,064
Long term liabilities	1,354,512	704,433	1,041,909	536,700	181,680	263,194
Short term loan	752,996	-	349,953	929,000	540,500	625,341
Current liabilities	1,640,897	886,126	1,127,597	1,443,741	1,086,663	1,218,842
Current portion of long term loans	123,681	320,820	276,014	85,421	95,563	178,933
Fixed assets	3,196,193	2,466,091	2,019,622	1,404,362	1,439,395	1,513,757
Current assets	3,290,312	2,465,022	2,801,337	2,856,422	1,737,076	1,733,161

Ratios

Performance

Sales growth percentage -
Year to Year basis

0.01%	-5.11%	15.22%	11.22%	-16.46%	113.89%	
Gross profit (%)	7.28%	8.70%	13.08%	15.16%	11.27%	13.67%
Profit before tax (%)	1.92%	2.73%	6.47%	10.32%	4.92%	8.28%
Profit after tax (%)	1.82%	1.88%	6.11%	9.40%	3.92%	7.21%

Leverage

Gearing ratio

Debt to equity (%)

Interest covering ratio

0.59	0.28	0.47	0.52	0.36	0.52
35.74%	19.22%	29.33%	17.82%	8.03%	12.91%
2.24	2.19	3.74	6.66	3.01	4.38

Liquidity ratio

Current ratio

2.01	2.78	2.48	1.98	1.60	1.42
------	------	------	------	------	------

**PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2016**

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
285	1	100	10,053
343	101	500	161,257
39	501	1000	35,690
43	1001	5000	107,400
8	5001	10000	53,900
3	10001	15000	35,300
1	15001	20000	15,600
1	25001	30000	28,846
1	30001	35000	32,692
1	40001	45000	40,100
2	45001	50000	98,077
2	50001	55000	106,400
2	60001	65000	122,400
2	95001	100000	194,923
1	105001	110000	109,500
1	120001	125000	122,100
1	125001	130000	129,231
1	135001	140000	136,919
1	195001	200000	199,055
1	200001	205000	200,380
1	210001	215000	211,500
1	220001	225000	222,700
1	230001	235000	235,000
1	235001	240000	237,577
1	270001	275000	274,000
1	310001	315000	312,688
2	330001	335000	665,415
3	335001	340000	1,011,980
1	360001	365000	363,841
1	395001	400000	395,216
1	450001	455000	451,000
1	460001	465000	460,923
1	530001	535000	533,960
1	660001	665000	661,500
1	735001	740000	739,977
1	1280001	1285000	1,282,900
<u>758</u>			<u>10,000,000</u>

* There is no shareholding in the slab not mentioned



FAISAL SPINNING MILLS LIMITED *of Companies*

AS AT JUNE 30, 2016

Sr #	Shareholder Category	Percentage	No. of Shares
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	Admiral (Pvt) Ltd	12.83	1,282,900
	Mr. Farrukh Salim	1.37	136,919
	Mr. Yousuf Salim	3.13	312,688
	Mr. Saqib Salim	1.99	199,055
	Mr. Mohammad Qasim	3.95	395,216
	Mr. Faisal Shakeel	7.40	739,977
	Mrs. Saba Yousuf	0.98	97,923
	Mrs. Saba Saqib	2.12	211,500
	Mrs. Sadaf Farrukh	2.74	274,000
	Mrs. Sumbul Hussain	2.35	235,000
	Mr. Hamza Shakeel	3.31	330,500
2	NIT + ICP		
	Investment Corporation Of Pakistan	0.01	500
3	CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN		
	Mr. Mohammad Sharif	0.01	500
	Mr. Mohammad Salim	0.29	28,846
	Mr. Mohammad Shaheen	0.33	32,692
	Mr. Mohammad Shakeel	0.48	48,077
	Mr. Khurram Salim	2.00	200,380
	Mr. Bilal Sharif	3.64	363,841
	Mr. Mohammad Amin	4.61	460,923
	Mr. Adil Shakeel	6.62	661,500
	Mr. Iqbal Mehboob	0.01	500
	Mrs. Yasmin Begum	2.39	238,577
	Mrs. Seema Begum	3.35	334,915
	Mrs. Nazli Begum	1.29	129,231
	Mrs. Amna Khurram	1.10	109,500
	Mrs. Samia Bilal	5.34	533,960
	Mrs. Fatima Amin	4.51	451,000
	Master Abdullah Bilal	3.37	337,257
	Master Ali Bilal	3.37	337,361
	Master Azaan Bilal	3.37	337,362
	Master Umer Khurram	0.97	97,000
4	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODABARAS AND MUTUAL FUNDS		
	National Development Finance Corporation (Investor)	0.04	3,600
	State Life Insurance Corporation Of Pakistan	2.23	222,700
	First Tri-Star Modaraba	0.00	100

FAISAL SPINNING MILLS LIMITED

AS AT JUNE 30, 2016

Sr #	Shareholder Category	Percentage	No. of Shares
5	JOINT STOCK COMPANIES		
	Taurus Securities Limited	0.01	500
6	OTHER COMPANIES	0.01	501
7	INDIVIDUAL SHAREHOLDERS	8.53	852,999
	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 sold by Mr. Mohammad Sharif	0.28	28,846
	Shares purchased by Mr. Mohammad Sharif	0.01	500
	Shares purchased by Mr. Bilal Sharif	0.28	28,846
	Shares by gift to Master Abdullah Bilal from Mrs. Anjum Sharif	0.00	57
9	SHAREHOLDERS HOLDING 5% OR MORE		
	Admiral (Pvt) Ltd	12.83	1,282,900
	Mr. Faisal Shakeel	7.40	739,977
	Mr. Adil Shakeel	6.62	661,500
	Mrs. Samia Bilal	5.34	533,960

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2016

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors Chief Executive Officer their Spouses and Minor Childrens	20	4,703,422	47.03
2	Associated Companies, Undertaking and Related Parties	11	4,215,678	42.16
3	NIT / ICP	1	500	0.01
4	Bank / Financial Institution	1	3,600	0.04
5	Insurance Company	1	222,700	2.22
6	Modarabas & Mutual Funds	1	100	0.00
7	General Public / Individuals	720	852,999	8.52
8	Other Companies	2	501	0.01
9	Joint Stock Companies	1	500	0.01
		758	10,000,000	100.00

JamaPunji

Securities and Exchange Commission of Pakistan's Landmark Initiative for Investor Education



سرمایہ کاری سمجھداری کے ساتھ

www.jamapunji.pk

 [jamapunji.pk](https://www.facebook.com/jamapunji.pk)

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

FAISAL SPINNING MILLS LIMITED of Companies

فیصل اسپننگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں 30 جون 2016ء کے لئے کمپنی کے آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوش محسوس کر رہا ہوں۔

سرسری جائزہ

کمپنی کو 30 جون 2016ء کو مکمل ہونے والے سال کے دوران 169.214 ملین روپے کا منافع حاصل ہوا جبکہ گزشتہ سال ٹیکس کی ادائیگی کے بعد 174,548 ملین روپے منافع ہوا تھا۔ کمپنی کی فی حصص آمدنی گزشتہ سال کی 17.45 روپے کے مقابلے میں 16.92 روپے رہی۔

معاشی چیلنجز اور حالیہ بحران

2016ء کے مالی سال کے دوران پاکستان کی اقتصادی ترقی میں تیل کی قیمتوں میں کمی، سیکورٹی بہتر ہونے اور حکومت کی مائیکرو اکنامک اور اسٹریکچرل اصلاحات کے باعث تیزی آئی۔ پاکستان معیشت کی رواں سال کی جی ڈی پی 4.71 فیصد ہے 2008-09ء سے سب لیکن 4.71 فیصد جی ڈی پی مطلوبہ سطح سے کم ہے۔ حکومت کو جی ڈی پی کی مطلوبہ سطح حاصل کرنے کے لئے ٹھوس اقدامات کرنے ہوں گے۔ حالیہ اکاؤنٹ میں خسارہ اور برآمدات میں کمی باعث تشویش ہیں۔

پاکستانی ٹیکسٹائل کی مصنوعات عالمی مارکیٹ میں مقابلہ نہیں کر رہی ہیں۔ مزید ہمارے مقابلہ میں دیگر ممالک میں بہتر موثر انداز میں جدید مشینری، ٹیکنالوجی کی جدت اور کیپٹل اور انفراسٹرکچر میں حکومت کے تعاون کے باعث سامان تیار کر رہے ہیں۔ حکومت کو برآمد کنندگان کو عالمی مارکیٹ میں مقابلہ کا اہل بنانے کے لئے وسیع بنیاد پر ٹیکسٹائل ”پالیسی“ وضع کرنا عملدرآمد کرانا چاہیے۔

عملدرآمد نتائج (آپریٹنگ رزلٹس)

30 جون 2016ء کو مکمل ہونے والے سال کے لئے کمپنی کے مالی نتائج مختصراً حسب ذیل ہیں۔

2015 (روپے)	2016 (روپے)	
9,281,026,639	9,281,954,560	فروخت
807,076,487	675,979,290	مجموعی منافع
253,027,249	177,970,350	قبل از محصولات منافع
		محصولات
50,148,224	-	رواں سال
32,241	(3,167,649)	گزشتہ سال
28,297,887	11,923,781	ڈفر ڈیکس
78,478,352	8,756,132	
174,548,897	169,214,218	محصولات کی ادائیگی کے بعد منافع



FAISAL SPINNING MILLS LIMITED of Companies

2015 (روپے)	2016 (روپے)
(13,870,186)	7,207,892
764,155	(505,788)
(13,106,031)	6,702,104
161,442,866	175,916,322
52,943,097	64,385,963
214,385,963	240,302,285
(50,000,000)	(50,000,000)
164,385,963	190,302,285
(100,000,000)	(150,000,000)
164,385,963	40,302,285
=====	=====
17.45	16.92

کمپری ہینسیو اٹلم (جامع آمدنی)

ملازمین کی ریٹائرمنٹ پر فوائد، مراعات، قرضے اصل
منافع / نقصان
ڈفر ڈیکس

مجموعی جامع آمدنی

پچھلے سال کا غیر مخصوص منافع آگے لایا گیا

منافع منقسمہ ادا کیا گیا

تعرف کیلئے دستیاب منافع

تعرفات

جزیر ریزرو کو منتقل کیا گیا

غیر مخصوص منافع آگے لایا گیا

بنیادی اور ڈائبلویٹڈ آمدنی فی حصص

30 جون 2016ء کو مکمل ہونے والے سال کے دوران کمپنی کو 675,979 ملین روپے کا مجموعی منافع حاصل ہوا جبکہ گزشتہ سال 807.076 ملین روپے حاصل ہوئے تھے۔ رواں سال کے دوران گزشتہ سال کے مقابلے میں مجموعی منافع میں کمی تنخواہوں میں اضافہ، روپے کی قیمت میں کمی اور ٹیکسٹائل صنعت، خصوصی اسپننگ کے شعبہ میں کارکردگی کے بحران کے باعث ہوئی۔ کمپنی کو رواں سال کے دوران 169,114 ملین روپے کا منافع حاصل ہوا جس کے نتیجے میں فی حصص 16,92 روپے آمدنی ہوئی جبکہ گزشتہ سال منافع 174,548 ملین روپے فی حصص آمدنی 17.45 روپے تھی۔

کمپنٹل اسٹریکچر اور حالیہ تناسب:

سال کے اختتام پر طویل المدتی قرضے 1,354,512 ملین روپے (2015ء میں 704.433 ملین روپے) تھے۔ 30 جون 2016ء پر گریٹر ٹنگ تناسب 0.59 تھا جبکہ 30 جون 2015ء کو یہ 0.28 تھا۔ کمپنی کی کلوئیڈیٹیڈ صورت حال بہتر ہے جس کا 30 جون 2016ء کو حالیہ تناسب 2.01 جون 2015ء میں 2.78۔ حصص یافتگان کا مجموعی فنڈ 3.790 ملین روپے ہے۔ (2015ء میں 3.664 ملین روپے تھا)۔

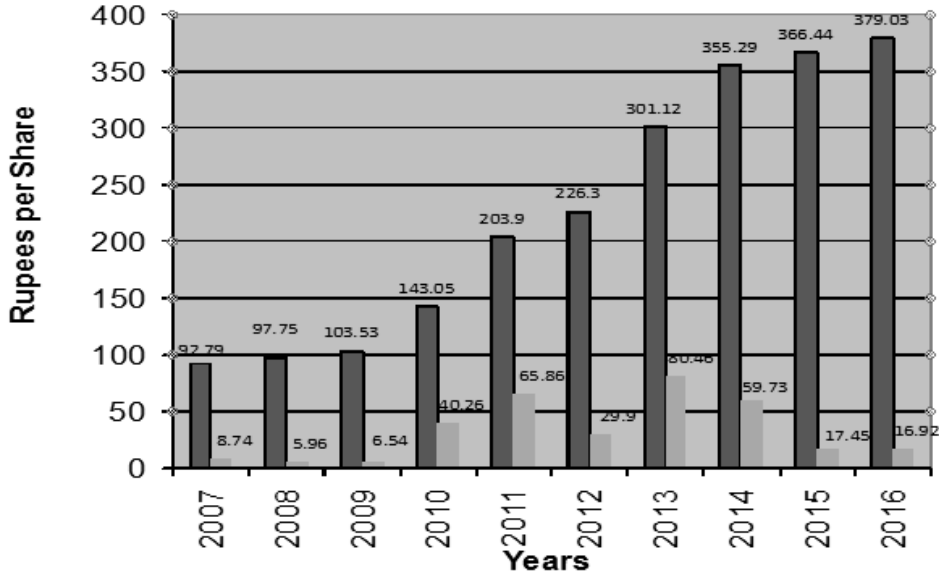
کیش فلو مینجمنٹ:

کمپنی اپنے طویل المدتی اور مختصر المدتی قرضوں میں اپنے معاہدوں کے لئے بہتر مقام رکھتی ہے۔ رواں سال کے دوران کمپنی نے 660.684 ملین روپے کے قرضے ادا کئے جبکہ 1.113 ملین روپے نئے قرضے حاصل کئے۔ کمپنی کا ایک موثر کیش فلو سسٹم تشکیل دیا گیا ہے۔ ورکنگ کمپنٹل کی ضروریات کی منصوبہ بندی بذریعہ انٹرنل کیش جنریشن اور مختصر المدتی قرضوں کی جاتی ہے۔

بریک اپ ویلیو اور حصص آمدنی:

FAISAL SPINNING MILLS LIMITED of Companies

30 جون 2016ء کو آپ کے شیئرز کے بریک اپ ویلیو 379.03 روپے ہے (30 جون 2015ء کو 366.44 روپے تھی) آپ کی کمپنی کی فی شیئر آمدنی (ای پی ایس) 30 جون 2016ء کو 16.92 روپے ہے۔ (30 جون 2015ء کو 17.45 روپے تھی)۔



کارپوریٹ اور فنانشل رپورٹنگ فریم ورک پر گوشوارہ

کمپنی کے ڈائریکٹرز لسٹنگ رولز آف پاکستان اسٹاک ایکس چینج لمیٹڈ میں سیکورٹیز اینڈ اینڈ ایکس چینج کمیشن آف پاکستان کی ہدایات کے مطابق شامل کوڈ آف کارپوریٹ گورننس کے تحت اپنی ذمہ داریوں سے واقف ہیں۔ کوڈ کی تعمیل کے حصہ کے طور پر ہم مندرجہ ذیل توثیق کرتے ہیں۔

0- کمپنی کی انتظامیہ کی تیار کردہ ان مالیاتی گوشوارے اپنے امور کے بیان اپنے آپریٹرز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیاں بالکل درست ہیں۔

0- کمپنی اکاؤنٹس کی کتب باقاعدہ رکھی جاتی ہیں۔

0- فنانشل گوشواروں اور اکاؤنٹس کے تخمینوں کی تیاری میں موزونیت اور دانشمندانہ انصاف پر مبنی اکاؤنٹنگ پالیسیاں عمل میں لائی جاتی ہیں۔

0- پاکستان میں نافذ العمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز فنانشل گوشواروں کی تیاری میں بروئے کار جاتے ہیں۔

0- انٹرنل کنٹرول کا نظام ٹھوس ہے اور اس موثر طور پر عملدرآمد اور نگرانی کی جاتی ہے۔

0- ادارہ کو آگے بڑھانے کے لئے کمپنی کی اہلیت میں کوئی شک نہیں۔

0- لسٹنگ ریگولیشنز میں تفصیلات کے مطابق کارپوریٹ گورننس پر بہترین عمل درآمد میں کوئی کسر نہیں رکھی گئی ہے۔

0- ہم نے کوڈ آف کنڈکٹ اور بزنس حکمت عملی تیار کر کے ڈائریکٹرز اور ملازمین میں تقسیم کی ہے۔

0- بورڈ آف ڈائریکٹرز نے وژن اور مشن اسٹیٹمنٹ اور مجموعی کارپوریٹ حکمت عملی کا اسٹیٹمنٹ اختیار کیا ہے۔

0- کمپنی کے چھ ڈائریکٹرز نے ڈائریکٹرز ٹریڈنگ پروگرام (ڈی ٹی پی) پہلے ہی مکمل کر لیا ہے۔ مزید برآں تین ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کے تحت استثنیٰ کا درجہ حاصل کر لیا ہے۔ لہذا کمپنی کے تمام ڈائریکٹرز ڈائریکٹرز ٹریڈنگ پروگرام (ڈی ٹی پی) کے سلسلے میں کوڈ آف کارپوریٹ گورننس کے مطابق ہیں۔

0- کوڈ آف کارپوریٹ گورننس کے مطابق ہم نے مندرجہ ذیل معلومات رپورٹ ہذا میں شامل کی ہیں۔

0- حصص یافتگی کے طریقہ کار (نمونہ) کا گوشوارہ علیحدہ دیا گیا ہے۔

- 0 ایسوی ایٹڈ انڈر ٹیکنگ اور متعلقہ افراد کے شیئرز کا گوشوارہ۔
- 0 رواں سال کے دوران منعقد کئے گئے بورڈ کے اجلاس اور ہر ڈائریکٹر کی حاضری کا گوشوارہ علیحدہ دیا گیا ہے۔
- 0 گزشتہ چھ سال کے لئے اہم کارکردگیوں اور فنانشل اسٹیٹمنٹس۔
- 0 محصولات اور لیویز کے بارے میں معلومات متعلقہ آڈٹ شدہ مالی گوشواروں میں مناسب طور پر منکشف کی گئی ہیں۔
- 0 کمپنی کے ڈائریکٹرز ای او، سی ایف او، کمپنی سکریٹری، ہیڈ آف انٹرنل آڈٹ اور ان کے شریک حیات اور نابالغ بچوں نے شیئر ہولڈنگ پیٹرن میں اصولوں کے خلاف کمپنی میں شیئرز کا کوئی کاروبار نہیں کیا ہے۔

متعلقہ پارٹی ٹرانزیشن اور ٹرانسفر پرائسنگ

ریلیٹیو پارٹی ٹرانزیشن آڈٹ کمیٹی کے روبرو رکھے گئے اور بورڈ نے منظوری دیدی۔ یہ ٹرانسکشنز انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (آئی ایف آر ایس) اور کمپنیز آرڈیننس مجریہ 1984ء کے مطابق تھے۔ کمپنی نے ایسے تمام ٹرانسکشنز کا درست اور مکمل ریکارڈ رکھا ہوا ہے۔ ریلیٹیو پارٹی کے تمام ٹرانسکشنز کی بیچ میں رکھنے کی یقین دہانی کمپنی کی پالیسی ہے۔ ریلیٹیو پارٹی سے ٹرانزیشن کی پرائسنگ کے لئے متبادل غیر مقررہ نرخ کا طریقہ کار اپنایا ہوا ہے۔

بورڈ اور آڈٹ کمیٹی کے اجلاس

2015-16ء کے دوران بورڈ اور آڈٹ کمیٹی کے منعقدہ ہونے والے اجلاس کی تعداد چار تھی ڈائریکٹرز اور ممبران کی حاضری حسب ذیل ہے۔

کمیٹیاں

افراد کی قوت اور مشاہیرہ		آڈٹ		بورڈ آف ڈائریکٹرز		ڈائریکٹر کا نام
شریک	شرکت کے اہل	شریک	شرکت کے اہل	شریک	شرکت کے اہل	
---	---	---	---	4	4	جناب محمد سلیم
---	---	---	---	4	4	جناب محمد شریف
2	2	---	---	4	4	جناب محمد شاہین
---	---	---	---	4	4	جناب محمد شکیل
		---	---	4	4	جناب خرم سلیم
2	2	---	---	4	4	جناب بلال شریف
---	---	4	4	4	4	جناب محمد امین
---	---	4	4	4	4	جناب عادل شکیل
---	---	4	4	4	4	جناب اقبال محبوب

آڈٹ کمیٹی

کمپنی کی آڈٹ کمیٹی کوڈ آف کارپوریٹ گورننس کے مطابق کام کر رہی ہے۔ آڈٹ کمیٹی نے ہر سطح پر انٹرنل کنٹرول پر عملدرآمد اور مناسب کے جائزہ اور نگرانی کے لئے انٹرنل آڈٹ سسٹم قائم کیا ہے۔ آڈٹ کمیٹی کے اجلاس کوڈ آف کارپوریٹ گورننس کے مطابق منعقد کئے گئے۔ انٹرنل اور فنانشل اسٹیٹمنٹس کا بورڈ آف ڈائریکٹرز سے قبل آڈٹ کمیٹی نے جائزہ لیا۔



FAISAL SPINNING MILLS LIMITED of Companies

افرادى قوت اور مشاہیرہ کمیٹی:

کمپنی کی افردى قوت اور مشاہیرہ کمیٹی بورڈ آف ڈائریکٹرز کی منظور کردہ ٹرم آف ریفرنس اور کوڈ آف کارپوریٹ گورننس کے مطابق کام کر رہی ہے۔ افردى قوت اور مشاہیرہ کمیٹی نے ملازمین کا موثر اور ٹھوس تقریباتی پروگرام تشکیل دیا ہے۔

میٹرل چینجز اور معاہدے

ڈائریکٹرز کی رپورٹ کی تاریخ اور بیلنس شیٹ سے متعلق کمپنی کے مالی سال کے اختتام درمیان کمپنی کی مالی صورتحال پر اثر انداز ہونے والی کوئی میٹرل چینجز اور معاہدے ظہور میں نہیں آئے۔

مالیاتی گوشوارے

اسٹاک ایکس چینج کے لسٹنگ ریگولیشنز کے مطابق چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے مالیاتی گوشوارے اپنے دستخطوں کے ہمراہ غور و خوض اور منظوری کے لئے بورڈ آف ڈائریکٹرز اور بورڈ کے روبرو پیش کئے۔ غور و خوض اور منظوری کے بعد مالیاتی گوشواروں کے اجراء اور تقسیم کا اختیار دیا گیا۔

کمپنی کے آڈیٹرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا اور آڈیٹرز نے 30 جون 2016ء کو مکمل ہونے والے سال کے لئے مالیاتی گوشواروں پر واضح آڈٹ رپورٹ جاری کی اور کوڈ آف کارپوریٹ گورننس کے اسٹیٹمنٹ پر واضح جائزہ رپورٹ دی۔ مذکورہ رپورٹس مالیاتی گوشواروں کے ہمراہ منسلک ہیں۔

شیئر ہولڈنگ کا طریقہ کار (پیٹرن)

شیئر ہولڈنگ کے پیٹرن سے متعلق اضافی معلومات کے ہمراہ شیئر ہولڈنگ پیٹرن علیحدہ منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہلیت کی بنیاد پر انہوں نے دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے مذکورہ بالا میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی 30 جون 2017ء کو مکمل ہونے والے سال کے لئے بطور ایکسٹرنل آڈیٹرز تقرری کے لئے تجویز پیش کی ہے۔ ایکسٹرنل آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے کوالٹی ریویو پروگرام کے تحت اطمینان بخش درجہ دیا گیا ہے اور فرم اور اس کے تمام پارٹنرز انٹرنیشنل فیڈریشن آف اکاؤنٹینٹس کی ہدایت کے مطابق انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے وضع کردہ ضابطہ اخلاق (کوڈ آف ایتھیکس) پر عمل پیرا ہیں۔

بورڈ آف ڈائریکٹرز نے بھی میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی 30 جون 2017ء کو مکمل ہونے والے سال کے لئے بطور ایکسٹرنل آڈیٹرز تقرری کی سفارش کی ہے۔

کارپوریٹ اور سماجی ذمہ داری:

کمپنی معروف این جی او کے ہمراہ تعلیمی اور صحت کے منصوبوں پر بھرپور کام کر رہی ہے۔ کمپنی نے سال رواں کے دوران سماجی معاہدوں پر 5.550 ملین روپے صرف کئے ہیں۔ کمپنی صحت اور تعلیم کے لئے این جی او کے پروگرام سے بھرپور تعاون اور محنت سے کام کر رہی ہے۔

تحفظ صحت اور ماحول:

ہم اپنے کاروبار سے متعلق خدشات اور صحت کے لئے سرگرمی سے اہتمام کر رہے ہیں اور ہم آگ لگنے، حادثات ملازمین اور وزیٹر کے زخمی ہونے خدشات سے نبٹنے، تحفیف کے لئے اپنی کارکردگی کو



FAISAL SPINNING MILLS LIMITED of Companies

بہتر بنانے کے لئے کام کر رہے ہیں۔ ہماری تمام سرگرمیاں صحت اور تحفظ کے بین الاقوامی معیار کے مطابق ہیں۔ اسی لئے اللہ تعالیٰ کے کرم سے رواں سال کے دوران ہمارے کاروباری پونٹس میں کوئی بڑا حادثہ یا واقعہ پیش نہیں آیا۔

اہم فیصلہ کن شعبے

انکم ٹیکس، ڈیفرنڈ ٹیکس، ریٹائرمنٹ فوائڈ فزمنٹ اور اکاؤنٹنگ تخمینوں اور فیصلوں سے متعلق اہم شعبے مالیاتی گوشواروں کے نوٹس میں تفصیلاً شامل ہیں۔

اکاؤنٹنگ اسٹیڈرڈ

کمپنی ایکاؤنٹنگ پالیسیاں کمپنیز آرڈیننس مجریہ 1984ء اور منظور شدہ انٹرنیشنل ایکاؤنٹنگ اسٹیڈرڈ اور آرڈیننس ہذا کے تحت انٹرنیشنل فنانشل رپورٹنگ اسٹیڈرڈ اور سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کے تحت تمام ضروریات کے عین مطابق ہیں۔

مستقبل کا لائحہ عمل اور کپاس کی توقعات

کپاس کی حالیہ قیمتوں سے ظاہر ہوتا ہے کہ اب کپاس کی تجارت کا طویل وقفہ ختم ہو گئی ہے۔ چین کی جانب سے کپاس کی خریداری کی وجہ سے کپاس کی قیمتوں میں بڑھنے کا رجحان پیدا ہوا ہے۔ 2016-17ء میں کپاس کی بلند قیمتیں متوقع ہیں۔

اسپیڈنگ سیکٹر میں برآمد کو بڑھانے کے لئے ایکسپورٹ فنانس کی سہولت میں مذکورہ شعبہ تک توسیع ہونی چاہیے۔ اگلے سال کی پہلی سہ ماہی کے نتائج کا اندازہ لگانا مشکل ہے تاہم منفعت کپاس اور دھاگہ کی طلب اور قیمتوں پر مبنی ہوگی۔

اکنائٹمنٹ (اعتراف)

میں اپنے حصص یافتگان اور اپنے کسٹمرز، بینکرز اور سپلائرز کا ان کی مستقل معاونت اور سرپرستی پر خراج تحسین پیش کرنا چاہوں گا۔ میں بے لوث اور مخلص کارکردگی پر اپنے تمام ملازمین کا بھی شکر گزار ہوں جس کے نتیجے میں کمپنی اپنے مقصد کے حصول کے لئے قابل ہو سکی۔

بجکم پورڈ

بلال شریف

چیف ایگزیکٹو

کراچی 27 ستمبر 2016ء

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 32nd Annual General Meeting of the Company to be held on
Friday 28th October, 2016 at 5:00 p.m. at Umer House, 23/1, Sector 23, S.M. Farooq
Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

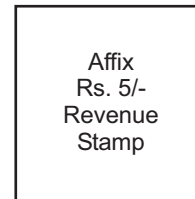
WITNESS

Signature _____

Name _____

Address _____

CNIC/Passport # _____



(Signature should agree with the
specimen signature registered
with the Company)

Signed this _____ day of _____ 2016

Notes:

If a member is unable to attend the meeting, they may complete and sign this 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. so as to 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 alongwith 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.

پرکسی فارم

میں _____ کے _____
 کے رکن اور عام شیئر کے حامل کی حیثیت کے _____ (شیئر کی تعداد)
 رجسٹرڈ کا فولیو نمبر۔ اور ایس ای ڈی سی فولیو کا آئی ڈی نمبر۔ اور ذیلی اکاؤنٹ نمبر۔ _____ کے
 یا _____ کے
 کو کمپنی کے سالانہ اجلاس جو 28 اکتوبر 2016 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پرکسی، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

دستخط _____ بروز _____ تاریخ _____ / _____ / 2016۔

گواہان:

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پاسپورٹ نمبر: _____

دستخط شیئر ہولڈر

(دستخط کا کاپی 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 مینڈیٹ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کا رکن ہونا ضروری نہیں۔
 سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرد افراد اور خواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پرکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔

REGISTERED OFFICE

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

Phones : 021 - 35115177 - 80

Fax No. : 021 - 35063002 - 3

E-mail : khioff@umergroup.com

Website : www.umergroup.com