



Reliance Cotton Spinning Mills Limited

Corporate Briefing Session 2019



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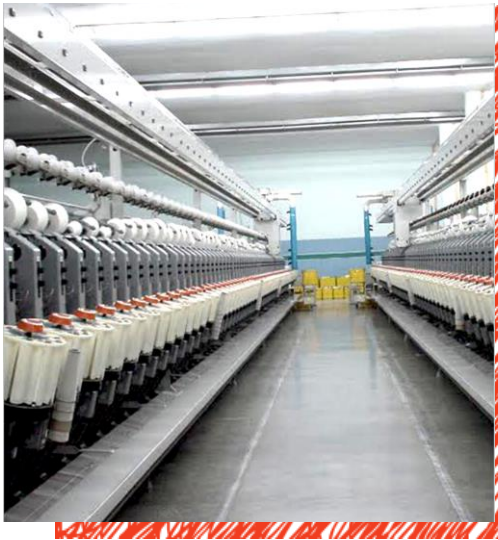


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Reliance Cotton Spinning Mills Limited Introduction

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



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Strategic / Operational Developments



Strategic / Operational Developments



The Company during the year has invested in 4 Ring Frames and cone winders (Investment of Rs. 145 million) and its capacity has increased by 8,064 spindles.



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Historical Financial Highlights

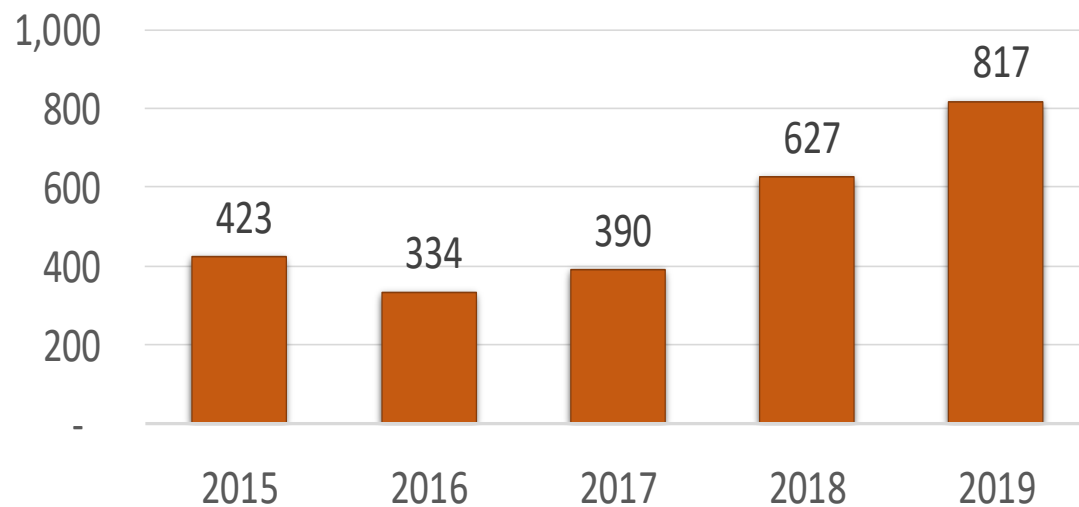
Rs in million

Sales

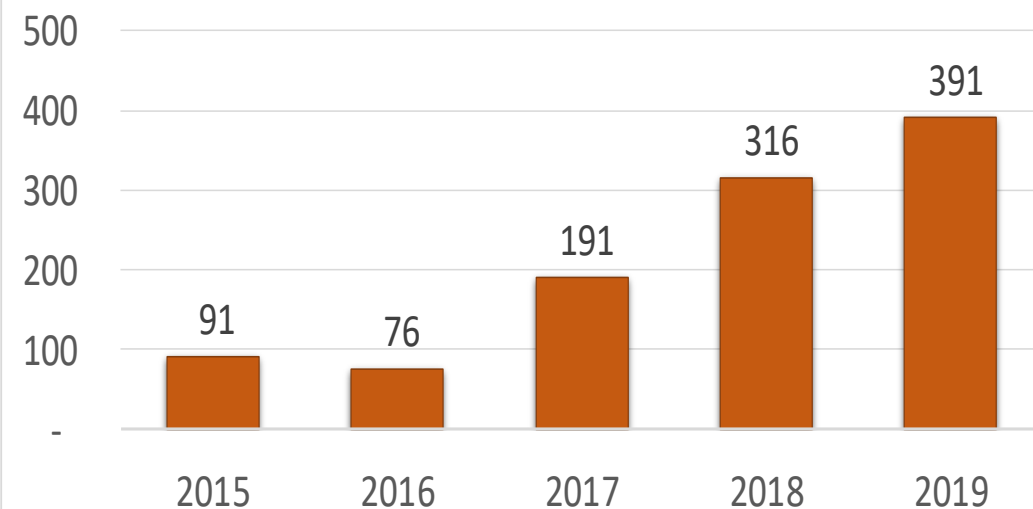


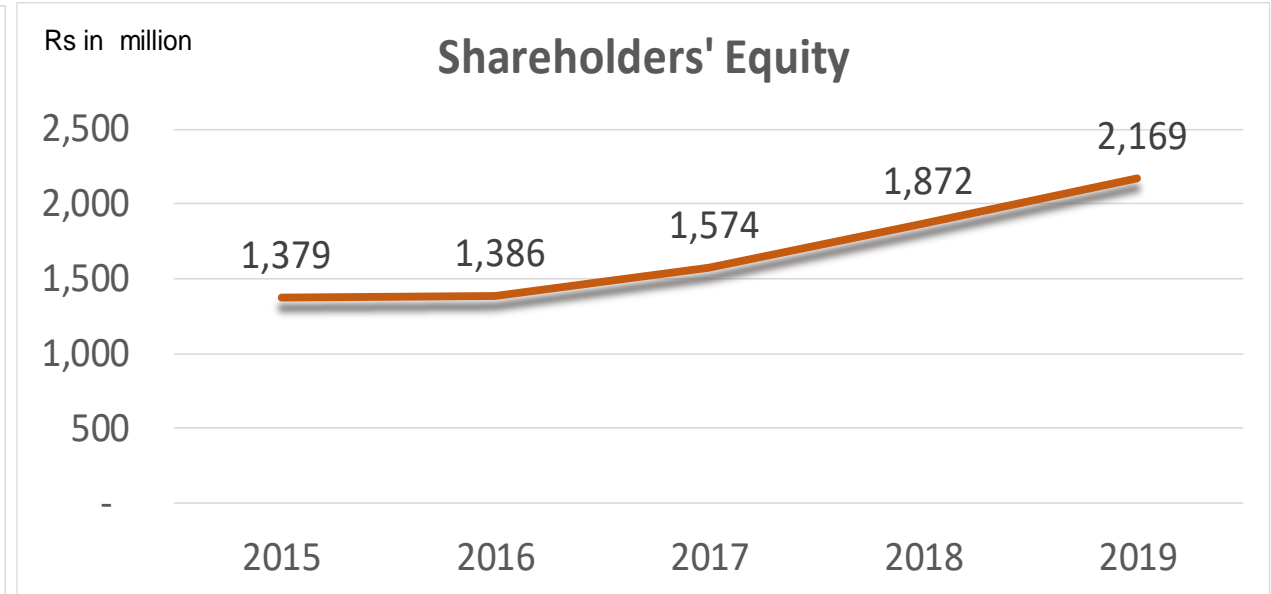
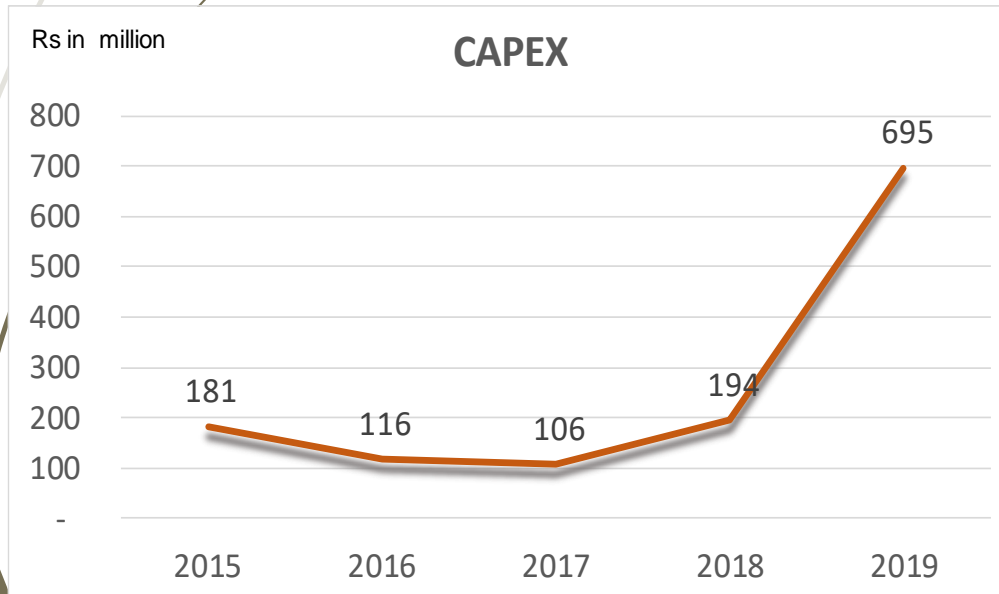
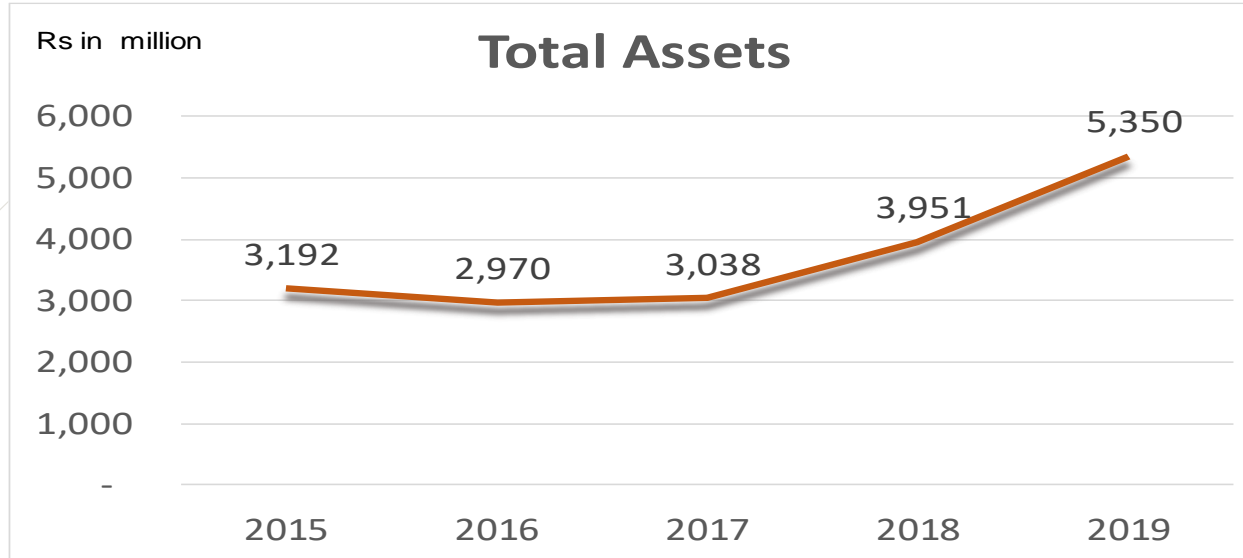
Rs in million

Gross Profit



Net Profit



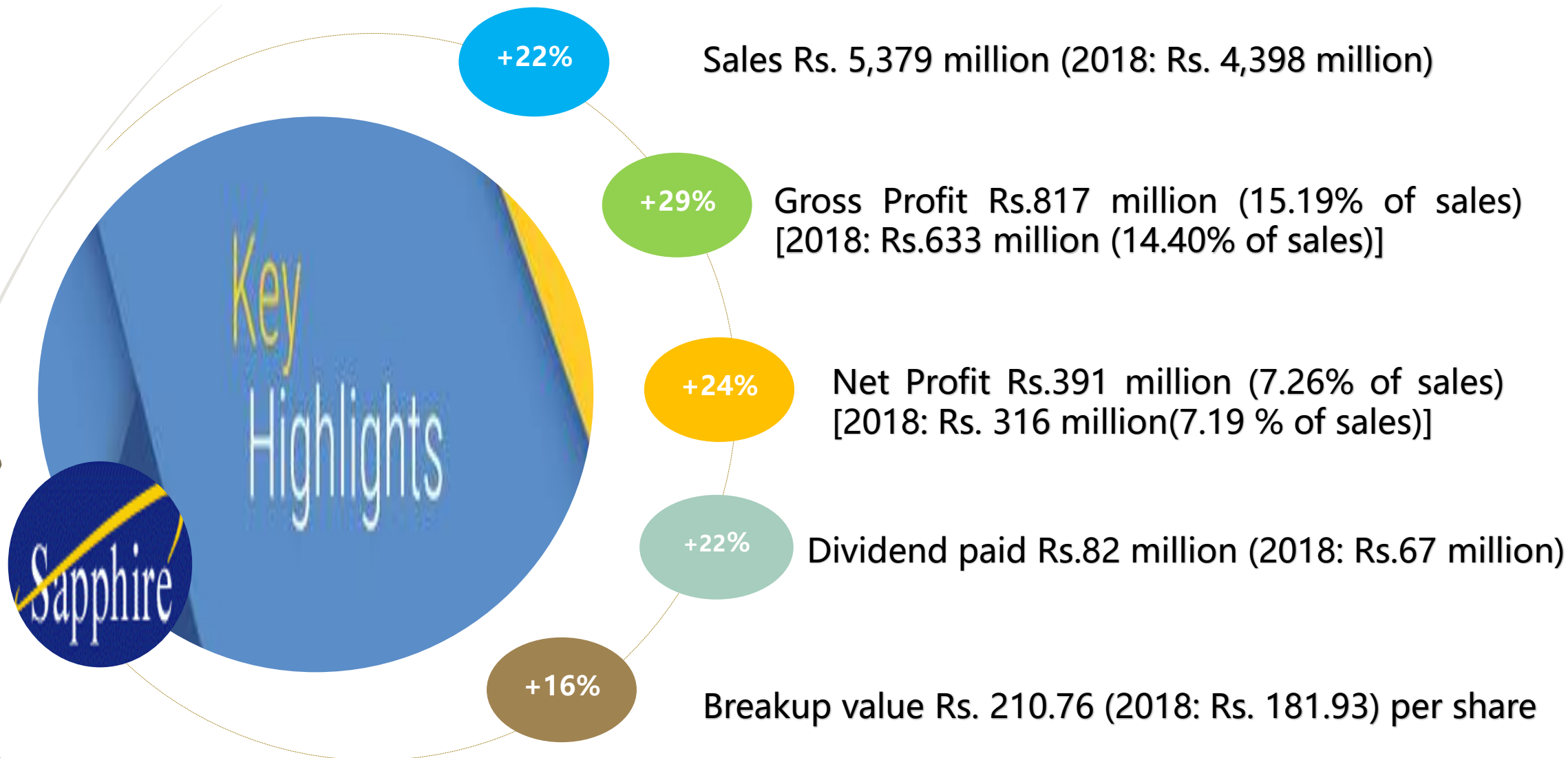




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Financial Results 2019 vs 2018

Income Statement



Statement of value addition and its distribution

	2019		2018	
	Rs. in million	%age	Rs. in million	%age
Value addition				
Sales	5,379	99.66	4,398	97.86
Other income	18	0.34	96	2.14
Total	5,397	100.00	4,494	100.00
Value distribution				
Cost of sales	4,562	84.53	3,765	83.77
Distribution expense	108	2.01	95	2.11
Administrative and other expenses	88	1.64	108	2.41
Finance cost	221	4.10	96	2.14
Income tax	27	0.49	28	0.62
Dividend to shareholders	67	1.24	15	0.34
Profit retained for future growth	324	6.00	387	8.61
Total	5,397	100.00	4,494	100.00

Balance sheet Assets

5,350 million

2019

2018

3,951 million

1,988 million (37%)

Property, plant and equipment

1,461 million (37%)

139 million (3%)

Long term and short term
investments

168 million (4%)

2,034 million (38%)

Stores and stocks

1,292 million (33%)

761 million (14%)

Trade debts

666 million (17%)

294 million (5%)

Taxes refund due form
Government

234 million (6%)

134 million (3%)

Other assets

130 million (3%)

Balance sheet Equity and liabilities

5,350 million

2019

2,169 million (40%)

559 million (10%)

539 million (10%)

2,007 million (38%)

26 million (0.5%)

50 million (1.5%)

Shareholders Equity

Total Long term loans

Trade liabilities

Short term borrowings

Provision for Taxation

Other liabilities

2018

3,951 million

1,872 million (47%)

193 million (5%)

315 million (8%)

1,450 million (37%)

28 million (1%)

93 million (2%)

Consolidated Income Statement

	2019	2018
	Rs. In million	Rs. In million
Sales	5,379	4,398
Cost of sales	(4,562)	(3,765)
Gross profit	817	633
Distribution cost	(108)	(95)
Administrative & Other expenses	(89)	(109)
Other income	10	9
Finance cost	(221)	(96)
Share of profit / (loss) of Associates	142	54
Taxation	(34)	(38)
Profit after taxation	517	358

Consolidated Balance sheet - Assets

	2019	2018
	Rs. In million	Rs. In million
Property, plant and equipment	1,988	1,461
Long term investments	802	718
Stores and stock	2,034	1,292
Trade debts	761	666
Cash and bank balances	6	8
Other assets	472	436
Total	6,063	4,581

Consolidated Balance sheet – Equity & liabilities

	2019	2018
	Rs. In million	Rs. In million
Equity	2,799	2,426
Long term financing	559	193
Trade liabilities	539	315
Short term borrowings	2,007	1,450
Taxation	26	28
Other liabilities	132	169
Total	6,063	4,581



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Future Outlook

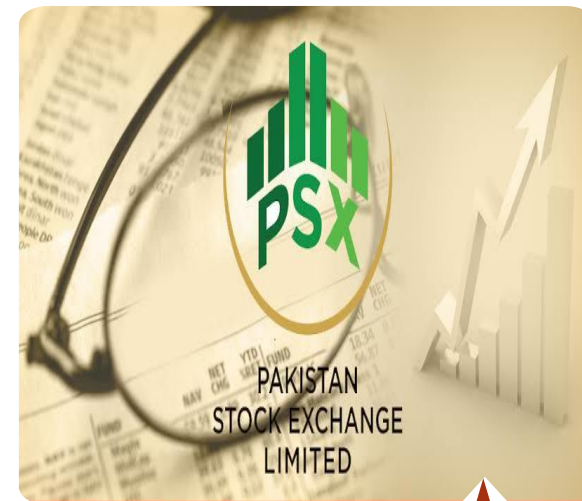
Future Outlook



Pakistan's textile exports remained stagnant in the financial year 2018-19 despite significant currency devaluation during the period. Textile sector is considered as the backbone of our economy.



However, it is unable to recover its dwindling share in the international market due to increase in cost of production, which is making it less competitive than other major textile exporting countries.



Your Company has been able to grow at a cumulative annual growth rate of 18.65% in last three years. Gross and net margins have improved as well and the management is confident that similar positive trend is expected to continue in near future.



Q & A Session



Thank you!