



# Reliance Weaving Mills Limited

## Corporate Briefing Session (CBS)

Pursuant to Notice No. PSX/N-654

Dated May 23,2019



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# 1- Company Brief

1. The Company was incorporated on April 07, 1990 with its Registered Office at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan and is listed on Pakistan Stock Exchange.

2. The Company is engaged in the production of Yarns and Fabrics. The Production Unit are located at Fazalpur Khanewal Road, Multan (Multan Unit) and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi (Rawat Unit).

3. The Head Office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt.

## 2- Board of Directors

Mr. Fawad Ahmed Mukhtar	Chairman
Mr. Fahd Mukhtar	Non-Executive Director
Mrs. Fatima Fazal	Non-Executive Director
Mr. Fazal Ahmed Sheikh	Chief Executive Officer
Mr. Faisal Ahmed Mukhtar	Executive Director
Dr. M. Shoukat Malik	Independent Director
Mr. Shahid Aziz	Independent Director

# 3- Brief of Operations

1. The spinning unit at Multan comprises of 42 ring frames consisting of 47,520 spindles with total annual production of 24,494 tons based on average count Ne 14.

The spinning unit at Rawat Islamabad comprising of 37 ring frames consisting of 17,760 spindles with total annual production of 4,605 tons based on average count 16.56.

2. The Weaving unit comprises of 392 looms of high speed latest air jet machines of Tsudakoma (Japan) & picanol (Belgium) with total grey cloth production of (82.22 Million Meters)(SGM's) based on 53.35 picks per inch.

# 4- Corporate Values

Integrity

Innovation

Teamwork

Health, Safety, Environment & CSR

Customer Focus

Excellence Valuing People



## 5- Financial Results

1. The Company earned after tax net profit of Rs. 502 million as compared to profit of Rs. 310 million in the last financial year.
2. The Company turnover has increased from Rs. 13,913 million to 16,605 million, so increase in turnover is 19%.
3. The Company EBITDA has improved from Rs. 1,312 million to Rs. 1,877 million which is 43% increased as compared to last financial year.
4. Finance cost of the Company has increased from Rs. 622 million to 991 million which is 59% increase.
5. The Company EPS has improved from Rs. 10.08 to Rs. 16.32.
6. The Company has earned exchange gain amounting Rs. 307 million due to devaluation of PKR.

# 6- Statement of Profit or Loss

For the Year Ended June 30, 2019

<b>(Rupees in Millions)</b>	<b>2019</b>	<b>2018</b>	<b>Comparative %</b>
Sales-net	16,605	13,914	119%
Cost of Sales	(14,823)	(12,568)	117%
Gross Profit	1,783	1,346	132%
Distribution and marketing expenses	(155)	(144)	109%
Administrative expenses	(189)	(166)	114%
Other income	324	99	326%
Other Expenses	(68)	(50)	136%
Profit from Operations	1,694	1,085	156%
Finance cost	(991)	(622)	159%
Share of loss of Associates	(71)	(22)	327%
Profit before taxation	631	441	143%
Taxation	(129)	(131)	89%
Profit after taxation	503	311	162%
Earning per share	16.32	10.08	162%

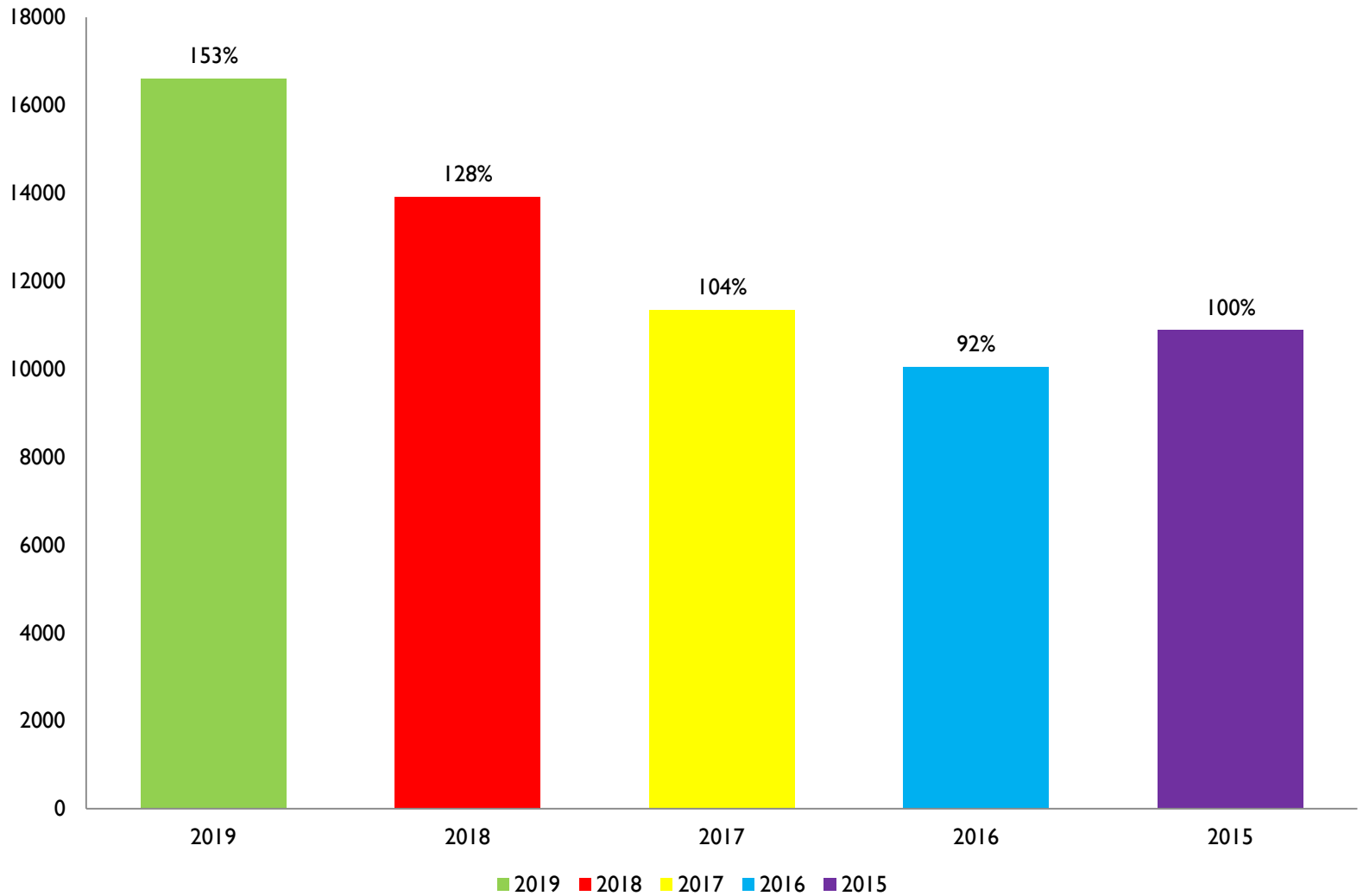
# 7- Five Years Turnover

## At a Glance

(Rupees in Millions)

<b>Sr. No.</b>	<b>Years</b>	<b>Sales</b>	<b>Comparative %</b>
1.	2015	10,878	100%
2.	2016	10,049	92%
3.	2017	11,342	104%
4.	2018	13,914	128%
5.	2019	16,605	153%

# Trend of Five Years Turnover

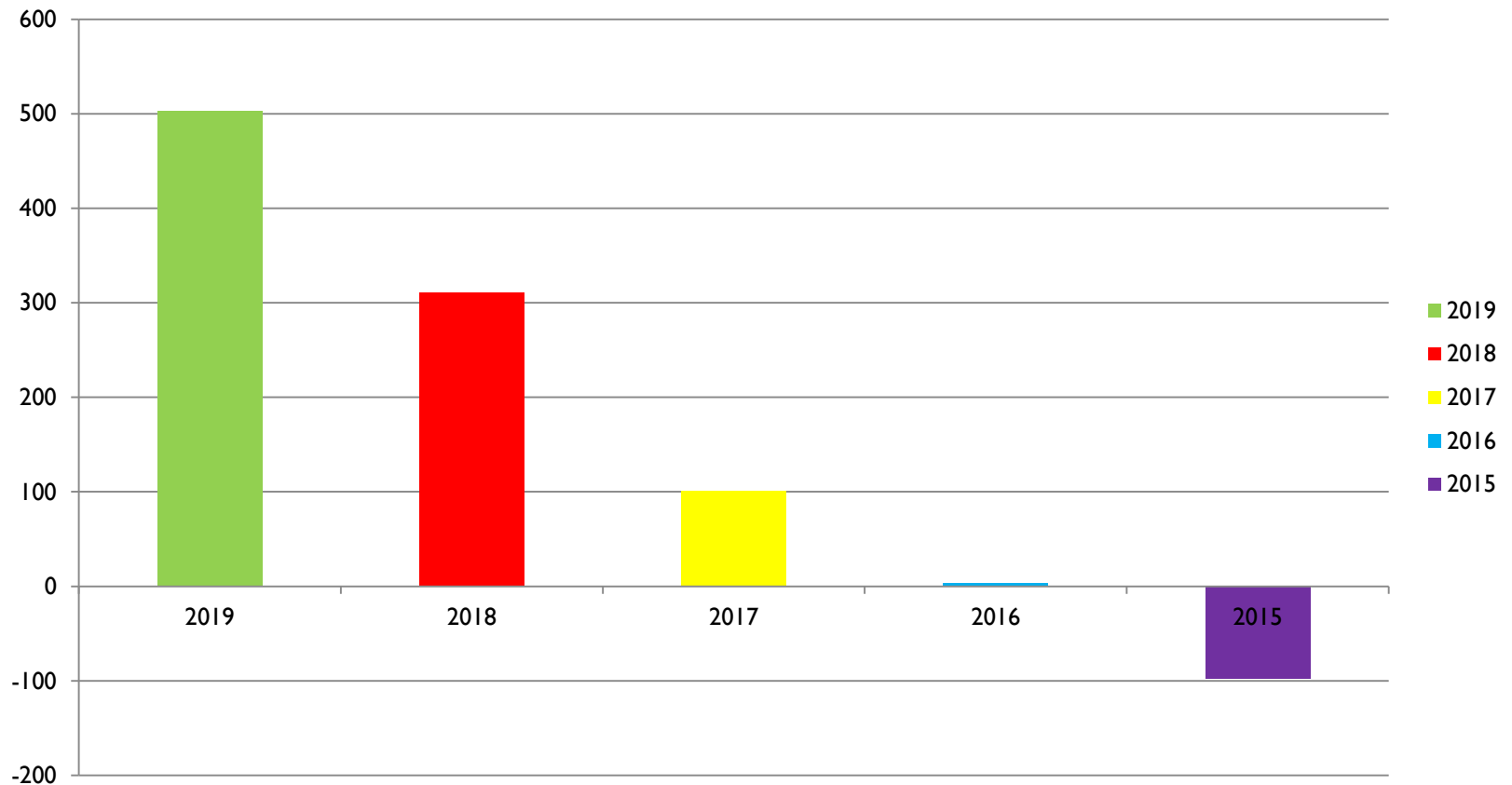


## 8- Five Years Profit/(loss) after Taxation At a Glance (Rupees in Millions)

Sr. No.	Years	Profit / (loss) after taxation
1.	2015	(98)
2.	2016	3
3.	2017	101
4.	2018	311
5.	2019	503

# Trend of Five Years Profit/(loss) after Taxation

**Profit / (loss) after taxation  
(Rupees in Millions)**

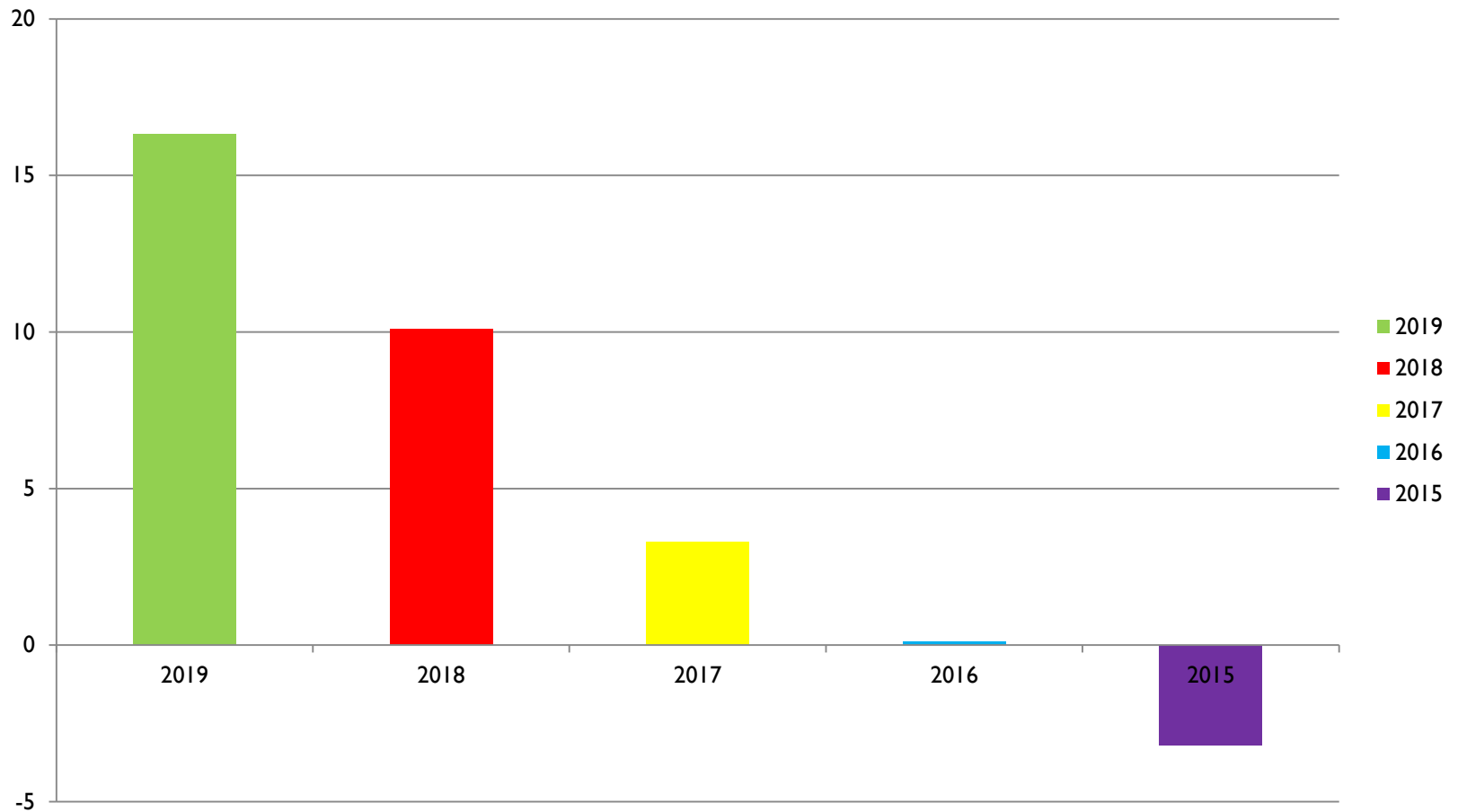


# 9- Five Years Earning Per Share At a Glance (In Rupees)

<b>Sr. No.</b>	<b>Years</b>	<b>Earning Per Share</b>
1.	2015	(3.18)
2.	2016	0.10
3.	2017	3.29
4.	2018	10.08
5.	2019	16.32

# Trend of Five Years Earning Per Share

**Earning Per Share  
(In Rupees)**





# 10- Comparative Balance Sheet

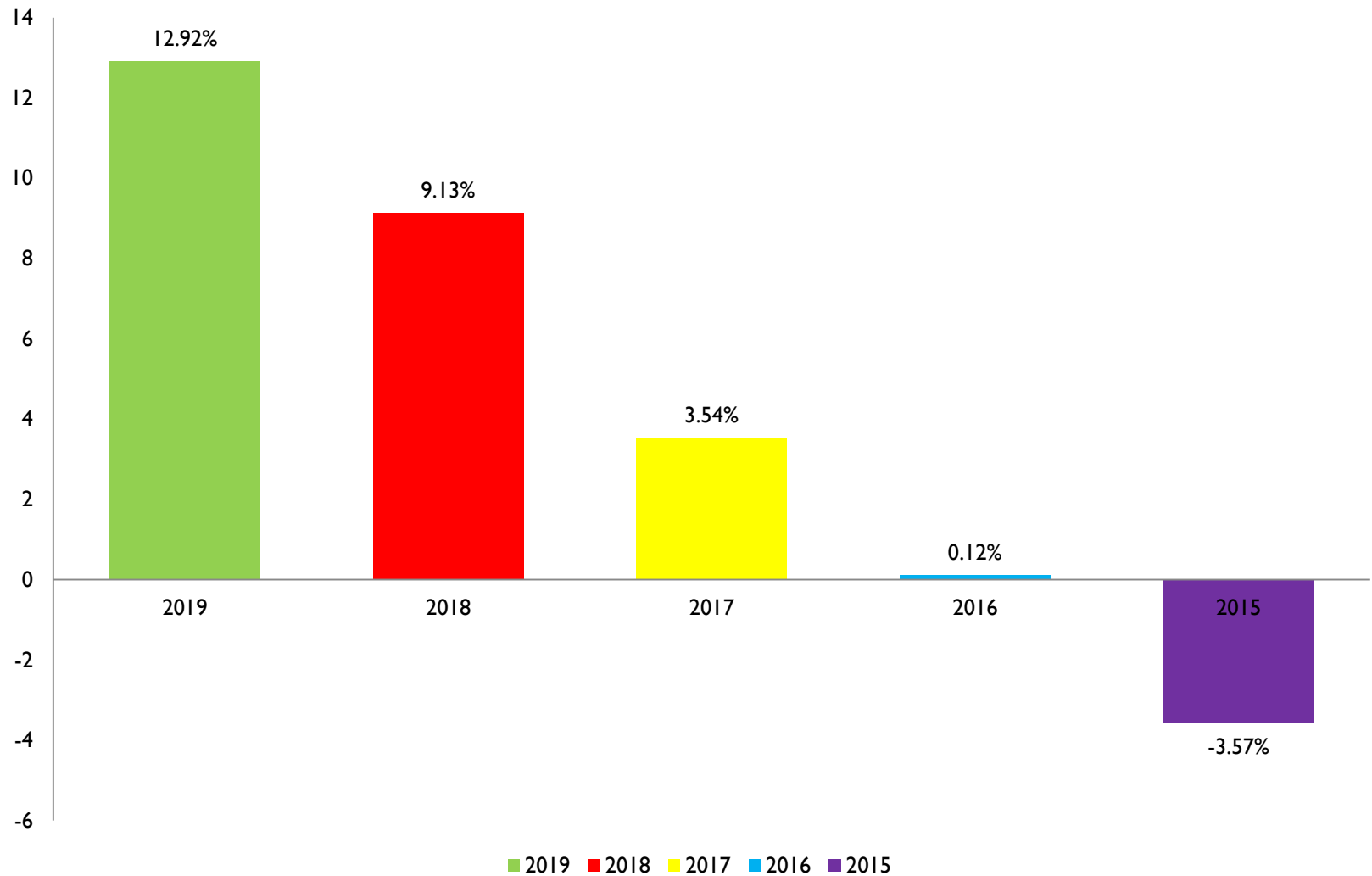
(Rupees in Millions)

Particulars	2019	2018	Comparative%
Non-Current Assets	7,085	6,562	108%
Current Assets	9,725	6,705	145%
<b>Total Assets</b>	<b>16,810</b>	<b>13,267</b>	<b>127%</b>
Equity	3,891	3,402	114%
Non-Current Liabilities	2,077	1,482	140%
Current Liabilities	10,843	8,384	129%
<b>Total Liabilities</b>	<b>12,920</b>	<b>9,865</b>	<b>131%</b>
<b>Total Equity &amp; Liabilities</b>	<b>16,810</b>	<b>13,267</b>	<b>127%</b>

# 11- Five Years Return on Equity At a Glance ( In Percentage)

<b>Years</b>	<b>Return on Equity%</b>
2015	(3.57%)
2016	0.12%
2017	3.54%
2018	9.13%
2019	12.92%

# Trend of Five Years Return on Equity (%)



# 12- Future Projects

1. The management is constantly working to upgrade our plant by replacing old machines with latest high speed machines to be abreast with modern trends in the local textile industry and abroad to have competitive edge over our competitors to bring our Company in the forefront of the textile sector of Pakistan.

2. The Company is committed to modernize and expand production line according to rapidly changing technology in order to produce international quality products.

3. The Company is in process to established letter of credit for 50 high speeds Air Jets Picanol looms to diversify its product market mix.

# 13- Textile Industry Background

1. Textile sector contributes 8.5% to the GDP of Pakistan.
2. The sector contributes nearly one-fourth of industrial value-added.
3. The textile industry is the second largest employment sector in Pakistan.
4. It provides 40% of the industrial Labor Force.

5. The export of textile products posted a growth of 12.8% as against last year.

6. Pakistan is the 8th largest exporter of textile commodities in Asia.

## References:

1. The highlights of the Pakistan Economic Survey for the year 2018-19 unveiled by then Advisor to Prime Minister on Finance by Mr. Hafeez Sheikh.

2. Ministry of Textile.

# 14- Future Outlook

1. The latest USDA report depicts drop in the world production and mill-use figures.

2. The global harvest for 2019/20 forecasts a drop to 124.9 million.

3. The consumption forecast drops to 121.7 million bales.

4. The closing stocks for the world-less-China is projected at 50.0 million bales.

5. U.S.-China trade dispute escalated further over the past months.

# 15- Key Challenges/Problems

1. Sowing targets of FY 19 has been missed by significant amount so achieving cotton production target of 14.37 million bales is in doubt due to lack of Research & Development (R&D) facilities in Cotton Sector.

2. Liquidity constraints.

3. Rapid increase in the interest rates.



4. Tight Monetary Policy.

5. Removal of subsidy on Textile sector.

6. High cost of production.

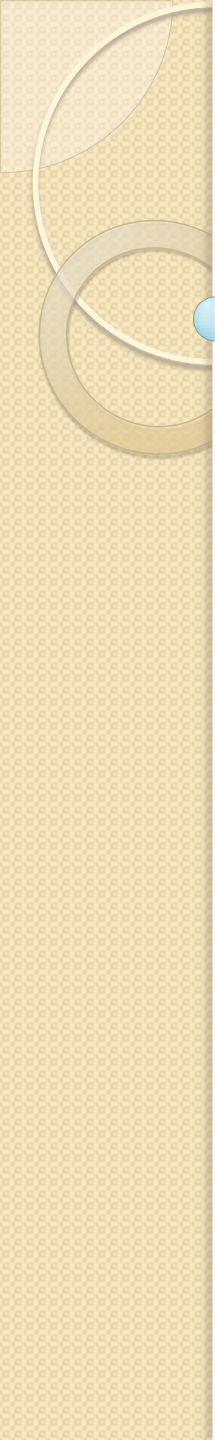
7. Effect of Inflation.

## Reference:

I. Pakistan Credit Rating Agency(PACRA).



# Question & Answer Session



**THANK YOU**