



# REDCO TEXTILES LIMITED

ISO 9001 Certified

Quarterly Report as at 31st March 2013



**REDCO TEXTILES LIMITED**

ISO 9001 2000 Certified

## Company Information

### Board of Directors

Ms. Sarah Saif khan  
Chief Executive

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

### Company Secretary & Chief Financial Officer

Mr. Asad Mumtaz Baloch

### Auditors

Mushtaq & Co, Chartered Accountants

### Audit Committee

Mrs. Taufiq 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 our quarterly report of your company's performance as at March 31, 2013. The nine months period under review incurred Profit before tax of Rs. 24.421 million and after tax of Rs. 17.316 million, as compared to the previous corresponding nine months period profit before tax of Rs. 5.333 million and profit after tax of Rs. 8.326 million.

The highlights of the nine months period include:

- ❖ Increase in sales revenue by 41 % to Rs. 1,670.915 million mainly due to increase in sale prices of products and production efficiencies as compared to last year corresponding period.
- ❖ Increase in gross profit to 3.2% as compared to 2.96% in March 2012.
- ❖ Decrease in financial cost by 25.5% to Rs. 10.127 million from Rs. 13.595 million during last nine months.

The desirable performance of the company was mainly due to effective and timely purchase of raw material during the nine months and keeping in view the upward trend in prices since last quarter, shortage in supply of cotton in coming month, company has managed to increase its stock holding at even highest in last couple of years. Despite the fact that cotton & yarn prices were fluctuating rapidly and power crisis is hitting all across the country our company managed to report positive trend.

Looking forward to further improve profitability so as to recover losses and further improve our financial position.

We wish to place on record our appreciation for the dedication & hard work of the staff & members of the company.

For and on behalf of the Board,

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Sarah Saif Khan  
Chief Executive

Dated: April 30, 2013.



# REDCO TEXTILES LIMITED

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## REDCO TEXTILES LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2013

	March 31, 2013	June 30, 2012
	Unaudited	Audited
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Rupees in thousand		
Property, plant and equipment	937,826	968,760
Long term investment	102	80
Long term deposits and prepayments	4,906	4,856
	942,834	973,696
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	31,969	33,431
Stock in trade	450,617	292,714
Trade debts	201,802	168,596
Loans and advances	48,349	49,933
Trade deposits and short term prepayments	1,985	721
Tax refunds due from Government	38,591	33,913
Cash and bank balances	21,564	15,783
	794,876	595,093
<b>TOTAL ASSETS</b>	1,737,709	1,568,788
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs. 10/- each	500,000	500,000
Issued, subscribed and paid up capital 49,292,600 (June 30, 2012: 49,292,600) ordinary shares of Rs. 10/- each	492,926	492,926
Reserves	47	25
Accumulated loss	(78,850)	(101,163)
	414,123	391,788
<b>SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT - NET OF TAX</b>	231,733	236,730
<b>NON CURRENT LIABILITIES</b>		
Long term financing from associated undertakings - unsecured	432,185	432,185
Long term financing from directors and others- unsecured	214,525	214,525
Deferred liabilities	14,746	14,962
	661,455	661,671
<b>CURRENT LIABILITIES</b>		
Trade and other payables	231,126	151,869
Accrued mark up / interest	3,724	4,285
Short term borrowings	159,397	85,001
Current portion of long term financing from associated undertakings	36,151	37,445
	430,398	278,599
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	1,737,709	1,568,788

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 NINE MONTHS ENDED MARCH 31, 2013

	Nine Months Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Rupees in thousand		Rupees in thousand	
Sales - net	1,670,915	1,185,769	639,350	391,552
Cost of sales	(1,617,307)	(1,150,620)	(624,825)	(377,999)
<b>Gross profit</b>	<b>53,608</b>	<b>35,149</b>	<b>14,525</b>	<b>13,553</b>
<b>Operating expenses</b>				
Distribution cost	(5,161)	(3,485)	(1,386)	(1,375)
Administrative expenses	(11,327)	(12,501)	(1,574)	(4,659)
Other operating expenses	(2,393)	(348)	(479)	-
	(18,882)	(16,334)	(3,439)	(6,034)
<b>Operating income</b>	<b>34,726</b>	<b>18,814</b>	<b>11,086</b>	<b>7,519</b>
Other operating income	825	395	708	318
Finance cost	(10,127)	(13,595)	(4,598)	(5,076)
Workers profit participation fund	(750)	(281)	(750)	-
Workers welfare fund	(253)	-	(253)	-
<b>Profit before taxation</b>	<b>24,421</b>	<b>5,333</b>	<b>6,193</b>	<b>2,761</b>
Taxation	(7,104)	2,993	(3,538)	(302)
<b>Profit for the period</b>	<b>17,316</b>	<b>8,326</b>	<b>2,655</b>	<b>2,459</b>
<b>Earnings per share - basic and diluted</b>	<b>0.35</b>	<b>0.17</b>	<b>0.05</b>	<b>0.05</b>

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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2013

	March 31, 2013	March 31, 2012
	Rupees in thousand	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	24,421	5,334
Adjustment for non cash items:		
Depreciation	36,250	36,123
Provision for staff retirement benefits	4,800	2,500
Provision for workers' profit participation fund	750	-
Provision for workers welfare fund	253	-
Finance cost	10,127	13,595
	52,181	52,218
Operating profit before working capital changes	76,601	57,552
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,462	1,115
Stock in trade	(157,902)	(154,850)
Trade debts	(33,206)	29,470
Advances, deposits, prepayments and other receivables	271	15,213
	(189,376)	(109,052)
Increase / (decrease) in current liabilities		
Trade and other payables	78,255	16,700
<b>Cash used in operations</b>	(34,520)	(34,800)
Staff retirement benefits paid	(4,616)	(4,344)
Interest paid	(10,689)	(12,549)
Taxes paid	(12,181)	(10,379)
	(27,486)	(27,272)
<b>Net cash used in operating activities</b>	(62,006)	(62,072)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed assets purchased	(5,316)	(11,482)
<b>Net cash used in investing activities</b>	(5,316)	(11,482)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from associated undertakings	(1,294)	2,190
Loan obtained / (paid) from directors and others	-	(2,104)
Short term borrowings - net	74,396	75,694
<b>Net cash generated from financing activities</b>	73,103	75,780
<b>Net (decrease)/ increase in cash and cash equivalents</b>	5,781	2,226
<b>Cash and cash equivalents at the beginning of the period</b>	15,783	2,371
<b>Cash and cash equivalents at the end of the period</b>	21,564	4,597

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 COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Nine Months Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Rupees in thousand		Rupees in thousand	
Profit for the period after taxation	17,316	8,327	2,655	2,459
<b>Other comprehensive income:</b>				
Available for sale financial assets				
Gain arised during the period	22	7	22	1
Total comprehensive income for the period	<u>17,338</u>	<u>8,334</u>	<u>2,677</u>	<u>2,460</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 NINE MONTHS ENDED MARCH 31, 2013

	Share Capital	Accumulated Profit/(Loss)	Fair Value Reserve	Total
	Rupees in thousand			
Balance as at June 30, 2011	492,926	(139,670)	21	353,277
Total comprehensive income for the nine months ended March 31, 2012	-	8,327	7	8,334
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	4,449	-	4,449
Balance as at March 31, 2012	<u>492,926</u>	<u>(126,894)</u>	<u>28</u>	<u>366,060</u>
Balance as at June 30, 2012	492,926	(101,163)	25	391,788
Total comprehensive income for the nine months ended March 31, 2013	-	17,316	22	17,338
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	4,997	-	4,997
Balance as at March 31, 2013	<u>492,926</u>	<u>(78,850)</u>	<u>47</u>	<u>414,123</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 NINE MONTHS ENDED MARCH 31, 2013

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#### 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, 2012.

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, 2012.

#### 4 DATE OF AUTHORIZATION

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

#### 5 GENERAL

Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE

DIRECTOR



# REDCO TEXTILES LIMITED

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