



Reliance Cotton Spinning Mills Limited

Corporate Briefing Session 2020

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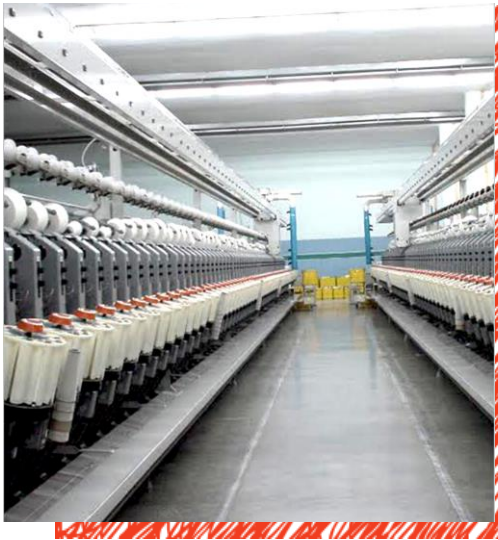


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Reliance Cotton Spinning Mills Limited Introduction

Reliance Cotton Spinning Mills Limited -Introduction

Reliance Cotton Spinning Mills Limited (RCSML) was incorporated in Pakistan on 13 June 1990 as a public limited company. The shares of the company are listed on Pakistan Stock Exchange. RCSML is principally engaged in manufacturing and sales of Cotton yarn, PC Yarn and Melange Yarn.



COTTON YARN



PC YARN



MELANGE YARN

Total installed capacity of 45,984 Spindles (30,392,820 Lbs)



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Strategic / Operational Developments

Strategic / Operational Developments

The Company during the year has invested in Plant & Machinery amounting to Rs. 284 million as follows:

- Automatic Cone Winder 2 sets
- Blow Room Lines 3 sets
- Cards C-70 with Automatic Cane 2 sets
- Overhauling of Gas Genset 1 Engine

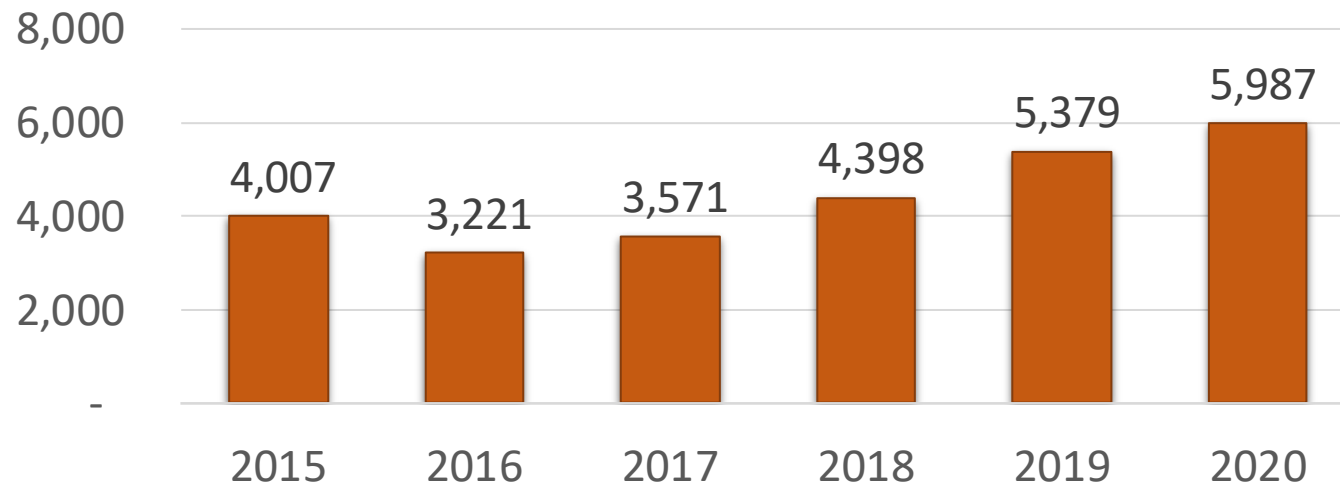


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Historical Financial Highlights

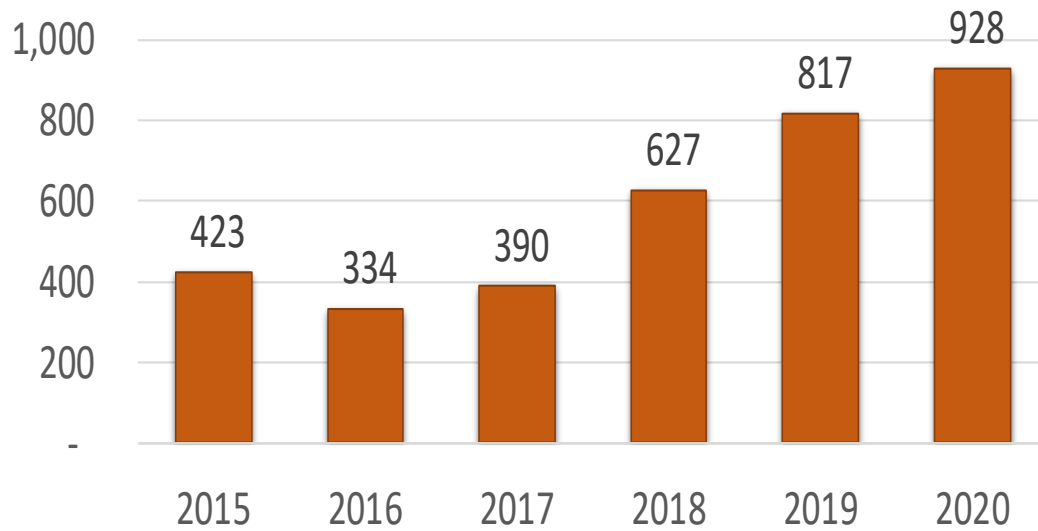
Rs in million

Sales

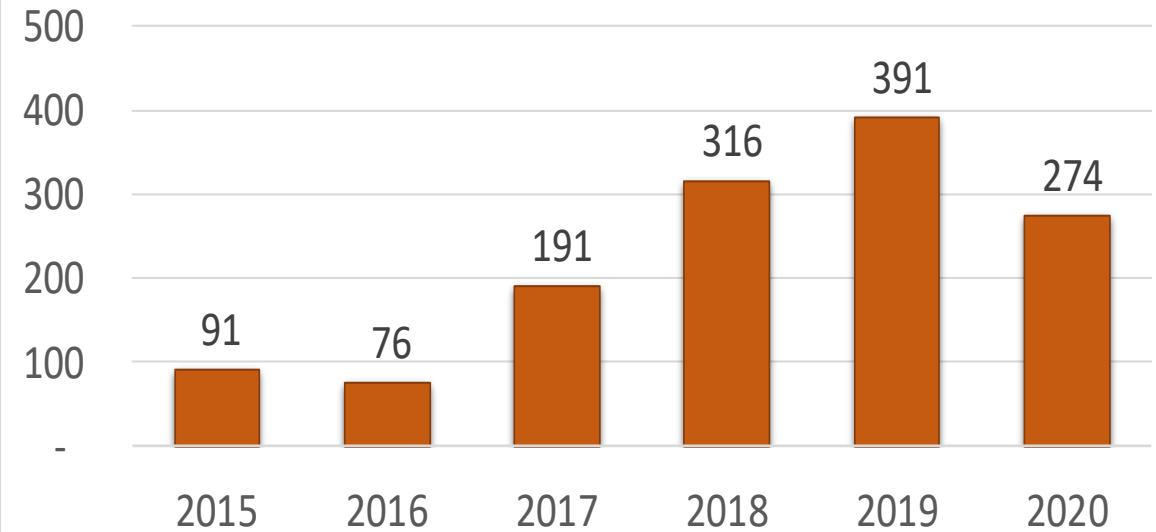


Rs in million

Gross Profit

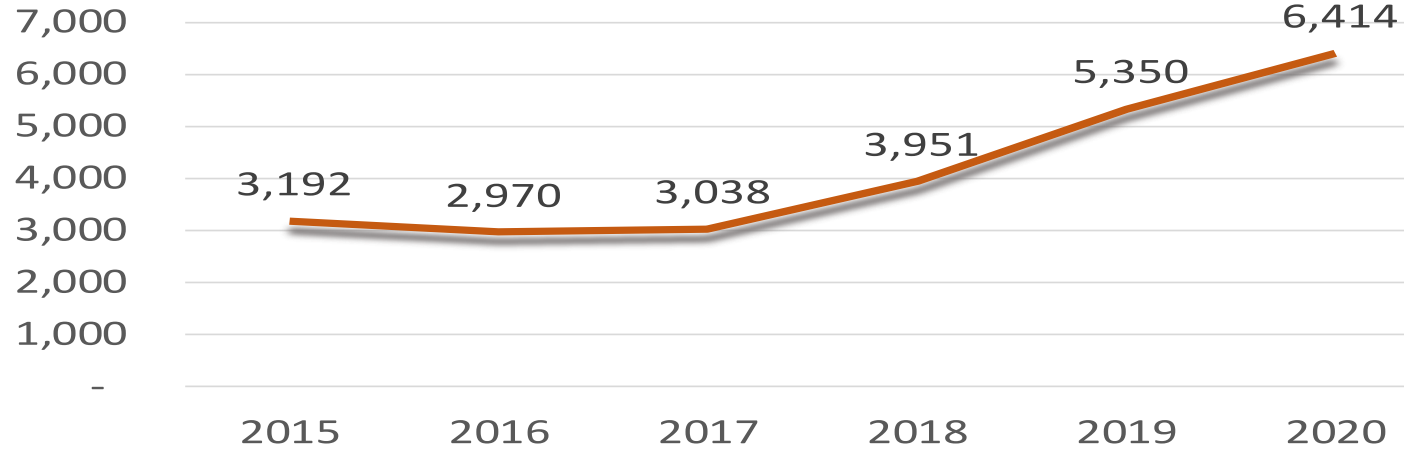


Net Profit



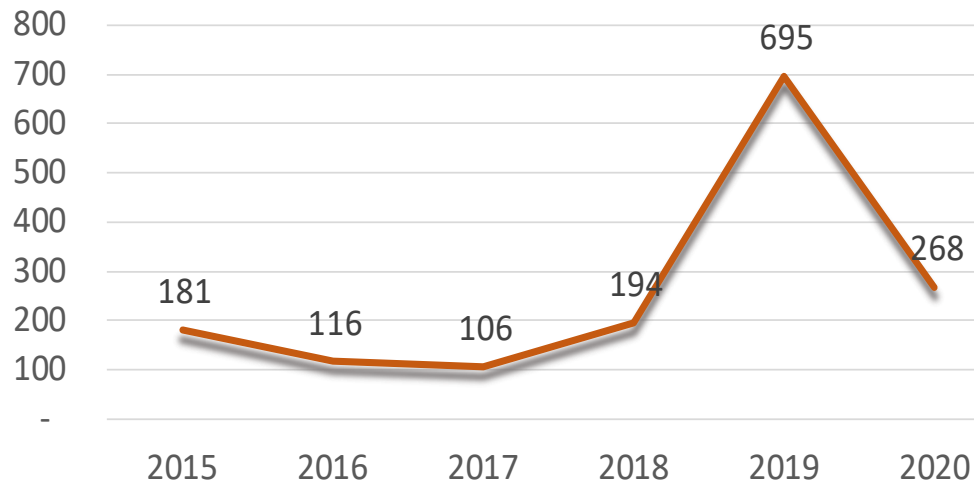
Rs in million

Total Assets



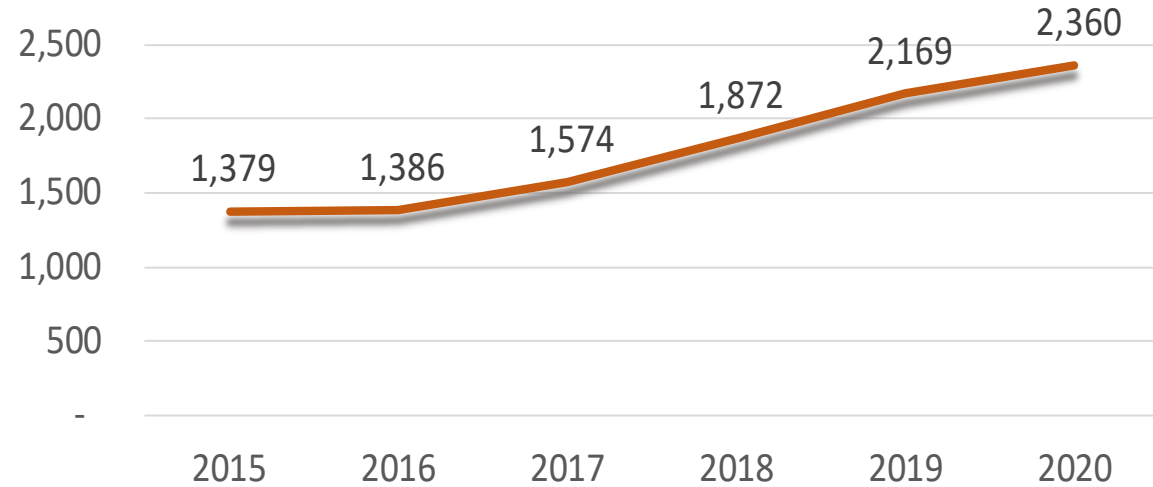
Rs in million

CAPEX



Rs in million

Shareholders' Equity

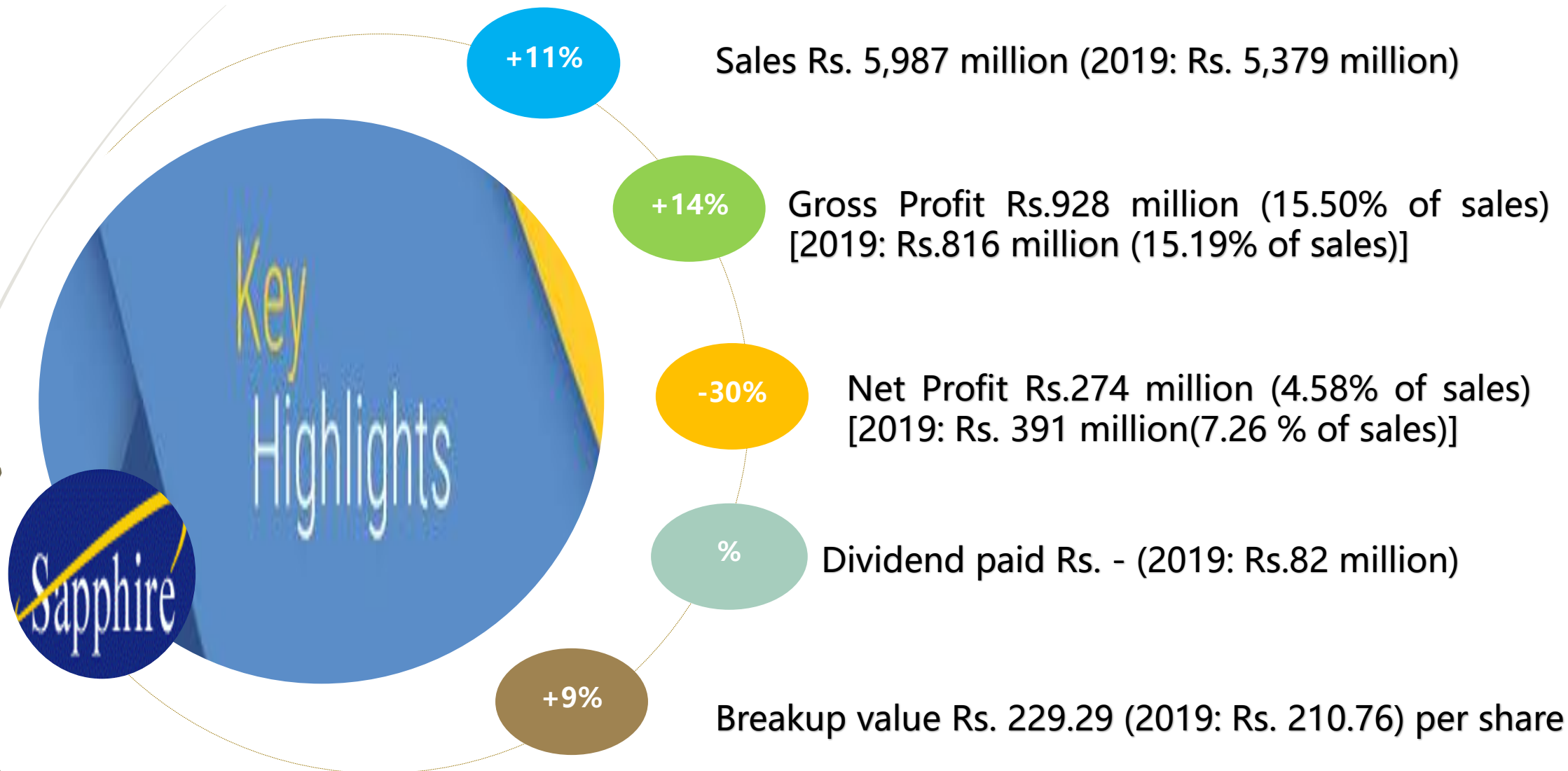




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Financial Results 2020 vs 2019

Income Statement



Statement of value addition and its distribution

	2020		2019	
	Rs. in million	%age	Rs. in million	%age
Value addition				
Sales	5,987	99.59	5,379	99.66
Other income	25	0.41	18	0.34
Total	6,011	100.00	5,397	100.00
Value distribution				
Cost of sales	5,059	84.15	4,562	84.53
Distribution expense	128	2.13	108	2.01
Administrative and other expenses	149	2.48	88	1.64
Finance cost	341	5.67	221	4.10
Income tax	61	1.01	27	0.49
Dividend to shareholders	-	-	82	1.53
Profit retained for future growth	274	4.56	308	5.71
Total	6,011	100.00	5,397	100.00

Balance sheet Assets

6414, million

2020

2019

5,350 million

2,051 million (32%)

Property, plant and equipment

1,988 million (37%)

131 million (2%)

Long term and short term
investments

139 million (3%)

2,749 million (43%)

Stores and stocks

2,034 million (38%)

987 million (15%)

Trade debts

761 million (14%)

365 million (6%)

Taxes refund due form
Government

294 million (6%)

131 million (2%)

Other assets

134 million (3%)

Balance sheet Equity and liabilities

6,413 million

2020

2,360 million (37%)

873 million (14%)

451 million (7%)

2,519 million (39%)

87 million (1%)

123 million (2%)

Shareholders Equity

Total Long term loans

Trade liabilities

Short term borrowings

Provision for Taxation

Other liabilities

2019

5,350 million

2,169 million (40%)

559 million (10%)

539 million (10%)

1960 million (37%)

26 million (0.5%)

97 million (2.5%)

Consolidated Income Statement

	2020	2019
	Rs. In million	Rs. In million
Sales	5,987	5,379
Cost of sales	(5,059)	(4,562)
Gross profit	928	817
Distribution cost	(128)	(108)
Administrative & Other expenses	(150)	(88)
Other income	19	10
Finance cost	(341)	(221)
Share of profit of Associates	132	142
Taxation	(68)	(34)
Profit after taxation	392	517

Consolidated Balance sheet - Assets

	2020	2019
	Rs. In million	Rs. In million
Property, plant and equipment	2,051	1,988
Long term investments	886	802
Stores and stock	2,749	2,034
Trade debts	987	761
Cash and bank balances	42	6
Other assets	495	472
Total	7,210	6,063

Consolidated Balance sheet – Equity & liabilities

	2020	2019
	Rs. In million	Rs. In million
Equity	3,066	2,799
Long term financing	872	559
Trade liabilities	450	539
Short term borrowings	2,519	1,960
Taxation	87	26
Other liabilities	216	180
Total	7,210	6,063



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Future Outlook

Future Outlook



The outbreak of COVID-19 pandemic in the last quarter of FY 2019-20 has had a huge impact on economies around the world. As a result of lockdowns locally and internationally, almost all business sectors including large scale manufacturing were brought to a standstill in the country as well. However, Pakistan did manage to contain the economic impact through its effective lockdown strategy and we are already witnessing signs of recovery as the global economic activity has gained some momentum after relaxation of lockdowns.

Despite these challenges times, your company has been able to sustain its track of profitable growth. However, profitability was partially offset by increase in financial costs compared to last year. As State Bank of Pakistan has already cut its policy rate by a cumulative 625 basis points since March 2020, management is of the view that the burden of financial costs on your company will get reduced in financial year 2020-21.



Q & A Session



Thank you!