



# REDCO TEXTILES LIMITED

ISO 9001 Certified

Quarterly Report as at 30<sup>th</sup> September 2024



**REDCO TEXTILES LIMITED**

ISO 9001 2000 Certified

## Company Information

### Board of Directors

Mrs. Manizah Saif	Chairperson
Mrs. Sarah Muhammad Saya	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. Manizah Saif	Member
Mr. Ahsan Ur Rehman Khan	Member

### HR and Remuneration Committee

Mr. Irfan Ahmed Siddiqi	Chairman
Mrs. Sarah Muhammad Saya	Member
Mrs. Manizah Saif	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: redcotextilemills@redcogroup.com

## Directors' Report

Dear Shareholders,

We are pleased to present our quarterly report of your Company's performance as of September 30, 2024.

The three months period under review incurred profit before levies and income tax of Rs. 73.88 million and profit after income tax of Rs. 86.46 million as compared to profit before levies and income tax of Rs. 97.599 million and profit after income tax of Rs. 81.007 million of the previous corresponding period.

The highlights of the first quarter include:

- ❖ Increase in sales revenue by 107.36% (445.99 million) as compared to the last corresponding period (215.076 million) because of improvement in the efficiency of the production process due to addition of new looms in the recent past.
- ❖ These three months incurred gross profit of Rs. 76.181 million as compared to the gross profit of Rs. 8.897 million in the previous corresponding period.
- ❖ The three months period under review incurred profit after levies and income tax of Rs. 86.460 million as compared to the profit after levies and income tax of Rs. 81.007 million in the previous corresponding period. The increase in profitability is due to profit received on Term Deposit Receipts during the quarter.

Pakistan's economy is approaching towards stability due to decreasing inflation, Current Account Surplus (CAS) balance and a stable exchange rate. One key reason for CAS balance is the growth in exports and stable imports. The government has already reached a staff level agreement with International Monetary Fund (IMF) on Extended Fund Facility (EFF) arrangement for US \$ 7 billion. Although this is a good news but the tight conditions associated with this EFF will put pressure on the economy. Moreover, the utilities costs are also projected to increase further to accommodate rising circular debt. The textile industry's exports hit 26-month high due to receipt of additional export orders from global buyers due to political instability in competitor Bangladesh, along with international restrictions on China. High cost of utilities will increase the cost of doing business which coupled with higher costs of purchasing raw material will negatively affect the industry. Your management is hopeful about gaining profitability in the coming days by setting up cost cutting measures despite all these challenges.

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

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**Irfan Ahmed Siddiqi**  
Director

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**Sarah Muhammad Saya**  
Chief Executive Officer

Dated: October 30, 2024



# REDCO TEXTILES LIMITED

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## REDCO TEXTILES LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	30-Sep-24	30-Jun-24
	Un-audited	Audited
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,539,072,382	2,558,812,915
Long Term Investments	71,715	67,685
Long term deposits	19,681,879	19,681,879
	<b>2,558,825,976</b>	<b>2,578,562,479</b>
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	483,435,442	484,090,507
Stock in trade	69,971,424	55,548,215
Trade debts	361,680,031	286,482,851
Loans, advances and other receivables	39,618,920	34,414,671
Short term investments	232,000,000	130,000,000
Trade deposits and short term prepayments	1,895,325	77,599
Tax refunds due from Government	66,648,151	93,403,542
Cash and bank balances	145,513,141	136,820,685
	<b>1,400,762,434</b>	<b>1,220,838,070</b>
<b>TOTAL ASSETS</b>	<b>3,959,588,410</b>	<b>3,799,400,549</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 80,000,000 (June 30, 2024: 80,000,000) ordinary shares of Rs. 10/- each	800,000,000	800,000,000
Issued, subscribed and paid up capital 49,292,600 (June 30, 2024: 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	863,713,339	869,396,739
Director's loan	69,599,501	69,599,501
Other reserves	16,640	12,610
Accumulated loss	(336,934,406)	(429,078,000)
	<b>1,089,321,074</b>	<b>1,002,856,850</b>
<b>NON CURRENT LIABILITIES</b>		
Staff retirement benefits-gratuity	27,966,492	27,964,686
Deferred taxation	56,838,313	81,977,732
	<b>84,804,805</b>	<b>109,942,418</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	323,589,380	222,701,408
Short term borrowings from associated undertakings	870,522,216	871,701,203
Short term borrowings from directors and others	1,591,350,935	1,592,198,670
	<b>2,785,462,531</b>	<b>2,686,601,281</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,959,588,410</b>	<b>3,799,400,549</b>

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



# REDCO TEXTILES LIMITED

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## REDCO TEXTILES LIMITED

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	30-Sep-24	30-Sep-23
Sales - net	445,990,310	215,076,384
Cost of sales	(369,809,643)	(206,179,323)
<b>Gross Profit</b>	<b>76,180,667</b>	<b>8,897,061</b>
<b>Operating expenses</b>		
Distribution cost	(552,462)	(142,533)
Administrative expenses	(6,237,977)	(6,491,604)
Other operating expenses	(1,854,143)	(1,842,942)
	<b>(8,644,582)</b>	<b>(8,477,079)</b>
<b>Operating Profit</b>	<b>67,536,085</b>	<b>419,982</b>
Other operating income	6,739,511	97,463,406
Finance cost	(395,144)	(284,668)
<b>Profit before Levies and Income Tax</b>	<b>73,880,452</b>	<b>97,598,720</b>
Levies	(12,559,677)	(16,591,782)
<b>Profit before Income Tax</b>	<b>61,320,775</b>	<b>81,006,938</b>
<b>Income Tax Expense</b>		
Current Tax	-	-
Deferred Tax	25,139,419	-
	<b>25,139,419</b>	<b>-</b>
<b>Profit for the period</b>	<b>86,460,194</b>	<b>81,006,938</b>
<b>Earnings per share - basic and diluted</b>	<b>1.7540</b>	<b>1.6434</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, 2024**

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	30-Sep-24	30-Sep-23
Profit for the period	86,460,194	81,006,938
<b>Other comprehensive income / (loss):</b>		
Available for sale financial assets		
Gain / (Loss) arised during the period	4,030	9,230
Total comprehensive income/(loss) for the period	<u>86,464,224</u>	<u>81,016,168</u>

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

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DIRECTOR



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## REDCO TEXTILES LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	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, 2023	492,926,000	(16,075)	381,964,314	69,599,501	(640,479,489)	303,994,251
Total comprehensive income / (loss) for the period						
Profit for the period	-	-	-	-	81,006,938	81,006,938
Other comprehensive income / (loss)	-	9,230	-	-	-	9,230
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	(991,683)	-	991,683	-
Balance as at September 30, 2023	<u>492,926,000</u>	<u>(6,845)</u>	<u>380,972,631</u>	<u>69,599,501</u>	<u>(558,480,868)</u>	<u>385,010,419</u>
Balance as at June 30, 2024	492,926,000	12,610	869,396,739	69,599,501	(429,078,000)	1,002,856,850
Total comprehensive income / (loss) for the period						
Profit for the period	-	-	-	-	86,460,194	86,460,194
Other comprehensive income / (loss)	-	4,030	-	-	-	4,030
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	(5,683,400)	-	5,683,400	-
Balance as at September 30, 2024	<u>492,926,000</u>	<u>16,640</u>	<u>863,713,339</u>	<u>69,599,501</u>	<u>(336,934,406)</u>	<u>1,089,321,074</u>

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



# REDCO TEXTILES LIMITED

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## REDCO TEXTILES LIMITED

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	30-Sep-24	30-Sep-23
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Levies and Income Tax	73,880,452	97,598,720
Adjustment for non cash items:		
Depreciation	24,655,216	19,815,175
Provision for staff retirement benefits	2,347,000	3,295,000
Finance cost	395,144	284,668
	27,397,360	23,394,843
Operating profit before working capital changes	101,277,812	120,993,563
Changes in Working Capital:		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	655,065	290,581,393
Stock in trade	(14,423,209)	(85,336,539)
Trade debts	(75,197,180)	(104,108,075)
Loans, advances and other receivables & Trade Deposits	(7,021,975)	(73,875,398)
	(95,987,299)	27,261,381
Increase / (decrease) in current liabilities		
Trade and other payables	100,887,972	(232,020,062)
<b>Cash generated from / (used in) operations</b>	106,178,485	(83,765,118)
Staff retirement benefits paid	(2,345,194)	(3,290,770)
Finance cost paid	(395,144)	(284,668)
Taxes paid	14,195,714	58,128,910
	11,455,376	54,553,472
<b>Net cash generated from / (used in) operating activities</b>	117,633,861	(29,211,646)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment - acquired	-	(50,000)
Capital work in progress - Solar system	(4,914,683)	-
Investment in term deposit certificate	(102,000,000)	-
<b>Net cash generated from / (used in) investing activities</b>	(106,914,683)	(50,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings from associated undertakings	(1,178,987)	26,725,717
Short term borrowings from directors and others	(847,735)	(715,170)
<b>Net cash (used in) / generated from financing activities</b>	(2,026,722)	26,010,547
<b>Increase / (decrease) in cash and cash equivalents</b>	8,692,456	(3,251,099)
Cash and cash equivalents at the beginning of the period	136,820,685	48,542,883
<b>Cash and cash equivalents at the end of the period</b>	<b>145,513,141</b>	<b>45,291,784</b>

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, 2024**

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**1 STATUS AND NATURE OF BUSINESS**

Redco Textiles Limited is a Public Limited Company, incorporated in Pakistan on 17 October 1991. It was incorporated under the repealed Companies Ordinance, 1984 now the Companies Act, 2017 and is listed on Pakistan Stock Exchange. Redco's principal activities include manufacture and sale of yarn and greige fabric. The Company is also generating its revenue by conversion of yarn into fabrics. 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 2024.

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 MATERIAL ACCOUNTING POLICY INFORMATION**

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, 2024.

**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 2024.

**5 GENERAL**

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

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## ڈائریکٹرز رپورٹ

ہم 30 ستمبر 2024 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 لیویز اور انکم ٹیکس، منافع 73.88 ملین روپے اور بعد از انکم ٹیکس منافع 86.46 ملین روپے رہا ہے جبکہ اسکے مقابلہ میں گزشتہ اسی سہ ماہی میں قبل از لیویز اور انکم ٹیکس منافع 97.599 ملین روپے اور بعد از انکم ٹیکس منافع 81.007 ملین روپے تھا۔

پہلی سہ ماہی کے اہم نکات درج ذیل ہیں :-

• فروخت میں گزشتہ تقابلی عرصہ کے مقابلہ میں 107.36 فیصد اضافہ ہوا ہے اور ہماری فروخت 445.99 ملین روپے رہی ہے جبکہ گزشتہ اسی سہ ماہی میں فروخت 215.076 ملین روپے تھی۔ پیداواری عمل کی کارکردگی میں بہتری کی وجہ ماضی قریب میں نئی لومز کی تنصیب کی وجہ سے ہے۔

• زیر نظر سہ ماہی میں مجموعی منافع 76.181 ملین روپے رہا ہے جو کہ گزشتہ اسی عرصہ میں 8.897 ملین روپے تھا۔

• زیر نظر تین ماہ کے عرصہ میں بعد از لیویز اور انکم ٹیکس منافع 86.460 ملین روپے رہا جو کہ گزشتہ اسی عرصہ میں 81.007 ملین روپے تھا۔ اس سہ ماہی کے دوران منافع میں اضافہ TDRs پر حاصل ہونے والے منافع کی وجہ سے ہے۔

مہنگائی میں کمی، کرنٹ اکاؤنٹ سرپلس (CAS) بیلنس اور مستحکم ایچ بی سی کی وجہ سے پاکستان کی معیشت استحکام کی طرف بڑھ رہی ہے۔ CAS میں توازن کی ایک اہم وجہ برآمدات میں اضافہ اور درآمدات میں استحکام ہے۔ حکومت 7 ارب ڈالر کے توسیعی فنڈ سہولت (ای۔ ایف۔ ایف) کے لئے پہلے ہی بین الاقوامی مالیاتی فنڈ کے ساتھ عملہ کی سطح پر معاہدہ کر چکی ہے۔ اگرچہ یہ ایک اچھی خبر ہے لیکن اس EFF سے جڑے سخت حالات معیشت پر دباؤ ڈالیں گے۔ مزید برآں، بڑھتے ہوئے گزشتہ قرضہ کو ایڈجسٹ کرنے کے لیے یوٹیلٹی بلز کے اخراجات میں مزید اضافہ کا بھی امکان ہے۔ بنگلہ دیش میں سیاسی عدم استحکام کے ساتھ ساتھ چین پر بین الاقوامی پابندیوں کی وجہ سے عالمی خریداروں کی جانب سے اضافی برآمدی آرڈرز کی وصولی کے باعث ٹیکسٹائل انڈسٹری کی برآمدات 26 ماہ کی بلند ترین سطح پر پہنچ گئی ہیں۔ یوٹیلٹی کی زیادہ لاگت کے ساتھ ساتھ خام مال کی خریداری کی زیادہ قیمت کی وجہ سے کاروبار کی لاگت میں اضافہ ہوگا جس کے صنعت پر منفی اثرات پڑیں گے۔ آپ کی انتظامیہ ان تمام چیلنجز کے باوجود لاگت میں کمی کے اقدامات کر کے آنے والے دنوں میں منافع حاصل کرنے کے لیے پرامید ہے۔

بحکم بورڈ آف ڈائریکٹرز

سارہ محمد سائیہ

سی۔ ای۔ او

عرفان احمد صدیقی

ڈائریکٹر

بتاریخ: 30 اکتوبر 2024



# REDCO TEXTILES LIMITED

[www.redcotextiles.com](http://www.redcotextiles.com)

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