



# FEROZE 1888 MILLS LIMITED

Manufacturers and Exporters of Specialized Yarn & Textile Products

Weaving a Better World®

Corp-1/F1888/2021  
01 November 2021

**The General Manager**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Sub: Un-audited Quarterly Accounts for the 1<sup>st</sup> Quarter Ended 30<sup>th</sup> September 2021**

Dear Sir,

We have to inform you that the Board of Directors of Feroze1888 Mills Limited in their meeting held on Friday, 29 October 2021 at 05:00 p.m. at K&N Centre, 160, Shahrah-e-Faisal, Karachi / Video Link, recommended the following:

(i) Cash Dividend  
NIL

and/or

(ii) Bonus Shares  
NIL

and/or

(iii) Right Shares

The Board of Directors have decided to increase paid-up share capital of the Company by issue of further 22,608,058 (Twenty Two Million Six Hundred Eight Thousand Fifty Eight) ordinary shares, having face value of Rs. 10/- each, as Right Shares, to be offered to the members in proportion of 6 Right Shares for every 100 ordinary shares held i.e. @ 6%, at a price of Rs. 70/- (Pak Rupees Seventy) per Right Share (inclusive of a premium of Rs. 60/- (Pak Rupees Sixty per Right Share).

Following details are enclosed:

1. Statement with respect to the details of the Right Issue, including the quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the Company and its shareholders, risk factors and justification for issue of shares at premium (**Annexure B**).
2. Certified true copy of the Extracts of the Resolutions passed by the Board of Directors of the Company dated 29 October 2021 (**Annexure C**).
3. Draft copy of the notice of the Right Issue and book closure to the Shareholders prior to its publication in the newspapers (**Annexure D**).

The Share Transfer Books of the Company will be closed from Friday, 26 November 2021 to Thursday, 02 December 2021 (both days inclusive) to determine the entitlement of Right Shares.

Transfers received at FAMCO Associates (Pvt.) Limited, 8-F, Next to Hotel Faran Nursery, Block 6 PECHS, Shahrah-e-Faisal, Karachi at the close of the business on Thursday, 25 November 2021 will be treated in time for the purpose of entitlement of Right Shares to the transferees.





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(iv) Any Other Entitlement/Corporate Action  
NONE

and/or

(v) Any Other price-sensitive information  
NONE

The Financial results of the Company are attached as **(Annexure A)**

The Quarterly Report of the Company for the period ended 30<sup>th</sup> September 2021 will be transmitted through PUCARS separately, within the specified time.

Yours truly,  
**for Feroze1888 Mills Limited**

**Mudassir Moten**  
Company Secretary

CC:

The Commissioner  
Corporate Supervision Department  
Securities and Exchange  
Commission of Pakistan  
Islamabad

The Director / HOD  
Surveillance, Supervision  
and Enforcement Department  
Securities and Exchange  
Commission of Pakistan  
NIC Building, 63 Jinnah Avenue  
Blue Area, Islamabad



Office: K&N's Centre, 160 Banglore Town, Shara-e-Faisal, Karachi-75350. Tel: 0213-8403758-9

www.feroze1888.com



# FEROZE 1888 MILLS LIMITED

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## Annexure A

Feroze1888 Mills Limited

Condensed Interim Statement of Profit or Loss (Un-audited)

For the Quarter ended September 30, 2021

	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
Sales – net	11,356,102	10,061,524
Cost of sales	(9,510,826)	(7,315,013)
<b>Gross profit</b>	<b>1,845,276</b>	<b>2,746,511</b>
Administrative cost	(338,934)	(297,571)
Distribution cost	(886,389)	(696,536)
Other expenses	(41,012)	(98,618)
	(1,266,335)	(1,092,725)
	<b>578,941</b>	<b>1,653,786</b>
Other income	131,215	172,276
<b>Operating profit</b>	<b>710,156</b>	<b>1,826,062</b>
Finance cost	(146,987)	(107,233)
<b>Profit before taxation</b>	<b>563,169</b>	<b>1,718,829</b>
Taxation	(126,692)	(103,750)
<b>Profit after taxation</b>	<b>436,477</b>	<b>1,615,079</b>
<b>Earning per share basic &amp; diluted (Rupees)</b>	<b>1.16</b>	<b>4.29</b>







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## Annexure B

### **Feroze1888 Mills Limited**

**Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company and the shareholders, Risk Factors, and Justification for Issue of Shares at Premium, under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2020.**

#### **Quantum of the Right Issue (i.e. as a percentage of existing paid up capital)**

The quantum of the Right Issue is 6% of the existing paid-up capital of the Company i.e. 6 right shares for every 100 ordinary shares held by the shareholders of the Company.

#### **Right Issue Size**

The Company shall issue 22,608,058 (Twenty Two Million Six Hundred Eight Thousand Fifty Eight) ordinary shares, at a price of Rs. 70 (Pak Rupees Seventy) per share, aggregating to Rs. 1,582,564,060 (Pak Rupees One Billion Five Hundred Eighty Two Million Five Hundred Sixty Four Thousand Sixty).

#### **Right Issue Price**

Rs. 70 per share (inclusive of a premium of Rs. 60 (Pak Rupees Sixty per share)).

#### **Purpose of the Right Issue**

The Company intends to utilize the amounts raised through the Right Issue for, *inter alia* building infrastructure for ongoing capacity enhancement project.

#### **Utilization of Proceeds of the Right Issue**

The funds generated from the Right Issue will be utilized as mentioned above.

#### **Benefits to the Company and its Shareholders**

In addition to increase in equity base, the subscription amount from the Right Issue will enable the Company to implement its business plan with the objective to increase the Company's profitability.

#### **Risk Factors associated with the Right Issue, if any**

The Right Issue of the Company is being made at a price which is less than current share price in the market and hence there is no major investment risk associated with the Right Issue. Normal risks associated with the business will remain, however, the Company believes that it is well placed in the market which will help to mitigate such risk factors.

#### **Justification for issue of shares at premium**

Considering the current market price of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice (27% discount on last three months average trading share price).





## Annexure C

**Extracts of the Resolutions passed by the Board of Directors of Feroze1888 Mills Limited (the "Company") at its meeting held on Friday, 29 October 2021 at K&N Centre, 160, Shahrah-e-Faisal, Karachi / Video Link.**

A meeting of the Board of Directors of the Company was held at 05:00 p.m. on Friday, 29 October 2021 at K&N Centre, 160, Shahrah-e-Faisal, Karachi / Video Link.

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further share capital by the Company by way of right issue. The Board of Directors of the Company stated that all requirements of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2020 have been considered by the Board of Directors of the Company and shall be duly complied by the Company.

Accordingly, the following resolutions were passed by the Board of Directors:

**RESOLVED THAT** the ordinary paid up share capital of the Company be increased from Rs. 3,768,009,680/- (Pak Rupees Three Billion Seven Hundred Sixty Eight Million Nine Thousand Six Hundred Eighty) to Rs. 3,994,090,260/- (Pak Rupees Three Billion Nine Hundred Ninety Four Million Ninety Thousand Two Hundred Sixty), by issue of further 22,608,058 (Twenty Two Million Six Hundred Eight Thousand Fifty Eight) ordinary shares of the Company of Rs. 10 (Pak Rupees Ten) each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of Rs. 70 (Pak Rupees Seventy) per share (i.e. inclusive of a premium of Rs.60 (Pak Rupees Sixty) per share), in the ratio of 6 right shares for every 100 existing ordinary shares of Rs. 10 each held (i.e. 6%), against payment to the Company of the price of the shares subscribed, which shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company (the "Right Issue").

**FURTHER RESOLVED THAT** the following are the quantum, size, price and purpose of the Right Issue, along with the utilization of proceeds, benefits of the same to the Company and the shareholders of the Company, the risk factors associated with the Right Issue, and the justification for the issue of shares at premium, in accordance with Regulation 3(1) (iii) of the Companies (Further Issue of Shares) Regulations, 2020:

**a) Quantum of the Right Issue (i.e. as a percentage of existing paid up capital)**

The quantum of the Right Issue is 6% of the existing paid-up capital of the Company i.e. 6 right shares for every 100 ordinary shares held by the shareholders of the Company.

**b) Right Issue Size**

The Company shall issue 22,608,058 (Twenty Two Million Six Hundred Eight Thousand Fifty Eight) ordinary shares, at a price of Rs. 70 (Pak Rupees Seventy) per share, aggregating to Rs.







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1,582,564,060 (Pak Rupees One Billion Five Hundred Eighty Two Million Five Hundred Sixty Four Thousand Sixty)

**c) Right Issue Price**

Rs. 70 per share (inclusive of a premium of Rs. 60 (Pak Rupees Sixty per share))

**d) Purpose of the Right Issue**

The Company intends to utilize the amounts raised through the Right Issue for, *inter alia* building infrastructure for ongoing capacity enhancement project.

**e) Utilization of Proceeds of the Right Issue**

The funds generated from the Right Issue will be utilized as mentioned above.

**f) Benefits to the Company and its Shareholders**

In addition to increase in equity base, the subscription amount from the Right Issue will enable the Company to implement its business plan with the objective to increase the Company's profitability.

**g) Risk Factors associated with the Right Issue, if any**

The Right Issue of the Company is being made at a price which is less than current share price in the market and hence there is no major investment risk associated with the Right Issue. Normal risks associated with the business will remain, however, the Company believes that it is well placed in the market which will help to mitigate such risk factors.

**h) Justification for issue of shares at premium**

Considering the current market price of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice (27% discount on last three months average trading share price).

**FURTHER RESOLVED THAT** the letter of offer may be issued / signed by any 2 directors of the Company in compliance with the applicable laws.

**FURTHER RESOLVED THAT** all fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust) and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited, the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in accordance with their respective entitlements as per applicable regulations.

**FURTHER RESOLVED THAT** that any unsubscribed shares may be offered and allotted to such persons as the directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors/substantial shareholders, directors or associated undertaking of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares.





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**FURTHER RESOLVED THAT** the Chief Executive and Company Secretary of the Company, be and is hereby singly authorized to decide and announce the closure of share transfer books of the Company to determine entitlements of the shareholders of the Company with respect to the Right Issue.

**FURTHER RESOLVED THAT** the Chief Executive of the Company and/or the Company Secretary be and are hereby severally authorized, such that any one of them may do all or any of the following for and on behalf, and in the name, of the Company:

- (i) appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Right Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third party expenses and / or any other expenses relating to the Right Issue;
- (ii) to prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Right Issue and ancillary matters thereto, as required by the Securities and Exchange Commission of Pakistan ("SECP") / Pakistan Stock Exchange Limited ("PSX") / Central Depository Company of Pakistan Limited ("CDC") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority;
- (iii) to open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of right shares;
- (iv) to allot / credit right shares (once allotted by the Board of Directors) and file returns as required by SECP / PSX / CDC along with the auditors' certificates; and
- (v) to take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular and schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

**Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of Feroze1888 Mills Limited held on Friday, 29 October 2021.**

Company Secretary  
29 October 2021







# FEROZE 1888 MILLS LIMITED

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**Annexure D**

**FEROZE1888 MILLS LIMITED  
NOTICE OF RIGHT ISSUE AND BOOK CLOSURE**

Members are hereby notified that the Board of Directors of Feroze1888 Mills Limited (the "Company") in their meeting held on 29 October 2021 have decided to issue further capital by offering 22,608,058 (Twenty Two Million Six Hundred Eight Thousand Fifty Eight) ordinary right shares of PKR 10/- (Pak Rupees Ten) each, in the proportion of 6 right shares for every 100 ordinary shares held (i.e. 06%), at a price of Rs. 70 (Pak Rupees Seventy) per share (inclusive of a premium of Rs. 60 (Pak Rupees Sixty) per share) against payment to the Company of the price of the shares subscribed by the shareholders, which shares shall rank *pari passu* in all respect with the existing ordinary shares of the Company.

The Share Transfer Books of the Company will remain closed from Friday, 26 November 2021 to Thursday, 2 December 2021 (both days inclusive) to determine the entitlements of the shareholders of the Company. Physical transfers / CDC Transaction IDs received at the Company's share registrar FAMCO Associates (Pvt.) Limited, 8-F, Next to Hotel Faran Nursery, Block 6 PECHS, Shahrah-e-Faisal, Karachi, Tel (021) 34380101, Email [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk) by the close of business (5:00 p.m.) on Thursday, 25 November 2021 will be treated in time for entitlement of right shares.

**Mudassir Moten**  
Company Secretary  
29 October 2021

