



FAISAL SPINNING MILLS LIMITED

NOTICE OF CORPORATE BRIEFING SESSION

Notice is hereby given that the Corporate Briefing Session (CBS) of the Faisal Spinning Mills Limited “Company” will be held on Thursday, 21st November, 2024 at 12:00 noon virtually through video link facility, “Zoom” which is available on Google Play or Apple App Store.

The analyst community and shareholders can access with following ID and password:

Join Zoom Meeting

<https://us05web.zoom.us/j/3822738660?pwd=T2ppUWYxSctjUXduQ2ErR0INSEMzQT09>

Meeting ID: 382 273 8660

Passcode: fsmcorp

The session aimed for an interaction amid the management of the company and the investor community along with the shareholders of the company whereby the company undertakes the opportunity to apprise them about the economic environment it operates along with the financial performance of the company for the year ended June 30, 2024.

Guidelines for Online Participants:

- The participants can attend the CBS session either through their smart phones or computer devices.
- Participants are requested to dial in (10) ten minutes prior to the schedule of meeting.
- In order to attend the meeting, it’s mandatory that you should enter your name and institution in the following format ‘Full Name - Institution’ (in case of Analyst) and ‘Full Name - Folio Number’ (in case of member).
- Participants are requested to stay on ‘Mute’ and ‘off Camera’ mode during presentation.
- In case of any question or comment, participant is either requested to type in a question in the chat box or raise his/her hand which will appear on the participants list.
- Moderator will request participant to comment once they have written their request on chat.

(By the order of the Board)

Adeel-ur-Rehman Ansari

(Company Secretary)

November 15, 2024



FAISAL SPINNING MILLS LIMITED

CORPORATE BRIEFING SESSION - 2024



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Disclaimer

The corporate briefing session's presentation, created by Faisal Spinning Mills Ltd, is solely meant for the participants' discussion. Any comment, information or representation made during the conversation may not be interpreted by investors or potential investors as advice or a recommendation to hold, purchase, or sell stocks without giving it cautious thought.

We also recommend that one should confirm the appropriateness and authenticity of any material provided or remarks made during the discussion before acting upon them.

Prologue

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 around 60 percent of its entire revenue to US , Europe and Far East countries of more than 85 percent of its entire revenue.

The company posted a loss of PKR (1,520.616) and PKR (1,383.771) before and after tax respectively. There has been a sales growth by almost 20 percent during the fiscal year ended June 30, 2024 however, during the current year gross margin is dropped from 12 percent to 6 percent due to increase in cost of sales.

The company's financial performance was undesirably impacted by several challenges during the fiscal year 2023-24 that include global economic slowdown, persistent domestic economic difficulties, record-high inflation, elimination of energy subsidies that led to a sharp increase in energy prices.

Furthermore, our profitability and gross margins have been severely impacted by strict fiscal measures like the removal of the zero-rating for local inputs in exports and the implementation of SRO 350(1)2024 in sales tax, along with delayed sales tax refunds, high financing costs and volatility in the price of cotton and yarn globally.

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

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

Board of Directors

The governing board comprised of ten(10) members and all the appointments of independent, executive, non-executive and female directors are in line under the under Code of Corporate Governance Regulations, 2019. All the members of the governing board are accredited under Directors Training Program

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, 2024

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

Faisal Spinning Mills Limited

Free Float of Shares

As on June 30, 2024

Total outstanding shares 10,000,000

Less :

Shares held by Directors /Sponsors 7,637,800

Government holding as Promoter /Acquirer /Controller

Shares held by Associated Undertakings 1,282,900

Shares held with General Public 153,978 9,074,678

Free Float

925,322

Total number of shares available in CDC 2,211,822

Total number of shares available in Physical Form 7,788,178

Total 10,000,000

10

Group Structure

Textiles

Bhanero Textile Mills Ltd

Spinning Unit I
Spinning Unit II
Weaving Unit III
Spinning Unit IV

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

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

Outlook of the Textile Sector

The Pakistan textile sector is experiencing a mixed bag of fortunes with some positive developments and several challenges that still persist for the textile sector.

The textile exports have seen growth, particularly in ready-made garments, knitwear, and bedwear. This is partly due to the shift in demand from Bangladesh and other regional competitors. The recovery in global economies has led to increased demand for textile products, benefiting Pakistan's export-oriented industry.

The challenges like high energy costs remain a significant issue for the textile industry, impacting production costs and competitiveness. Secondly, the fluctuations in the prices of raw materials, such as cotton, can affect profitability of the textile sector.

Finally, the cotton production has been a severe challenge for the textile sector in recent past, the country was once a major cotton producer now struggling to maintain even the last year output of 8 million bales. The absence in the cotton research for production of high quality climate and pest resilient seeds leading a rapid decline in cotton production.

The Pakistan textile sector is facing a complex landscape, influenced by both global and domestic factors. In order to boost textile exports the country must focus on the global demand for textiles, particularly from emerging markets that provides opportunities for growth by exploring new markets and diversifying product offerings.

The country should take measure to support textile sector in moving up the value chain by producing high-value-added products, adopting advanced technologies to improve efficiency and productivity, implementing sustainable practices to reduce environmental impact and meet global sustainability standards.

The government should promote and encourage the renewable energy initiatives taken by the textile sector in order to compete with regional competitors.

The government should support the cotton farmers, including subsidies in fertilizers and pesticides, providing climate and pest resistant seeds, credit facilities to farmers, implementing policies to stabilize cotton prices, ensure fair returns to farmers and training farmers for the improved water management through technologies like drip irrigation.

Key Performance Indicators

Sales
Growth YoY
19.53%

Gross Profit
6.09%

Loss Before
Tax
(3.38)%

Loss After
Tax
(3.07)%

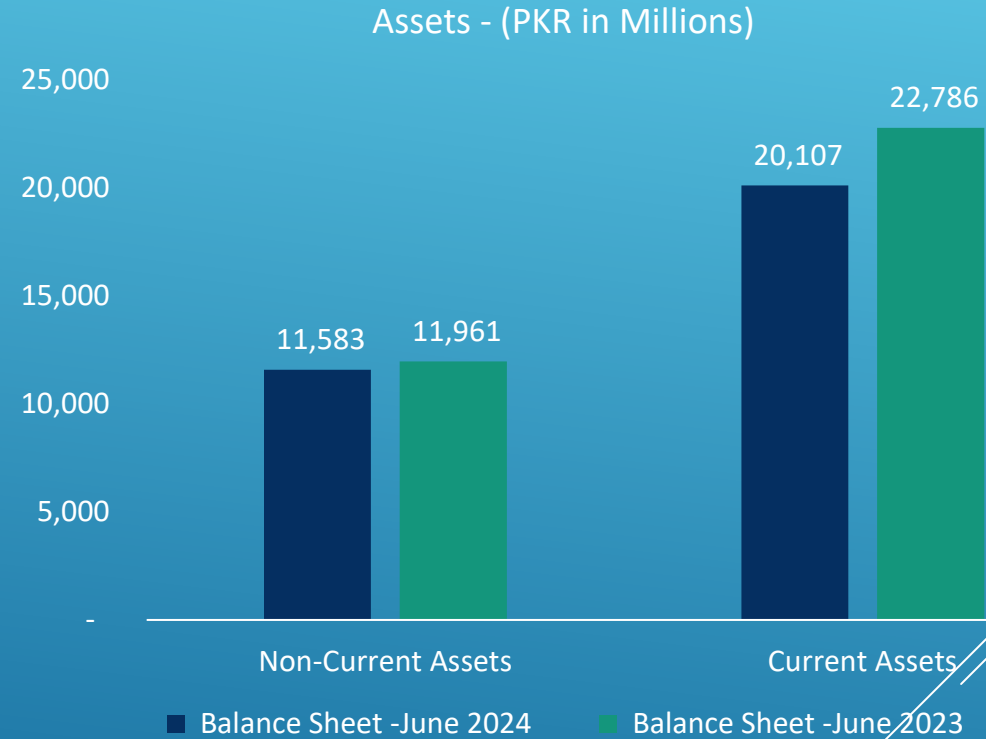
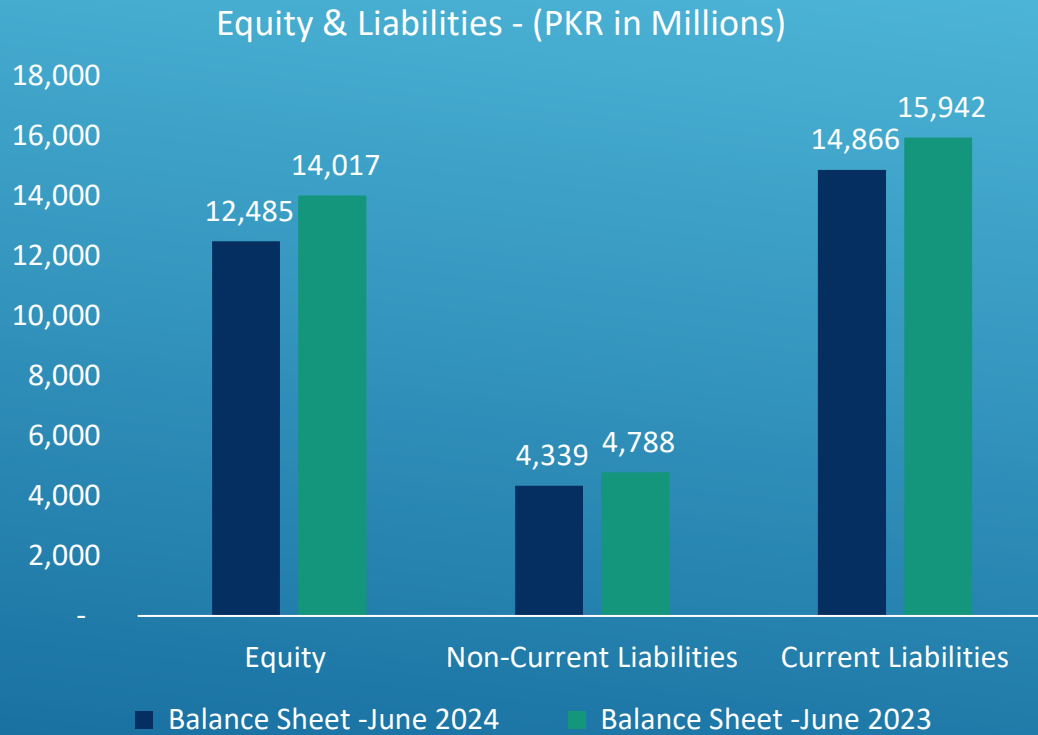
Breakup Value
per Share
1,248.48

Market Value
per Share
280.12

Dividend per
Share
Nil

Loss per Share
138.38

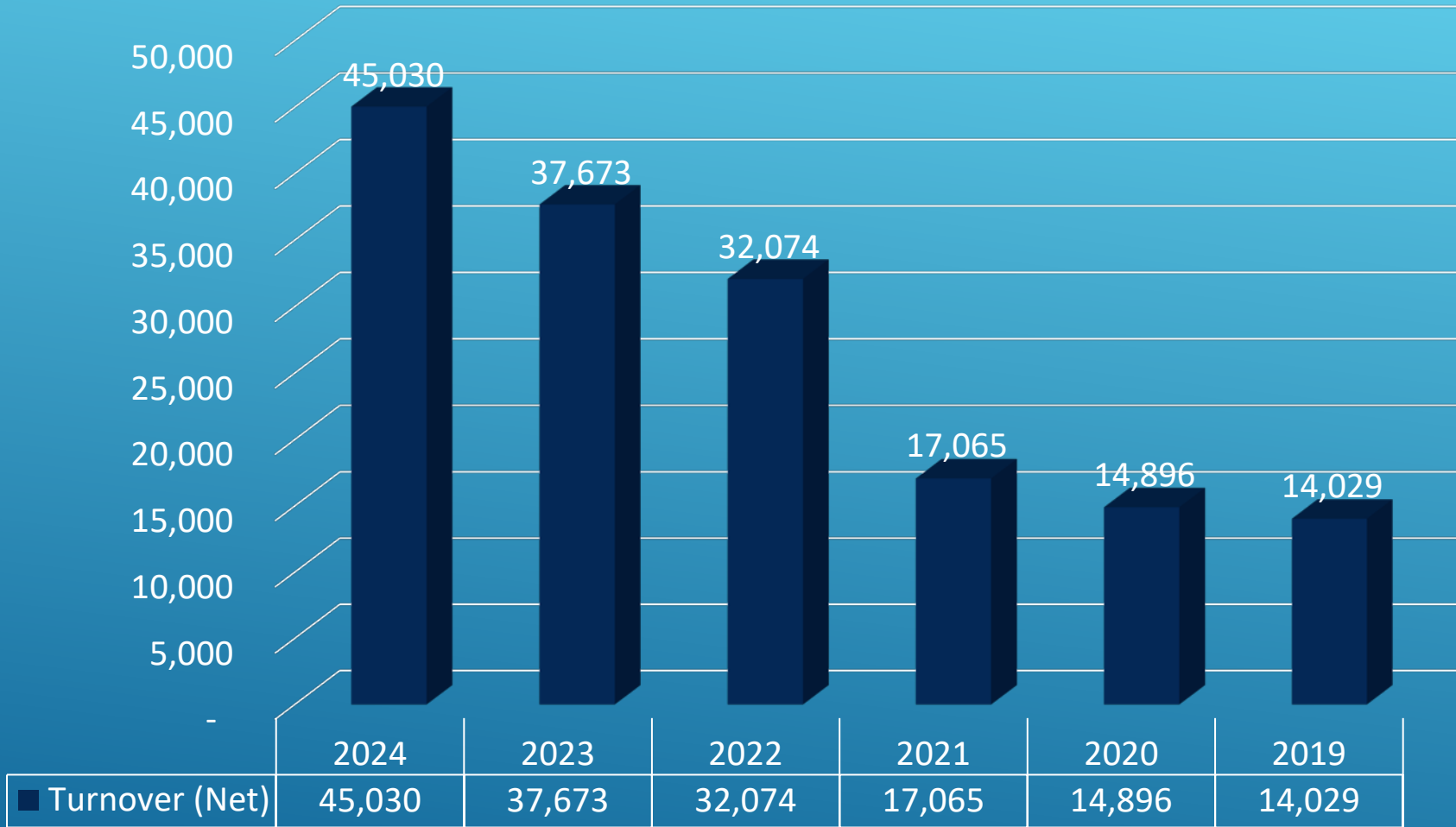
Balance Sheet as on June 30, 2024



Faisal Spinning Mills Limited
Statement of Profit or Loss
For the Year Ended June 30, 2024

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

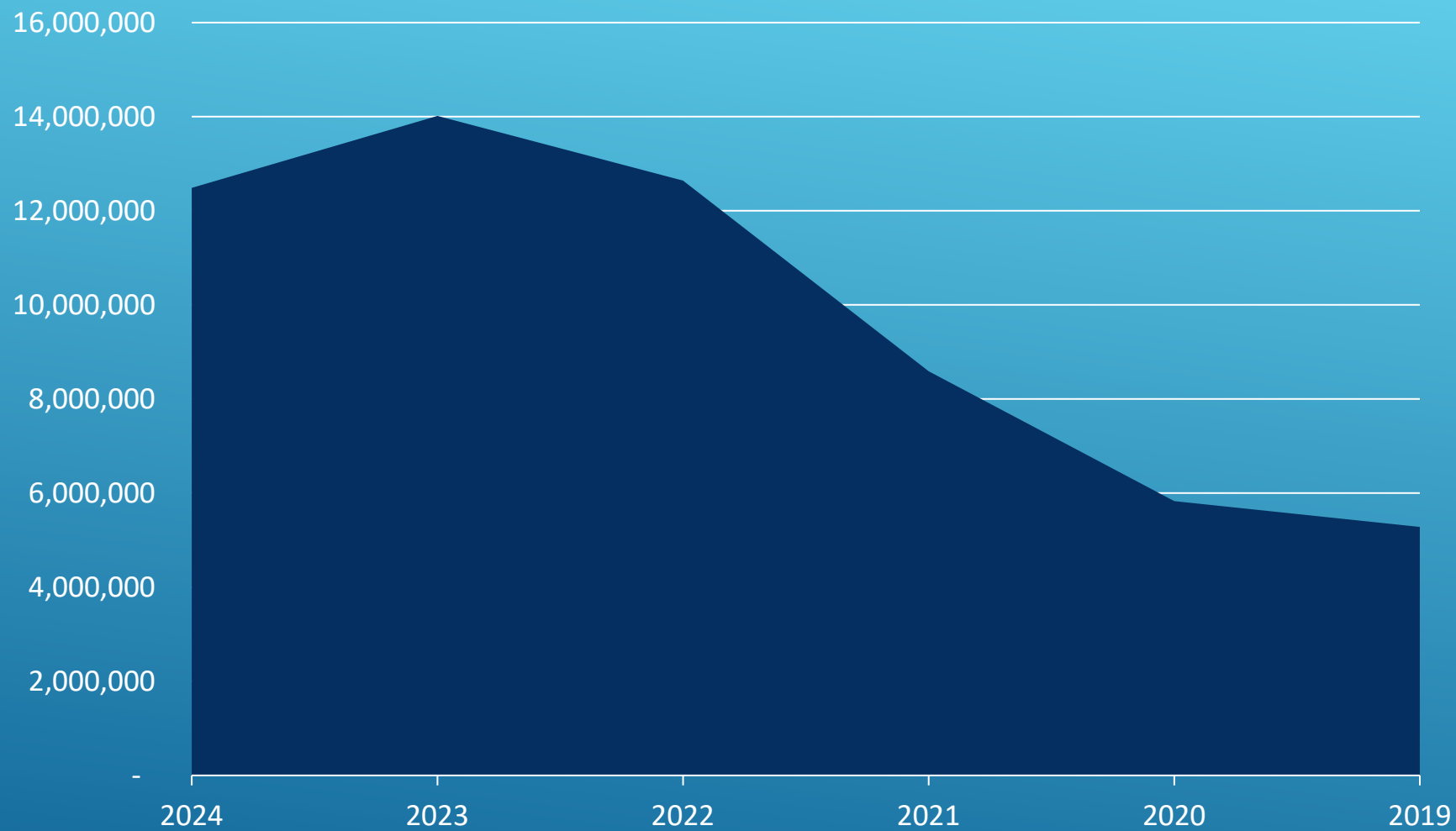
Turnover - PKR in Million



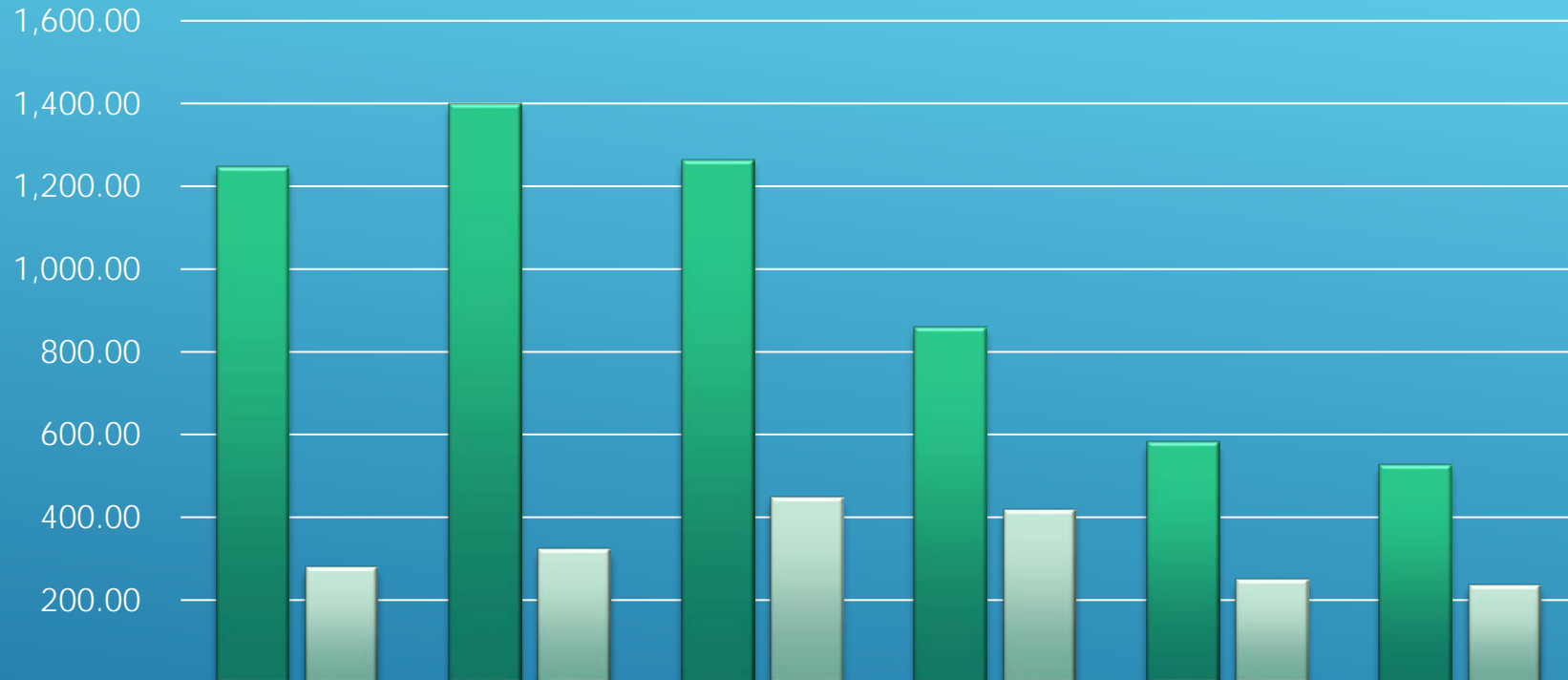
PBT and PAT - %



Shareholder Equity



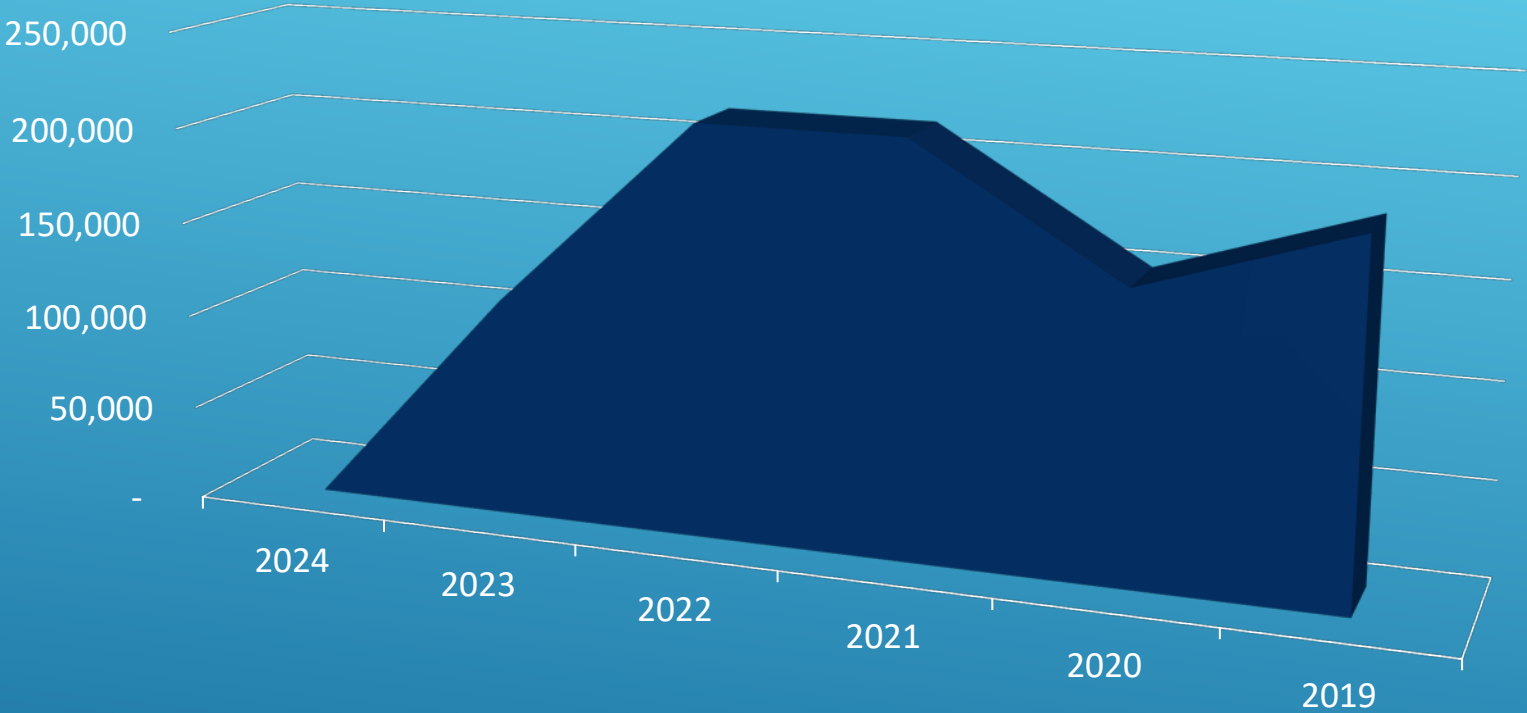
Breakup and Market Value Per Share



	2024	2023	2022	2021	2020	2019
Breakup value per share	1,248.48	1,401.66	1,264.13	858.85	583.11	528.08
Market value of share	280.12	323.75	450.00	420.00	251.00	237.50

■ Breakup value per share
 ■ Market value of share

Cash Dividend



	2024	2023	2022	2021	2020	2019
■ Cash dividend	-	115,000	214,500	214,500	150,000	185,000

Faisal Spinning Mills Limited

Historical Data for the Year Ended June 30, 2024

Year-Wise Operating Data

	2024	2023	2022	2021	2020	2019
Spinning Unit						
Spindle installed	38,208	38,208	38,208	38,208	38,208	38,208
Spindles worked - Average	38,208	38,208	38,208	38,208	38,208	38,208
Installed capacity after conversion into 20/s count - Kg	23,161,653	23,161,653	23,161,653	23,161,653	23,485,861	24,916,086
Actual production - Kg	22,321,532	20,101,182	22,834,826	19,921,801	20,628,185	19,448,902
Weaving Unit						
Air jet looms installed	265	265	265	265	265	265
Air jet looms worked	265	265	265	265	265	265
Installed capacity after conversion into 50 picks - Meter	68,379,830	68,379,830	67,578,655	64,308,255	64,308,255	64,308,255
Actual production - Meter	39,682,149	38,211,707	41,155,105	40,242,805	43,789,732	44,560,931
Finshing Unit						
Production Capacity in meters	33,000,000	33,000,000	28,000,000	26,766,667	-	-
Actual Production - Meter	35,151,288	34,338,963	28,674,769	7,133,010	-	-

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

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, 2024.

Thanks