



REDCO TEXTILES LIMITED

ISO 9001 Certified

Quarterly Report as at 30th September 2013



REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

Company Information

Board of Directors

Ms. Sarah Saif khan
Chief Executive

Mrs. Taufiqa Amanullah khan
Mrs. Muniza Saif khan
Mrs. Samina Asad khan
Mr. Ahsan ur Rehman Khan
Mr. Imran Zia
Mr. Khalid Rehman

Company Secretary

Mr. Asad Mumtaz Baloch

Auditors

Mushtaq & Co, Chartered Accountants

Audit Committee

Mrs. Taufiqa Amanullah khan	Chairperson
Mrs. Muniza Saif khan	Member
Mrs. Samina Asad khan	Member
Mr. Imran Zia	Member

Registered Office

Redco Textiles Limited, Redco Plaza, 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



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Directors' Report

Dear Shareholders,

We are pleased to present quarterly report of your company's performance as at September 30, 2013.

The three months period under review incurred Loss before tax of Rs. 7.502 million and after tax of Rs. 13.080 million, as compared to the previous corresponding quarter's profit before tax of Rs. 7.170 million and after tax of Rs. 5.054 million.

The highlights of the first quarter include:

- ❖ Increase in sales revenue by 15.74 % (Rs. 81.117 million) as compared to last year corresponding period.
- ❖ Decrease in gross profit to 0.22% as compared to 3.68% in previous corresponding period.
- ❖ Decrease in financial cost by 19.25% to Rs 2.190 million from Rs 2.712.million in the last corresponding quarter.

The performance of company shows declining trend subsequent to year end as a result of increase in electricity and gas prices by forty to sixty percent and increase in salaries up to ten percent due to which overall industry performance is under pressure. Management is putting efforts to overcome the situation and have placed order for import of cotton cleaning machine and have also imported a brand new auto cone machine, this will eventually help to reduce labour cost, improve the product range and product quality as well.

For and on behalf of the Board,

Chief Executive

Dated: October 30, 2013.



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2013

	30-Sep-13	30-Jun-13
	Un-audited	Audited
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	917,810,997	924,455,999
Long term investment	117,510	114,375
Long term deposits and prepayments	4,905,940	4,905,940
	922,834,447	929,476,314
CURRENT ASSETS		
Stores, spare parts and loose tools	33,257,405	34,496,210
Stock in trade	286,043,220	277,216,929
Trade debts	260,339,551	244,272,544
Loans and advances	71,299,384	45,659,566
Trade deposits and short term prepayments	719,394	719,394
Tax refunds due from Government	36,767,760	37,366,565
Cash and bank balances	32,842,260	20,974,235
	721,268,974	660,705,443
TOTAL ASSETS	1,644,103,421	1,590,181,757
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
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
Reserves	62,436	59,301
Accumulated loss	(85,235,080)	(73,737,102)
	407,753,356	419,248,199
SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT - NET OF TAX	229,580,320	232,014,914
NON CURRENT LIABILITIES		
Long term financing from associated undertakings - unsecured	458,684,624	417,184,624
Long term financing from directors and others- unsecured	204,524,629	204,524,629
Deferred liabilities	11,949,376	11,122,305
	675,158,629	632,831,558
CURRENT LIABILITIES		
Trade and other payables	222,820,069	192,444,961
Accrued mark up / interest	1,483,139	3,091,583
Short term borrowings	82,640,813	85,550,541
Current portion of :		
Long term financing from associated undertaking	14,911,994	15,000,000
Long term financing from directors and others	9,755,101	10,000,000
	331,611,116	306,087,086
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	1,644,103,421	1,590,181,757

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

CHIEF EXECUTIVE

DIRECTOR



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	30-Sep-13	30-Sep-12
Sales - net	596,309,826	515,192,997
Cost of sales	(594,987,586)	(496,255,984)
Gross profit	1,322,240	18,937,013
Operating expenses		
Distribution cost	(1,825,113)	(1,745,821)
Administrative expenses	(4,917,757)	(6,555,653)
Other operating expenses	(578,775)	(758,688)
	(7,321,645)	(9,060,162)
Operating (loss) /income	(5,999,405)	9,876,851
Other operating income	687,805	5,982
Finance cost	(2,190,337)	(2,712,395)
(Loss) /profit before taxation	(7,501,937)	7,170,438
Taxation	(5,578,527)	(2,115,891)
(Loss) /profit for the period	(13,080,464)	5,054,547
(Loss) /earnings per share - basic and diluted	(0.2654)	0.1025

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

CHIEF EXECUTIVE

DIRECTOR



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REDCO TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	30-Sep-13	30-Sep-12
(Loss)/Profit for the period after taxation	(13,080,464)	5,054,547
Other comprehensive income:		
Available for sale financial assets		
Gain arised during the period	3,135	9,470
Total comprehensive (loss)/ income for the period	<u>(13,077,329)</u>	<u>5,064,017</u>

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

CHIEF EXECUTIVE

DIRECTOR



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REDCO TEXTILES LIMITED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	30-Sep-13	30-Sep-12
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(7,501,937)	7,170,438
Adjustment for non cash items:		
Depreciation	11,297,773	12,054,203
Provision for staff retirement benefits	695,000	500,000
Provision for workers' profit participation fund	-	375,666
Finance cost	2,190,337	2,712,395
	<u>14,183,110</u>	<u>15,642,264</u>
Operating profit before working capital changes	6,681,173	22,812,702
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,238,805	4,164,233
Stock in trade	(8,826,291)	4,038,338
Trade debts	(16,067,007)	21,752,344
Advances, deposits, prepayments and other receivables	(25,639,818)	(3,768,777)
	<u>(49,294,311)</u>	<u>26,186,138</u>
Increase / (decrease) in current liabilities		
Trade and other payables	30,375,108	22,089,953
Cash used in operations	<u>(12,238,030)</u>	<u>71,088,793</u>
Staff retirement benefits paid	(693,000)	(1,259,866)
Interest paid	(3,798,781)	(4,995,121)
Taxes paid	(5,006,761)	(3,239,510)
	<u>(9,498,542)</u>	<u>(9,494,497)</u>
Net cash used in operating activities	<u>(21,736,572)</u>	<u>61,594,296</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets purchased	(4,652,771)	(868,750)
Net cash used in investing activities	<u>(4,652,771)</u>	<u>(868,750)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from associated undertakings	41,500,000	-
Short term borrowings	(2,909,728)	(44,019,608)
Current Portion of long term loans from associated undertakings	(88,006)	(671,206)
Current Portion of long term financing from directors and others	(244,899)	-
Net cash generated from financing activities	<u>38,257,367</u>	<u>(44,690,814)</u>
Net (decrease)/ increase in cash and cash equivalents	<u>11,868,025</u>	<u>16,034,732</u>
Cash and cash equivalents at the beginning of the period	<u>20,974,235</u>	<u>15,783,323</u>
Cash and cash equivalents at the end of the period	<u><u>32,842,260</u></u>	<u><u>31,818,055</u></u>

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

CHIEF EXECUTIVE

DIRECTOR



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Share Capital	Accumulated Profit/(Loss)	Fair Value Reserve	Total
Balance as at June 30, 2012	492,926,000	(101,163,375)	25,146	391,787,771
Total comprehensive income for the period	-	5,054,547	9,470	5,064,017
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	1,665,775	-	1,665,775
Balance as at September 30, 2012	<u>492,926,000</u>	<u>(94,443,053)</u>	<u>34,616</u>	<u>398,517,563</u>
Balance as at June 30, 2013	492,926,000	(73,737,102)	59,301	419,248,199
Total comprehensive loss for the period	-	(13,080,464)	3,135	(13,077,329)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	1,582,486	-	1,582,486
Balance as at September 30, 2013	<u>492,926,000</u>	<u>(85,235,080)</u>	<u>62,436</u>	<u>407,753,356</u>

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

CHIEF EXECUTIVE

DIRECTOR



REDCO TEXTILES LIMITED

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REDCO TEXTILE LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2013

1 STATUS AND NATURE OF BUSINESS

Redco Textile 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 30th June, 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 financial statements have been prepared in accordance with the approved financial reporting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 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, 2013.

4 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the board of Directors of the Company on 30th October 2013.

5 GENERAL

Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE

DIRECTOR



REDCO TEXTILES LIMITED

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