



# J.K spinning Mills Limited

Corporate Briefing Session 2023

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# Company Brief



# Introduction

J.K Spinning Mills Limited (JKSML) was incorporated in Pakistan on 07 January 1987 as a public limited company. The shares of the company are listed on Pakistan Stock Exchange. JKSML is principally engaged in manufacturing and sales of yarn, fabrics, and home Textile Products.



**YARN**

202,,084 Spindles



**WOVEN FABRIC**

110 shuttle-Less  
Looms



**HOME TEXTILE**

600 Machines

# VISION & MISSION

## VISION

To Enter into Global Economy accepting the challenge of barrier free trade as a dynamic force.

## MISSION

- To turn around performance of company into sustainable growth for the benefit of its stake holders.
- To stand the test of expectations of our valued customers redefining excellence with craft, creativity, professionalism and quality control.
- To strive hard for boosting exports of country to earn more foreign exchange to rebuild economy.



# CORE VALUES



# GROUP STRUCTURE



## Spinning Unit

202,084 Spindles  
64 Million Kgs (20S) annual  
production



## Weaving Unit

110 Looms  
21 Million (Sq. Mtr.) annual production



# GROUP STRUCTURE



## Stitching Unit

600 Machines  
64 Million Meters annual  
production



## Processing Unit

Fabric: 60 Million linear meter  
annual production.  
Towel: 2,920 Ton Annually



## Power House

21 MW Gas Generation  
1 MW Diesel Generation  
1.4 MW Solar Capacity  
18 MW Grid

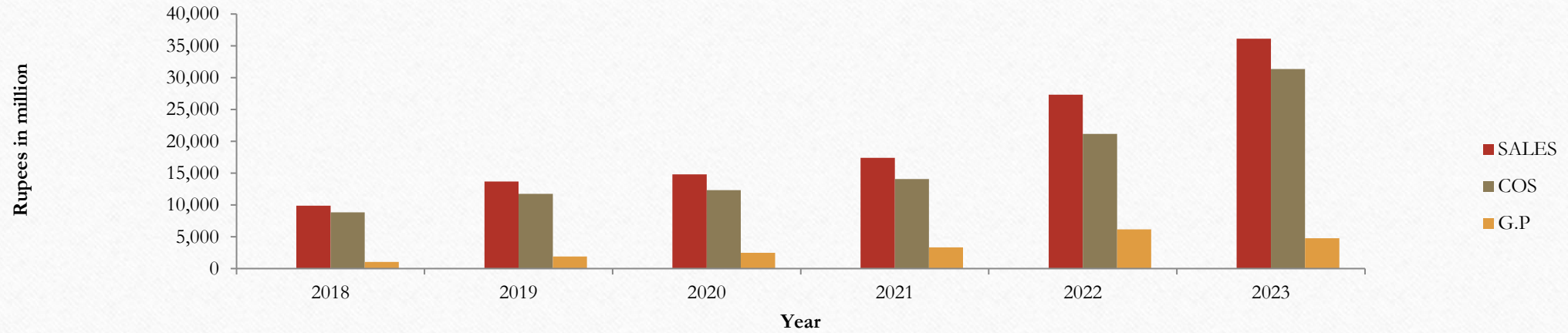




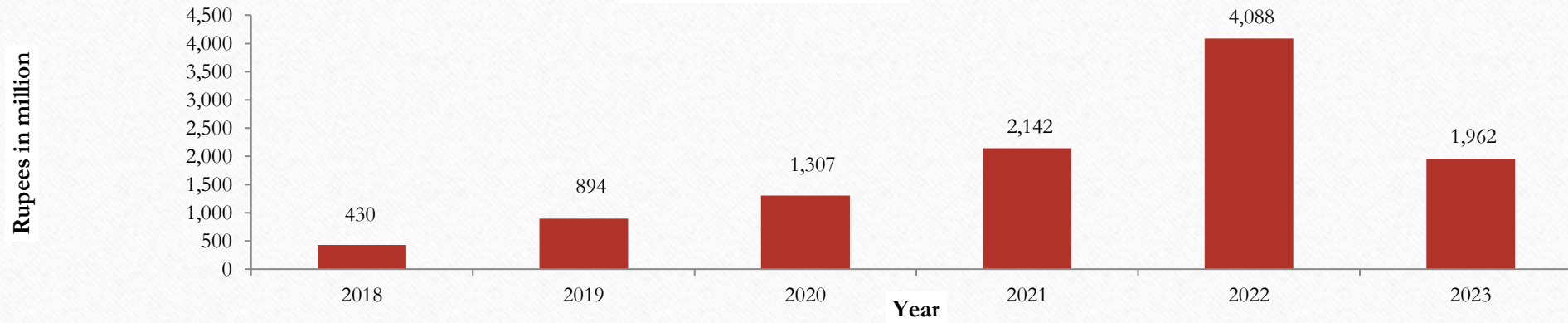
**02**

## **Historical Performance & Trends**

## Sales, Cost and G.P

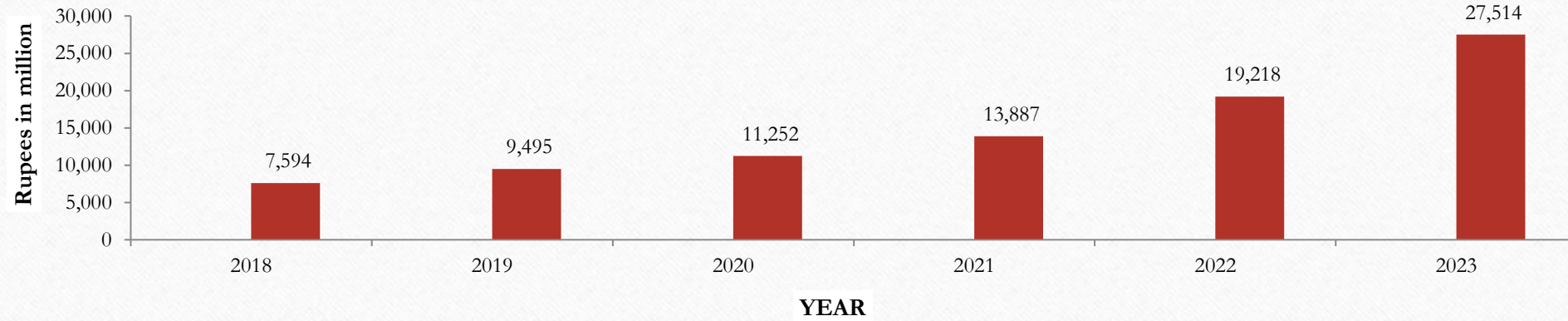


## Profit before taxation

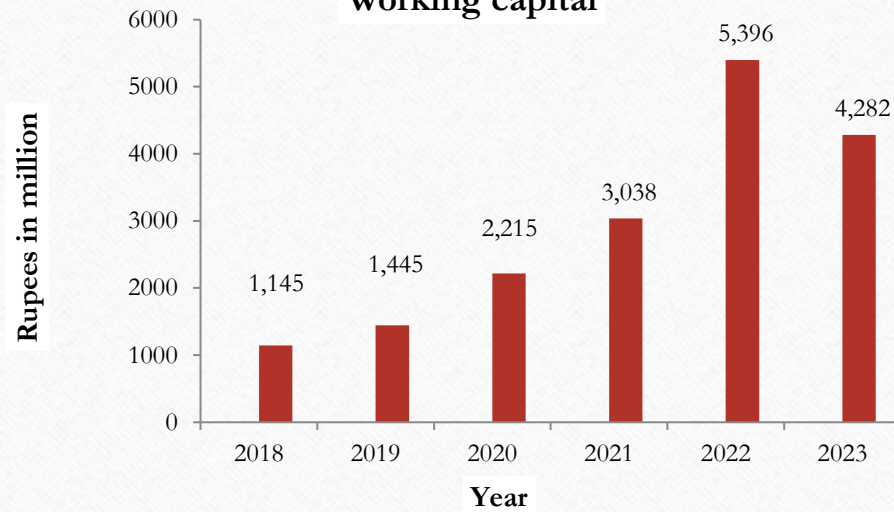




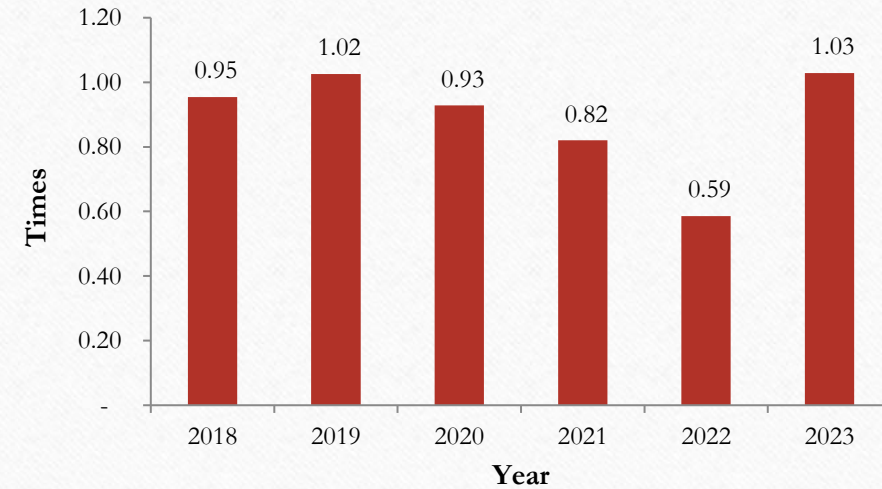
## Total Assets



## Working capital



## Leverage ratio





**03**

# **Financial Results 2023 vs 2022**



# Horizontal Analysis of Profit or Loss



Key Highlights

+32%

Sales Rs.36,128 million (2022: 27,332 million)

-22%

Gross Profit Rs.4,786 million (13.25% of sales) [2022: 6,160 million (22.54 % of sales)]

-51%

Profit before Tax Rs.1,962 million (5.43% of sales) [2022: 4,087 million (14.96% of sales)]

-67%

Taxation Rs.142 million (2022: 426 million)

-50%

Profit after tax Rs.1,820 million (5.04% of sales) [2022: 3,661 million (13.40% of sales)]

# Vertical Analysis of Profit Or Loss Account

	2023		2022	
	Rs. in million	%age	Rs. in million	%age
<b>Revenue:</b>				
Sales	36,129	99.71	27,333	99.03
Other income	105	0.29	266	0.97
<b>Total</b>	<b>36,234</b>	<b>100.00</b>	<b>27,599</b>	<b>100.00</b>
<b>Expenses:</b>				
Cost of sales	31,342	86.49	21,172	76.71
Distribution expense	1,147	3.16	1,036	3.76
Administrative and other expenses	827	2.28	931	3.37
Finance cost	956	2.63	372	1.35
Profit Before Tax	1,962	5.41	4,088	14.81
Taxation	142	.39	426	1.54
Profit after Tax	1,820	5.02	3,662	13.26



# Balance sheet Assets

27,514 million

2023

2022

19,218million

11,739 million

Property, plant and equipment

7,201 million

24 million

Long term deposits and Investments

23 million

8,773 million

Stores and stocks

7,116 million

4,010 million

Trade debts

3,050 million

2,294 million

Sales tax refundable

529 million

674 million

Other assets

1,299 million

# Balance sheet Equity and liabilities

27,514 million

2023

2022

19,218 million

12,488 million

Shareholders Equity

10,873 million

3,142 million

Total Long term loans

1,510 million

2,333 million

Trade liabilities

1,935 million

7,861 million

Short term borrowings

3,920 million

1,690 million

Other liabilities

980 million





**04**

## **Future Outlook**

# Future Outlook

The textile sector is expected to face ongoing economic challenges, including high interest rates, depreciation of the exchange rate, elevated power tariffs, rising raw material costs, and the suspension of the zero-rating status in the fiscal year 2024.

Due to the rising local cotton prices, the devaluation of the Pakistani Rupee, delays in shipments, and increased working capital requirements for textile exporters, the export-oriented textile industry is grappling with a liquidity crunch.



The current political scenario, coupled with dwindling foreign exchange reserves, is severely impacting the textile sector. Delays in opening letters of credit for raw materials and the sluggish retirement of documents are significantly disrupting raw material inventory levels, hindering the smooth operation of mills, and increasing the overall cost of doing business. Also challenges, the State Bank of Pakistan has raised policy rates to an unprecedented 22%, marking the highest rate in Pakistan's history.



# Future Outlook

Furthermore, Pakistan's economy has been adversely affected by flooding and heavy rains during the first quarter of the financial year 2022-23, resulting in the destruction of most agricultural crops in flooded regions. The cotton crop, in particular, has been completely devastated in these areas.



Company is incorporating 5MW solar project in future plans. Furthermore company is also planning to incorporate towel project. The management of your company is diligently monitoring these circumstances and is dedicated to minimizing costs by enhancing capacity and improving efficiencies in order to attain favorable financial results in the forthcoming financial year.



# Q & A Session





THANK  
YOU! 😊