



of Companies

FIRST QUARTERLY ACCOUNTS
2025-2026
(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.

Directors' Review

The directors of Faisal Spinning Mills Limited, are pleased to present the unaudited condensed interim financial statements for the first quarter ended September 30, 2025.

Significant Financial Performance for the First Quarter Ended September 30, 2025

Loss after tax for the first quarter ended September 30, 2025 is PKR -92.175 million as compared to loss after tax of PKR -406.932 million in the corresponding period ending September 30, 2024.

Loss per share for the first quarter ended September 30, 2025 is PKR -9.22 while in September 30, 2024 loss per share was PKR -40.69.

Break-up value of the share as on September 30, 2025 is PKR 1,207.86 (June 30, 2025: PKR 1,217.08).

The current ratio as on September 30, 2025 is PKR 1.17 (June 30, 2025: PKR 1.19).

Future Outlook

The company posted a loss after of PKR -92.175 million during the first quarter ended September 30, 2025 compared to a loss after tax of PKR -406.932 million during the corresponding period ending September 30, 2024. While both external and internal challenges persist, we anticipate a revival in our business momentum and confident that the company will soon return to profitability.

The sharp increase in energy costs has significantly inflated cost of production where imposition of the Captive Power Plant (CPP) Levy further compounded the financial burden, particularly for export-oriented units relying on self-generation to ensure energy reliability.

The rising competition from regional players, reduced order volumes, tighter pricing, tariff shifts along with the environmental regulations and sustainability pressures are impacting global supply chains and pricing strategies. Pakistan is not exception and the outlook for Pakistan's textile sector remains constrained by these macroeconomic headwinds.

In order to maneuver through the current economic headwinds and unlock the growth potential of country's struggling textile sector, immediate and targeted policy interventions are imperative. The foremost measures are immediate reduction of elevated policy interest rates and energy tariffs. These have emerged as the most critical impediments to industrial sustainability and export competitiveness of textile sector.

In our opinion following immediate measure are required to restore competitiveness and stimulate growth:

- Revision of energy pricing models for export-oriented units.
- Suspension or restructuring of the CPP Levy, to support self-generation.
- Gradual reduction in policy interest rates, to facilitate access to affordable credit.
- Restoring incentives, such as Duty Drawback of Taxes (DDT) and the Drawback of Local Taxes and Levies (DLTL).

- All the pending tax refund claims should immediately be released to ease down the liquidity crisis.
- In order to encourage formal sector growth, the gradual reduction in corporate tax from existing rate of 29 percent to 20 percent which is way above the regional average.
- Reintroduce Final Tax Regime (FTR) for exporters and abolishing super tax on high earners to improve investor confidence.

The Board remains committed to advocating for these reforms through active engagement with industry bodies and government stakeholders. We believe that with the right policy support, Pakistan's textile sector can reclaim its position as a regional leader in value-added exports.

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: 29 October, 2025



Mohammad Salim
(Director)

Faisal Spinning Mills Limited

Condensed Interim Statement of Financial Position As at September 30, 2025

	Note	September 30, 2025	June 30, 2025		Note	September 30, 2025	June 30, 2025
		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	12,129,477,313	11,828,411,406
12,000,000 (June 30, 2025: 12,000,000)				Long term investment		1,442,143,673	1,451,085,106
ordinary shares of PKR 10 each		120,000,000	120,000,000	Long term deposits		65,469,752	65,469,752
Issued, subscribed and paid up capital		100,000,000	100,000,000			13,637,090,738	13,344,966,264
Reserves		10,000,000,000	10,000,000,000				
Unappropriated profits		905,902,889	998,078,334				
Loans from directors and sponsors	4	1,072,718,600	1,072,718,600				
		12,078,621,489	12,170,796,934				
NON CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing - secured		4,304,971,583	4,496,473,636	Stores, spare parts and loose tools		1,028,927,591	1,100,795,145
Employees retirement benefits		658,355,774	652,007,475	Stock in trade		15,851,937,756	17,084,391,848
Deferred taxation		214,537,811	215,879,026	Trade debts		3,418,278,884	3,936,725,759
Deferred government grant		51,396,363	57,185,685	Loans and advances		305,778,677	637,255,041
		5,229,261,531	5,421,545,822	Trade deposits and prepayments		1,205,851,147	1,123,242,477
CURRENT LIABILITIES				Other receivables		75,568,039	62,933,035
Trade and other payables		6,792,551,023	4,899,370,824	Advance income tax		931,887,003	848,101,283
Unclaimed dividend		19,313,393	19,313,393	Sales tax refundable		2,003,605,169	1,249,580,900
Accrued markup / interest		294,100,655	273,839,815	Cash and bank balances		405,838,511	349,020,982
Short term borrowings - secured		13,662,144,177	16,170,545,665			25,227,672,777	26,392,046,470
Current portion of non current liabilities		788,771,247	781,600,281				
		21,556,880,495	22,144,669,978				
CONTINGENCIES AND COMMITMENTS	5	-	-				
TOTAL EQUITY AND LIABILITIES		38,864,763,515	39,737,012,734	TOTAL ASSETS		38,864,763,515	39,737,012,734

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 Three Months Period ended September 30, 2025

	Note	September 30, 2025 Rupees	September 30, 2024 Rupees
Sales		11,949,723,166	12,156,778,011
Cost of sales		(10,919,309,943)	(11,535,366,784)
Gross profit		1,030,413,223	621,411,227
Distribution cost		(388,942,188)	(413,960,723)
Administrative expenses		(153,008,967)	(140,491,156)
		(541,951,155)	(554,451,879)
Other income		25,117,868	41,818,511
		513,579,936	108,777,859
Other operating expenses		(2,675,246)	-
Finance cost		(457,532,281)	(342,313,764)
		(460,207,527)	(342,313,764)
		53,372,409	(233,535,905)
Share of loss from associated undertaking		(8,941,433)	(35,687,267)
Profit / (Loss) before levies & taxation		44,430,976	(269,223,172)
Levies - Revenue taxes	8.1	(137,947,636)	(143,061,843)
Loss before taxation		(93,516,660)	(412,285,015)
Taxation	8.2	1,341,215	5,353,090
Loss after taxation		(92,175,445)	(406,931,925)
Loss per share - basic and diluted		(9.22)	(40.69)

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 Three Months Period ended September 30, 2025

	September 30, 2025	September 30, 2024
	Rupees	Rupees
Loss for the period after taxation	(92,175,445)	(406,931,925)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(92,175,445)	(406,931,925)

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 Three Months Period ended September 30, 2025

	Share Capital	Capital Reserves	Revenue Reserves			Loans from Directors & Sponsors	Grand Total
			General Reserves	Unappropriated Profit	Total		
	PKR	PKR	PKR	PKR	PKR	PKR	PKR
Balance as at July 01, 2024 - Audited	100,000,000	24,150,000	9,975,850,000	1,312,047,267	11,287,897,267	1,072,718,600	12,484,765,867
Comprehensive loss							
Loss after taxation	-	-	-	(406,931,925)	(406,931,925)	-	(406,931,925)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(406,931,925)	(406,931,925)	-	(406,931,925)
Balance as at September 30, 2024	100,000,000	24,150,000	9,975,850,000	905,115,342	10,880,965,342	1,072,718,600	12,077,833,942
Balance as at July 01, 2025 - Audited	100,000,000	24,150,000	9,975,850,000	998,078,334	10,973,928,334	1,072,718,600	12,170,796,934
Comprehensive loss	-	-	-	-	-	-	-
Loss after taxation	-	-	-	(92,175,445)	(92,175,445)	-	(92,175,445)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(92,175,445)	(92,175,445)	-	(92,175,445)
Balance as at September 30, 2025	100,000,000	24,150,000	9,975,850,000	905,902,889	10,881,752,889	1,072,718,600	12,078,621,489

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 Three Months Period ended September 30, 2025

	September 30, Rupees	September 30, 2024 Rupees
Cash flows from operating activities		
Profit / (loss) before levies & taxation	44,430,976	(269,223,172)
Adjustments for:		
Depreciation of property, plant and equipment	269,500,000	235,800,000
Share of loss of associated undertaking	8,941,433	35,687,267
Doubtful debts recovered	(2,542,725)	(488,395)
Provision for employee benefits	47,250,000	41,100,000
Gain on disposal of property, plant and equipment	-	(1,036,852)
Finance cost	457,532,281	342,313,764
	780,680,989	653,375,784
Operating cash flows before working capital changes	825,111,965	384,152,612
Changes in working capital		
Stores, spares and loose tools	71,867,554	42,277,394
Stock in trade	1,232,454,092	(1,190,052,320)
Trade debts	520,989,600	(123,142,435)
Loans and advances	331,476,364	38,106,092
Trade deposits	(82,608,670)	(461,470,880)
Other receivable	(12,635,004)	(52,538,438)
Sales tax refund	(754,024,269)	(279,019,402)
Trade and other payables	1,893,180,199	2,434,586,202
	3,200,699,866	408,746,213
Cash generated from operations	4,025,811,831	792,898,825
Finance cost paid	(437,271,441)	(347,979,453)
Employee benefit costs paid	(40,901,701)	(10,909,978)
Income taxes payments - net	(221,733,356)	(202,345,581)
Long term deposits	-	-
	(699,906,498)	(561,235,012)
Net cash generated from operating activities	3,325,905,333	231,663,813
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	1,800,000
Addition in property plant and equipment	(570,565,907)	(280,851,501)
Net cash used in investing activities	(570,565,907)	(279,051,501)
Cash flows from financing activities		
Proceed from long term financing	-	42,330,400
Repayment of long term financing	(190,120,409)	(196,290,405)
(Decrease) / increase in short term borrowings	(2,508,401,488)	98,696,123
Dividends paid	-	(32,414)
Net cash used in financing activities	(2,698,521,897)	(55,296,296)
Net decrease in cash and cash equivalents	56,817,529	(102,683,984)
Cash and cash equivalent at the beginning of period	349,020,982	575,411,747
Cash and cash equivalent at the end of period	405,838,511	472,727,763

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



Chief Executive



Director



Chief Financial Officer

1 REPORTING ENTITY

Faisal Spinning Mills Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Repealed Companies Ordinance, 1984, now Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited. The Company is primarily a spinning, weaving, dyeing, stitching unit engaged in the manufacture and sale of yarn and woven fabric, dyed and stitched fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at Nooriabad District Dadu in the Province of Sindh and District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2025.

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 SIGNIFICANT ACCOUNTING POLICIES

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, 2025.

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.

	<i>Note</i>	September 30, 2025	June 30, 2025
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
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, 2025 except following:			
5.1 Contingencies			
6.1.1 Bills Discounted		<u>6,571,259,631</u>	<u>5,044,654,531</u>
6.1.2 Share of contingencies of associated company - Blessed Textiles Limited:			
Bills discounted		<u>284,838,170</u>	<u>267,106,700</u>
		<u>284,838,170</u>	<u>267,106,700</u>
5.2 Commitments			
6.2.1 Letter of credit (for store, raw material and machinery)		<u>3,262,371,467</u>	<u>1,439,487,518</u>
6.2.2 Share of commitments of associated company - Blessed Textiles Limited:			
Letter of credit (for store, raw material and machinery)		<u>1,353,035,352</u>	<u>475,486,314</u>
		<u>1,353,035,352</u>	<u>475,486,314</u>
6.2.3 Commitments under ijarah contracts			
The aggregate amount of ujarah payments for ijarah financing and the period in which these payments will become due are as follows:			
- payments not later than one year		<u>25,692,779</u>	<u>29,176,716</u>
- payments later than one year		<u>50,660,891</u>	<u>51,644,307</u>
		<u>76,353,670</u>	<u>80,821,023</u>
	<i>Note</i>	September 30, 2025	June 30, 2025
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	<u>10,382,058,893</u>	<u>10,651,558,893</u>
Capital work in progress		<u>1,747,418,420</u>	<u>1,176,852,513</u>
		<u>12,129,477,313</u>	<u>11,828,411,406</u>

	September 30, 2025	June 30, 2025
	<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
6.1 Operating fixed assets		
Net book value at the beginning of the period/year	10,651,558,893	9,096,167,363
Additions / transfers during the period/year		
Freehold land	-	-
Factory buildings lease hold	-	63,693,566
Factory buildings free hold	-	61,023,819
Plant and machinery	-	1,833,040,092
Electric installation	-	183,438,377
Factory equipment	-	2,046,400
Office equipment	-	(5,467,879)
Furniture and fixture	-	5,673,559
Equipment and other assets	-	260,497,105
Vehicles	-	34,557,539
	-	2,438,502,578
Net book value of assets disposed during the period/year	-	(9,547,689)
Depreciation for the period/year	(269,500,000)	(873,563,359)
Net book value at the end of the period/year	<u>10,382,058,893</u>	<u>10,651,558,893</u>
	September 30, 2025	September 30, 2024
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
8 LEVIES & TAXES		
8.1 Levies		
Revenue taxes	<u>137,947,636</u>	<u>143,061,843</u>
8.2 Taxation		
Deferred taxation	<u>(1,341,215)</u>	<u>(5,353,090)</u>

Levies under Income Tax Ordinance, 2001 [‘the Ordinance’] have been recognized under section 113 and 154 of the Ordinance.

9 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

Name	Nature of relationship	Shareholding in the Company
Bhanero Textiles Mills Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	18.49%
Bhanero Energy Limited	Common directorship	N/A
Admiral (Private) Limited	Directors' close family member	N/A
Mohammad Salim	Director	0.29%
Yasmeen Begum	Directors' close family member	2.39%
Khurram Salim	Director	2.00%
Farrukh Salim	Directors' close family member	1.37%
Yousaf Salim	Directors' close family member	3.13%
Saqib Salim	Directors' close family member	1.99%
Muhammad Umer	Directors' close family member	0.97%
Yahya Farrukh	Directors' close family member	2.74%
Amna Khurram	Directors' close family member	1.10%
Saba Yousaf	Directors' close family member	0.98%
Saba Saqib	Directors' close family member	2.12%
Bilal Sharif	Director / Chief executive	3.64%
Samia Bilal	Directors' close family member	5.34%
Abdullah Bilal	Directors' close family member	3.37%
Ali Bilal	Directors' close family member	3.37%
Azan Bilal	Directors' close family member	3.37%
Mohammad Shaheen	Director	0.33%
Mohammad Amin	Director	4.09%
Seema Shaheen	Directors' close family member	1.58%
Mohammad Qasim	Directors' close family member	6.24%
Fatima Amin	Directors' close family member	4.51%
Sumbul Qasim	Directors' close family member	2.36%
Mohammad Shakeel	Directors' close family member	0.48%
Nazli Shakeel	Directors' close family member	4.29%
Adil Shakeel	Directors' close family member	4.77%
Faisal Shakeel	Directors' close family member	4.77%
Hamza Shakeel	Director	4.77%

		Three Months ended	
		September 30, 2025	September 30, 2024
		Rupees	Rupees
		(Un-Audited)	(Un-Audited)
9.1 Transactions with related parties			
Nature of transaction			
Purchases		1,562,144,618	1,973,166,979
Sales		61,876,269	222,788,164
Services received		154,500	154,500
Purchase of electricity		3,813,245	28,766,210
Remuneration to key management personnel		2,400,000	2,400,000
Balance with related party		20,000	20,000

10 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 September 30, 2025 is as follows:

Three Months ended September 30, 2025				
	Spinning	Weaving	Finishing / Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Revenue from external customers	4,971,967,710	3,171,352,783	3,806,402,673	11,949,723,166
Inter-segment transfers	-	47,696,171	21,730,126	47,696,171
Segment results	172,419,304	158,837,198	182,323,434	513,579,936
Finance cost				(457,532,281)
Share of loss of associated undertaking				(8,941,433)
				44,430,976
Three Months ended September 30, 2024				
	Spinning	Weaving	Finishing / Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Revenue from external customers	4,338,665,538	3,672,077,502	4,146,034,971	12,156,778,011
Inter-segment transfers	82,523,750	-	20,842,300	103,366,050
Segment results	28,662,421	31,771,742	48,343,696	108,777,859
Finance cost				(342,313,764)
Share of profit of associated undertaking				(35,687,267)
				(269,223,172)

		As at September 30, 2025			
Segment assets	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
	14,660,039,178	7,073,722,387	15,841,892,948	1,289,109,002	38,864,763,515
		As at June 30, 2025			
Segment assets	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
	14,057,929,778	6,713,480,974	15,492,554,415	3,473,047,567	39,737,012,734
		As at September 30, 2025			
Segment liabilities	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
	8,515,621,023	2,925,997,562	13,688,514,282	1,656,009,159	26,786,142,026
		As at June 30, 2025			
Segment liabilities	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
	9,835,335,797	2,854,115,472	13,255,411,199	1,621,353,332	27,566,215,800

11 EVENTS AFTER THE REPORTING PERIOD

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

12 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

13 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 October 29, 2025.

14 GENERAL

14.1 There are no other significant activities since June 30, 2025 affecting the interim financial information.

14.2 Figures have been rounded off to the nearest Rupee.



Chief Executive



Director



Chief Financial Officer