



of Companies

HALF YEARLY
ACCOUNTS 2024-2025
(UN - AUDITED)

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED



Vision

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



Mission Statement

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

Independent auditor's review report to the members of Faisal Spinning Mills Limited

Report on the Review of the Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Faisal Spinning Mills Limited** as at December 31, 2024 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Mushtaq & Co.

MUSHTAQ & CO.
Chartered Accountants



Lahore.

Dated: 26-Feb-2025

UDIN: RR202410724CjUKHneSt

Directors' Review

On behalf of the board of directors of Faisal Spinning Mills Limited, I am pleased to present the unaudited condensed interim financial statements for the half year ended December 31, 2024.

Significant Financial Performance for the Half Year Ended December 31, 2024

The company posted a loss after tax amounting to PKR (349.030) million in the half year ended December 31, 2024 (December 2023: PKR 340.441 million loss after tax).

Loss per share for the half year ended December 31, 2024 is PKR -34.90 (December 2023: PKR -34.04)

Break-up value of the share as on December 31, 2024 is PKR 1,213.7 (June 30, 2024: PKR 1,248.48).

The current ratio as on December 31, 2024 is PKR 1.26 (June 30, 2024: PKR 1.35).

Future Outlook

The company posted a loss of PKR (349.030) million during the half year ending December 31, 2024 however, company is able to generate a profit of PKR 57.902 million during the 2nd quarter, October 2024 to December 2024. The company experienced subpar performance in the previous periods due to both micro and economic challenges however, we have taken decisive action to address these challenges and going forward pretty confident in our ability to return to profitability in the subsequent period.

The company has invested in renewable energy initiatives both wind and solar to optimize our energy mix and reduce energy costs. To mitigate the impact of elevated borrowing costs, we implemented proactive measures to reduce inventory levels. This strategy aimed to minimize short-term financing expenses and optimize cash flow. The company has implemented comprehensive suite of marketing strategies to explore new markets, optimize pricing to enhance competitiveness along with profitability that drives the future growth of the company.

Despite the challenges faced, management remains optimistic about the company's prospects for recovery in the coming periods and anticipate a gradual improvement in our financial performance by implementing our strategic initiatives.

On the economic front, the stability in exchange rate, cumulative surplus in current account and lowering trend in inflation which stood at 4.1 percent on December 24, the SBP has announced the sixth successive reduction by 100 basis points bring down the policy rate at 12 percent in January 2025. The industry has commended the reduction as a positive step towards economic improvement however, the industrial sector demanding the policy rate to be in single digit to spur growth. Since high rate significantly impacting on the cost of doing business, the industry is looking ahead for the interest rates in line with regional benchmarks in its upcoming monetary policy review.

The textile exports in the country showed an increase of 10 percent, totaling US\$ 9.09 billion in the first half of the ongoing fiscal year 2024-25, compared to US\$ 8.29 billion during the same period in 2023-24. The US remains Pakistan's largest export market globally as it exports around 16 percent of its total exports to the US each year however, it's likely the new US government may impose tariffs on import which could hamper the put pressure on Pakistan's textile industry.

The textile industry showed serious concerns over the increased in gas tariff by PKR 3,500 per MMBTU effective February 1, 2025 and imposition of levy on captive powers plants under the ordinance promulgated on January 30, 2025. This will pose a significant challenge and disastrous to the struggling textile sector with rising production costs and fierce global competition. The sector contributing 60 percent share in total exports of the country becoming uncompetitive in the international market, with the highest energy cost in the region. Besides, the textile sector had invested billions of rupees in gas-based power generation for uninterrupted supplies for their own consumption as power distribution companies are unable to cater the required load and incessant supply of electricity to the industry.

CAPEX of PKR 1,400.00 million at Unit-III

The board of directors have approved a CAPEX for the Finishing Unit-III at an approximate cost of PKR 1,400.00 million that will exhibit significant synergy and enhance annual production capacity of the by 7.2 million meters approximately.

Commencement of Wind Mill trial production

The 4.80 megawatt Wind Mill Project installed at Unit-I Nooriabad, Sindh, has been successfully commissioned and currently operating under trial run phase. The major capacity utilization for the commercial activity is expected to commence by the end of March 2025.

Acknowledgment

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

On behalf of the Board



Bilal Sharif
(Chief Executive Officer)
Dated: 26th February, 2025



Mohammad Salim
(Director)

Faisal Spinning Mills Limited

Condensed Interim Statement of Financial Position (Un-Audited)

As at December 31, 2024

| | Note | December 31, 2024 | June 30, 2024 | | Note | December 31, 2024 | June 30, 2024 |
|---|------|-----------------------|-----------------------|-------------------------------------|------|-----------------------|-----------------------|
| | | Un-Audited Rupees | Audited Rupees | | | Un-Audited Rupees | Audited Rupees |
| <u>EQUITY AND LIABILITIES</u> | | | | <u>ASSETS</u> | | | |
| <u>SHARE CAPITAL AND RESERVES</u> | | | | <u>NON CURRENT ASSETS</u> | | | |
| Authorized capital | | | | Property, plant and equipment | 6 | 10,943,028,209 | 10,072,944,353 |
| 12,000,000 (June 30, 2024: 12,000,000) | | | | Long term investment | | 1,446,259,107 | 1,473,665,420 |
| ordinary shares of PKR 10 each | | 120,000,000 | 120,000,000 | Long term deposits | | 36,972,814 | 36,424,217 |
| Issued, subscribed and paid up capital | | 100,000,000 | 100,000,000 | | | 12,426,260,130 | 11,583,033,990 |
| Reserves | | 10,000,000,000 | 10,000,000,000 | | | | |
| Unappropriated profits | | 963,017,675 | 1,312,047,267 | | | | |
| Loans from directors and sponsors | 4 | 1,072,718,600 | 1,072,718,600 | | | | |
| | | 12,135,736,275 | 12,484,765,867 | | | | |
| <u>NON CURRENT LIABILITIES</u> | | | | <u>CURRENT ASSETS</u> | | | |
| Long term financing - secured | | 4,026,950,741 | 3,518,351,068 | Stores, spare parts and loose tools | | 982,727,258 | 973,061,588 |
| Employees retirement benefits | | 574,086,290 | 523,158,797 | Stock in trade | | 13,500,771,059 | 12,339,666,757 |
| Deferred taxation | | 215,155,126 | 219,266,073 | Trade debts | | 4,585,441,533 | 4,088,867,198 |
| Deferred government grant | | 66,895,423 | 78,304,326 | Loans and advances | | 179,947,149 | 153,968,696 |
| | | 4,883,087,580 | 4,339,080,264 | Trade deposits and prepayments | | 953,799,492 | 422,174,330 |
| <u>CURRENT LIABILITIES</u> | | | | Other receivables | | 60,155,508 | 44,437,540 |
| Trade and other payables | | 6,627,711,439 | 4,609,261,606 | Income tax refundable | | 694,533,885 | 572,896,986 |
| Unclaimed dividend | | 19,361,408 | 19,460,365 | Sales tax refundable | | 1,137,160,007 | 936,509,067 |
| Accrued markup / interest | | 221,142,344 | 203,105,617 | Cash and bank balances | | 390,744,047 | 575,411,747 |
| Short term borrowings - secured | | 10,241,274,572 | 9,244,461,651 | | | 22,485,279,938 | 20,106,993,909 |
| Current portion of non current liabilities | | 783,226,450 | 789,892,529 | | | | |
| | | 17,892,716,213 | 14,866,181,768 | | | | |
| <u>CONTINGENCIES AND COMMITMENTS</u> | | | | | | | |
| | 5 | | | | | | |
| TOTAL EQUITY AND LIABILITIES | | 34,911,540,068 | 31,690,027,899 | TOTAL ASSETS | | 34,911,540,068 | 31,690,027,899 |

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



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Profit or Loss (Un-Audited) For the Half Year Ended December 31, 2024

| Note | Half Year Ended | | Quarter Ended | |
|---|----------------------|----------------------|--------------------|----------------------|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | Rupees | Rupees | Rupees | Rupees |
| Sales - net | 23,983,594,146 | 23,039,519,865 | 11,826,816,135 | 10,654,579,694 |
| Cost of sales | (22,368,384,965) | (20,905,722,069) | (10,833,018,181) | (9,876,348,769) |
| Gross profit | 1,615,209,181 | 2,133,797,796 | 993,797,954 | 778,230,925 |
| Distribution cost | (777,835,117) | (850,344,698) | (363,874,394) | (412,652,786) |
| Administrative expenses | (278,020,190) | (233,746,670) | (137,529,034) | (122,339,429) |
| | (1,055,855,307) | (1,084,091,368) | (501,403,428) | (534,992,215) |
| Other income | 84,014,775 | 51,965,445 | 42,196,264 | 23,726,044 |
| | 643,368,649 | 1,101,671,873 | 534,590,790 | 266,964,754 |
| Other operating (expenses) / reversals | - | (8,138,735) | - | 11,836,405 |
| Finance cost | (681,913,947) | (919,436,907) | (339,600,183) | (392,320,613) |
| | (681,913,947) | (927,575,642) | (339,600,183) | (380,484,208) |
| | (38,545,298) | 174,096,231 | 194,990,607 | (113,519,454) |
| Share of (loss) / profit of associated undertaking | (27,406,313) | (211,725,521) | 8,280,954 | (159,707,681) |
| (Loss) / Profit before levies and taxation | (65,951,611) | (37,629,290) | 203,271,561 | (273,227,135) |
| Levies | (287,188,928) | (302,811,544) | (144,127,085) | (140,533,246) |
| (Loss) / Profit before taxation | (353,140,539) | (340,440,834) | 59,144,476 | (413,760,381) |
| Taxation | 4,110,947 | - | (1,242,143) | - |
| (Loss) / Profit after taxation | (349,029,592) | (340,440,834) | 57,902,333 | (413,760,381) |
| (Loss) / Earning per share - basic and diluted | (34.90) | (34.04) | 5.79 | (41.38) |

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


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited) For the Half Year Ended December 31, 2024

| | Half Year Ended | | Quarter Ended | |
|---|----------------------|----------------------|-------------------|----------------------|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | Rupees | Rupees | Rupees | Rupees |
| (Loss) / Profit for the period after taxation | (349,029,592) | (340,440,834) | 57,902,333 | (413,760,381) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive (loss) / Income for the period | (349,029,592) | (340,440,834) | 57,902,333 | (413,760,381) |

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


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Changes in Equity (Un-Audited) For the Half Year Ended December 31, 2024

| | Share Capital | Capital Reserves | Revenue Reserves | | Loans from Directors & Sponsors | Grand Total |
|--|---------------|------------------|------------------|-----------------------|---------------------------------|----------------|
| | | | General Reserves | Unappropriated Profit | | |
| | Rupees | | | | | |
| Balance as at July 01, 2023 - Audited (Restated) | 100,000,000 | 24,150,000 | 9,975,850,000 | 2,843,890,414 | 1,072,718,600 | 14,016,609,014 |
| Comprehensive income | | | | | | |
| Loss after taxation | - | - | - | (340,440,834) | - | (340,440,834) |
| Other comprehensive income | - | - | - | - | - | - |
| | - | - | - | (340,440,834) | - | (340,440,834) |
| Final dividend @PKR 11.50 per share for the year ended June 30, 2023 | - | - | - | (115,000,000) | - | (115,000,000) |
| Balance as at December 31, 2023 - Unaudited (Restated) | 100,000,000 | 24,150,000 | 9,975,850,000 | 2,388,449,580 | 1,072,718,600 | 13,561,168,180 |
| Balance as at July 01, 2024 - Audited | 100,000,000 | 24,150,000 | 9,975,850,000 | 1,312,047,267 | 1,072,718,600 | 12,484,765,867 |
| Comprehensive income | | | | | | |
| Loss after taxation | - | - | - | (349,029,592) | - | (349,029,592) |
| Other comprehensive income | - | - | - | - | - | - |
| | - | - | - | (349,029,592) | - | (349,029,592) |
| Balance as at December 31, 2024 - Un-Audited | 100,000,000 | 24,150,000 | 9,975,850,000 | 963,017,675 | 1,072,718,600 | 12,135,736,275 |

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


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Cash Flows (Un-Audited)

For the Half Year Ended December 31, 2024

| | December 31, 2024 Rupees | December 31, 2023 Rupees |
|---|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Loss before levies & taxation | (65,951,611) | (37,629,290) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 457,205,453 | 461,700,000 |
| Share of (loss) / profit of associated undertaking | 27,406,313 | 211,725,521 |
| Doubtful debts recovered | (9,052,781) | (1,870,769) |
| Provision for employee benefits | 82,200,000 | 64,200,000 |
| Gain on disposal of property, plant and equipment | (1,036,852) | (2,722,812) |
| Finance cost | 681,913,947 | 919,436,907 |
| | 1,238,636,080 | 1,652,468,847 |
| Operating cash flows before working capital changes | 1,172,684,469 | 1,614,839,557 |
| Changes in working capital | | |
| Stores, spares and loose tools | (9,665,670) | (177,030,122) |
| Stock in trade | (1,161,104,302) | 3,721,038,917 |
| Trade debts | (487,521,554) | 627,855,956 |
| Loans and advances | (25,978,453) | (25,428,368) |
| Trade deposits | (531,625,162) | (237,781,425) |
| Other receivable | (15,717,968) | 30,573,527 |
| Sales tax refund | (200,650,940) | 97,806,882 |
| Trade and other payables | 2,018,449,833 | 1,128,578,269 |
| | (413,814,216) | 5,165,613,636 |
| Cash generated from operations | 758,870,253 | 6,780,453,193 |
| Finance cost paid | (663,877,220) | (1,046,564,633) |
| Employee benefit costs paid | (31,272,507) | (17,567,897) |
| Income taxes payments - net | (408,825,827) | (273,218,713) |
| Long term deposits | (548,597) | (5,234,637) |
| | (1,104,524,151) | (1,342,585,880) |
| Net cash (used in) / generated from operating activities | (345,653,898) | 5,437,867,313 |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 1,800,000 | 8,700,000 |
| Addition in property plant and equipment | (1,328,052,457) | (195,194,524) |
| Dividend Received | - | 19,621,140 |
| Net cash used in investing activities | (1,326,252,457) | (166,873,384) |
| Cash flows from financing activities | | |
| Proceed from long term financing | 876,330,400 | - |
| Repayment of long term financing | (385,805,709) | (336,717,665) |
| Increase / (Decrease) in short term borrowings | 996,812,921 | (5,024,087,980) |
| Dividends paid | (98,957) | (113,857,666) |
| Net cash generated from / (used in) financing activities | 1,487,238,655 | (5,474,663,311) |
| Net decrease in cash and cash equivalents | (184,667,700) | (203,669,382) |
| Cash and cash equivalent at the beginning of period | 575,411,747 | 579,854,395 |
| Cash and cash equivalent at the end of period | 390,744,047 | 376,185,013 |

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


Chief Executive


Director
Faial Spinning Mills Ltd


Chief Financial Officer

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Half Year Ended December 31, 2024

1 THE COMPANY AND ITS OPERATION

Faisal Spinning Mills Limited ('the Company') was incorporated on 31st January 1985 in Pakistan as a Public Limited Company under the Repealed Companies Ordinance, 1984 now the Companies Act, 2017 and is quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacture and sale of yarn, greige fabric, dyed fabric and home textile product. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The production facilities are located at Nooriabad, District Dadu in the Province of Sindh and Ferozewattowan, District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2024.

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Judgments, estimates and assumptions

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

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

2.4 Functional currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

All accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2024.

4 LOAN FROM DIRECTORS AND SPONSORS

Directors and sponsors entered into a contract with the Company to provide funds to the Company. As per the contract, the loans are unsecured, interest free and repayable at the discretion of the Company. The loans are presented under equity as per Technical Release-32 of The Institute of Chartered Accountants of Pakistan.

| | Note | December 31, 2024 | June 30, 2024 |
|---|------|------------------------|----------------------|
| | | Rupees (Un-Audited) | Rupees (Audited) |
| 5 CONTINGENCIES AND COMMITMENTS | | | |
| There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2024 except following: | | | |
| 5.1 Contingencies | | | |
| 5.1.1 Bills Discounted | | <u>2,067,593,697</u> | <u>5,293,441,788</u> |
| 5.1.2 Share of contingencies of associated company - Blessed Textiles Limited: | | | |
| Bills discounted | | <u>136,545,947</u> | <u>211,415,346</u> |
| | | <u>136,545,947</u> | <u>211,415,346</u> |
| 5.2 Commitments | | | |
| 5.2.1 Letter of credit (for store, raw material and machinery) | | <u>8,925,892,195</u> | <u>5,230,879,829</u> |
| 5.2.2 Share of commitments of associated company - Blessed Textiles Limited: | | | |
| Letter of credit (for store, raw material and machinery) | | <u>889,166,695</u> | <u>169,008,968</u> |
| | | <u>889,166,695</u> | <u>169,008,968</u> |
| 5.2.3 Commitments under ijarah contracts | | | |
| The aggregate amount of ijarah payments for ijarah financing and the period in which these payments will become due are as follows: | | | |
| - payments not later than one year | | <u>29,176,716</u> | <u>29,176,716</u> |
| - payments later than one year and not later than five years | | <u>66,232,665</u> | <u>95,409,381</u> |
| | | <u>95,409,381</u> | <u>124,586,097</u> |
| 5.2.4 Share of Commitments under ijarah contracts of its associated company Blessed Textiles Limited: | | | |
| - payments not later than one year | | <u>11,282,326</u> | <u>11,308,810</u> |
| - payments later than one year and not later than five years | | <u>30,920,407</u> | <u>36,561,570</u> |
| | | <u>42,202,733</u> | <u>47,870,381</u> |

Notes to the Condensed Interim Financial Information (Un-Audited)
For the Half Year Ended December 31, 2024

| | <i>Note</i> | December 31, 2024 | June 30, 2024 |
|--|-------------|--------------------------|-----------------------|
| | | <i>Rupees</i> | <i>Rupees</i> |
| | | <i>(Un-Audited)</i> | <i>(Audited)</i> |
| 6 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 6.1 | 8,804,848,360 | 9,096,167,363 |
| Capital work in progress | | 2,138,179,849 | 976,776,990 |
| | | <u>10,943,028,209</u> | <u>10,072,944,353</u> |

| | <i>Note</i> | December 31, 2024 | June 30, 2024 |
|--|-------------|--------------------------|----------------------|
| | | <i>Rupees</i> | <i>Rupees</i> |
| | | <i>(Un-Audited)</i> | <i>(Audited)</i> |
| 6.1 Operating fixed assets | | | |
| Net book value at the beginning of the period/year | | 9,096,167,363 | 9,832,038,951 |
| Additions / transfers during the period/year | | | |
| Freehold land | | - | 1,330,911 |
| Plant and machinery | | 157,144,368 | 76,133,885 |
| Equipment and other assets | | - | 43,924,186 |
| Vehicles | | 9,505,230 | 40,337,476 |
| | | 166,649,598 | 161,726,458 |
| Net book value of assets disposed during the period/year | | (763,148) | (10,960,974) |
| Depreciation for the period/year | | (457,205,453) | (886,637,072) |
| Net book value at the end of the period/year | | <u>8,804,848,360</u> | <u>9,096,167,363</u> |

7 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

Names and details of transactions and balances with related parties are as under:

| Name | Nature of relationship | Shareholding in the Company |
|---------------------------------|---------------------------------------|------------------------------------|
| Bhanero Textile Mills Limited | Common directorship | N/A |
| Blessed Textiles Limited | Common directorship | N/A |
| Bhanero Energy Limited | Common directorship | N/A |
| Firhaj Footwear Private Limited | Directorship of close family relative | N/A |
| Admiral (Private) Limited | Directorship of close family relative | 12.83 |
| Mohammad Salim | Director | 0.29 |
| Khurram Salim | Director | 2.00 |
| Mohammad Shaheen | Director | 0.33 |
| Mohammad Amin | Director | 4.09 |
| Hamza Shakeel | Director | 4.77 |
| Bilal Sharif | Director / Chief executive officer | 3.64 |
| Yasmeen Begum | Directorship of close family relative | 2.39 |
| Farrukh Salim | Directorship of close family relative | 1.37 |
| Yousaf Salim | Directorship of close family relative | 3.13 |
| Saqib Salim | Directorship of close family relative | 1.99 |
| Amna Khurram | Directorship of close family relative | 1.10 |
| Sadaf Farrukh | Directorship of close family relative | N/A |
| Saba Yousaf | Directorship of close family relative | 0.98 |
| Saba Saqib | Directorship of close family relative | 2.12 |
| Muhammad Umer | Directorship of close family relative | 0.97 |
| Samia Bilal | Directorship of close family relative | 5.34 |
| Abdullah Bilal | Directorship of close family relative | 3.37 |
| Ali Bilal | Directorship of close family relative | 3.37 |
| Azan Bilal | Directorship of close family relative | 3.37 |
| Seema Shaheen | Directorship of close family relative | 1.58 |
| Mohammad Qasim | Directorship of close family relative | 6.24 |
| Fatima Amin | Directorship of close family relative | 4.51 |
| Mohammad Shakeel | Directorship of close family relative | 0.48 |
| Nazli Shakeel | Directorship of close family relative | 4.29 |
| Adil Shakeel | Directorship of close family relative | 4.77 |
| Faisal Shakeel | Directorship of close family relative | 4.77 |
| Yahya Farrukh | Directorship of close family relative | 2.74 |
| Sumbul Qasim | Directorship of close family relative | 2.36 |
| Anjum Sharif | Directorship of close family relative | N/A |

Faisal Spinning Mills Ltd

Notes to the Condensed Interim Financial Information (Un-Audited)
For the Half Year Ended December 31, 2024

| | Half Year Ended | | Quarter Ended | |
|--|-------------------|-------------------|-------------------|-------------------|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | Rupees | Rupees | Rupees | Rupees |
| | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Un-Audited) |
| 7.1 Transactions with related parties | | | | |
| Nature of transaction | | | | |
| Purchases | 3,569,047,493 | 2,778,971,917 | 1,595,880,514 | 1,244,807,778 |
| Sales | 294,874,657 | 56,080,375 | 72,086,493 | 37,083,198 |
| Services received | 309,000 | 309,000 | 154,500 | 154,500 |
| Purchase of electricity | 33,264,772 | 320,715 | 4,498,562 | - |
| Dividend received | - | 19,621,140 | - | 19,621,140 |
| Remuneration to key management personnel | 4,800,000 | 4,800,000 | 2,400,000 | 2,400,000 |
| Balance with related party | 20,000 | 20,000 | 20,000 | 20,000 |

8 SEGMENT REPORTING

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

| Reportable segment | Principal activity |
|--------------------------|--|
| Spinning | Manufacture and sale of yarn |
| Weaving | Manufacture and sale of woven fabric |
| Finishing / Home Textile | Manufacture and sale of dyed and stitched fabric |

Information about operating segments as at December 31, 2024 is as follows:

| | Half Year Ended (Un-Audited) | | | |
|---|------------------------------|---------------|--------------------------|----------------|
| | December 31, 2024 | | | |
| | Spinning | Weaving | Finishing / Home Textile | Total |
| | Rupees | Rupees | Rupees | Rupees |
| Revenue from external customers | 8,502,995,129 | 7,044,722,191 | 8,435,876,826 | 23,983,594,146 |
| Inter-segment transfers | 112,811,250 | 6,848,481 | 52,669,200 | 119,659,731 |
| Segment results | 226,230,114 | 330,917,742 | 86,220,793 | 643,368,649 |
| Other operating expenses | | | | - |
| Finance cost | | | | (681,913,947) |
| Share of loss of associated undertaking | | | | (27,406,313) |
| | | | | (65,951,611) |

| | Half Year Ended (Un-Audited) | | | |
|---|------------------------------|---------------|--------------------------|----------------|
| | December 31, 2023 | | | |
| | Spinning | Weaving | Finishing / Home Textile | Total |
| | Rupees | Rupees | Rupees | Rupees |
| Revenue from external customers | 8,877,852,652 | 6,468,395,260 | 7,693,271,953 | 23,039,519,865 |
| Inter-segment transfers | - | 114,168,243 | 4,534,052 | 118,702,295 |
| Segment results | (114,042,819) | 478,522,555 | 737,192,137 | 1,101,671,873 |
| Other operating expenses | | | | (8,138,735) |
| Finance cost | | | | (919,436,907) |
| Share of profit of associated undertaking | | | | (211,725,521) |
| | | | | (37,629,290) |

| | As at December 31, 2024 (Un-Audited) | | | | |
|----------------|--------------------------------------|---------------|--------------------------|---------------|----------------|
| | Spinning | Weaving | Finishing / Home Textile | Un-allocated | Total |
| | Rupees | Rupees | Rupees | Rupees | Rupees |
| | | | | | |
| Segment assets | 12,936,978,048 | 7,705,038,502 | 13,000,149,138 | 1,269,374,380 | 34,911,540,068 |

| | As at June 30, 2024 (Audited) | | | | |
|----------------|-------------------------------|---------------|--------------------------|---------------|----------------|
| | Spinning | Weaving | Finishing / Home Textile | Un-allocated | Total |
| | Rupees | Rupees | Rupees | Rupees | Rupees |
| | | | | | |
| Segment assets | 9,112,063,489 | 6,406,647,551 | 12,739,429,742 | 3,431,887,117 | 31,690,027,899 |

| | As at December 31, 2024 (Un-Audited) | | | | |
|---------------------|--------------------------------------|---------------|--------------------------|---------------|----------------|
| | Spinning | Weaving | Finishing / Home Textile | Un-allocated | Total |
| | Rupees | Rupees | Rupees | Rupees | Rupees |
| | | | | | |
| Segment liabilities | 6,844,981,358 | 3,737,953,157 | 10,695,206,784 | 1,497,662,494 | 22,775,803,793 |

Notes to the Condensed Interim Financial Information (Un-Audited)
For the Half Year Ended December 31, 2024

| | As at June 30, 2024 (Audited) | | | | |
|---------------------|-------------------------------|---------------|-----------------------------|---------------|----------------|
| | Spinning | Weaving | Finishing / Home Textile | Un-allocated | Total |
| | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> |
| Segment liabilities | 4,807,179,476 | 2,495,667,909 | 10,544,948,217 | 1,357,466,430 | 19,205,262,032 |

9 EVENTS AFTER THE REPORTING PERIOD

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

10 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

11 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on February 26, 2025.

12 GENERAL

12.1 There are no other significant activities since June 30, 2024 affecting the interim financial information.

12.2 Figures have been rounded off to the nearest Rupee.


 Chief Executive


 Director


 Chief Financial Officer