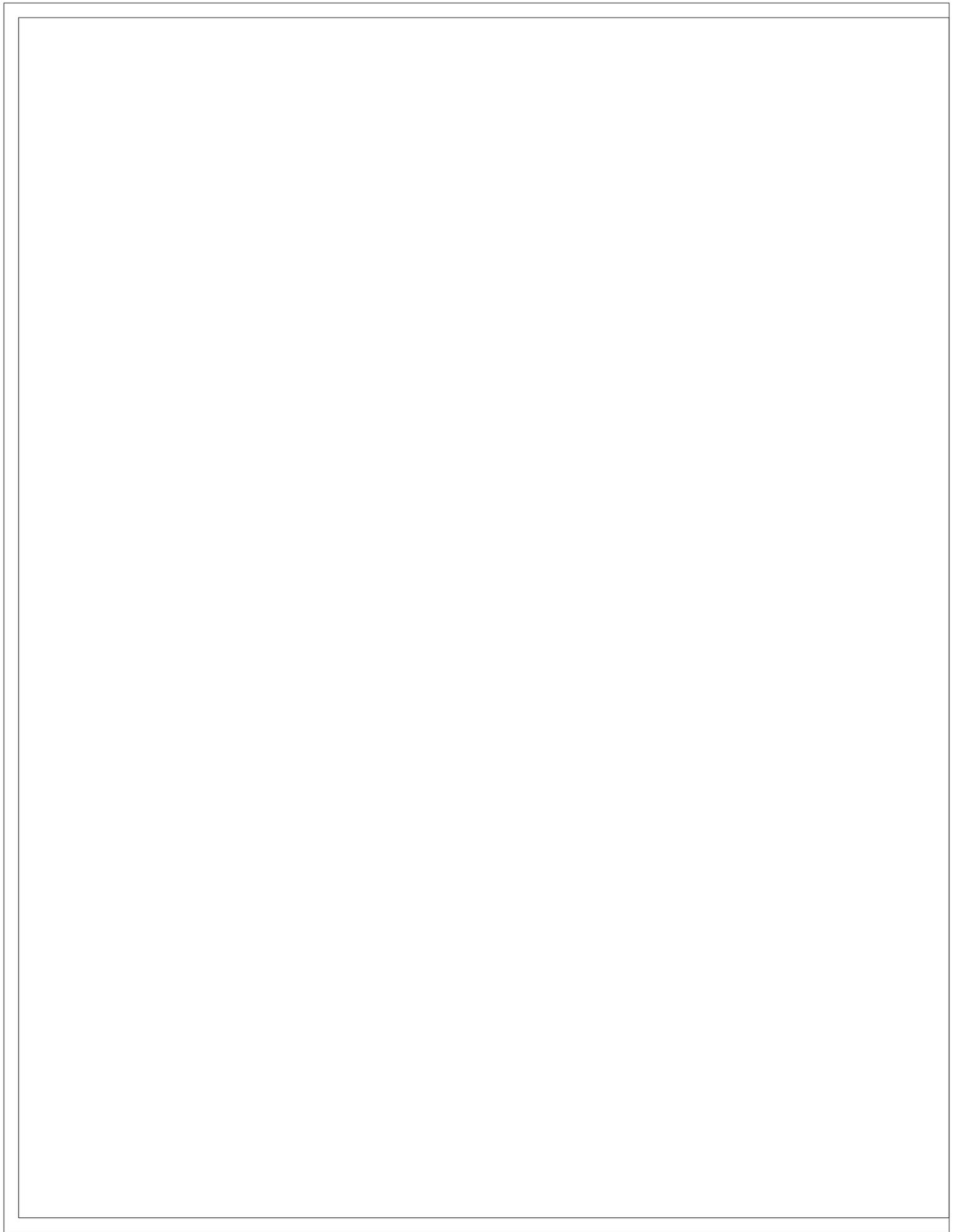




# REDCO TEXTILES LIMITED

ISO 9001 Certified

Quarterly Report as at 30<sup>th</sup> September 2022





**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) 4610401 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, 2022.

The three months period under review incurred loss before tax of Rs. 7.374 million and loss after tax of Rs. 9.601 million as compared to profit before tax of Rs. 16.784 million and profit after tax of Rs. 13.931 million of the previous corresponding period.

The highlights of the first quarter include:

- ❖ Increase in sales revenue by 27.44% (177.842 million) as compared to the last corresponding period (139.545 million) as 76 new Toyota air jet looms have been added in the Weaving unit which helped to improve efficiency of production process.
- ❖ These three months incurred gross profit of Rs. 0.89 million as compared to the gross profit of Rs. 17.045 million in the previous corresponding period.

Presently, businesses are facing huge challenges due to high inflation rates prevailing in different countries and regions of the world. The inflation has adversely affected developed as well as under developed and emerging markets including Pakistan. The financial results of our Company are deteriorated as compared to the last corresponding period due to significant Rupee devaluation against U.S Dollar, higher fuel prices across the globe, high cost of doing business due to high inflation rates and massive floods faced by the Country during this quarter impacting textile industry in Pakistan. Your management is putting all its efforts to get better of all these challenges and is striving hard to steer the Company vigilantly through this adverse economic crunch.

**For and on behalf of the Board,**

---

**Sarah Saif Khan**  
**Chief Executive**

Dated: October 28, 2022



# REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

## REDCO TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT SEPTEMBER 30, 2022

	30-Sep-22	30-Jun-22
	<u>Un-audited</u>	<u>Audited</u>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	1,699,359,338	1,715,528,914
Long Term Investments	37,860	39,335
Long term deposits	10,019,079	10,019,079
	<u>1,709,416,277</u>	<u>1,725,587,328</u>
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	45,836,217	49,448,442
Stock in trade	132,918,172	76,492,175
Trade debts	187,828,498	159,570,596
Loans and advances	15,645,723	52,281,084
Trade deposits and short term prepayments	1,786,125	23,551
Tax refunds due from Government	92,541,590	92,239,223
Cash and bank balances	8,360,279	5,929,108
	<u>484,916,604</u>	<u>435,984,179</u>
<b>TOTAL ASSETS</b>	<u><b>2,194,332,881</b></u>	<u><b>2,161,571,507</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 80,000,000 (June 30, 2022: 80,000,000) ordinary shares of Rs.10/- each	<u>800,000,000</u>	<u>800,000,000</u>
Issued, subscribed and paid up capital	492,926,000	492,926,000
Surplus on revaluation of property, plant and equipment - Net of tax	385,095,943	386,139,820
Director's loan	69,599,501	69,599,501
Other reserves	(17,215)	(15,740)
Accumulated loss	(730,581,657)	(722,024,504)
	<u>217,022,572</u>	<u>226,625,077</u>
<b>NON CURRENT LIABILITIES</b>		
Long term financing from banking companies	-	-
Long term payables	16,238,665	16,267,150
Staff retirement benefits-gratuity	18,508,906	18,507,037
Deferred taxation	-	-
	<u>34,747,571</u>	<u>34,774,187</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	240,986,509	220,357,887
Accrued mark up / interest	26,615	52,651
Short term borrowings from associated undertakings	796,110,200	769,995,917
Short term borrowings from directors and others	900,745,003	901,551,663
Current portion of long term financing	4,694,411	8,214,125
	<u>1,942,562,738</u>	<u>1,900,172,243</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>2,194,332,881</b></u>	<u><b>2,161,571,507</b></u>

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, 2022**

	30-Sep-22	30-Sep-21
Sales - net	177,841,597	139,545,496
Cost of sales	(176,951,420)	(122,500,048)
<b>Gross Profit</b>	<b>890,177</b>	<b>17,045,448</b>
<b>Operating expenses</b>		
Distribution cost	(129,576)	(117,795)
Administrative expenses	(6,238,079)	(4,327,829)
Other operating expenses	(1,541,107)	(963,788)
	(7,908,762)	(5,409,412)
<b>Operating (Loss) / Profit</b>	<b>(7,018,585)</b>	<b>11,636,036</b>
Other operating income	9,440	5,649,051
Finance cost	(364,529)	(501,096)
<b>(Loss) / Profit before taxation</b>	<b>(7,373,674)</b>	<b>16,783,991</b>
Taxation	(2,227,356)	(2,853,278)
<b>(Loss) / Profit for the period</b>	<b>(9,601,030)</b>	<b>13,930,713</b>
<b>(Loss) / Earnings per share - basic and diluted</b>	<b>(0.1948)</b>	<b>0.2826</b>

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 COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

---

	30-Sep-22	30-Sep-21
(Loss)/Profit for the period after taxation	(9,601,030)	13,930,713
<b>Other comprehensive income / (Loss):</b>		
Available for sale financial assets		
Gain/(Loss) arised during the period	(1,475)	(5,615)
<b>Total comprehensive (loss)/income for the period</b>	<u>(9,602,505)</u>	<u>13,925,098</u>

The annexed notes form an integral part of these condensed interim 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, 2022

	30-Sep-22	30-Sep-21
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(7,373,674)	16,783,991
Adjustment for non cash items:		
Depreciation	19,806,439	19,466,457
Provision for staff retirement benefits	1,288,000	870,000
Gain on sale of property, plant and equipment	-	(5,644,375)
Finance cost	364,529	501,096
	<u>21,458,968</u>	<u>15,193,178</u>
Operating profit before working capital changes	14,085,294	31,977,169
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	3,612,225	(3,856,466)
Stock in trade	(56,425,997)	(10,563,795)
Trade debts	(28,257,902)	(24,110,807)
Loan & Advances and Trade deposits	34,872,787	(904,766)
	<u>(46,198,887)</u>	<u>(39,435,834)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	20,628,622	15,458,471
<b>Cash generated / (used) in operations</b>	<u>(11,484,971)</u>	<u>7,999,806</u>
GIDC Paid	(28,485)	(28,485)
Staff retirement benefits paid	(1,286,131)	(864,732)
Interest paid	(390,565)	(525,975)
Taxes paid	(2,529,723)	(17,842,647)
	<u>(4,234,904)</u>	<u>(19,261,839)</u>
<b>Net cash generated / (used) in operating activities</b>	<u>(15,719,875)</u>	<u>(11,262,033)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment - acquired	(3,636,863)	(350,188,362)
Proceeds form sale of property, plant and equipment	-	19,000,000
<b>Net cash (used in) / generated from investing activities</b>	<u>(3,636,863)</u>	<u>(331,188,362)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings from associated undertakings	26,114,283	8,403,049
Short term borrowings from directors and others	(806,660)	332,382,722
Long term financing from banking companies	(3,519,714)	(3,519,714)
<b>Net cash generated / (used) from financing activities</b>	<u>21,787,909</u>	<u>337,266,057</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<u>2,431,171</u>	<u>(5,184,338)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>5,929,108</u>	<u>15,212,435</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><b>8,360,279</b></u>	<u><b>10,028,097</b></u>

The annexed notes form an integral part of these condensed interim 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, 2022

	Share Capital	Capital Reserves		Director's loan	Revenue Reserves	Total equity
		Unrealized gain/(loss) on investment measured at FVOCI	Revaluation Surplus		Accumulated Profit/(Loss)	
Rupees						
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>
Balance as at June 30, 2022	492,926,000	(15,740)	386,139,820	69,599,501	(722,024,504)	226,625,077
Total comprehensive income / (loss) for the period						
Profit / (Loss) for the period	-	-	-	-	(9,601,030)	(9,601,030)
Other comprehensive income / (loss)	-	(1,475)	-	-	-	(1,475)
Transferred from Liability portion of Director's loan	-	-	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	(1,043,877)	-	1,043,877	-
Balance as at September 30, 2022	<u>492,926,000</u>	<u>(17,215)</u>	<u>385,095,943</u>	<u>69,599,501</u>	<u>(730,581,657)</u>	<u>217,022,572</u>

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



## REDCO TEXTILES LIMITED

### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

---

#### 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 grey 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 2022.

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, 2022.

#### 4 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the board of Directors of the Company on 28th October 2022.

#### 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 2022 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 نقصان 7.374 ملین روپے رہا ہے جبکہ بعد از ٹیکس نقصان 9.601 ملین روپے رہا ہے۔ اسکے مقابلے میں گزشتہ اسی سہ ماہی میں قبل از ٹیکس منافع 16.784 ملین روپے اور بعد از ٹیکس منافع 13.931 ملین روپے تھا۔

پہلی سہ ماہی کے اہم نکات درج ذیل ہیں۔

• فروخت میں گزشتہ تقابلی عرصے کے مقابلے میں 27.44 فیصد اضافہ ہوا ہے اور ہماری فروخت 177.842 ملین روپے رہی ہے جبکہ گزشتہ اسی سہ ماہی میں فروخت 139.545 ملین روپے تھی چونکہ پچھلے سال ویونگ یونٹ میں 76 نئی ٹویٹا ایئر جیٹ لومز شامل کی گئی ہیں جس سے پیداواری صلاحیت کو بہتر بنانے میں مدد ملی ہے۔

• زیر غور سہ ماہی میں خالص منافع 0.89 ملین روپے رہا جبکہ گزشتہ اسی عرصے میں 17.045 ملین روپے کا خالص منافع تھا۔

اس وقت دنیا کے مختلف ممالک اور خطوں میں مہنگائی کی بلند شرح کی وجہ سے کاروباری اداروں کو سخت چیلنجز کا سامنا ہے۔ مہنگائی نے پاکستان سمیت ترقی یافتہ، ترقی پذیر اور ابھرتی ہوئی معیشتوں کو بری طرح متاثر کیا ہے۔ امریکی ڈالر کے مقابلے میں روپے کی قدر میں نمایاں کمی، عالمی منڈی میں ایندھن کی بلند قیمت، مہنگائی کی بلند شرح کی وجہ سے کاروباری لاگت میں اضافہ اور اس سہ ماہی کے دوران ملک میں بڑے پیمانے پر آنے والے سیلاب نے پاکستان میں ٹیکسٹائل کی صنعت کو متاثر کیا ہے جسکی وجہ سے ہماری کمپنی کے مالیاتی نتائج گزشتہ اسی مدت کے مقابلے میں خراب ہوئے ہیں۔ آپکی انتظامیہ ان تمام چیلنجز پر قابو پانے کے لیے اپنی تمام تر کوششیں کر رہی ہے۔ کمپنی اس منفی معاشی بحران سے نکلنے کے لیے سخت محنت کر رہی ہے۔

بحکم بورڈ آف ڈائریکٹرز

سارہ سیف خان

سی۔ ای۔ او

بتاریخ: 28 اکتوبر 2022



# REDCO TEXTILES LIMITED

[www.redcotextiles.com](http://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](mailto: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](mailto:textiles@redcogroup.com)