



Reliance Cotton Spinning Mills Limited

Corporate Briefing Session 2023

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**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 57600 Spindles (26,479,413 Lbs.)



Strategic / Operational Developments

Strategic / Operational Developments

The Company during the year has made investment in Plant & Machinery amounting to Rs. 799 million. The category of assets are as follows:

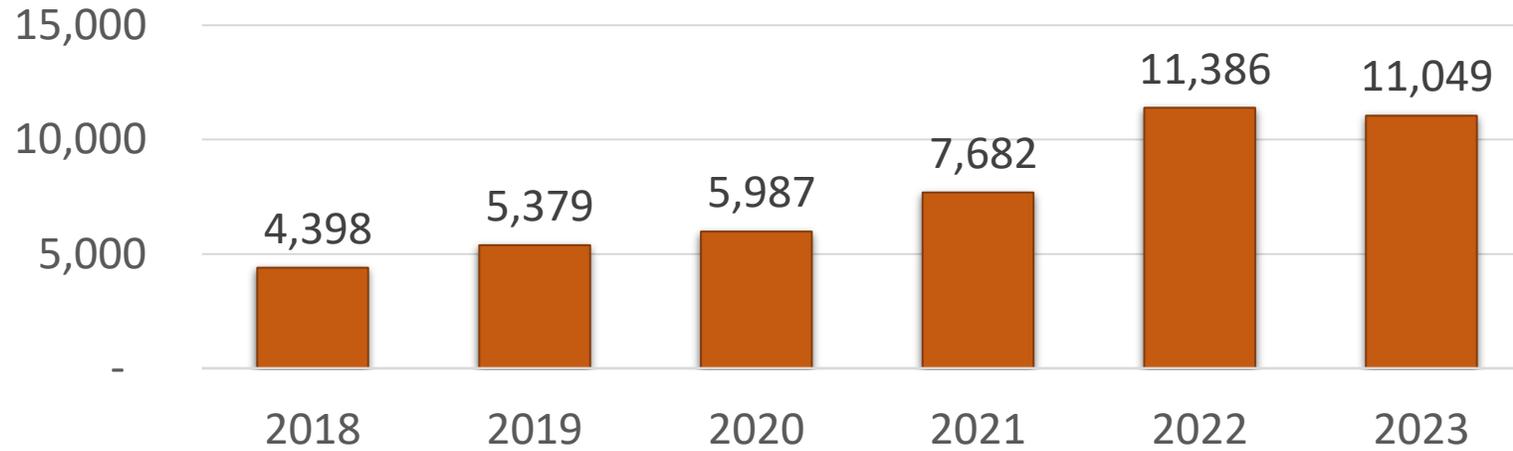
- Auto Cone winder
- Cards
- Drawings
- Solar Panel
- Ring Frames
- **Gas Generator**



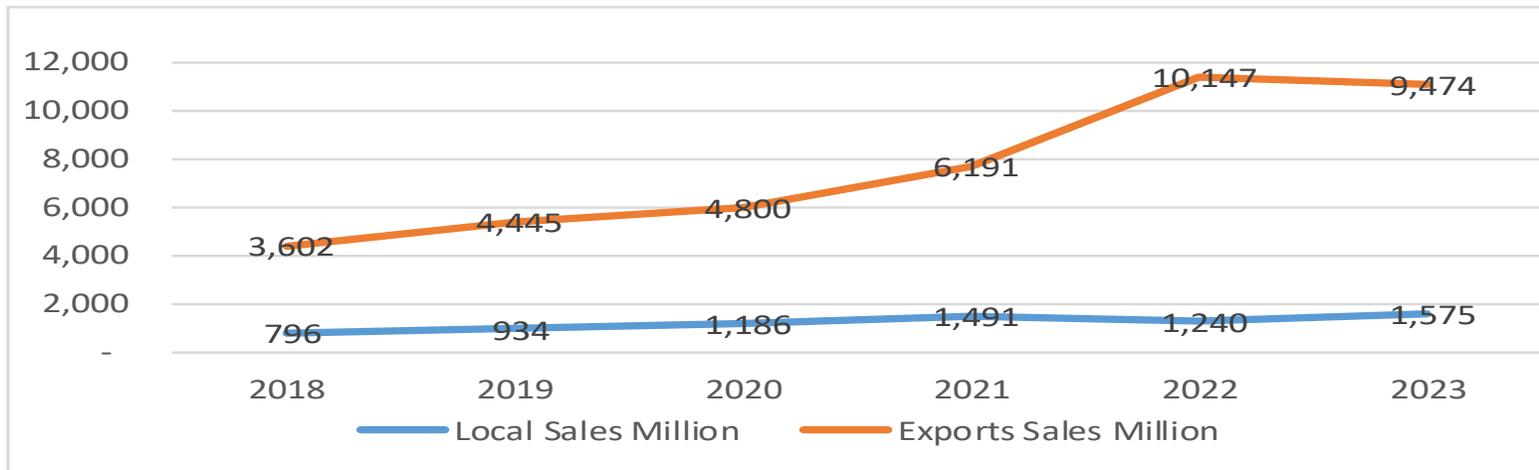
Historical Financial Highlights

Rs in million

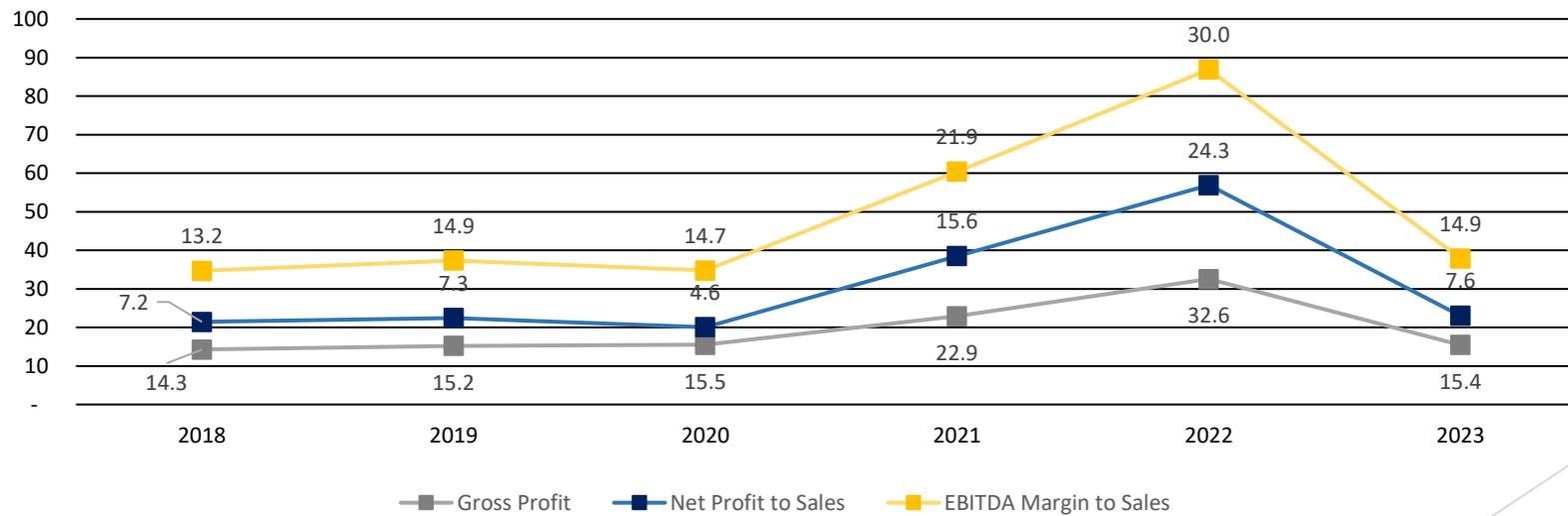
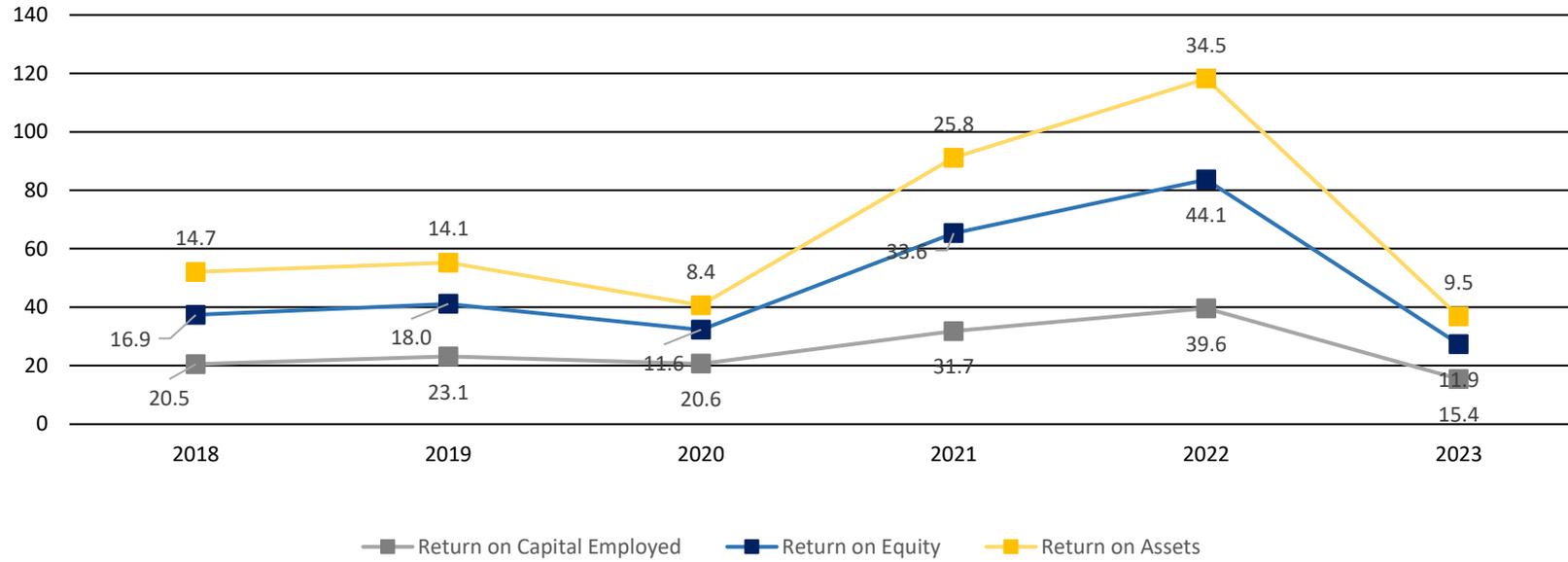
Total Sales in Million



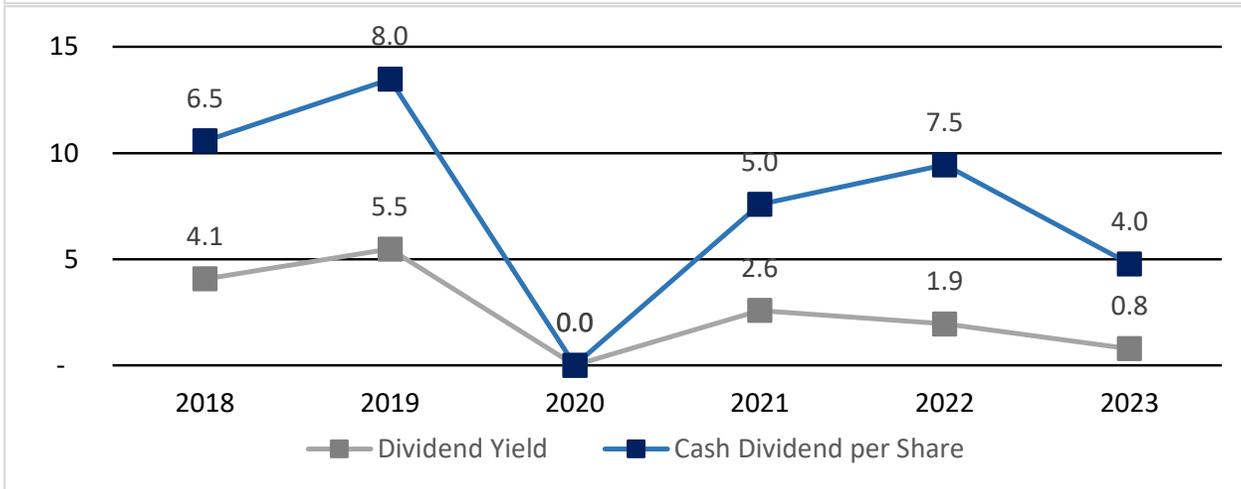
Composition of Local & Export Sales



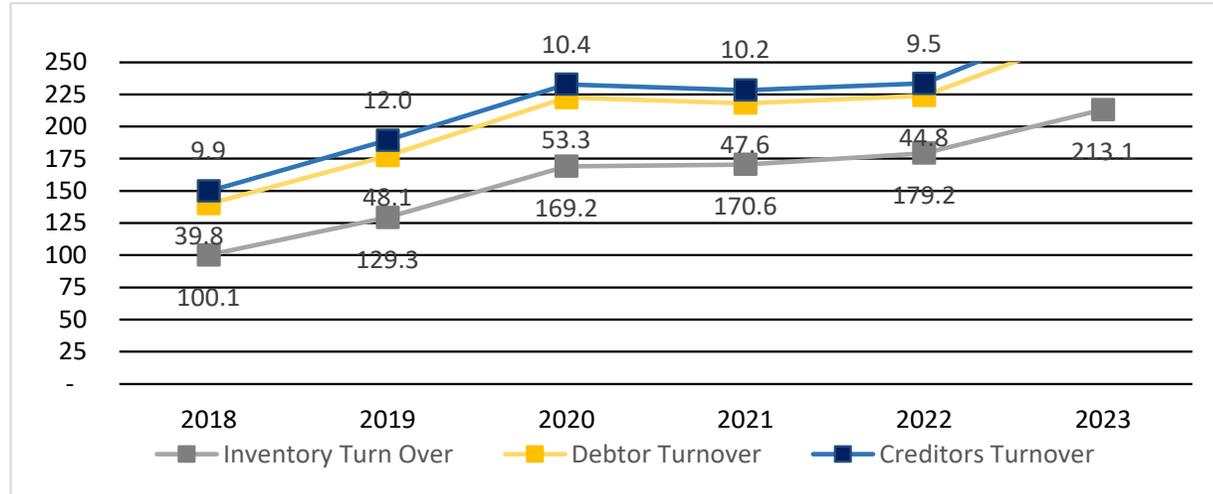
Profitability Ratios



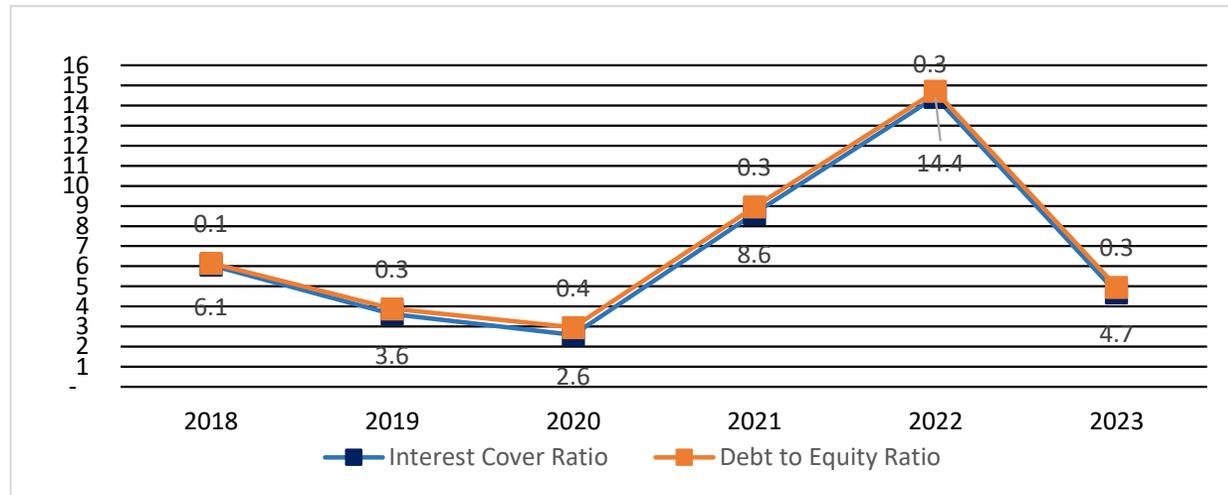
Investor Ratio



Activity / Turnover Ratio

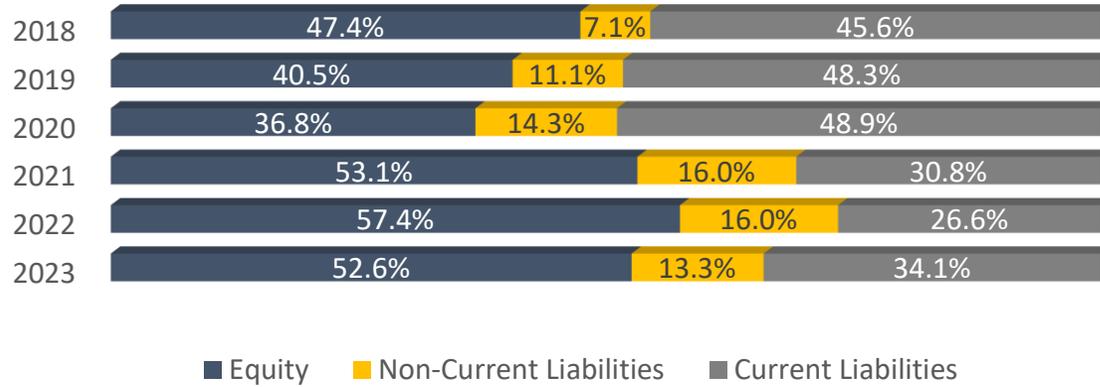


Interest Coverage Ratio

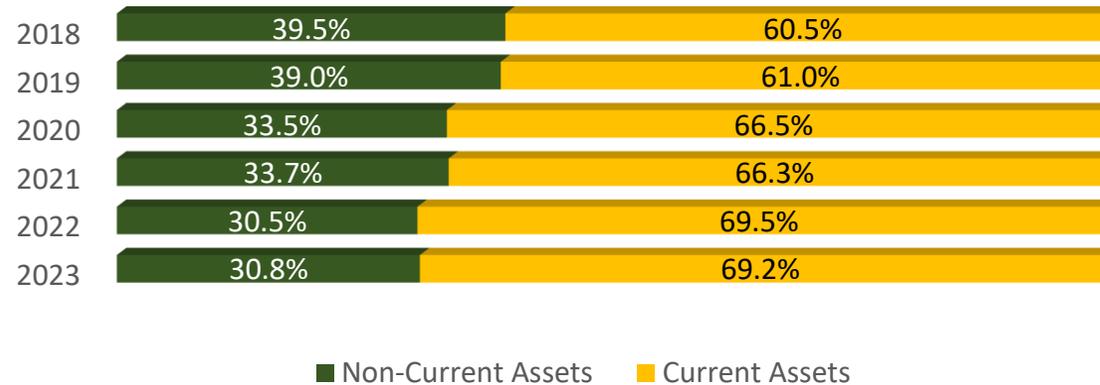


Financial Position

Equity & Liabilities



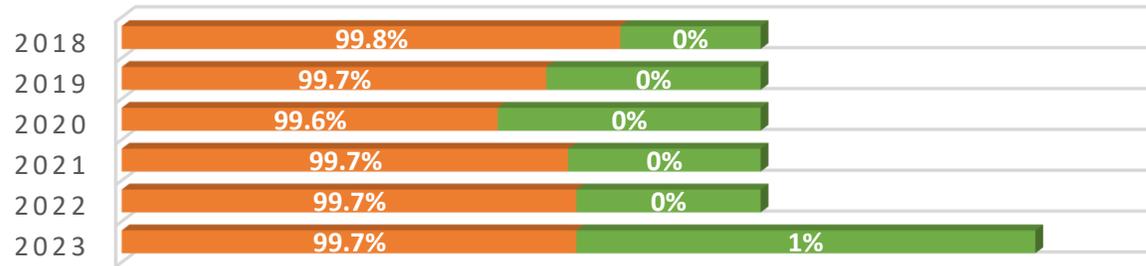
Assets



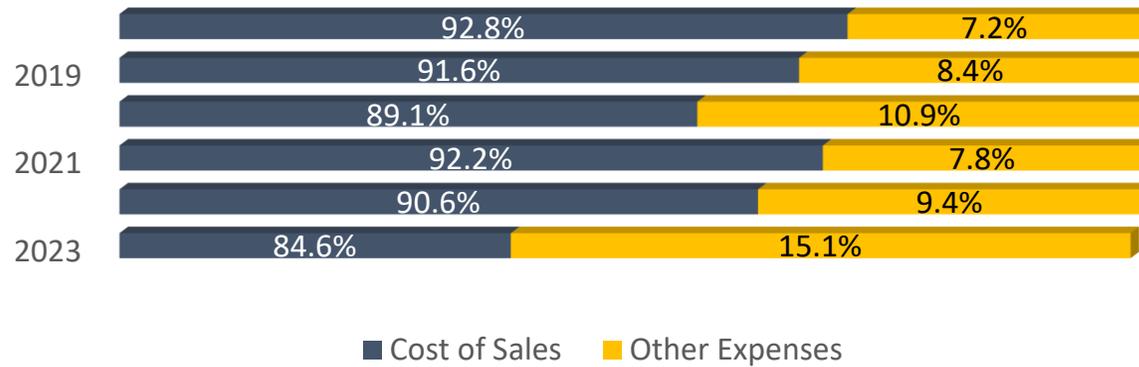
Statement of Profit or Loss

SALE & OTHER INCOME

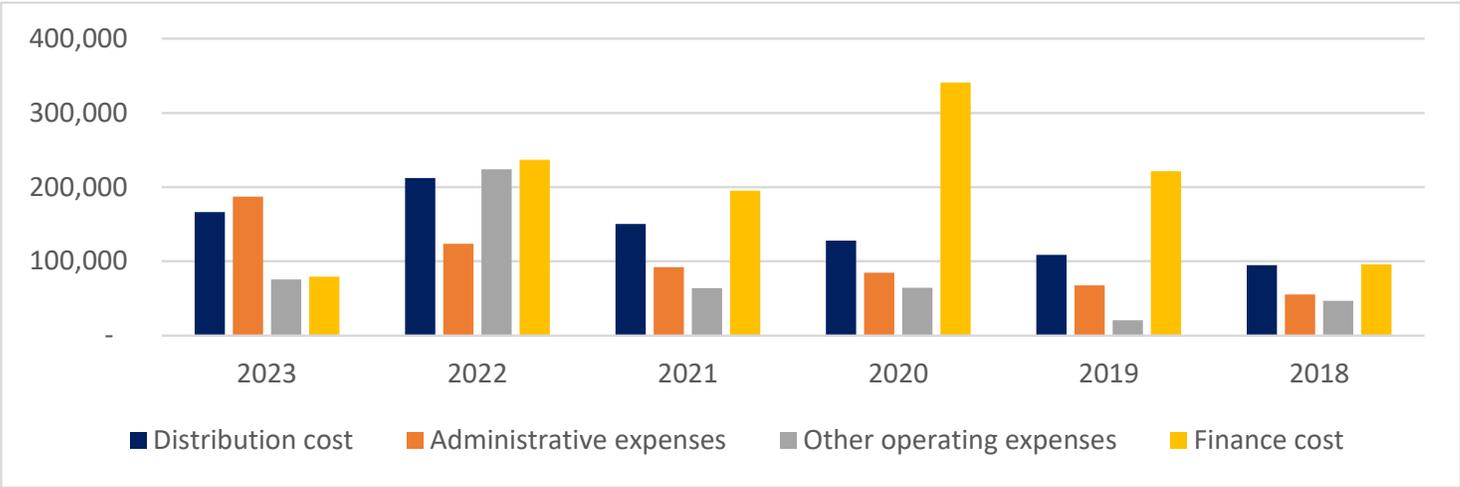
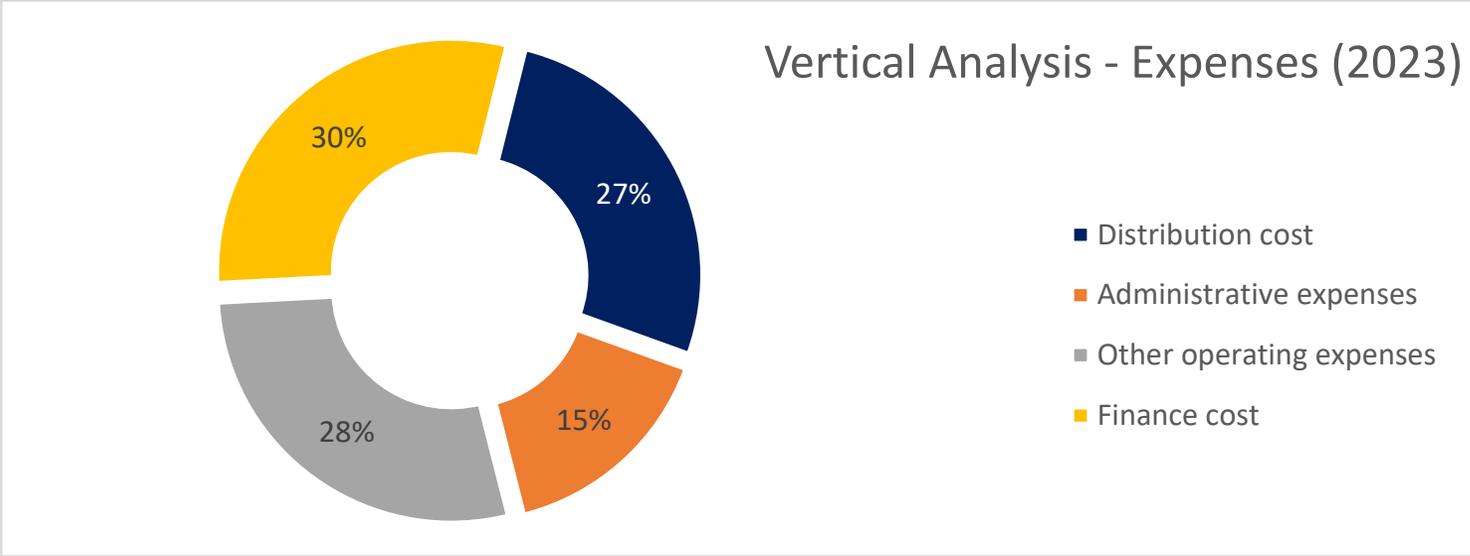
■ Sale ■ Other Income



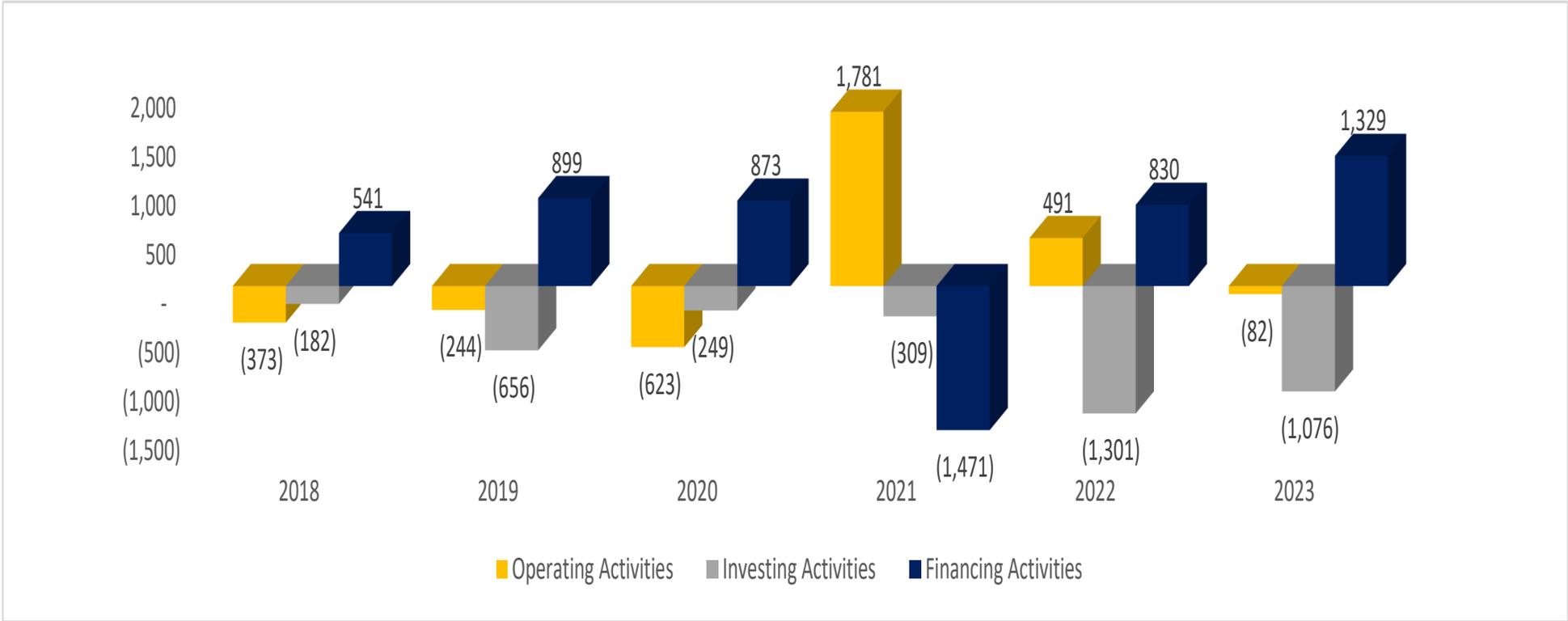
Cost of Sales and Expenses



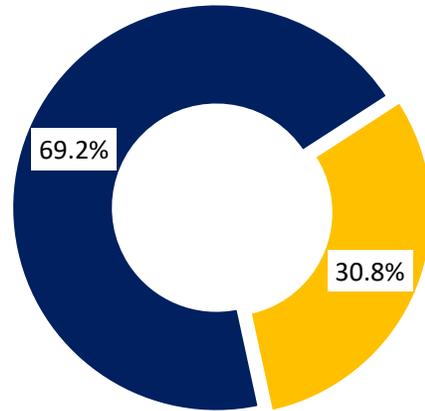
Statement of Profit or Loss



Cash Flow Analysis

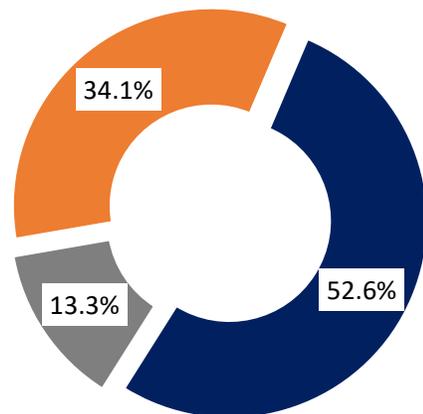


VERTICAL ANALYSIS-TOTAL ASSETS (2023)



- Total non-current assets
- Total current assets

VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2023)



- Total Equity
- Total non-current liabilities
- Total current liabilities



Financial Results 2023 vs 2022

Income Statement

Key Highlights

-3%

Sales Rs. 11,049 million (2022: Rs. 11,386 million)

-54%

Gross Profit Rs.1,705 million (15.44% of sales) [2022: Rs.3,707 million (32.56% of sales)]

-70%

Net Profit Rs. 839 million (7.59% of sales) [2022: Rs. 2,772 million (24.35% of sales)]

-47%

Dividend paid Rs. 41 million (2022: 77 million)

+12%

Breakup value Rs. 683 (2022: Rs. 611) per share

Statement of value addition and its distribution

	2023		2022	
	Rs. (Millions)	%age	Rs. (Millions)	%age
Value addition				
Sales	11,049	99.29	11,386	99.71
Other income	79	0.71	33	0.29
Total	11,128	100.00	11,419	100.00
Value distribution				
Cost of sales	9,343	83.96	7,680	67.26
Distribution expense	166	1.49	212	1.86
Administrative and other expenses	263	2.36	347	3.04
Finance cost	351	3.15	237	2.08
Income tax	166	1.50	171	1.50
Dividend to shareholders	41	0.37	77	0.67
Profit retained for future growth	798	7.17	2,695	23.59
Total	11,128	100.00	11,419	100.00

Balance Sheet Assets

13,384 million

2023

3,591 million (27%)

532 million (4%)

6,278 million (47%)

2,013 million (15%)

576 million (4%)

394 million (3%)

Property, plant and equipment

Long term and short term investments

Stores and stocks

Trade debts

Taxes refund due form Government

Other assets

2022

10,946 million

3,240 million (30%)

145 million (1%)

4,773 million (44%)

1,783 million (16%)

673 million (6%)

332 million (3%)

Balance Sheet Equity & Liabilities

13.384 million

2023

7,034 million (53%)

2,108 million (16%)

1,632 million (12%)

2,331 million (17%)

183 million (1%)

96 million (1%)

Shareholders Equity

Total Long term loans

Trade Liabilities

Short Term Borrowings

Provision for Taxation

Other Liabilities

2022

10,946 million

6,287 million (57%)

1,957 million (18%)

1,436 million (13%)

1,043 million (9%)

178 million (2%)

45 million (1%)

Consolidated Income Statement

	2023	2022
	Rs. (Million)	Rs. (Million)
Sales	11,048	11,386
Cost of sales	(9,343)	(7,679)
Gross profit	1,705	3,707
Distribution cost	(166)	(212)
Administrative and other expenses	(263)	(347)
Other income	75	28
Finance cost	(351)	(237)
Share of profit of associated companies	441	307
Profit before taxation	1,441	3,246
Taxation	(244)	(200)
Profit after taxation	1,197	3,046

Consolidated Balance Sheet - Assets

	2023	2022
	Rs. (Million)	Rs. (Million)
Property, plant and equipment	3,591	3,240
Long and short term investments	2,464	1,376
Stores and stocks	6,278	4,773
Trade debts	2,013	1,782
Cash and banks	198	27
Other assets	771	979
Total	15,315	12,177

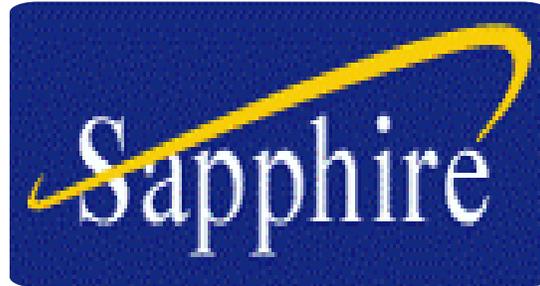
Consolidated Balance Sheet - Equity & liabilities

	2023	2022
	Rs. (Million)	Rs. (Million)
Equity of parent shareholders	8,747	7,378
Non-controlling interest	-	-
Long term liabilities	2,326	2,096
Trade liabilities	1,633	1,436
Short term borrowing	2,331	1,043
Taxation	183	178
Other liabilities	95	46
Total	12,177	12,177



Future Outlook

Future Outlook



Global growth is projected to remain weak by historical standards, falling from 3.5% in 2022 to 3.0% in both 2023 and 2024. Global headline inflation is expected to drop from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024, whereas underlying inflation is projected to decline more slowly.

Pakistan faces increasingly uncertain economic outlook with dwindling foreign reserves, a depreciating currency and very high inflation. Economic activity is expected to remain slow in coming year as well, with real GDP growth projected at just around 0.5%.

Despite challenging circumstances, the management remains focused on maintaining Company's long-term competitive advantage through product diversification and cost leadership.



Q & A Session



Thank You!