



REDCO TEXTILES LIMITED

ISO 9001 Certified

Half Yearly Report as at 31st December 2013



REDCO TEXTILES LIMITED

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Company Information

Board of Directors

Ms. Sarah Saif khan
Chief Executive

Mrs. Taufiq Khanum
Mrs. Muniza Saif khan
Mrs. Samina Asad
Mr. Ashan ur Rehman Khan
Mr. Imran Zia
Mr. Khalid Rehman

Company Secretary & Chief Financial Officer

Mr. Asad Mumtaz Baloch

Head of Internal Audit

Mr. Zeeshan Karim

Auditors

Mushtaq & Co. Chartered Accountants

Audit Committee

| | |
|-----------------------|-------------|
| Mrs. Taufiq Khanum | Chairperson |
| Mrs. Muniza Saif khan | Member |
| Mrs. Samina Asad | Member |
| Mr. Imran Zia | Member |

Registered Office

Redco Textiles Limited, Redco Arcade, 78 -E, Blue Area, Islamabad 4400, Pakistan.
Tel: (+92-51) 2271362-5 Fax: (+92-51) 2274336 E-mail: sales@redcogroup.com

Mills

Redco Textiles Limited, 3-Km, Rawat-Kallar Seydan Road, P.O Sagri, Rawat,
Rawalpindi.
Tel: (+92-51) 4610402-4 Fax: (+92-51) 46104041 E-mail: textiles@redcogroup.com



REDCO TEXTILES LIMITED

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Directors' Report

Dear Shareholders,

We are pleased to present our half yearly report for your company's performance as at December 31, 2013.

The six months period under review incurred profit before tax of Rs 18.509 million and after tax of Rs 6.638 million, as compared to the previous corresponding half year's profit before tax of Rs 18.228 million and after tax of Rs 14.661 million.

The highlights of the half year include:

- ❖ Increase in sales revenue by 14 % to Rs 1.176 billion mainly due to increase in prices of products as compared to last year corresponding period.
- ❖ Increase in gross profit to 3.9% as compared to 3.8% in December 2012 due to effective supply chain management and efficient production planning during power cutoffs situation.
- ❖ Decrease in financial charges by 7% to Rs 5.1 million from Rs 5.5 million last half year.

The desirable performance of the company was mainly due to effective and timely purchase of raw material during the half year. Despite the fact that power crisis is hitting all across the country our company managed to earn operating profit of Rs 22.483 million.

In continuation to the strategic planning for up gradation of unit Company is in process of establishing L/C's for air jet looms and cards for spinning section.

Looking forward to further improve profitability so as to recover our accumulated losses and further improve our financial position.

We wish to place on record our appreciation for the dedication & hard work of the staff & members of the company.

For and on behalf of the Board,

Chief Executive

Dated: February 25, 2014



REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

Member of



Illinois, USA

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 32638521-4 Fax: 32639843

Branch Office: 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626

Email Address: mushtaq_vohra@hotmail.com

Auditor's Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Redco Textiles Limited** as at December 31, 2013, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

We conducted our review in accordance with international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

KARACHI:

Date: _____

MUSHTAQ & COMPANY

Chartered Accountants

Engagement Partner:

Mushtaq Ahmed Vohra

F.C.A



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REDCO TEXTILES LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2013

| | Note | December 31, 2013 | Restated | |
|--|------|-----------------------------|---------------------------------------|---------------------------------------|
| | | Unaudited Rupees | June 30, 2013 Audited Rupees | June 30, 2012 Audited Rupees |
| ASSETS | | | | |
| NON CURRENT ASSETS | | | | |
| Property, plant and equipment | 5 | 926,362,760 | 924,455,999 | 968,759,577 |
| Long term investment | | 138,180 | 114,375 | 80,220 |
| Long term deposits and prepayments | | 4,905,940 | 4,905,940 | 4,855,940 |
| | | <u>931,406,880</u> | <u>929,476,314</u> | <u>973,695,737</u> |
| CURRENT ASSETS | | | | |
| Stores, spare parts and loose tools | | 41,848,164 | 34,496,210 | 33,430,997 |
| Stock in trade | | 367,143,575 | 277,216,929 | 292,714,290 |
| Trade debts | | 222,816,861 | 244,272,544 | 168,596,021 |
| Loans and advances | | 60,675,488 | 45,659,566 | 49,933,354 |
| Trade deposits and short term prepayments | | 2,202,221 | 719,394 | 721,337 |
| Tax refunds due from Government | | 37,388,058 | 37,366,565 | 33,913,179 |
| Cash and bank balances | | 29,314,261 | 20,974,235 | 15,783,323 |
| | | <u>761,388,628</u> | <u>660,705,443</u> | <u>595,092,501</u> |
| TOTAL ASSETS | | <u><u>1,692,795,508</u></u> | <u><u>1,590,181,757</u></u> | <u><u>1,568,788,238</u></u> |
| EQUITY AND LIABILITIES | | | | |
| SHARE CAPITAL AND RESERVES | | | | |
| Authorized capital | | | | |
| 50,000,000 (June 30, 2013: 50,000,000) ordinary shares of Rs. 10/- each | | 500,000,000 | 500,000,000 | 500,000,000 |
| Issued, subscribed and paid up capital | | | | |
| 49,292,600 (June 30, 2013: 49,292,600) ordinary shares of Rs. 10/- each | | 492,926,000 | 492,926,000 | 492,926,000 |
| Reserves | | 83,105 | 59,301 | 25,146 |
| Accumulated loss | | (73,448,998) | (83,251,623) | (105,410,335) |
| | | <u>419,560,107</u> | <u>409,733,678</u> | <u>387,540,811</u> |
| SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT - NET OF TAX | | | | |
| | | 228,849,942 | 232,014,914 | 236,730,339 |
| NON CURRENT LIABILITIES | | | | |
| Long term financing from associated undertakings - unsecured | 6 | 417,184,624 | 417,184,624 | 432,184,624 |
| Long term financing from directors and others - unsecured | 7 | 204,524,629 | 204,524,629 | 214,524,629 |
| Deferred liabilities | | 19,906,393 | 20,636,827 | 19,208,498 |
| | | <u>641,615,646</u> | <u>642,346,080</u> | <u>665,917,751</u> |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | | 282,525,159 | 192,444,961 | 151,868,793 |
| Accrued mark up / interest | | 2,273,668 | 3,091,583 | 4,285,121 |
| Short term borrowings | 8 | 99,470,986 | 85,550,541 | 85,000,748 |
| Current portion of long term financing from associated undertakings | | 15,000,000 | 15,000,000 | - |
| Current portion of long term financing from directors and others | | 3,500,000 | 10,000,000 | 37,444,675 |
| | | <u>402,769,813</u> | <u>306,087,086</u> | <u>278,599,337</u> |
| CONTINGENCIES AND COMMITMENTS | | | | |
| 9 | | | | |
| TOTAL EQUITY AND LIABILITIES | | <u><u>1,692,795,508</u></u> | <u><u>1,590,181,757</u></u> | <u><u>1,568,788,238</u></u> |

The annexed notes form an integral part of these condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013

| Note | Half Year Ended | | Quarter Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | Rupees | Rupees | Rupees | Rupees |
| Sales - net | 1,176,400,928 | 1,031,564,847 | 580,091,102 | 516,371,850 |
| Cost of sales | (1,130,727,409) | (992,482,132) | (535,739,823) | (496,226,148) |
| Gross profit | 45,673,519 | 39,082,715 | 44,351,279 | 20,145,702 |
| Operating expenses | | | | |
| Distribution cost | (6,919,528) | (3,774,710) | (5,094,415) | (2,028,889) |
| Administrative expenses | (13,438,998) | (9,753,822) | (8,521,241) | (3,198,169) |
| Other operating expenses | (2,831,944) | (1,914,427) | (2,253,169) | (1,155,739) |
| | (23,190,470) | (15,442,959) | (15,868,825) | (6,382,797) |
| Operating income | 22,483,049 | 23,639,756 | 28,482,454 | 13,762,905 |
| Other income | 1,134,927 | 117,067 | 447,122 | 111,085 |
| Finance cost | (5,108,799) | (5,529,298) | (2,918,463) | (2,816,903) |
| Profit before taxation | 18,509,177 | 18,227,525 | 26,011,114 | 11,057,087 |
| Taxation | (11,871,524) | (3,566,101) | (6,292,996) | (1,450,210) |
| Profit for the period | 6,637,654 | 14,661,424 | 19,718,117 | 9,606,877 |
| Earnings per share - basic and diluted | 10 | 0.135 | 0.297 | 0.400 |
| | | 0.195 | | 0.195 |

The annexed notes form an integral part of these condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



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REDCO TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013

| | Half Year Ended | | Quarter Ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | Rupees | | Rupees | |
| Profit for the period | 6,637,654 | 14,661,424 | 19,718,117 | 9,606,877 |
| Other comprehensive income / (loss): | | | | |
| Items that can be reclassified to profit or loss accounts | | | | |
| Fair value gain arised during the period - Available for sale investment | 23,804 | 16,085 | 23,804 | 16,085 |
| Total comprehensive income for the period | 6,661,457 | 14,677,509 | 19,741,921 | 9,622,962 |

The annexed notes form an integral part of these condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



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REDCO TEXTILES LIMITED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

| | December 31, 2013 | December 31, 2012 |
|---|----------------------|----------------------|
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 18,509,177 | 18,227,525 |
| Adjustment for non cash items: | | |
| Depreciation | 23,833,829 | 24,120,659 |
| Provision for staff retirement benefits - gratuity | 2,480,000 | 2,100,000 |
| Provision for workers' profit participation fund | 999,535 | 953,182 |
| Provision for workers welfare fund | 481,994 | - |
| Finance cost | 5,108,799 | 5,529,298 |
| | 32,904,158 | 32,703,139 |
| Operating profit before working capital changes | 51,413,335 | 50,930,664 |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | (7,351,954) | (2,247,518) |
| Stock in trade | (89,926,646) | (92,623,726) |
| Trade debts | 21,455,683 | (50,494,961) |
| Loans and advances | (15,015,922) | 7,080,260 |
| Trade deposits and short term prepayments | (1,482,827) | (1,297,534) |
| | (92,321,666) | (139,583,479) |
| Increase in current liabilities | | |
| Trade and other payables | 88,598,668 | 72,130,661 |
| Cash generated from / (used in) operations | 47,690,337 | (16,522,154) |
| Staff retirement benefits - gratuity paid | (2,435,265) | (1,968,746) |
| Interest paid | (5,926,714) | (7,286,249) |
| Taxes paid | (12,668,186) | (7,670,783) |
| | (21,030,165) | (16,925,778) |
| Net cash generated from / (used in) operating activities | 26,660,173 | (33,447,932) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Property, plant and equipment - acquired | (25,740,591) | (979,950) |
| Long term deposits and prepayments | - | (50,000) |
| Net cash used in investing activities | (25,740,591) | (1,029,950) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term financing from associated undertakings | - | (1,049,730) |
| Long term financing from directors and others | (6,500,000) | - |
| Short term borrowings -net | 13,920,445 | 49,235,573 |
| Net cash generated from financing activities | 7,420,444 | 48,185,842 |
| Net increase in cash and cash equivalents | 8,340,026 | 13,707,960 |
| Cash and cash equivalents at the beginning of the period | 20,974,235 | 15,783,323 |
| Cash and cash equivalents at the end of the period | 29,314,261 | 29,491,283 |

The annexed notes form an integral part of these condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

| | Share Capital | Accumulated profit/(loss) | Reserves | Total equity |
|---|--------------------|---------------------------|---|--------------------|
| | | | Unrealized gain / (loss) on available for sale investment | |
| | Rupees | | | |
| Balance as at July 01, 2012 - as originally reported | 492,926,000 | (101,163,375) | 25,146 | 391,787,771 |
| Effect of retrospective application of change in an accounting policy referred in note 3.3 | - | (4,246,960) | - | (4,246,960) |
| Balance as at July 01, 2012 - as restated | 492,926,000 | (105,410,335) | 25,146 | 387,540,811 |
| Total comprehensive income for the half year ended December 31, 2012 | - | 14,661,424 | 16,085 | 14,677,509 |
| Incremental depreciation transferred from surplus on revaluation of property, plant and equipment | - | 3,331,549 | - | 3,331,549 |
| Balance as at December 31, 2012 | 492,926,000 | (87,417,362) | 41,231 | 405,549,869 |
| Balance as at July 01, 2013 - as restated | 492,926,000 | (83,251,623) | 59,301 | 409,733,678 |
| Total comprehensive income for the half year ended December 31, 2013 | - | 6,637,654 | 23,804 | 6,661,457 |
| Incremental depreciation transferred from surplus on revaluation of property, plant and equipment | - | 3,164,972 | - | 3,164,972 |
| Balance as at December 31, 2013 | 492,926,000 | (73,448,998) | 83,105 | 419,560,107 |

The annexed notes form an integral part of these condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

REDCO TEXTILES LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2013**

1 STATUS AND NATURE OF BUSINESS

Redco Textiles Limited is a Public Limited Company which commenced operations in October 1991. It was incorporated under the Companies Ordinance 1984 and is listed on the Karachi and Lahore Stock Exchanges. Redco's principal activities include manufacture and sale of yarn and greige fabric. The registered office of the company is situated at 78-E, Redco Arcade, Blue Area, Islamabad.

2 BASIS OF PRESENTATION

Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended June 30, 2013.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the selected notes for the half year ended December 31, 2013 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2013.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2013, except as mentioned in note 3.3.
- 3.2** Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.
- 3.3** During the period, the company has adopted IAS 19, (Revised) 'Employee Benefits'. The amendments in the revised standard require the company to eliminate the corridor approach and recognize all actuarial gains and losses (now called 'remeasurements', that result from the remeasurement of defined benefits obligations and fair value of plan assets at the balance sheet date) in other comprehensive income as they occur, immediately recognize all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefits liability / asset.

This change in accounting policy has been accounted for retrospectively as required under International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been restated

Effects of the change in the accounting policy have been summarized below:

| | 30-Jun-13 | As at 30-Jun-12 |
|--|------------------|--------------------|
| | -----Rupees----- | |
| Impact on Balance Sheet | | |
| Increase in the retirement benefits obligation | 14,415,941 | 6,533,785 |
| Decrease in deferred taxation | 4,901,420 | 2,286,825 |
| Decrease in accumulated profits | 9,514,521 | 4,246,960 |



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| | Year ended | |
|--|------------------|-----------|
| | 30-Jun-13 | 30-Jun-12 |
| | -----Rupees----- | |
| Impact on profit and loss account | | |
| Increase in profit and loss account | 1,152,636 | 49,994 |
| Decrease in deferred taxation - current year | 2,614,595 | 2,286,825 |
| Decrease in other comprehensive income | 9,034,792 | 5,451,621 |

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2013.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.

| | December 31, 2013 | June 30, 2013 |
|--|----------------------|--------------------|
| | -----Rupees----- | |
| 5 OPERATING FIXED ASSETS | | |
| Opening written down value | 924,455,999 | 968,759,577 |
| Add: Additions during the period / year | 5.1 25,740,591 | 3,996,774 |
| | 950,196,590 | 972,756,351 |
| Less: Depreciation charged during the period / year | 23,833,829 | 48,300,352 |
| | <u>926,362,760</u> | <u>924,455,999</u> |
| 5.1 Details of additions during the period / year are as follows: | | |
| Generators | - | 3,996,774 |
| Vehicles | 600,000 | - |
| Tools | 25,085,591 | - |
| Office equipment | 55,000 | - |
| | <u>25,740,591</u> | <u>3,996,774</u> |

6 LONG TERM FINANCING FROM ASSOCIATED UNDERTAKINGS - UNSECURED

| | | |
|--|--------------------|--------------------|
| Redco Pakistan Limited | 326,075,159 | 326,075,159 |
| Royal Holdings (Private) Limited | 106,109,465 | 106,109,465 |
| | 432,184,624 | 432,184,624 |
| Less: Current portion show under current liabilities | (15,000,000) | (15,000,000) |
| | <u>417,184,624</u> | <u>417,184,624</u> |

6.1 These represent interest free, unsecured loans from associated undertakings on long term basis. The amount is not repayable before December 31, 2014 except Rs. 15 million (June 30, 2013: Rs. 15 million) as disclosed above.

- 6.2 Out of the above balance amount of Rs. 414.766 million (June 30, 2013: Rs. 414.766 million) have been subordinated to NIB Bank and Bank Alfalah Limited.

| | December 31, 2013 | June 30, 2013 |
|--|----------------------|--------------------|
| 7 LONG TERM FINANCING FROM DIRECTORS AND OTHERS - UNSECURED | -----Rupees----- | |
| Saif-ur-Rehman | 196,307,028 | 202,807,028 |
| Ms. Sarah Saif Khan (Chief Executive) | 4,592,570 | 4,592,570 |
| Ahsan-ur- Rehman Khan (Director) | 3,525,031 | 3,525,031 |
| Mrs. Tufiqah Amanullah Khan (Director) | 3,600,000 | 3,600,000 |
| | 208,024,629 | 214,524,629 |
| Less: Current portion show under current liabilities | (3,500,000) | (10,000,000) |
| | <u>204,524,629</u> | <u>204,524,629</u> |

- 7.1 These represent interest free loans from directors/sponsor, which have been utilized for the import of machinery as well as for meeting the working capital requirements. The amount is not repayable before December 31, 2014 except the amount disclosed as current portion shown under the current liabilities.
- 7.2 Out of the above balance amount of Rs. 149.947 million (June 30, 2013: Rs. 149.947 million) have been subordinated to NIB Bank and Bank Alfalah Limited.

8 SHORT TERM BORROWINGS

It includes an amount of Rs. 20.186 million (June 30, 2013: Rs. Nil) received from associated company to meet the working capital requirements of the company. The loan is unsecured and carries no markup.

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

The company has availed the facility for issuance of performance guarantees (LG) (Existing) from Bank Alfalah Limited amounting to Rs. 17,232,935. This facility is secured against counter guarantee of the company and carry commission of 0.40% p.q. (maximum tenor: performance bond revolving).

9.2 COMMITMENTS

Outstanding commitments related to letter of credit for 1000 pieces complete spindles equivalent to Pak Rs. 2.12 million and spare parts for Toyota Air jet Looms equivalent to Pak Rs. 0.83 million at the end of the period.

10 EARNINGS PER SHARE - BASIC AND DILUTED

| | Half Year Ended | | Quarter Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Profit for the period - rupees | 6,637,654 | 14,661,424 | 19,718,117 | 9,606,877 |
| Weighted average number of ordinary shares - numbers | 49,292,600 | 49,292,600 | 49,292,600 | 49,292,600 |
| Earnings per share - Basic - rupees | 0.135 | 0.297 | 0.400 | 0.195 |

- 10.1 There is no dilutive effect on the basic earnings per share of the company.



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11 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings of the company comprise of associated companies, directors and key management personnel. Transactions with related parties and associated undertakings involve inter company fund transfer and advance for repayment of the long term finance. The Company's aggregate transactions with the associated companies are as follows:

| Transaction with related parties | Relationship | December 31, 2013 | December 31, 2012 |
|---|--------------------|----------------------|----------------------|
| | | Rupees | |
| Redco Pakistan Limited | Associated company | | |
| Receipts of short term borrowings | | 20,186,451 | - |
| Repayment of long term financing | | - | 1,049,730 |
| Saif-ur-Rehman | Sponsor | | |
| Finance | | 6,500,000 | - |
| | | December 31, 2013 | June 30, 2013 |
| Balances outstanding at the period end | | Rupees | |
| Directors | | <u>(11,717,601)</u> | <u>(11,717,601)</u> |
| Sponsors | | <u>(192,807,028)</u> | <u>(192,807,028)</u> |
| Associated undertakings | | <u>(417,184,624)</u> | <u>(417,184,624)</u> |

There are no transactions with key management personnel other than under their terms of employment.

12 CORRESPONDING FIGURES

Comparative information has been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No major reclassifications have been made in these condensed interim financial statements.

13 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the board of directors of the company on 25th February 2014.

14 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR



REDCO TEXTILES LIMITED

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