



Reliance Cotton Spinning Mills Limited

Corporate Briefing Session 2021

# Contents

- ▶ Reliance Cotton Spinning Mills Limited (RCSML) Introduction
- ▶ Strategic / Operational Developments
- ▶ Historical Financial Highlights
- ▶ Financial Results 2021
- ▶ Future Outlook
- ▶ Q & A Session



**01**

**Reliance Cotton  
Spinning Mills  
Limited (RCSML)  
Introduction**

# RCSML - 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 Mélange Yarn.



**YARN**



**PC YARN**



**Mélange Yarn**

Total installed capacity of 46,944 Spindles (31,029,984 Lbs.)



02

## Strategic / Operational Developments

# Strategic / Operational Developments

The Company during the year has increased its production capacity by 2.1% by adding 960 spindles and reached 46,944 spindles in total. Total investment made in Plant & Machinery is amounting to Rs. 256 million. The category of assets in which major investment during the year are as follows:

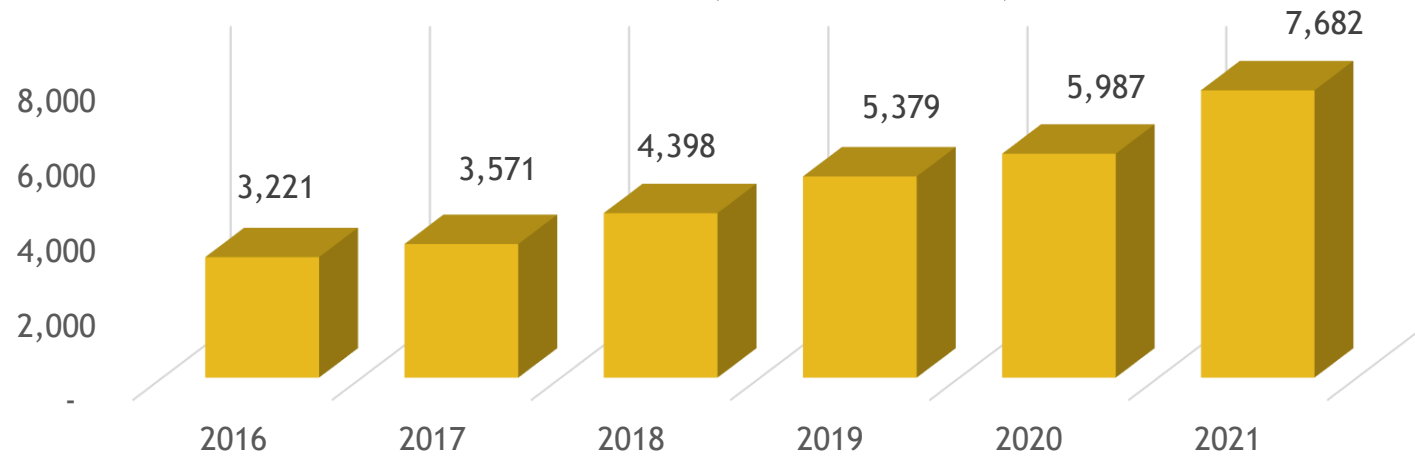
- Automatic Cone Winder
- Ring Frames
- Yarn Condition
- Yarn Doubler
- Yarn Twister
- Ring Bobbin



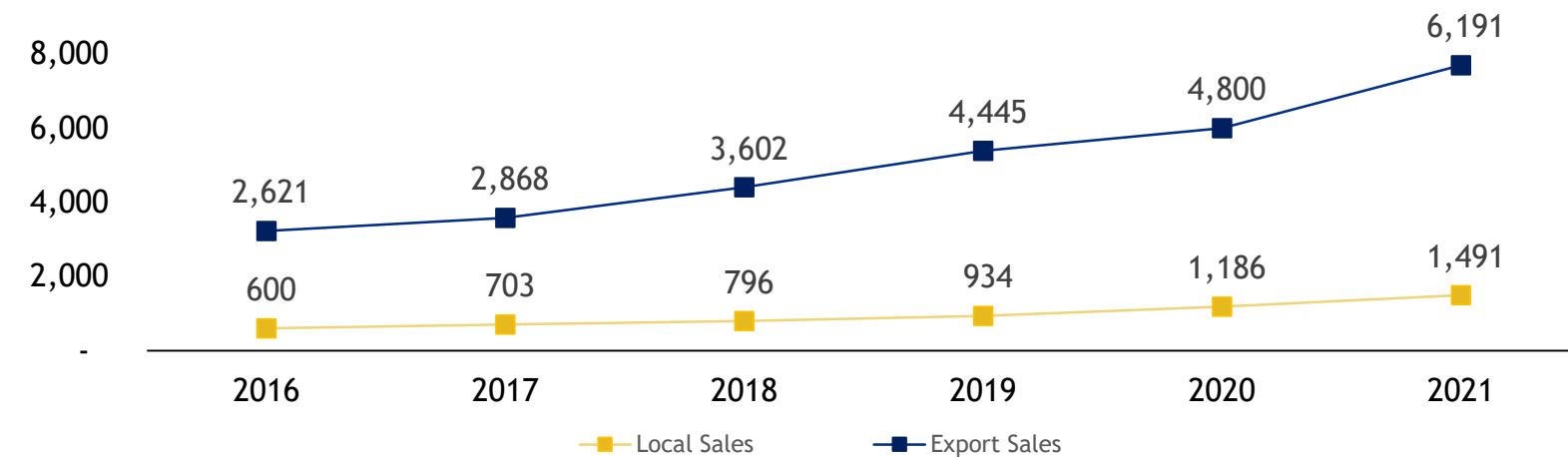
**03**

## **Historical Financial Highlights**

## Total Sales (Rs. Millions)

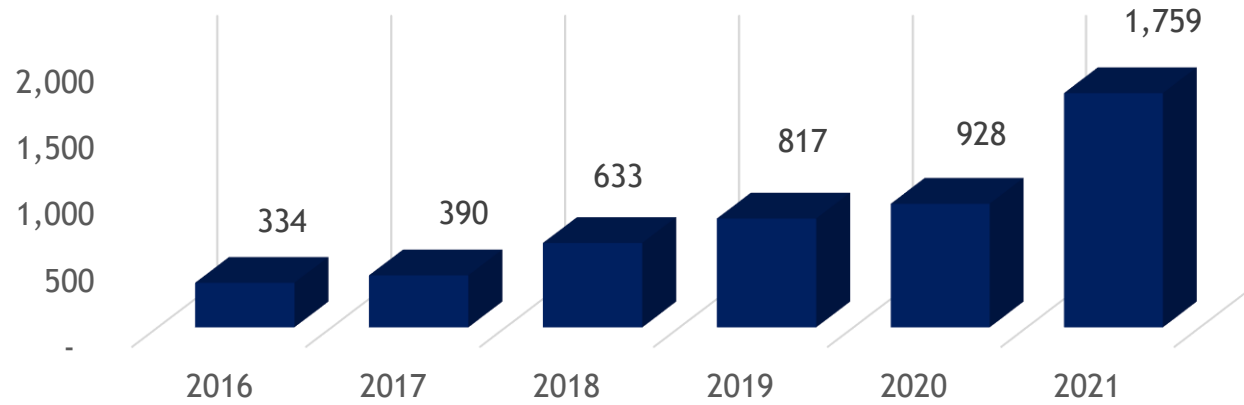


## Composition of Local and Export Sales (Rs. Millions)

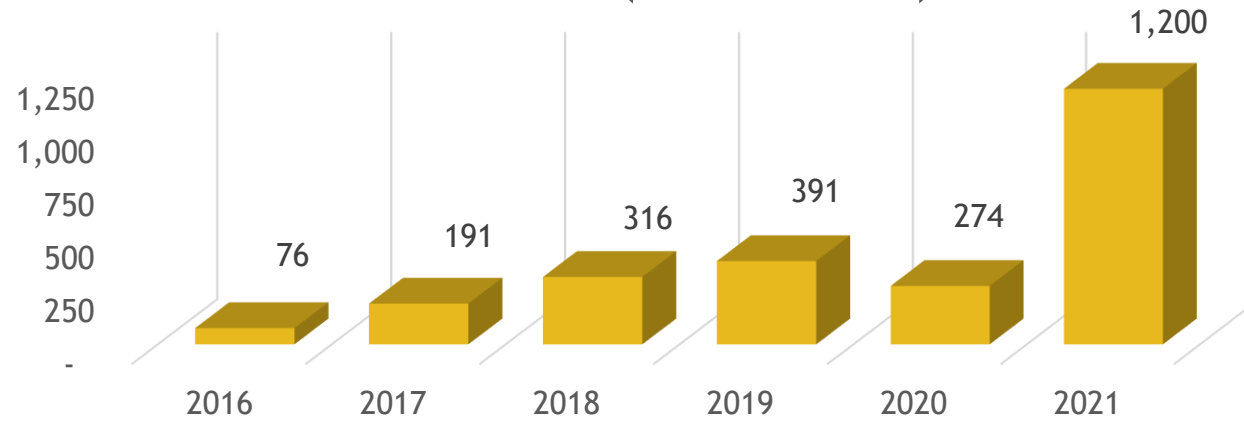




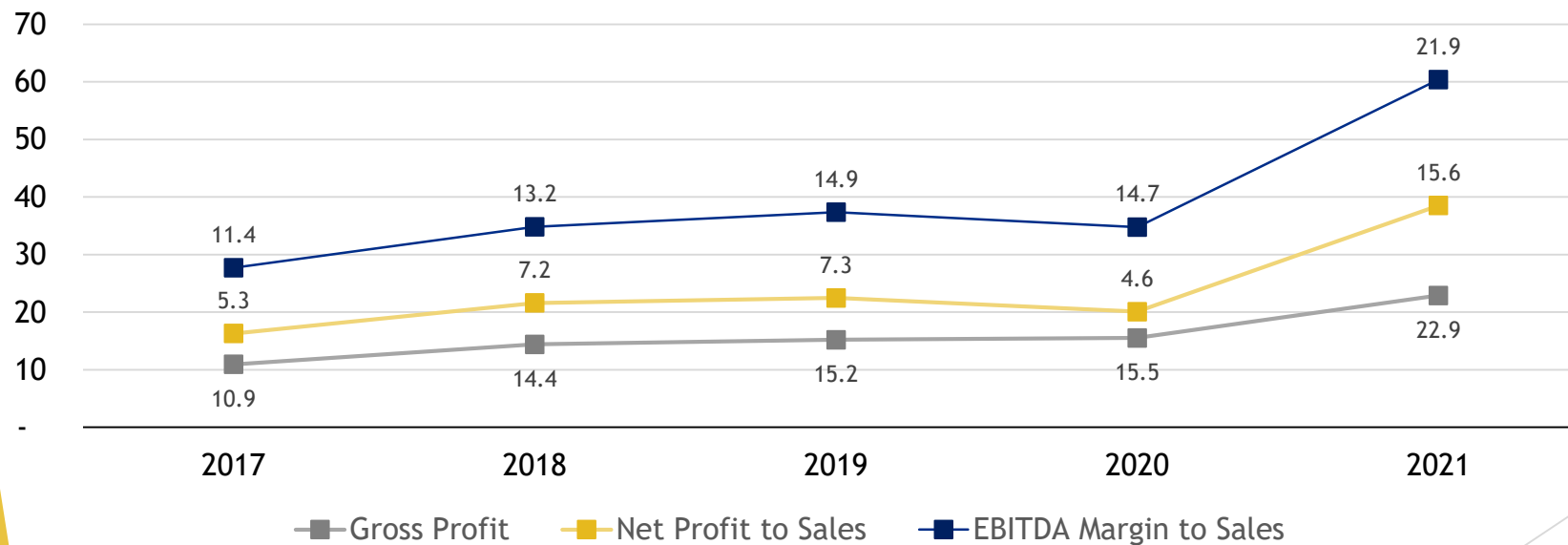
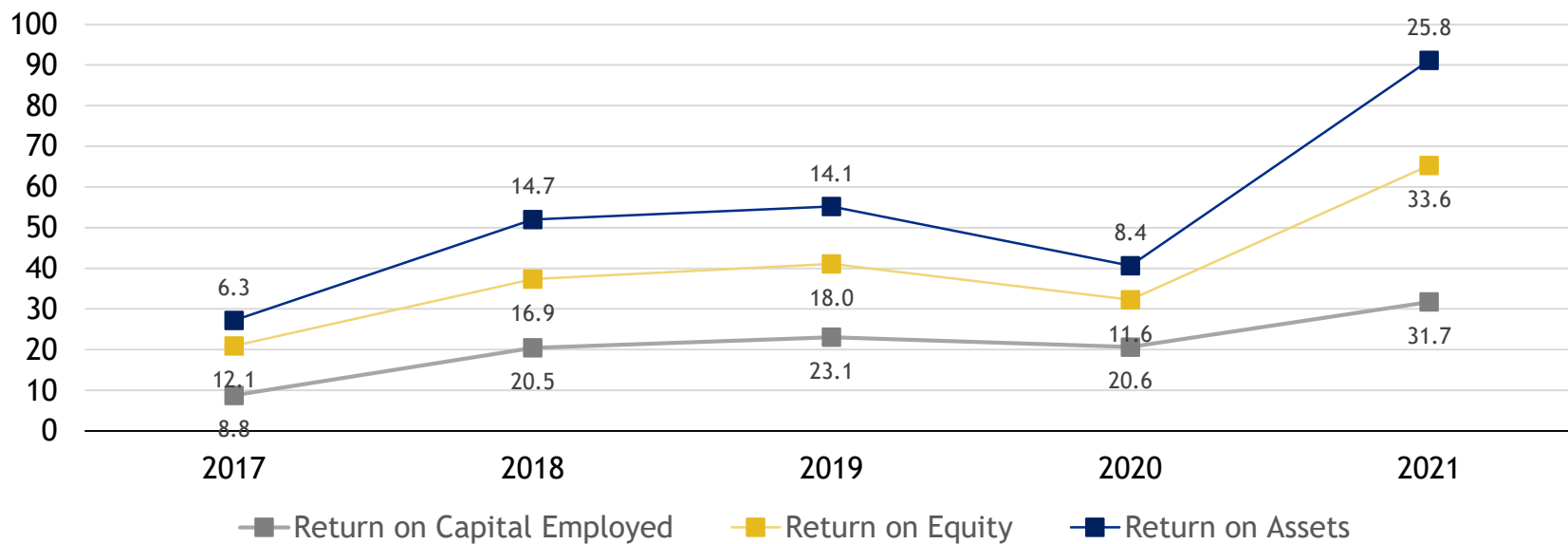
## Gross Profit (Rs. Millions)



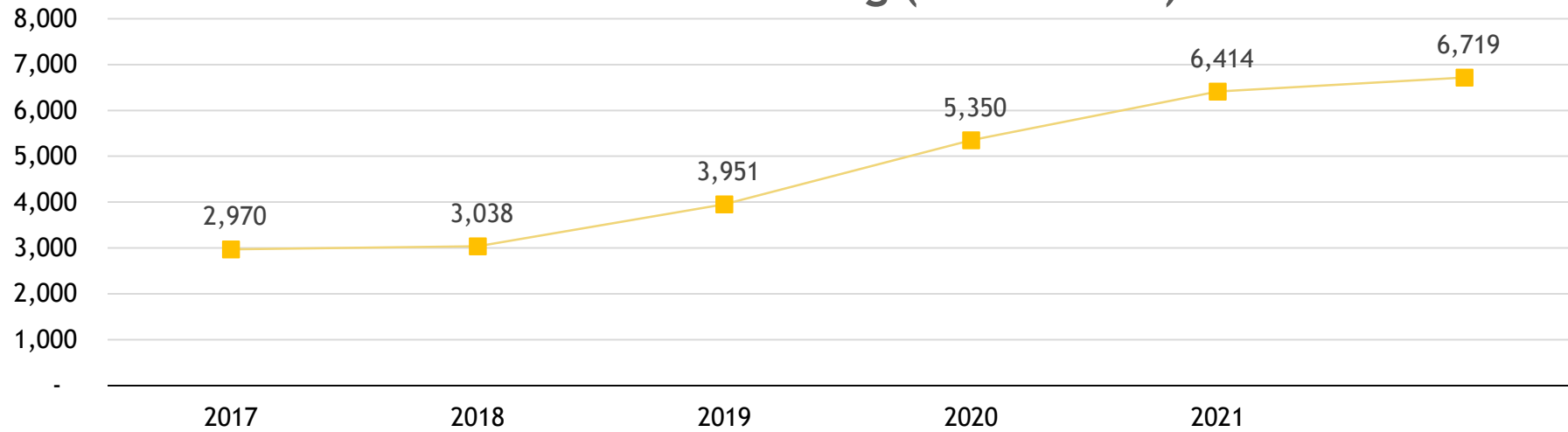
## Net Profit (Rs. Millions)



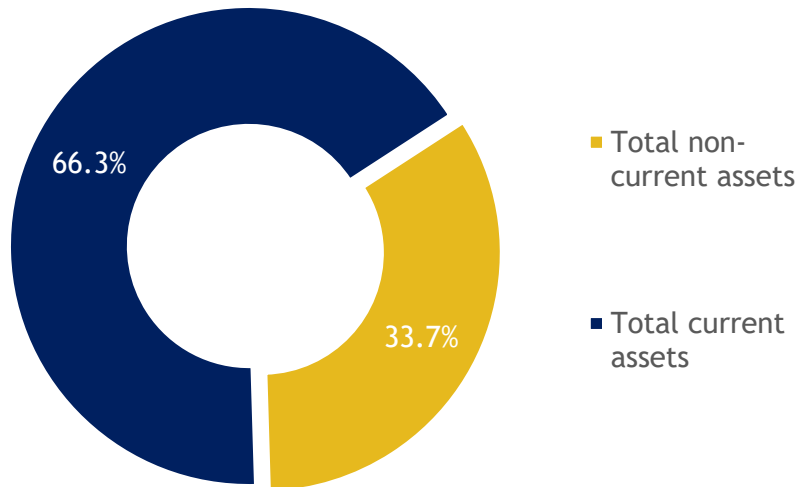
## Profitability Ratios



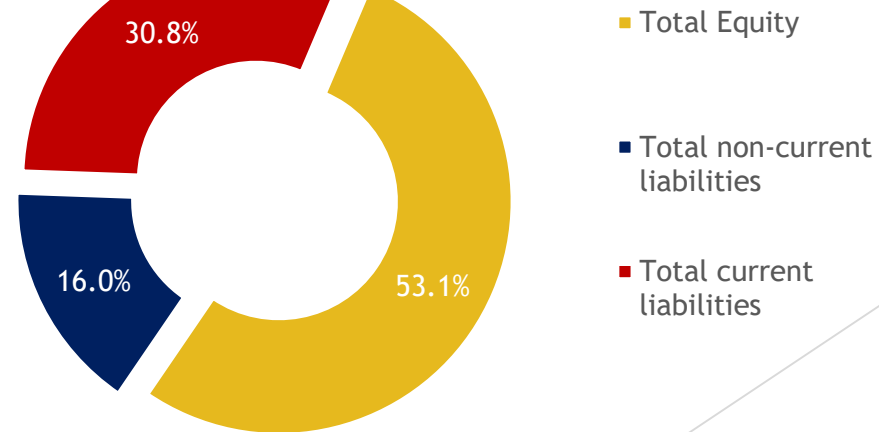
## Balance Sheet Footing (Rs. Millions)



## Total Assets (2021)



## Total Equity & Liabilities (2021)





04

## **Financial Results 2021 vs 2020**

# Income Statement

## Key Highlights

+28%

Sales Rs. 7,682 million (2020: Rs. 5,987 million)

+90%

Gross Profit Rs.1,759 million (22.89% of sales) [2020: Rs.928 million (15.50% of sales)]

+337%

Net Profit Rs.1,200 million (15.61% of sales) [2020: Rs. 274 million (4.58% of sales)]

+100%

Dividend paid Rs.51 million (2020: Rs. Nil million)

+51%

Breakup value Rs. 347 (2020: Rs. 229) per share

# Statement of value addition and its distribution

	2021		2020	
	Rs. (Millions)	%age	Rs. (Million)	%age
<b>Value addition</b>				
Sales	7,682	99.70	5,987	99.59
Other income	23	0.30	24	0.41
<b>Total</b>	<b>7,705</b>	<b>100.00</b>	<b>6,011</b>	<b>100.00</b>
<b>Value distribution</b>				
Cost of sales	5,923	76.87	5,059	84.15
Distribution expense	150	1.95	128	2.13
Administrative and other expenses	156	2.03	148	2.48
Finance cost	195	2.53	341	5.67
Income tax	81	1.05	61	1.01
Dividend to shareholders	51	0.66	-	0.00
Profit retained for future growth	1,149	14.91	274	4.56
<b>Total</b>	<b>7,705</b>	<b>100.00</b>	<b>6,011</b>	<b>100.00</b>

# Balance Sheet Assets

6,719 million

2021

2,161 million (32%)

92 million (1%)

2,926 million (44%)

1,015 million (15%)

292 million (4%)

233 million (4%)

Property, plant and equipment

Long term investments

Stores and stocks

Trade debts

Taxes refund due form  
Government

Other assets

2020

6,414 million

2,051 million (32%)

89 million (1%)

2,749 million (43%)

987 million (15%)

365 million (6%)

173 million (3%)

# Balance Sheet Equity & Liabilities

6,719 million

2021

3,571 million (53%)

1,188 million (18%)

936 million (14%)

815 million (12%)

106 million (2%)

103 million (2%)

Shareholders Equity

Total Long Term Liabilities

Trade Liabilities

Short Term Borrowings

Provision for Taxation

Other Liabilities

2020

6,414 million

2,360 million (37%)

873 million (14%)

450 million (7%)

2,519 million (39%)

87 million (1%)

125 million (2%)



# Consolidated Income Statement

	2021	2020
	Rs. (Million)	Rs. (Million)
Sales	7,682	5,987
Cost of sales	(5,923)	(5,059)
<b>Gross profit</b>	<b>1,759</b>	<b>928</b>
Distribution cost	(150)	(128)
Administrative and other expenses	(158)	(149)
Other income	18	19
Finance cost	(195)	(341)
Share of profit of associated companies	158	132
<b>Profit before taxation</b>	<b>1,432</b>	<b>461</b>
Taxation	(101)	(68)
<b>Profit after taxation</b>	<b>1,331</b>	<b>393</b>

# Consolidated Balance Sheet - Assets

	2021	2020
	Rs. (Million)	Rs. (Million)
Property, plant and equipment	2,161	2,051
Long term investments	1,065	886
Stores and stocks	2,926	2,749
Trade debts	1,015	987
Tax refund due from Government	292	365
Other assets	236	173
<b>Total</b>	<b>7,695</b>	<b>7,211</b>

# Consolidated Balance Sheet - Equity & liabilities

	2021	2020
	Rs. (Million)	Rs. (Million)
Equity of parent shareholders	4,435	3,066
Non-controlling interest	-	-
Long term financing	1,188	873
Trade liabilities	936	450
Short term borrowing	815	2,519
Taxation	106	87
Other liabilities	215	216
<b>Total</b>	<b>7,695</b>	<b>7,211</b>



## Future Outlook

# Future Outlook



The successful response of the Government to control the COVID-19 pandemic together with multiple measures taken by the Central Bank have greatly helped in reducing negative impact of the pandemic on the economic activity, particularly on textile sector during the year.

Despite the unprecedented situation caused by the pandemic, your company has been able to achieve considerable growth in terms of sales and profitability compared to previous years. However, future dynamics of textile sector are quite challenging due to continuous drop in local cotton crop coupled with sharp increase in cotton prices in domestic and international markets.



## Q & A Session

The background features abstract geometric shapes in shades of yellow and blue. A large yellow rectangle is positioned in the upper left, with a blue triangle pointing towards it from the left. Another blue triangle points towards the yellow rectangle from the right. The right side of the image is dominated by a large, complex shape composed of overlapping yellow and blue triangles and polygons. The text "Thank You!" is centered within the yellow rectangle.

**Thank You!**