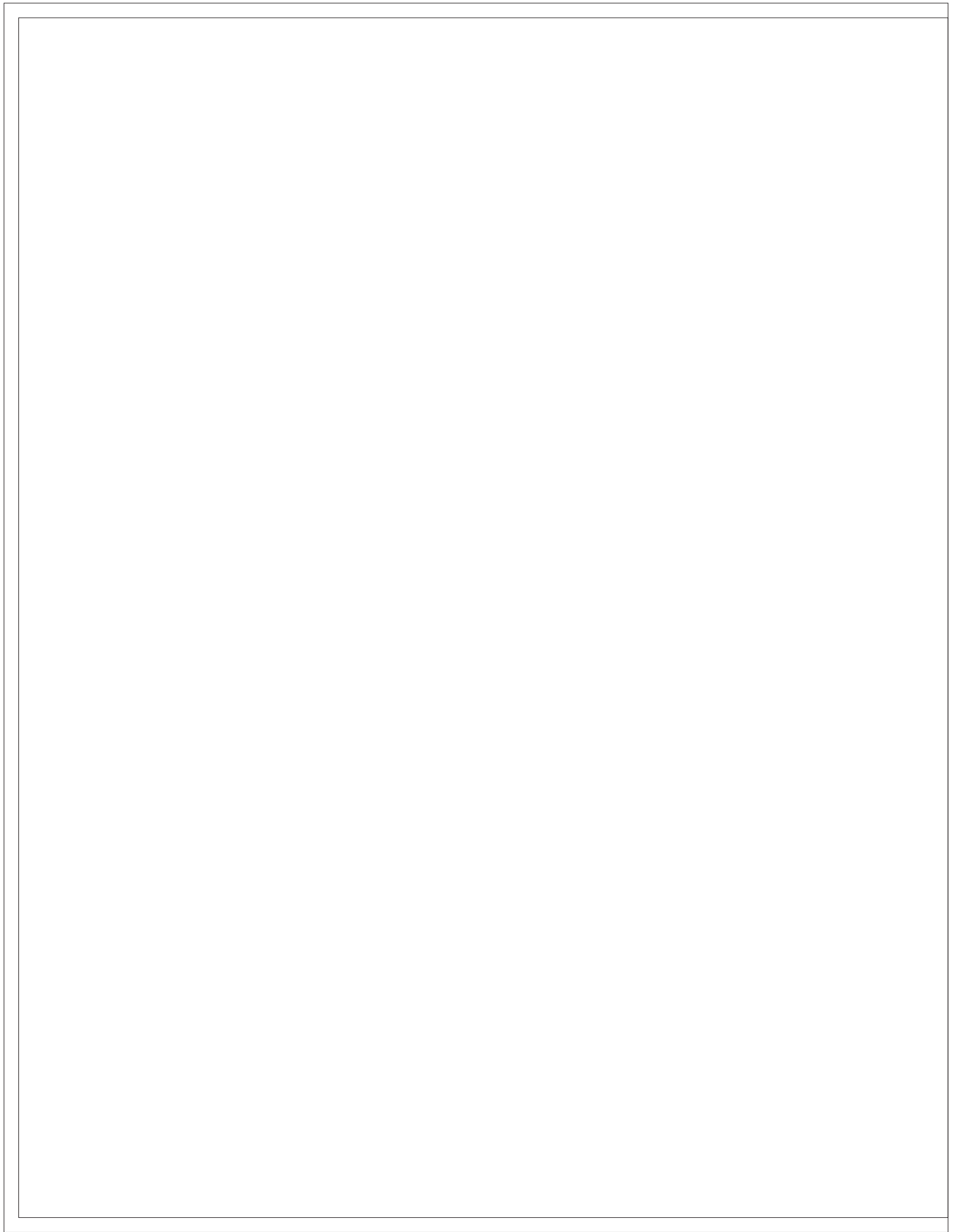




REDCO TEXTILES LIMITED

ISO 9001 Certified

Quarterly Report as at 30th September 2021





REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

Company Information

Board of Directors

Mrs. Muniza Saif Khan	Chairperson
Mrs. Sarah Saif Khan	Chief Executive
Mr. Junaid Khan	
Mr. Irfan Ahmed Siddiqi	
Mr. Ahsan ur Rehman Khan	
Ms. Ayesha Saif Khan	
Mr. Khalid Rehman Khan	

Chief Financial Officer

Mr. Monim Ul Haq

Company Secretary

Mr. Muhammad Kashif

Auditors

Mushtaq & Co, Chartered Accountants

Audit Committee

Mr. Irfan Ahmed Siddiqi	Chairman
Mrs. Muniza Saif Khan	Member
Mr. Ahsan ur Rehman Khan	Member

HR and Remuneration Committee

Mr. Irfan Ahmed Siddiqi	Chairman
Mrs. Sarah Saif Khan	Member
Mrs. Muniza Saif Khan	Member

Registered Office

Redco Textiles Limited, Redco Arcade, 78 -E, Blue Area, Islamabad 44000, Pakistan.
Tel: (+92-51) 2344251-57 Fax: (+92-51) 2344256 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

Directors' Report

Dear Shareholders,

We are pleased to present our quarterly report of your company's performance as at September 30, 2021.

The three months period under review incurred profit before tax of Rs. 16.784 million and profit after tax of Rs. 13.931 million as compared to profit before tax of Rs. 11.147 million and profit after tax of Rs. 9.252 million of the previous corresponding period.

The highlights of the first quarter include:

- * Increase in sales revenue by 22.19% (139.545 million) as compared to the last corresponding period (114.205 million) as 76 new Toyota air jet looms are procured and became operational till September 2021 increasing the production capacity by 45 percent as compared to previous corresponding period.
- * These three months incurred gross profit of Rs. 17.045 million as compared to the gross profit of Rs. 16.304 million in the previous corresponding period.

Presently, businesses across the world are facing huge challenges, owing to different waves of Covid-19 which arised from time to time in different countries and regions of the world. This has also adversely affected emerging markets including Pakistan. Although the size of this crisis is huge, our government has taken a number of initiatives to overcome the situation, including supply of gas and electricity to the export industry at regionally competitive rates, availability of vaccines in bulk quantity to get the population fully vaccinated etc. Our focus remained on getting the employees fully vaccinated which resulted in achieving almost 100% vaccination of employees. All these measures helped the industry to earn the profit in this overall pandemic situation.

For and on behalf of the Board,

Sarah Saif Khan
Chief Executive

Dated: October 29, 2021

REDCO TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2021

	30-Sep-21	30-Jun-21
	Un-audited	Audited
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,725,231,152	1,407,864,872
Long term investment	41,900	47,515
Long term deposits	10,019,079	10,019,079
	1,735,292,131	1,417,931,466
CURRENT ASSETS		
Stores, spare parts and loose tools	50,136,750	46,280,284
Stock in trade	58,511,367	47,947,572
Trade debts	126,874,756	102,763,949
Loans and advances	31,425,292	31,801,413
Trade deposits and short term prepayments	1,303,901	23,014
Tax refunds due from Government	102,714,161	87,724,792
Cash and bank balances	10,028,097	15,212,435
	380,994,324	331,753,459
TOTAL ASSETS	2,116,286,455	1,749,684,925
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
50,000,000 (June 30, 2021: 50,000,000) ordinary shares of Rs. 10/- each	500,000,000	500,000,000
Issued, subscribed and paid up capital		
49,292,600 (June 30, 2021: 49,292,600) ordinary shares of Rs. 10/- each	492,926,000	492,926,000
Surplus on revaluation of property plant and equipment - Net of tax	389,548,772	390,647,511
Equity portion of Director's loan	73,199,501	73,199,501
Reserves	(13,175)	(7,560)
Accumulated loss	(726,291,322)	(741,320,774)
	229,369,776	215,444,678
NON CURRENT LIABILITIES		
Long term financing from banking companies	6,915,537	6,915,537
Long term payables	1,734,320	1,734,320
Staff retirement benefits-gratuity	11,215,973	11,210,705
Deferred government grant	58,252	58,252
	19,924,082	19,918,814
CURRENT LIABILITIES		
Trade and other payables	228,173,269	212,714,798
Accrued mark up / interest	133,074	157,953
Short term borrowings from associated undertakings	713,124,032	704,720,983
Short term borrowings from directors and others	899,594,875	567,212,153
Current portion of long term financing	11,349,062	14,868,776
Current portion of GIDC payable	14,618,285	14,646,770
	1,866,992,597	1,514,321,433
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	2,116,286,455	1,749,684,925

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

REDCO TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	30-Sep-21	30-Sep-20
Sales - net	139,545,496	114,205,059
Cost of sales	(122,500,048)	(97,900,637)
Gross Profit	17,045,448	16,304,422
Operating expenses		
Distribution cost	(117,795)	(181,942)
Administrative expenses	(4,327,829)	(4,124,978)
Other operating expenses	(963,788)	(528,764)
	(5,409,412)	(4,835,684)
Operating Profit	11,636,036	11,468,738
Other operating income	5,649,051	27,291
Finance cost	(501,096)	(348,713)
Profit before taxation	16,783,991	11,147,316
Taxation	(2,853,278)	(1,895,044)
Profit for the period	13,930,713	9,252,272
Earnings per share - basic and diluted	0.2826	0.1877

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



REDCO TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	30-Sep-21	30-Sep-20
Profit for the period after taxation	13,930,713	9,252,272
Other comprehensive income / (Loss):		
Available for sale financial assets		
Gain/(Loss) arised during the period	(5,615)	(2,700)
Total comprehensive income for the period	<u>13,925,098</u>	<u>9,249,572</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

REDCO TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	30-Sep-21	30-Sep-20
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,783,991	11,147,316
Adjustment for non cash items:		
Depreciation	19,466,457	10,924,157
Provision for staff retirement benefits	870,000	296,000
Gain on sale of property, plant and equipment	(5,644,375)	-
Finance cost	501,096	348,713
	15,193,178	11,568,870
Operating profit before working capital changes	31,977,169	22,716,186
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(3,856,466)	920,363
Stock in trade	(10,563,795)	1,572,143
Trade debts	(24,110,807)	(2,698,274)
Loan & Advances and Trade deposits	(904,766)	510,809
	(39,435,834)	305,041
Increase / (decrease) in current liabilities		
Trade and other payables	15,458,471	866,995
Cash generated / (used) in operations	7,999,806	23,888,222
GIDC Paid	(28,485)	-
Staff retirement benefits paid	(864,732)	(269,306)
Interest paid	(525,975)	(170,997)
Taxes paid	(17,842,647)	8,765,763
	(19,261,839)	8,325,460
Net cash generated / (used) in operating activities	(11,262,033)	32,213,682
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment - acquired	(350,188,362)	(12,717,830)
Proceeds from sale of property, plant and equipment	19,000,000	-
Net cash (used in) / generated from investing activities	(331,188,362)	(12,717,830)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings from associated undertakings	8,403,049	(1,577,586)
Short term borrowings from directors and others	332,382,722	-
Long term financing from banking companies	(3,519,714)	9,385,904
Net cash generated / (used) from financing activities	337,266,057	7,808,318
Increase / (decrease) in cash and cash equivalents	(5,184,338)	27,304,170
Cash and cash equivalents at the beginning of the period	15,212,435	33,403,224
Cash and cash equivalents at the end of the period	10,028,097	60,707,394

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

REDCO TEXTILES LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Share Capital	Reserves		Equity portion of Director's loan	Revenue Reserves	Total equity	
	Unrealized gain/(loss) on available for sale investment	Revaluation Surplus		Accumulated Profit/(Loss)		
Rupees						
Balance as at June 30, 2020	492,926,000	(575)	302,994,679	73,199,501	(796,182,734)	72,936,871
Total comprehensive income / (loss) for the period						
Profit / (Loss) for the period	-				9,252,272	9,252,272
Other comprehensive income / (loss)		(2,700)				(2,700)
Transferred from Liability portion of Director's loan	-	-	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-		(625,829)		625,829	-
Balance as at September 30, 2020	<u>492,926,000</u>	<u>(3,275)</u>	<u>302,368,850</u>	<u>73,199,501</u>	<u>(786,304,633)</u>	<u>82,186,443</u>
Balance as at June 30, 2021	492,926,000	(7,560)	390,647,511	73,199,501	(741,320,774)	215,444,678
Total comprehensive income / (loss) for the period	-					
Profit / (Loss) for the period					13,930,713	13,930,713
Other comprehensive income / (loss)		(5,615)				(5,615)
Transferred from Liability portion of Director's loan	-					-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-		(1,098,739)		1,098,739	-
Balance as at September 30, 2021	<u>492,926,000</u>	<u>(13,175)</u>	<u>389,548,772</u>	<u>73,199,501</u>	<u>(726,291,322)</u>	<u>229,369,776</u>

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

REDCO TEXTILES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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 Repealed Companies Ordinance 1984, now the Companies Act 2017 and is listed on Pakistan 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. The manufacturing facility is located at 3-km, Rawat-Kallar Seydan Road, P.o Sagri, Rawat, Rawalpindi, District Rawalpindi in the Province of Punjab.

2 BASIS OF PRESENTATION

2.1 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 30th June 2021.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Pakistan Stock Exchange Limited and section 237 of the Companies Act, 2017.

These financial statements have been prepared in accordance with the approved financial reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017. Wherever the requirements of the Companies Act, 2017 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Act, 2017 or the requirements of the said directive take precedence.

3 SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

4 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the board of Directors of the Company on 29th October 2021.

5 GENERAL

Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

ڈائریکٹرز رپورٹ

ہم 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کی کارکردگی پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر نظر تین ماہ کے عرصے میں قبل از ٹیکس منافع 16.784 ملین روپے رہا ہے جبکہ بعد از ٹیکس منافع 13.931 ملین روپے رہا ہے۔ اسکے مقابلے میں گزشتہ اسی سہ ماہی میں قبل از ٹیکس منافع 11.147 ملین روپے اور بعد از ٹیکس منافع 9.252 ملین روپے تھا۔

پہلی سہ ماہی کے اہم نکات درج ذیل ہیں۔

• فروخت میں گزشتہ تقابلی عرصے کے مقابلے میں 22.19 فیصد اضافہ ہوا ہے اور ہماری فروخت 139.545 ملین روپے رہی ہے جبکہ گزشتہ اسی سہ ماہی میں فروخت 114.205 ملین روپے تھی چونکہ گزشتہ سہ ماہی کے مقابلہ میں 76 نئی ٹویٹا ایئر جیٹ لومز خریدی گئی ہیں جس سے گزشتہ سہ ماہی کے مقابلہ میں پیداواری صلاحیت میں 45 فیصد اضافہ ہوا ہے۔

• زیر غور تین ماہ کے عرصے میں خالص منافع 17.045 ملین روپے رہا جبکہ گزشتہ اسی عرصے میں 16.304 ملین روپے کا خالص منافع تھا۔

اس وقت دنیا کے مختلف ممالک اور خطوں میں وقتاً فوقتاً پیدا ہونے والی کوویڈ-19 کی مختلف لہروں کی وجہ سے دنیا بھر میں کاروباری اداروں کو بہت بڑے چیلنجز کا سامنا ہے۔ اس سے پاکستان سمیت ابھرتی ہوئی مارکیٹوں پر بھی برا اثر پڑا ہے۔ اگرچہ اس بحران کا حجم بہت بڑا ہے لیکن ہماری حکومت نے اس صورتحال پر قابو پانے کے لئے متعدد اقدامات کئے ہیں جن میں برآمدی صنعت کو علاقائی سطح پر مسابقتی نرخوں پر ریگس اور بجلی کی فراہمی، آبادی کو مکمل ویکسین لگانے کے لئے بڑی مقدار میں ویکسین کی دستیابی شامل ہے۔ ہماری توجہ ملازمین کو مکمل طور پر ویکسین لگوانے پر مرکوز رہی جس کے نتیجے میں تقریباً 100 فیصد ملازمین کی ویکسین مکمل ہو چکی ہے۔ ان تمام اقدامات سے اس صنعت کو اس مجموعی وبائی صورتحال میں بھی منافع کمانے میں مدد ملی ہے۔

بحکم بورڈ آف ڈائریکٹرز

سارہ سیف خان

سی۔ای۔او

بتاریخ: 29 اکتوبر 2021



REDCO TEXTILES LIMITED

www.redcotextiles.com

Head Office: Redco Plaza, 4th Floor, 78-E Blue Area, Islamabad Pakistan.
Tel: (+9251) 2344251-57 Fax: (+9251) 2344256 | sales@redcogroup.com

Mills: 3 km, Rawat Kalar Seydan Road, P.O. Sagri, Rawat, Rawalpindi, Pakistan.
Tel: (+9251) 4610 402-4 | Fax: (+9251) 4610 401 | textiles@redcogroup.com