



# FAISAL SPINNING MILLS LIMITED

Corporate Briefing Session - 2022



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# Disclaimer

The Corporate Briefing Session presentation is prepared by Faisal Spinning Mills Limited is exclusively for the discussion purpose with the participants only. Any expression, information, statement or representation made during the discussion shall not be infer by any investor or potential investor as an advice or recommendation in relation to holding , purchasing or selling securities without proper consideration.

It is suggested before acting on any information's shared or and remarks made during the discussion process , one should seek appropriateness and accuracy of information.

# Preamble

Established in 1985, the Faisal Spinning Mills Limited has its registered office in Karachi and it's operating under the Umbrella of Umer Group of Companies.

The company is quoted of Pakistan Stock Exchange "PSX" and engaged in spinning , weaving , finishing and home textiles.

The spinning unit is located in Sindh whereas weaving , finishing and home textile units are located in the province of Punjab.

The company generally exports US , Europe and Far East countries of more than 80 percent of its entire revenue.

# Corporate Information

## Incorporation

The company **Faisal Spinning Mills Limited** established in January 1985.

## Symbol

FASM

## Legal Status

Public Limited Company.

## Capital

Authorized Capital - 120,000,000

Issued Paid-up Capital - 100,000,000

*(Ordinary Share of Rs. 10 each)*

## Associated Undertakings

Bhanero Textiles Mills Ltd

Blessed Textiles Ltd

## **Registered and Liaison Office**

Registered office of the company is located at Umer House, 23/1, Sector 23, K.I.A , Karachi.

Liaison office of the company is located at City Towers, Main Boulevard, Gulberg-II, Lahore.

## **Manufacturing Units**

- i) Spinning Unit I with an installed capacity of 38,208 spindles, located at Nooriabad, Sindh.
- ii) Weaving Unit II with an installed capacity of 265 air-jet looms, located at Sheikhupura, Punjab.
- iii) Finishing Unit III with production capacity of 27.00 million meterage, located at 1.7 KM Warburton Road , Ferozwattwan , Sheikhupura, Punjab.
- iv) Stitching Unit IV , located at 1.7 KM Warburton Road , Ferozwattwan, Sheikhupura, Punjab.

## **Credit Rating**

The entity ratings for the current year assigned on May 27, 2021 has been maintained at A/A 1 (Single A / A-One) as per last year by the Messer's VIS Credit Rating Company Limited.

## Board of Directors

Sr	Names of Directors	Designation
1	Mr. Mohammad Salim	Director / Chairman
2	Mr. Muhammad Shaheen	Director
3	Mr. Hamza Shakeel	Director
4	Mr. Khurram Salim	Director
5	Mr. Bilal Sharif	Executive Director / CEO
6	Mr. Muhammad Amin	Director
7	Mr. Tauqeer Ahmed Sheikh	Independent Director
8	Mr. Mustafa Tanvir	Independent Director
9	Mr. Asif Elahi	Independent Director
10	Mrs. Fatima Amin	Female Director

**FAISAL SPINNING MILLS LIMITED**  
**CATEGORIES OF SHAREHOLDERS**  
**AS AT JUNE 30, 2022**

<b>SR #</b>	<b>CATEGORIES OF SHAREHOLDERS</b>	<b>NUMBERS OF SHAREHOLDERS</b>	<b>SHARES HELD</b>	<b>PERCENTAGE %</b>
1	Director's, CEO, Their Spouse and Minor Children	17	3,908,279	39.08
2	Associated Companies, Undertaking and Related Parties	16	5,011,921	50.12
3	NIT / ICP	1	500	0.01
4	Bank / Financial Institution	1	3,600	0.04
5	Insurance Company	1	222,700	2.23
6	General Public / Individuals	727	852,499	8.52
7	Other Companies	1	1	0.00
8	Joint Stock Companies	1	500	0.01
		<b>765</b>	<b>10,000,000</b>	<b>100.00</b>



# Faisal Spinning Mills Limited

## Free Float of Shares

As on June 30, 2022

Total outstanding shares		10,000,000
<u>Less :</u>		
Shares held by Directors /Sponsors	7,637,200	
Government holding as Promoter /Acquirer /Controller		
Shares held by Associated Undertakings	1,282,900	
Shares held with General Public	<u>157,400</u>	<u>9,077,600</u>
<b>Free Float</b>		<b><u>922,400</u></b>
Total number of shares available in CDC		2,208,400
Total number of shares available in Physical Form		<u>7,791,600</u>
<b>Total</b>		<b><u>10,000,000</u></b>

# Group Structure

## Textiles

### **Bhanero Textile Mills Ltd**

Spinning Unit I  
Spinning Unit II  
Weaving Unit III  
Spinning Unit IV - (April 2023)

### **Faisal Spinning Mills Ltd**

Spinning Unit I  
Weaving Unit II  
Finishing Unit III  
Stitching Unit IV

### **Blessed Textiles Limited**

Spinning Unit I  
Weaving Unit II  
Spinning Unit III  
Spinning Unit IV - (April 2023)

## Leather

### **Firhaj Footwear (Pvt) Limited**

Footwear Retailing - Unit I  
Footwear Manuf. - Unit II  
Leather Garment - Unit III

## Dairy

### **Umer Farms (Pvt) Limited**

Milk Production Unit I

## Real Estate

### **City Towers**

# Economic Environment & Challenges for Textile Sector

The company's performance is remarkable during the current year where it generated the revenue of PKR 32,074.370 million (FY 21:PKR 17,065.186 million) showing an exceptional increase in sales revenue by almost 88 percent as compared to corresponding year. Similarly, the company posted a net profit tax amounting to PKR 4,098.223 million (FY 21: PKR 2,300.119 million).

On the economic front there has been big question mark whether the country is able to carry the momentum of 5.97 percent of growth of FY 21 since massive rupee devaluation, rising debts, inflationary pressure , high policy rate and rising energy cost are the notable barriers to economic growth. Moreover, the political instability in the country also led to a huge increase in economic uncertainty.

Unfortunately, the torrential rains and floods have engulfed Pakistan's cotton fields resulting in irreparable loss to the textile sector. The crop production is almost 41 percent lesser than the corresponding period and according to experts the produce will stay around 5.5 million during the current year due to calamitous flooding. In this scenario we're left with no option except to import raw cotton from the US, Brazil and Egypt and even India.

Importing from India will be beneficial for us since it's comparatively cheaper and would reach us within a span of 3-4 days. The delays in cotton import can pose serious risk to the timely delivery of export orders by the textile industry to fulfil its foreign business commitments.

Hence, we strongly suggest that this is high time to lift the ban on cotton imports from India to maintain the growth momentum and survival of the textile sector.

# Key Performance Indicators

Sales  
Growth YoY  
87.95%

Gross Profit  
19.87%

Profit Before  
Tax  
14.73%

Profit After  
Tax  
12.78%

Breakup Value  
per Share  
1,246.94

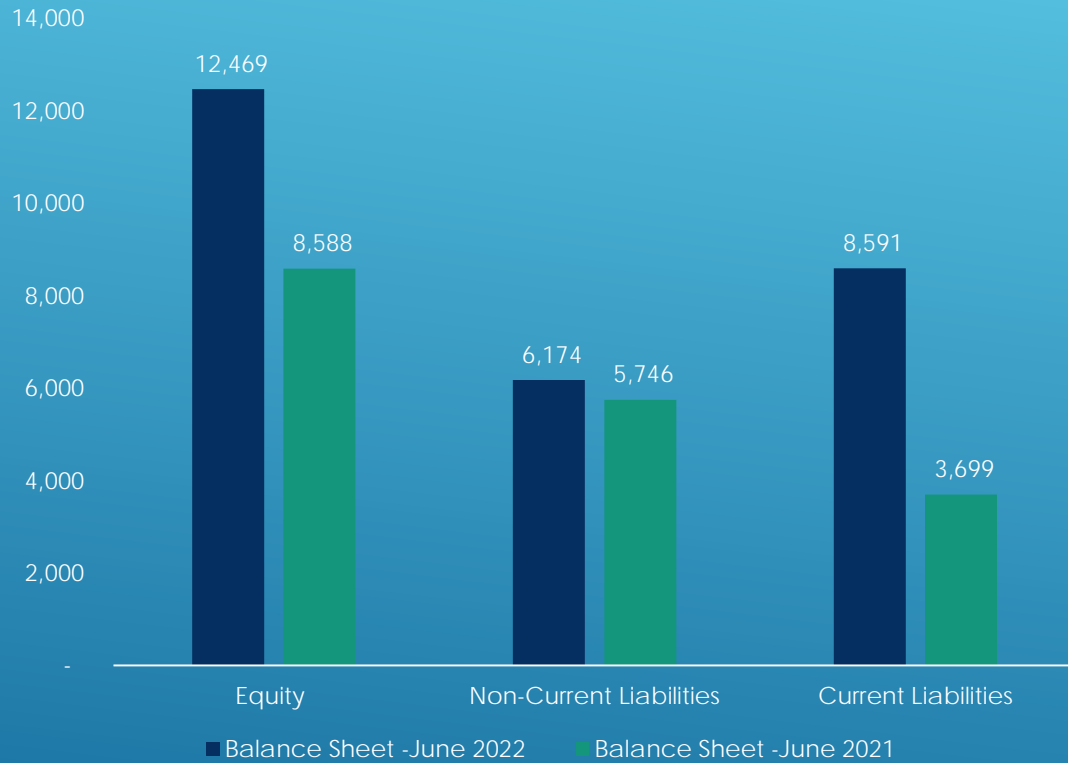
Market Value  
per Share  
450.00

Dividend per  
Share  
21.45

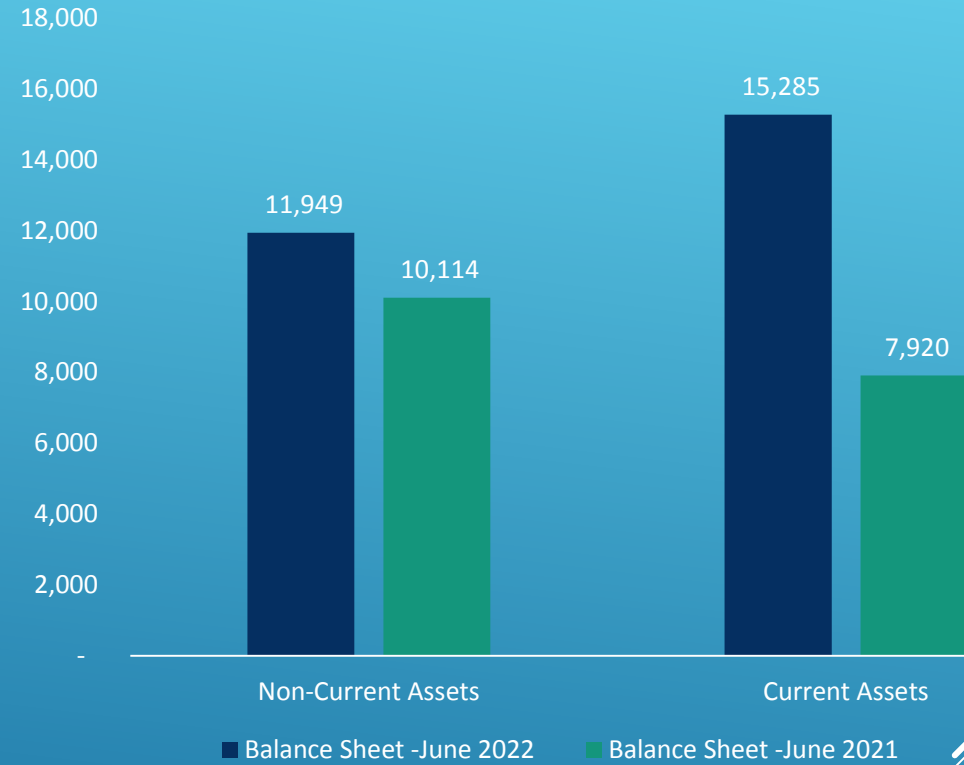
Earnings per  
Share  
409.82

# Statement of Financial Position as at June 30, 2022

## Equity & Liabilities - (PKR in Millions)



## Assets - (PKR in Millions)

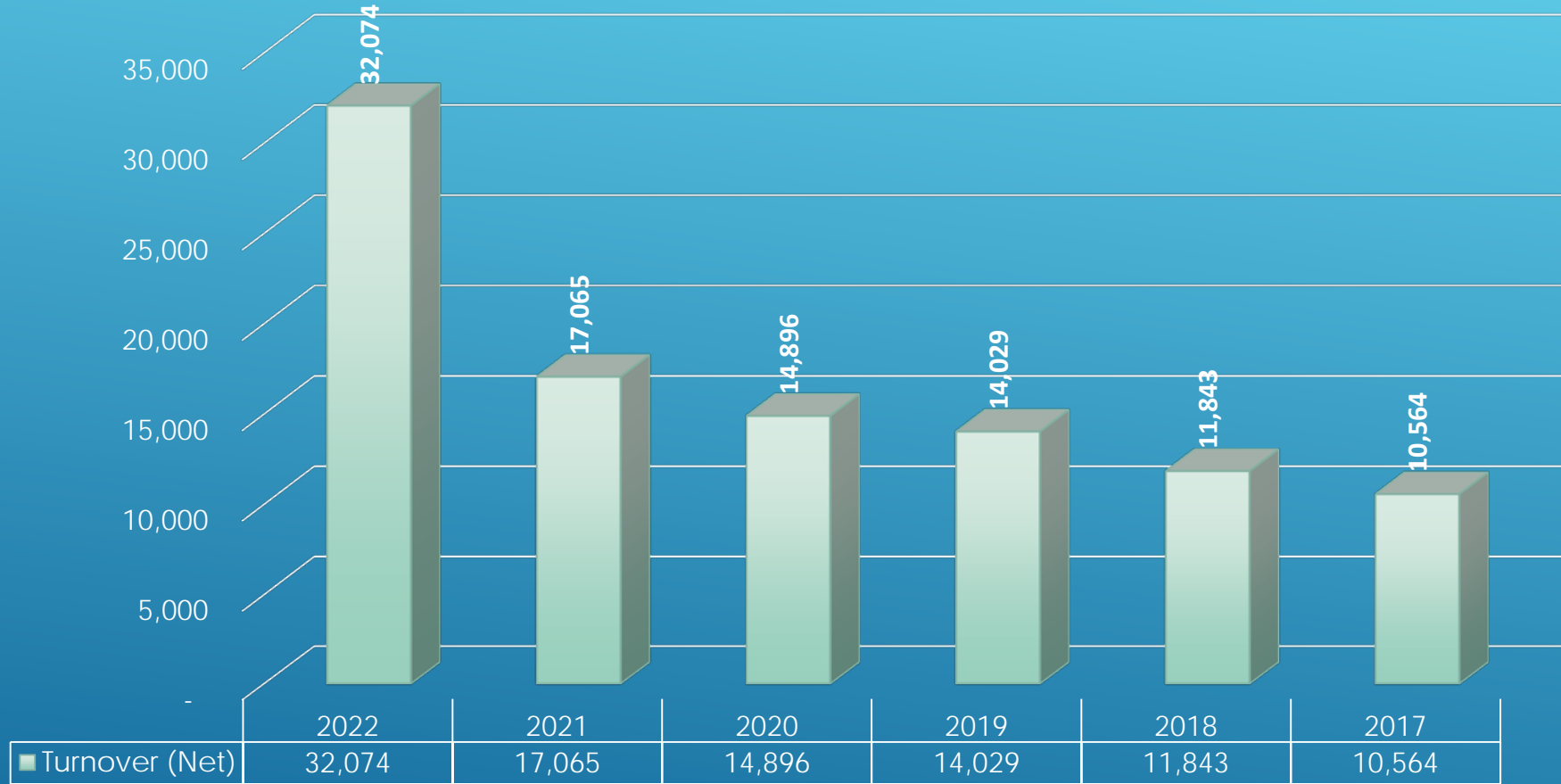


# Faisal Spinning Mills Limited

## Statement of Profit or Loss For the Year Ended June 30, 2022

	June 30, 2022	June 30, 2021
	PKR	Restated PKR
Sales	32,074,369,748	17,065,185,921
Cost of sales	25,701,983,801	14,576,409,796
<b>Gross profit</b>	<b>6,372,385,947</b>	2,488,776,125
Other income	73,383,339	828,298,308
	<b>6,445,769,286</b>	3,317,074,433
Distribution cost	1,258,864,404	553,281,330
Administrative expenses	328,184,900	185,092,746
Other operating expenses	318,223,878	138,430,599
Finance cost	408,214,000	296,590,005
	<b>2,313,487,182</b>	1,173,394,680
	<b>4,132,282,104</b>	2,143,679,753
Share of profit from associated undertaking	592,860,794	396,627,230
<b>Profit before tax</b>	<b>4,725,142,898</b>	2,540,306,983
Taxation	626,919,602	240,187,821
<b>Profit after taxation for the year</b>	<b>4,098,223,296</b>	2,300,119,162
<b>Earnings per share - basic and diluted</b>	<b>409.82</b>	230.01

# Turnover (PKR in Millions)



## PBT and PAT - %

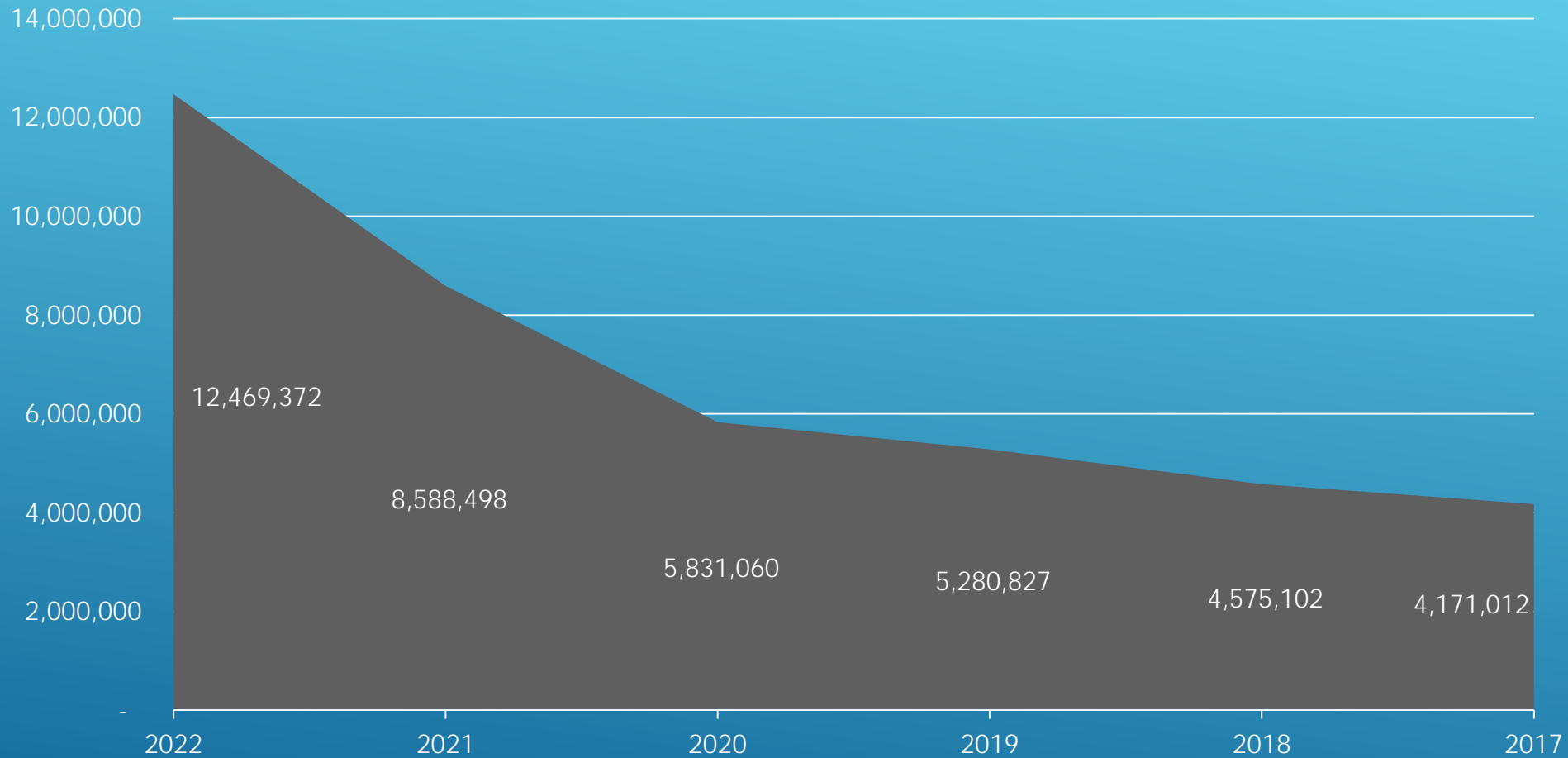


	2022	2021	2020	2019	2018	2017
Profit before tax (%)	14.73%	14.89%	4.63%	7.86%	6.09%	4.68%
Profit after tax (%)	12.78%	13.48%	3.52%	6.55%	4.88%	4.08%

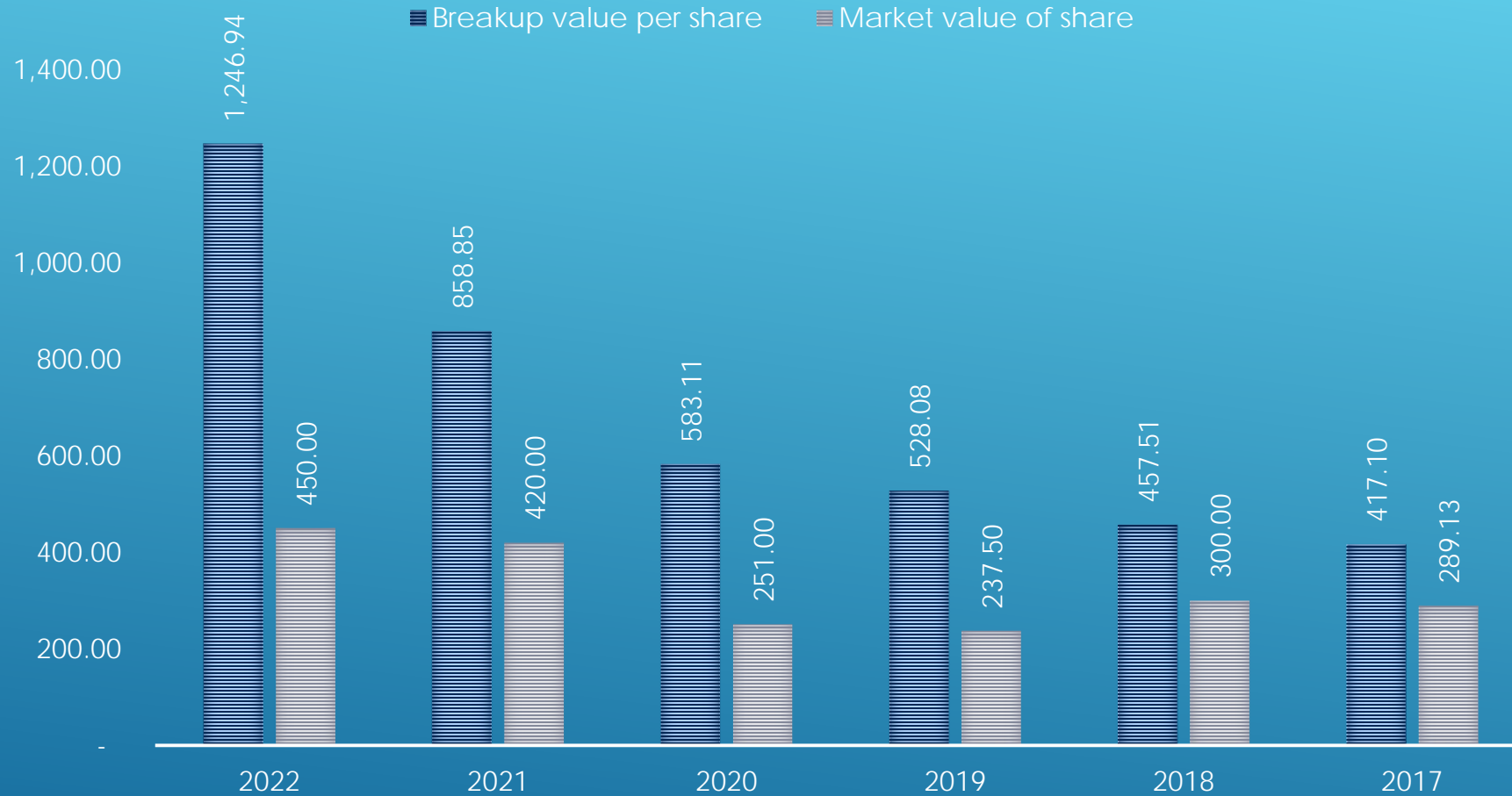
—●— Profit before tax (%)
 —●— Profit after tax (%)



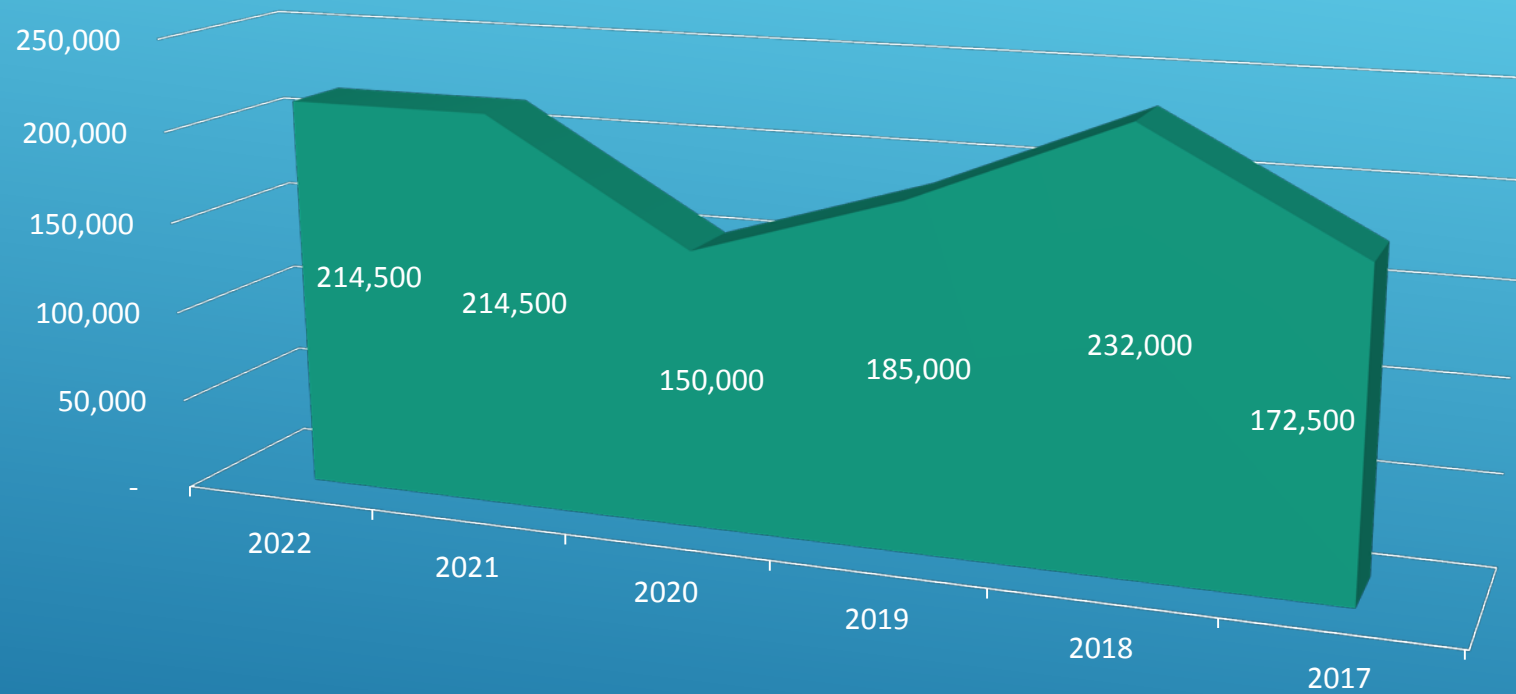
## Shareholder Equity (PKR in "000")



# Breakup & Market Value of Share



## Cash Dividend - PKR in ("000")



	2022	2021	2020	2019	2018	2017
■ Cash dividend	214,500	214,500	150,000	185,000	232,000	172,500

# Historical Data

## Faisal Spinning Mills Limited

For the year ended June 30, 2022

### Year-Wise Operating Data

2022	2021	2020	2019	2018	2017
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#### Spinning Unit

Spindle installed	38,208	38,208	38,208	38,208	38,208
Spindles worked - Average	38,208	38,208	38,208	38,208	38,208
Installed capacity after conversion into 20/s count - Kg	23,161,653	23,161,653	23,485,861	24,916,086	25,162,427
Actual production - Kg	22,834,826	19,921,801	20,628,185	19,448,902	20,089,558

#### Weaving Unit

Air jet looms installed	265	265	265	265	265
Air jet looms worked	265	265	265	265	265
Installed capacity after conversion into 50 picks - Meter	67,578,655	64,308,255	64,308,255	64,308,255	41,780,006
Actual production - Meter	41,155,105	40,242,805	43,789,732	44,560,931	41,522,501

#### Finishing Unit

Production Capacity in meters	28,000,000	26,766,667	-	-	-
Actual Production - Meter	28,674,769	7,133,010	-	-	-

(Year 2021 Inclusive of Trial & Commercial)

Year-Wise Financial Data

2022	2021	2020	2019	2018	2017
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Rupees in Thousands

**Profit and loss account**

Turnover (Net)	32,074,370	17,065,186	14,895,550	14,028,566	11,842,981	10,563,662
Gross profit	6,372,386	2,488,776	1,410,283	1,884,038	1,308,462	1,046,982
Operating profit	4,540,496	2,440,270	858,601	1,275,441	790,664	603,438
Financial expenses	408,214	296,590	246,852	290,548	137,361	154,387
Share profit of associate	592,861	396,627	78,626	117,479	68,124	45,443
Profit before tax	4,725,143	2,540,307	690,375	1,102,372	721,427	494,494
Profit after tax	4,098,223	2,300,119	523,879	918,500	577,855	430,994
Cash dividend	214,500	214,500	150,000	185,000	232,000	172,500

**Balance Sheet**

Share capital	100,000	100,000	100,000	100,000	100,000	100,000
Reserves	10,000,000	7,300,000	5,300,000	4,900,000	4,200,000	3,890,000
Shareholder equity	12,469,372	8,588,498	5,831,060	5,280,827	4,575,102	4,171,012
Long term loans	4,632,023	4,404,730	5,831,060	1,478,484	1,475,536	1,626,136
Short term loan	4,872,154	1,878,178	3,876,009	1,430,911	645,652	164,040
Current liabilities	8,590,997	3,699,052	5,006,663	2,467,436	1,496,635	902,957
Current portion of long term loans	615,010	359,135	55,003	226,342	224,493	160,431
Fixed assets	9,891,076	8,619,791	3,860,627	3,533,394	3,491,382	3,256,739
Current assets	15,284,828	7,919,505	8,499,266	5,925,995	4,245,853	3,269,374

Ratios	2022	2021	2020	2019	2018	2017
<b>Performance</b>						
Sales growth percentage - Year to Year basis	87.95%	14.57%	6.18%	18.45%	12.11%	13.81%
Gross profit (%)	19.87%	14.58%	9.47%	13.43%	11.05%	9.91%
Profit before tax (%)	14.73%	14.89%	4.63%	7.86%	6.09%	4.68%
Profit after tax (%)	12.78%	13.48%	3.52%	6.55%	4.88%	4.08%
<b>Valuation</b>						
Breakup value per share	1,246.94	858.85	583.11	528.08	457.51	417.10
Market value of share	450.00	420.00	251.00	237.50	300.00	289.13
<b>Profitability</b>						
Earnings per share - Rupees per share	409.82	230.01	52.39	91.85	57.79	43.10
Price earning ratio	1.10	1.83	4.79	2.59	5.19	6.71
<b>Leverage</b>						
Gearing ratio	0.81	0.77	1.35	0.59	0.51	0.47
Debt to equity (%)	37.15%	51.29%	100.00%	28.00%	32.25%	38.99%
Interest covering ratio	12.58	9.57	3.80	4.79	6.25	4.20
<b>Liquidity ratio</b>						
Current ratio	1.78	2.14	1.70	2.40	2.84	3.62

## Question & Answers Session

The honorable guest and shareholders of the company are requested to proceed for question and answer session with regard to the financial statements for the year ended June 30, 2022.

Thanks