

Quarterly Report as at 31<sup>st</sup> March 2021





### **Company Information**

#### **Board of Directors**

Mrs. Sarah Saif Khan Chief Executive

Mrs. Muniza Saif Khan

Chairperson

Mr. Ahsan ur Rehman Khan

Ms. Ayesha Saif Khan

Mr. Khalid Rehman Khan

Mr. Junaid Khan

Mr. Irfan Ahmed Siddiqi

#### **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 on March 31, 2021.

Prolonged lockdowns and market uncertainty due to the Covid-19 pandemic, affected and continue to affect both the supply and demand-sides of the economy. With the arrival of the second and third wave, the world economies seem to be facing headwinds once again from rising domestic and external vulnerabilities. Likewise in Pakistan, the Textile sector finds itself in the midst of unprecedented adversity, marked by shifting customer behavior and disrupted supply chains, which are putting revenues and margins under pressure. Pakistan's textile sector is still feeling the effects of the global recession triggered by the Covid-19 crisis. In these difficult times, your company still managed to post bottom line profitability in the current quarter by adapting quickly to the adverse situation created by the Covid-19 pandemic. The nine months period under review incurred profit before tax of Rs. 23.24 million, and profit after tax of Rs. 17.14 million. In comparison to the previous nine months period profit before tax of Rs. 39.03 million and profit after tax of Rs. 34.58 million.

The highlights of the nine months period include:

- Increase in sales revenue by 27.08% (403.58 million) as compared to last corresponding period (294.29 million).
- ❖ These nine months incurred gross profit of 11.08% (44.73 million) as compared to gross profit of 19.98% (58.81 million) in previous corresponding period.

Financial year 2020-21 started under severe affects of Covid-19 pandemic, therefore, business activity in both the local and international markets remained under stress. Since retail sector, all over the world, was either facing closures or low consumer demand, this will be a challenging period for the textile industry, especially, in export-oriented units. Third wave of the disease is expected in the next quarter which may cause another lockdown. Despite the current uncertain situation, the management of your company expects a decent recovery in next quarter of the year 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: April 29, 2021.



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2021

	March 31, 2021	June 30, 2020
	Unaudited	Audited
ASSETS	Rupees	Rupees
NON CURRENT ASSETS		
Property, plant and equipment	944,822,038	950,027,697
Long term investment	50,805	54,500
Long term deposits	10,014,879	5,819,879
	954,887,722	955,902,076
CURRENT ASSETS		
Stores, spare parts and loose tools	43,236,734	40,975,058
Stock in trade	29,682,782	56,750,802
Trade debts	152,156,133	80,061,995
Loans and advances	54,775,437	31,329,269
Trade deposits and short term prepayments	251,269	23,090
Tax refunds due from Government	49,638,569	69,926,593
Cash and bank balances	32,570,522	33,403,224
TOTAL ASSETS	362,311,446 1,317,199,168	312,470,031 1,268,372,107
IOTAL ASSETS	1,317,199,100	1,200,372,107
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized capital		
50,000,000 (June 30, 2020: 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, 2020: 49,292,600) ordinary shares		
of Rs. 10/- each	492,926,000	492,926,000
Fair value Reserves	(4,270)	(575)
Equity Portion of Director's loan	73,199,501	73,199,501
Surplus on revaluation of property, plant and equipment - Net of Tax	301,117,192	302,994,679
Accumulated loss	(777,162,170)	(796,182,734)
	90,076,253	72,936,871
MON CURRENT LIABILITIES		
NON CURRENT LIABILITIES	44 042 022	42 040 084
Long term financing from banking companies  Deferred liabilities	11,813,823	12,049,084
beterred traditities	10,686,226 22,500,049	11,940,058 23,989,142
CURRENT LIABILITIES	22,500,049	23,969,142
Trade and other payables	207,568,612	186,110,960
Accrued mark up / interest	207,300,012	1,539
Short term borrowings from associated undertakings	705,867,470	709,801,952
Short term borrowings from directors and others	266,805,919	269,375,038
Current portion of non current liabilities	24,380,865	6,156,605
	1,204,622,866	1,171,446,094
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	1,317,199,168	1,268,372,107

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



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months Ended		Quarter Ended	
	March 31,	March 31,	March 31,	March 31,
	2021	2020	2021	2020
	Rup	ees	Rupees	
Sales - net	403,582,408	294,289,063	126,007,691	131,035,191
Cost of sales	(358,854,746)	(235,480,425)	(115,072,719)	(90,760,468)
Gross profit	44,727,662	58,808,638	10,934,972	40,274,723
Operating expenses				
Distribution cost	(200,942)	-	-	-
Administrative expenses	(12,851,274)	(13,052,925)	(3,925,034)	(4,286,362)
Other operating expenses	(8,911,341)	(6,778,456)	(503,200)	(41,632)
	(21,963,557)	(19,831,381)	(4,428,234)	(4,327,994)
Operating profit	22,764,105	38,977,257	6,506,738	35,946,729
Other operating income	1,150,415	71,367	183,297	2,436
Finance cost	(678,746)	(20,495)	(141,891)	(4,653)
Profit before taxation	23,235,774	39,028,129	6,548,144	35,944,512
Taxation	(6,092,697)	(4,448,714)	(1,897,136)	(1,980,853)
Profit for the period	17,143,077	34,579,415	4,651,008	33,963,659
Earnings per share - basic and diluted	0.348	0.702	0.094	0.689

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

CHIEF EXECUTIVE

DIRECTOR

**CHIEF FINANCIAL OFFICER** 



CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

Right   Righ		March 31, 2021	March 31, 2020
Profit before taxation		Rupees	
Adjustment for non cash items:  Depreciation Provision for staff retirement benefits Gain on sale of assets Provision for staff retirement benefits Gain on sale of assets Provision for staff retirement benefits Provision for staff retirement benefits Gain on sale of assets Provision for staff retirement benefits Finance cost  66,78,746  7440,120  7440,120  7440,120  7440,120  7440,120  7440,120  7440,120  742,831,060  743,344,571  Operating profit before working capital changes (Increase) / decrease in current assets Stores, spares and loose tools Stock in trade Stock in trade 177,068,020 188,262,721) Trade debts 177,068,020 188,262,721) Trade debts 177,068,020 188,262,721) Trade and other payables 170,962,141  Increase / (decrease) in current liabilities Trade and other payables 170,962,141  Increase / (decrease) in current liabilities Trade and other payables 170,962,141  Increase / (decrease) in current liabilities Trade and there payables 170,962,141  Increase / (decrease) in current liabilities Trade and other payables 180,276,272  Cash generated from / (used in) operations 180,562,345 181,7652 180,989,693  Cash generated from / (used in) operations 180,562,345 181,795,505 181,794,883 Interest paid 180,882,591 180,683,585 180,683,585 180,683,585 180,683,585 180,683,585 180,683,585 180,683,586 180,683,585 180,683,586 180,683	CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation   32,461,194   29,019,896   Provision for staff retirement benefits   2,251,000   1,195,000   3,195	Profit before taxation	23,235,774	39,028,129
Provision for staff retirement benefits         2,251,000         1,195,000           Gain on sale of assets         4,109,180           Provision for GIDC Payable         7,440,120         -           Finance cost         42,831,060         34,344,571           Operating profit before working capital changes         66,066,834         73,372,700           (Increase) / decrease in current assets         (2,261,670)         (2,439,503)           Stores, spares and loose tools         (2,261,670)         (8,428,721)           Trade debts         (72,094,138)         (3,059,567)           Advances, deposits, prepayments and other receivables         (70,662,141)         (33,237,913)           Increase / (decrease) in current liabilities         (70,662,141)         (33,237,913)           Trade and other payables         21,457,652         80,989,693           Cash generated from / (used in) operations         16,562,345         121,124,480           Long term deposits         (860,285)         (20,495)           Taxes paid         (860,285)         (20,495)           Taxes paid         (680,285)         (20,495)           Taxes paid         (14,195,500)         (14,945,556)           Net cash generated from / (used in) operating activities         23,540,531         116,259,112	Adjustment for non cash items:		
Gain on sale of assets         4,109,180         A,109,180         Provision for GIDC Payable         7,440,120         - 20,495         20,495         20,495         20,495         20,495         - 20,495	Depreciation	32,461,194	29,019,896
Provision for GIDC Payable Finance cost         7,440,120 678,746 42,831,060         34,344,571           Operating profit before working capital changes         66,066,834         73,372,700           (Increase) / decrease in current assets         (2,261,676)         (2,439,503)           Stores, spares and loose tools         (2,261,676)         (2,439,503)           Stock in trade         27,068,020         (18,428,721)           Trade debts         (72,094,138)         (3,059,567)           Advances, deposits, prepayments and other receivables         (23,674,347)         (9,310,122)           Increase / (decrease) in current liabilities         (70,962,141)         (33,237,913)           Trade and other payables         21,457,652         80,989,693           Cash generated from / (used in) operations         16,562,345         121,124,480           Long term deposits         (4,195,000)         1           Staff retirement benefits paid interest paid         (680,285)         (20,495)           Taxes paid         (680,285)         (20,495)           Taxes paid         (4,865,368)         (4,865,368)           Net cash generated from / (used in) operating activities         23,540,531         116,259,112           CASH FLOWS FROM INVESTING ACTIVITIES         (27,255,536)         (212,719,000)         5,378,3	Provision for staff retirement benefits	2,251,000	1,195,000
Finance cost   678,746   20,495   42,831,060   34,344,571	Gain on sale of assets	-	4,109,180
A2,831,060   34,344,571	Provision for GIDC Payable	7,440,120	-
Operating profit before working capital changes         66,066,834         73,372,700           (Increase) / decrease in current assets         (2,261,676)         (2,439,503)           Stock in trade         27,068,020         (18,428,721)           Trade debts         (72,094,138)         (3,095,67)           Advances, deposits, prepayments and other receivables         (23,674,347)         (9,310,122)           Increase / (decrease) in current liabilities         (70,962,141)         (33,237,913)           Increase / (decrease) in current liabilities         21,457,652         80,989,693           Cash generated from / (used in) operations         16,562,345         121,124,880           Long term deposits         (4,195,000)         -           Staff retirement benefits paid         (2,212,085)         (1,194,388)           Interest paid         (80,285)         (20,495)           Taxes paid         (4,495,000)         -           Taxes paid         (4,655,556)         (3,650,015)           Application of the period         (2,7255,536)         (2,7255,536)           Net cash generated from / (used in) operating activities         23,540,531         116,259,112           CASH FLOWS FROM INANCING ACTIVITIES         (27,255,536)         (277,255,536)         (277,255,536)         (277,255,536)	Finance cost		20,495
(Increase) / decrease in current assets   Stores, spares and loose tools   C2,261,676)   C2,439,503   Stock in trade   27,068,020   (18,428,721)   Trade debts   (72,094,138)   (3,095,567)   Advances, deposits, prepayments and other receivables   (23,674,347)   (9,310,122)   (70,962,141)   (33,237,913)     Increase / (decrease) in current liabilities   Trade and other payables   21,457,652   80,989,693     Cash generated from / (used in) operations   16,562,345   121,124,480     Long term deposits   (4,195,000)   1,194,858   Interest paid   (2,212,085)   (1,194,858)   (1,194,858)   (1,194,655,556   (36,60,015)     Taxes paid   (6,802,855)   (20,495)   (3,650,015)     Taxes paid   (4,865,368)   (4,865,368)     Net cash generated from / (used in) operating activities   23,540,531   116,259,112     CASH FLOWS FROM INVESTING ACTIVITIES   Fixed assets purchased   (27,255,536)   (27,255,536)   (27,398,334)     Proceeds from sale of assets   (27,255,536)   (20,393,334)     Proceeds from sale of assets   (27,255,536)   (20,393,334)     CASH FLOWS FROM FINANCING ACTIVITIES   (2,605,241)     Short term borrowings from associated undertakings   (3,394,482)   (2,605,241)     Short term borrowings from directors and others   (2,569,119)   56,430,284     Net cash generated from / (used in) financing activities   2,882,303   53,825,043     Net increase / (decrease) in cash and cash equivalents   (832,702)   (37,256,511)     Cash and cash equivalents at the beginning of the period   33,403,224   43,507,956		42,831,060	34,344,571
Stores, spares and loose tools   (2,261,676)   (2,439,503)   Stock in trade   (2,708,000   (18,428,721)   (3,059,567)   (3,059,567)   (2,439,503)   (18,428,721)   (3,059,567)   (2,439,703)   (3,059,567)   (2,4347)   (2,3674,347)   (3,3237,913)   (2,3674,347)   (2,3674,347)   (3,3237,913)   (3,3237,913)   (3,3237,913)   (3,3237,913)   (3,3237,913)   (3,3237,913)   (3,3274,348)   (3,224,368)   (3,224,368)   (3,224,368)   (3,224,368)   (3,224,368)   (3,224,368)   (3,2674,347)   (3,3674,348)   (3,666)   (3,6674,347)   (3,666)   (3,6674,347)   (3,666)   (3,6674,347)   (3,666)   (3,6674,347)   (3,666)   (3,6674,347)   (3,6674,347)   (3,666)   (3,6674,347)   (3,666)   (3,6674,347)   (3,666)   (3,6674,347)	Operating profit before working capital changes	66,066,834	73,372,700
Stock in trade   27,068,020   (18,428,721)   Trade debts   (72,094,138)   (3,099,567)   (3,099,567)   (23,674,347)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (33,237,913)   (70,962,141)   (70,962	(Increase) / decrease in current assets		
Trade debts Advances, deposits, prepayments and other receivables  Advances, deposits, prepayments and other receivables  (77,094,138) (23,674,347) (23,674,347) (9,310,122) (70,962,141) (33,237,913)  Increase / (decrease) in current liabilities Trade and other payables  Cash generated from / (used in) operations  Long term deposits  Long term deposits  Long term deposits (4,195,000) Staff retirement benefits paid (680,285) Interest paid (680,285) Interest paid (680,285) Interest paid (697,81,86) Interest paid (697,81,86) Interest paid (77,094,138) (33,237,913)  (33,237,913)  (4,195,000)  Cash generated from / (used in) operations  Net cash generated from / (used in) operating activities  CASH FLOWS FROM INVESTING ACTIVITIES  Fixed assets purchased (77,094,138) (43,950,000) (43,225,345) (44,950,000) (	Stores, spares and loose tools	(2,261,676)	(2,439,503)
Advances, deposits, prepayments and other receivables  (23,674,347) (9,310,122)  (70,962,141) (33,237,913)  Increase / (decrease) in current liabilities Trade and other payables  Cash generated from / (used in) operations  Long term deposits  Long term deposits  Staff retirement benefits paid  (680,285) (1,194,858) (1,194,85) (1,194,858) (1,194,85) (1,194,858) (1,194,85) (1,194,858) (1,1	Stock in trade	27,068,020	(18,428,721)
Increase / (decrease) in current liabilities   Trade and other payables   21,457,652   80,989,693   Cash generated from / (used in) operations   16,562,345   121,124,480   Long term deposits   (4,195,000)   (2,212,085)   (11,194,858)   (2,212,085)   (11,194,858)   (20,495)	Trade debts	(72,094,138)	(3,059,567)
Increase / (decrease) in current liabilities   Trade and other payables   21,457,652   80,989,693   Cash generated from / (used in) operations   16,562,345   121,124,480   Long term deposits   (4,195,000)   (2,212,085)   (1,194,858)   (22,212,085)   (1,194,858)   (20,495)   (20,495)   (20,495)   (3,650,015)   (4,865,368)   (20,495)   (4,865,368)	Advances, deposits, prepayments and other receivables	(23,674,347)	(9,310,122)
Trade and other payables         21,457,652         80,989,693           Cash generated from / (used in) operations         16,562,345         121,124,480           Long term deposits         (4,195,000)         .           Staff retirement benefits paid         (2,212,085)         (1,194,858)           Interest paid         (680,285)         (20,495)           Taxes paid         14,065,556         (3,650,015)           Net cash generated from / (used in) operating activities         23,540,531         116,259,112           CASH FLOWS FROM INVESTING ACTIVITIES         (27,255,536)         (212,719,000)           Proceeds from sale of assets Net cash used in investing activities         (27,255,536)         (207,340,666)           CASH FLOWS FROM FINANCING ACTIVITIES         (27,255,536)         (207,340,666)           CASH FLOWS FROM FINANCING ACTIVITIES         9,385,904         .           Long term financing from banking companies         9,385,904         .           Short term borrowings from associated undertakings         (3,934,482)         (2,605,241)           Short term borrowings from directors and others         (2,569,119)         56,430,284           Net cash generated from / (used in) financing activities         2,882,303         53,825,043           Net increase / (decrease) in cash and cash equivalents         (8		(70,962,141)	(33,237,913)
Cash generated from / (used in) operations       16,562,345       121,124,480         Long term deposits       (4,195,000)       .         Staff retirement benefits paid       (2,212,085)       (1,194,858)         Interest paid       (680,285)       (20,495)         Taxes paid       14,065,556       (3,650,015)         6,978,186       (4,865,368)         Net cash generated from / (used in) operating activities       23,540,531       116,259,112         CASH FLOWS FROM INVESTING ACTIVITIES         Fixed assets purchased       (27,255,536)       (212,719,000)         Proceeds from sale of assets       -       5,378,334         Net cash used in investing activities       (27,255,536)       (207,340,666)         CASH FLOWS FROM FINANCING ACTIVITIES         Long term financing from banking companies       9,385,904       -         Short term borrowings from associated undertakings       (3,934,482)       (2,605,241)         Short term borrowings from directors and others       (2,569,119)       56,430,284         Net cash generated from / (used in) financing activities       2,882,303       53,825,043         Net increase / (decrease) in cash and cash equivalents       (832,702)       (37,256,511)         Cash and cash equivalents at the beginning of the period	·		
Long term deposits   (4,195,000)   C (2,212,085)   (1,194,858)   (2,212,085)   (1,194,858)   (20,495)   (3,650,015)   (3,650,015)   (4,865,368)   (20,495)   (3,650,015)   (4,865,368)   (20,495)   (3,650,015)   (4,865,368)   (20,495)   (3,650,015)   (4,865,368)   (4,	Trade and other payables	21,457,652	80,989,693
Staff retirement benefits paid   (2,212,085)   (1,194,858)   (20,495)   (20,495)   (20,495)   (3,650,015)   (3,650,015)   (4,865,368)   (20,495)   (3,650,015)   (4,865,368)   (4,865,	Cash generated from / (used in) operations	16,562,345	121,124,480
Interest paid   (680,285)   (20,495)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (3,650,015)   (4,865,368)   (4,865,368)   (27,259,112)   (27,259,1	Long term deposits	(4,195,000)	-
Taxes paid       14,065,556       (3,650,015)         6,978,186       (4,865,368)         Net cash generated from / (used in) operating activities       23,540,531       116,259,112         CASH FLOWS FROM INVESTING ACTIVITIES         Fixed assets purchased Proceeds from sale of assets       (27,255,536)       (212,719,000)         Proceeds from sale of assets       (27,255,536)       (207,340,666)         CASH FLOWS FROM FINANCING ACTIVITIES         Long term financing from banking companies Short term borrowings from associated undertakings       9,385,904       -         Short term borrowings from directors and others       (2,569,119)       56,430,284         Net cash generated from / (used in) financing activities       2,882,303       53,825,043         Net increase / (decrease) in cash and cash equivalents       (832,702)       (37,256,511)         Cash and cash equivalents at the beginning of the period       33,403,224       43,507,956	Staff retirement benefits paid	(2,212,085)	(1,194,858)
Net cash generated from / (used in) operating activities  CASH FLOWS FROM INVESTING ACTIVITIES  Fixed assets purchased Proceeds from sale of assets Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES  CASH FLOWS FROM FINANCING ACTIVITIES  CASH FLOWS FROM FINANCING ACTIVITIES  Long term financing from banking companies Short term borrowings from associated undertakings Short term borrowings from directors and others  Net cash generated from / (used in) financing activities  Net cash generated from / (used in) financing activities  2,882,303  53,825,043  Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period  33,403,224  43,507,956	Interest paid	(680,285)	(20,495)
Net cash generated from / (used in) operating activities  CASH FLOWS FROM INVESTING ACTIVITIES  Fixed assets purchased Proceeds from sale of assets Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES  Long term financing from banking companies Short term borrowings from associated undertakings Short term borrowings from directors and others  Net cash generated from / (used in) financing activities  23,540,531 116,259,112  (27,255,536) (212,719,000) 5,378,334 (27,255,536) (27,255,536) (207,340,666)  - (27,255,536) (27,256,511) (27,255,536) (27,255,536) (27,255,536) (27,255,536) (27,256,511) (27,255,536) (27,255,	Taxes paid	14,065,556	(3,650,015)
CASH FLOWS FROM INVESTING ACTIVITIES  Fixed assets purchased Proceeds from sale of assets Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES  Long term financing from banking companies Short term borrowings from associated undertakings Short term borrowings from directors and others  Net cash generated from / (used in) financing activities  Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period  (27,255,536) (212,719,000) 5,378,334 (207,340,666)  (27,255,536) (207,340,666)  (27,255,536) (207,340,666)  (27,255,536) (27,255,536) (207,340,666)  (27,255,536) (207,340,666)  (27,255,536) (207,340,666)  (27,255,536) (27,255,536) (207,340,666)		6,978,186	(4,865,368)
Fixed assets purchased Proceeds from sale of assets Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES  Long term financing from banking companies Short term borrowings from associated undertakings Short term borrowings from directors and others  Net cash generated from / (used in) financing activities  Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period  (27,255,536) (212,719,000) 5,378,334 (207,340,666)  (27,255,536) (27,256,511) (27,255,536) (27,255,536) (27,256,511) (27,255,536) (27,256,511) (27,255,536) (27,256,511) (27,255,536) (27,256,511) (27,255,536) (27,256,511) (27,256,511) (27,255,536) (27,256,511) (27,	Net cash generated from / (used in) operating activities	23,540,531	116,259,112
Proceeds from sale of assets Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES  Long term financing from banking companies Short term borrowings from associated undertakings Short term borrowings from directors and others  Net cash generated from / (used in) financing activities  Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period  Net cash used in investing activities  9,385,904 (2,605,241) (2,60	CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities (27,255,536) (207,340,666)  CASH FLOWS FROM FINANCING ACTIVITIES  Long term financing from banking companies 9,385,904 (2,605,241) Short term borrowings from associated undertakings (3,934,482) (2,605,241) Short term borrowings from directors and others (2,569,119) 56,430,284  Net cash generated from / (used in) financing activities 2,882,303 53,825,043  Net increase / (decrease) in cash and cash equivalents (832,702) (37,256,511) Cash and cash equivalents at the beginning of the period 33,403,224 43,507,956	Fixed assets purchased	(27,255,536)	(212,719,000)
CASH FLOWS FROM FINANCING ACTIVITIES  Long term financing from banking companies Short term borrowings from associated undertakings (3,934,482) Short term borrowings from directors and others (2,569,119)  Net cash generated from / (used in) financing activities  2,882,303  53,825,043  Net increase / (decrease) in cash and cash equivalents (832,702) Cash and cash equivalents at the beginning of the period  33,403,224  43,507,956	Proceeds from sale of assets	-	5,378,334
Long term financing from banking companies  Short term borrowings from associated undertakings Short term borrowings from directors and others  Net cash generated from / (used in) financing activities  Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period  9,385,904 (2,605,241) 56,430,284  2,882,303 53,825,043  (832,702) (37,256,511) 33,403,224 43,507,956	Net cash used in investing activities	(27,255,536)	(207,340,666)
Short term borrowings from associated undertakings Short term borrowings from directors and others  (2,605,241) 56,430,284  Net cash generated from / (used in) financing activities  2,882,303  Sage for directors and others  2,882,303  53,825,043  Net increase / (decrease) in cash and cash equivalents  (832,702) (37,256,511)  Cash and cash equivalents at the beginning of the period  33,403,224  43,507,956	CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings from directors and others (2,569,119) 56,430,284  Net cash generated from / (used in) financing activities 2,882,303 53,825,043  Net increase / (decrease) in cash and cash equivalents (832,702) (37,256,511)  Cash and cash equivalents at the beginning of the period 33,403,224 43,507,956	Long term financing from banking companies	9,385,904	-
Net cash generated from / (used in) financing activities  2,882,303  53,825,043  Net increase / (decrease) in cash and cash equivalents  (832,702)  (37,256,511)  Cash and cash equivalents at the beginning of the period  33,403,224  43,507,956	Short term borrowings from associated undertakings	(3,934,482)	(2,605,241)
Net increase / (decrease) in cash and cash equivalents  Cash and cash equivalents at the beginning of the period  (832,702) (37,256,511)  33,403,224 43,507,956	Short term borrowings from directors and others	(2,569,119)	56,430,284
Cash and cash equivalents at the beginning of the period 33,403,224 43,507,956	Net cash generated from / (used in) financing activities	2,882,303	53,825,043
Cash and cash equivalents at the beginning of the period 33,403,224 43,507,956	Net increase / (decrease) in cash and cash equivalents	(832,702)	(37,256,511)
Cash and cash equivalents at the end of the period 32,570,522 6,251,445	•	, , ,	
	Cash and cash equivalents at the end of the period	32,570,522	6,251,445

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



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Mont	hs Ended	Quarter Ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
	Rupe	ees	Rupees		
Profit for the period after taxation	17,143,077	34,579,415	4,651,008	33,963,659	
Other comprehensive income / (loss):					
Available for sale financial assets					
gain / (loss) arised during the period	(3,695)	(27,250)	(1,080)	(32,665)	
Total comprehensive income for the period	17,139,382	34,552,165	4,649,928	33,930,994	

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



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Reserves		Equity portion	Revenue Reserves		
	Share Capital	Unrealized gain on available for sale	Revaluation Surplus	of Director's loan	Accumulated Profit/(Loss)	Total equity
				Rupees		
Balance as at June 30, 2019	492,926,000	10,670	305,629,748	-	(821,296,223)	(22,729,805)
Total comprehensive income $\mspace{-2mm}$ / (loss) for the nine months ended March 31, 2020	-	(27,250)		-	34,579,415	34,552,165
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-		(1,976,302)	-	1,976,302	-
Transferred from Liability portion of Director's loan	-	-	-	12,217,601	-	12,217,601
Loan received during the year - net	-	-	-	56,981,900	-	56,981,900
Balance as at March 31, 2020	492,926,000	(16,580)	303,653,446	69,199,501	(784,740,506)	81,021,861
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 $\slash$ (loss) for the nine months ended March 31, 2021	-	(3,695)		-	17,143,077	17,139,382
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-		(1,877,487)	-	1,877,487	-
Balance as at March 31, 2021	492,926,000	(4,270)	301,117,192	73,199,501	(777,162,170)	90,076,253

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



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 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 the Pakistan Stock Exchange Limited. 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, 2020.

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 as at and for the preceding year ended June 30, 2020.

#### 4 DATE OF AUTHORIZATION

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

#### 5 GENERAL

Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER



# ڈائر یکٹرزر بورٹ

محتر محصص داران

ہم 31 مارچ 2021 کونتم ہونے والی سہہ ماہی کارکردگی پیش کرتے ہوئے مسرے محسوس کررہے ہیں۔

کوویڈ 19 کی وبا کی وجہ سے جاری طویل لاک ڈاون اور مارکیٹ کی غیریقینی صورتحال کی وجہ سے معیشت کی طلب اور رسد دونوں متاثر ہوئی ہیں۔ دوسری اور تیسری لہر کی آمد کے باعث عالمی معیشتوں کو ایک بار پھر بڑھتے اندرونی اور بیرونی خطرات کا سامنا کرنا پڑے گا۔ اسی طرح پاکستان میں بھی ٹیکسٹائل کے شعبہ کوغیر معمولی مشکلات کا سامنا کرنا پڑ رہا ہے جسکی وجہ سے صارفین کے طرزعمل میں ردوبدل اور فراہمی کے سلسلے میں خلل پڑتا ہے جو کہ آمدنی کو دباؤ میں لانے کا سبب بن رہی ہے۔ کوویڈ 19 کی بحران سے پیدا ہونے والی عالمی کساد بازاری کے بڑھتے ہوئے اثرات پاکستان کا ٹیکسٹائل شعبہ اب بھی محسوس کر رہا ہے وبائی کوویڈ 19 کی وجہ سے پیدا ہونے والی منافی صورتحال کے باوجود آپی کی کمپنی موجودہ سہہ ماہی میں منافع عاصل کرنے میں کا میاب ہوگئ ہے۔ زیر نظر نو ماہ کی مدت میں قبل از گیس منافع 23.24 ملین روپے اور بعد از ٹیکس منافع 34.58 ملین روپے تھا۔

زیرنظرنوماه کے اہم نکات درج ذیل ہیں۔

- فروخت کے جم میں گزشتہ اسی مدت (294.29 ملین روپے ) کے مقابلے میں 27.08 فیصد (403.58 ملین روپے ) اضافیہ ہوا ہے۔
- ان نوماه میں خالص منافع گزشته اسی مدت میں 19.98 فیصد (58.81 ملین روپے ) کے مقابلہ میں 11.08 فیصد (44.73 ملین روپے ) رہا ہے۔

مالی سال 2020-20 کوویڈ 19 کی زیرا تر شروع ہواہے جسکی وجہ سے مقامی اور بین الاقوامی مارکیٹوں میں کاروباری سرگرمیاں تناؤ کا شکار ہیں۔ چونکہ پوری دنیا میں ریٹیل سیٹر یا تو بندش یا کم صارفین کی طلب کا سامنا کررہا تھالہذا یہ ٹیکٹ ٹائل کی صنعت خصوصا برآ مدی یونٹ میں ایک مشکل دور ہوگا۔ اگلی سہہ ماہی میں اس وبا کی تیسری لہمتوقع ہے جسکی وجہ سے پھر سے لاک ڈاؤن ہوسکتا ہے۔ موجودہ غیر بقینی صورتحال کی باوجود آ بیکے ادارہ کی انتظامہ کوسال کی اگلی سہہ ماہی کے دوران کاروباری سرگرمیوں میں معقول بحالی کی توقع ہے اوروہ اس شدید معاشی بحران سے آپکے ادارے کومختاظ انداز میں نکا لنے کے لیے انتقک محنت جاری رکھے ہوئے ہیں۔

بحكم بورد آف دُائرُ يكٹرز

ساره سیف خان سی \_ای \_او بتاریخ: 29 اپریل 2021



## www.redcotextiles.com

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