

“Say No To Corruption”



**REDCO
TEXTILES LIMITED**

ISO 9001 Certified

Half Yearly Report as at 31st December 2017



REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

Company Information

Board of Directors

Ms. Sarah Saif Khan
Chief Executive

Mrs. Taufiqah Amanullah Khan
Mrs. Muniza Saif Khan
Mr. Irfan Ahmed Siddiqi
Mr. Ashan ur Rehman Khan
Mr. Imran Zia
Mr. Khalid Rehman Khan

Chief Financial Officer / Company Secretary

Mr. Monim Ul Haq

Auditors

Mushtaq & Co. Chartered Accountants

Audit Committee

Mr. Irfan Ahmed Siddiqi	Chairperson
Mrs. Muniza Saif Khan	Member
Mrs. Taufiqah Amanullah Khan	Member

HR and Remuneration Committee

Mr. Irfan Ahmed Siddiqi	Chairperson
Ms. Sarah Saif Khan	Member
Mrs. Taufiqah Amanullah Khan	Member

Registered Office

Redco Textiles Limited, Redco Arcade, 78 -E, Blue Area, Islamabad 44000, Pakistan.
Tel: (+92-51) 2344252-5 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 half yearly report for your Company's performance as at December 31, 2017. The six months period under review incurred loss before tax of Rs 149.4 million and after tax loss of Rs 154.2 million, as compared to the previous corresponding half year's loss before tax of Rs 44.8 million and after tax of Rs 53.9 million.

Due to continuous recession in the market and energy crisis the mills have not restarted its production process. Further due to volatile prices of raw material and instability in the market the management decided that mill remain closed temporarily to avoid losses in the best interest of the shareholders. Company has temporarily stopped production of its spinning unit since 19th April 2017 and weaving unit since 10th November 2017 respectively to protect entity from further losses. The management intends to resume its operations after Balancing, modernization and replacement (BMR) of plant and machinery of spinning.

The highlights of the half year include:

- ❖ Decrease in sales revenue by 57.9% (Rs 382.75 million) as compared to the last year corresponding period (Rs 908.52 million).
- ❖ This half year incurred gross loss of 34.79% (Rs 133.15 million) as compared to gross loss of 2.28% (Rs. 20.72 million) in previous corresponding period. The main reason of loss is due to decline in fabric market on which main cash inflows streams of the entity was dependent. Also fall in sale prices of fabrics and shrink margins, electricity and gas crisis, and major consumption rate variance, impacting and contributing towards losses.

The current market is not very favorable and we are foreseeing another challenging year ahead. We had to close down our unit because of losses, and have therefore been able to plug excessive drainage of liquidity. However the management is actively taking all measures necessary to cope with these challenges. The management has positive intention and capability to restart production subject to improvement in market.

For and on behalf of the Board,

Chief Executive

Dated: February 26, 2018



REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

MUSHTAQ & COMPANY

CHARTERED ACCOUNTANTS

H O: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-4 Fax: 021-32639843
Email Address: mushtaq_vohra@hotmail.com; info@mushtaqandcompany.com



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Auditor's Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Redco Textiles Limited** as at December 31, 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without qualifying our conclusion, we draw attention to note 2.2 in the financial statements which indicates that the company has temporarily closed the production of its spinning and weaving units. The company has incurred a net loss of Rupees 154.225 million during the period ended December 31, 2017 and, as of that date, the company's current liabilities exceeds its current assets by Rupees 803.553 million. These conditions, along with other matters as explained in note 2.2 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. These financial statements, however, have been prepared on the going concern basis on the assumptions as detailed in aforesaid note.

Lahore:

Date: _____

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Zahid Hussain Zahid, ACA



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2017

	Note	December 31, 2017	June 30, 2017
		Unaudited Rupees	Audited Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,018,477,691	1,045,847,046
Long term investment		81,395	70,345
Long term deposits		5,819,879	5,819,879
		<u>1,024,378,965</u>	<u>1,051,737,270</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		43,186,638	49,782,209
Stock in trade		59,606,319	306,112,244
Trade debts		52,022,768	147,779,139
Loans and advances		38,341,706	41,499,291
Trade deposits and short term prepayments		-	57,732
Tax refunds due from Government		60,013,212	61,234,680
Cash and bank balances		23,467,950	14,528,417
		<u>276,638,593</u>	<u>620,993,712</u>
TOTAL ASSETS		<u><u>1,301,017,558</u></u>	<u><u>1,672,730,982</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (June 30, 2017: 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, 2017: 49,292,600) ordinary shares of Rs. 10/-each		492,926,000	492,926,000
Reserves		26,320	15,270
Accumulated loss		(491,648,544)	(340,267,139)
		<u>1,303,776</u>	<u>152,674,131</u>
SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT - NET OF TAX		214,476,301	217,320,455
NON CURRENT LIABILITIES			
Long term financing from banking companies	6	-	7,692,304
Deferred liabilities		5,045,185	10,339,967
		<u>5,045,185</u>	<u>18,032,271</u>
CURRENT LIABILITIES			
Trade and other payables		104,337,313	239,888,312
Accrued mark up / interest		528,576	2,506,805
Short term borrowings from banking companies		19,609,865	71,339,951
Short term borrowings from associated undertakings		626,562,463	592,931,873
Short term borrowings from directors and others		306,077,159	347,267,952
Current portion of : Long term financing from banking companies		23,076,920	30,769,232
		<u>1,080,192,296</u>	<u>1,284,704,125</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u><u>1,301,017,558</u></u>	<u><u>1,672,730,982</u></u>

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

ISLAMABAD

DATED : _____

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

Note	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees	Rupees	Rupees	Rupees
Sales - net	382,754,770	908,519,536	124,709,482	482,253,223
Cost of sales	(515,906,759)	(929,236,061)	(209,241,515)	(497,620,099)
Gross loss	(133,151,989)	(20,716,525)	(84,532,033)	(15,366,876)
Operating expenses				
Distribution cost	(3,412,375)	(3,776,672)	(1,770,286)	(2,117,847)
Administrative expenses	(8,097,658)	(9,230,569)	(4,152,082)	(4,747,972)
Other operating expenses	(460,655)	(616,594)	(136,910)	(398,543)
	(11,970,688)	(13,623,835)	(6,059,278)	(7,264,362)
Operating loss	(145,122,677)	(34,340,360)	(90,591,311)	(22,631,238)
Other operating income	16,220	18,291	14,408	11,870
Finance cost	(4,313,981)	(10,509,307)	(2,050,853)	(5,726,064)
Loss before taxation	(149,420,438)	(44,831,376)	(92,627,756)	(28,345,432)
Taxation	(4,805,121)	(9,116,379)	(2,213,934)	(4,838,354)
Loss for the period	(154,225,559)	(53,947,755)	(94,841,690)	(33,183,786)
Loss per share - basic and diluted	8	(3.13)	(1.09)	(1.92)
			(1.92)	(0.67)

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

ISLAMABAD

DATED : _____

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees		Rupees	
Loss for the period	(154,225,559)	(53,947,755)	(94,841,690)	(33,183,786)
Other comprehensive income / (loss):				
Item that may be reclassified subsequently to profit and loss				
Available for sale investment				
Fair value gain / (loss) arised during the period	11,050	13,640	12,060	12,060
Total comprehensive loss for the period	<u>(154,214,509)</u>	<u>(53,934,115)</u>	<u>(94,829,630)</u>	<u>(33,171,726)</u>

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

ISLAMABAD

DATED : _____

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	December 31, 2017	December 31, 2016
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(149,420,438)	(44,831,376)
Adjustment for non cash items:		
Depreciation	27,467,755	29,561,238
Provision for staff retirement benefits - gratuity	3,178,500	7,393,179
Finance cost	4,313,981	10,509,307
	34,960,236	47,463,724
Operating (loss) / profit before working capital changes	(114,460,202)	2,632,348
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	6,595,571	619,104
Stock in trade	246,505,924	(194,711,203)
Trade debts	95,756,371	(28,005,695)
Loans and advances	3,157,585	(21,629,010)
Trade deposits and short term prepayments	57,732	(1,765,662)
	352,073,183	(245,492,466)
Increase / (decrease) in current liabilities		
Trade and other payables	(135,550,999)	63,886,539
Cash generated from / (used in) operations	102,061,982	(178,973,579)
Staff retirement benefits - gratuity paid	(8,473,282)	(7,392,655)
Interest paid	(6,292,210)	(10,077,209)
Taxes paid	(3,583,653)	(11,111,889)
	(18,349,145)	(28,581,753)
Net cash generated from / (used in) operating activities	83,712,837	(207,555,332)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment - acquired	(98,400)	(9,303,355)
Net cash used in investing activities	(98,400)	(9,303,355)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings from associated undertaking	33,630,590	87,512,929
Short term borrowings from directors and others - net	(41,190,793)	64,046,884
Short term borrowings from banking companies	(51,730,086)	82,460,992
Long term financing from banking companies	(15,384,616)	(15,384,616)
Net cash (used in) / generated from financing activities	(74,674,905)	218,636,189
Net increase / (decrease) in cash and cash equivalents	8,939,533	1,777,502
Cash and cash equivalents at the beginning of the period	14,528,417	3,258,827
Cash and cash equivalents at the end of the period	23,467,950	5,036,329

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

ISLAMABAD

DATED : _____

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Share Capital	Reserves	Accumulated loss	Total equity
		Unrealized gain / (loss) on available for sale investment		
Rupees				
Balance as at July 01, 2016	492,926,000	13,960	(165,002,722)	327,937,238
Total comprehensive loss for the half year ended December 31, 2016	-	13,640	(53,947,755)	(53,934,115)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	2,993,846	2,993,846
Balance as at December 31, 2016	<u>492,926,000</u>	<u>27,600</u>	<u>(215,956,631)</u>	<u>276,996,969</u>
Balance as at July 01, 2017	492,926,000	15,270	(340,267,139)	152,674,131
Total comprehensive loss for the half year ended December 31, 2017	-	11,050	(154,225,559)	(154,214,509)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	2,844,154	2,844,154
Balance as at December 31, 2017	<u>492,926,000</u>	<u>26,320</u>	<u>(491,648,544)</u>	<u>1,303,776</u>

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

ISLAMABAD

DATED : _____

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



REDCO TEXTILES LIMITED

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REDCO TEXTILES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

1 STATUS AND NATURE OF BUSINESS

- 1.1 Redco Textiles 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 Pakistan Stock Exchange. 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

2.1 Statement of Compliance

The Companies Act, 2017 has been promulgated with effect from May 30, 2017. However, as per the requirements of Circular # 23 of 2017 dated October 4, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and related clarification issued by the Institute of Chartered Accountants of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, companies whose financial year, including quarterly and other interim period, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance).

This condensed interim financial information of the Company for the half year ended December 31, 2017 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 'IAS' 34 "Interim Financial Reporting" and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Companies Ordinance, 1984 (the Ordinance). 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 for the year ended June 30, 2017.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the selected notes for the half year ended December 31, 2017 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2017.

2.2 Going Concern Assumption

Company has temporarily stopped production of its spinning unit since 19th April 2017 and weaving unit since 10th November 2017 respectively to protect entity from further losses. The management intends to resume its operations after Balancing, modernization and replacement (BMR) of plant and machinery of spinning unit. The company had incurred a loss for the half year ended December 31, 2017 of Rupees 154.225 million (December 31, 2016: Rupees 53.948 million) and as of that date, reported accumulated loss of Rs. 491.648 million (June 30, 2017 : Rs. 340.267 million) against the issued, subscribed and paid up capital of Rs. 492.926 million (June 30, 2017 : Rs. 492.926 million). The current liabilities exceeds the current assets by Rs. 803.553 million (June 30, 2017 : Rs. 663.710 million). The main reason of loss is due to decline in fabric market on which main cash inflows streams of the entity was dependent. Also fall in sale prices of fabrics and shrink margins, electricity and gas crisis, and major consumption rate variance, impacting and contributing towards losses. These conditions along with adverse key financial ratios indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

These financial statements have been prepared on going concern assumption as the directors of the company have plans to restart the operations in near future. A comprehensive plan has been formulated to balancing, modernization and replacement (BMR). Management has conveyed their commitment for providing financial support and is in process to arrange project financing for BMR.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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, 2017.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2017.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.



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	Note	December 31, 2017	June 30, 2017
		Unaudited Rupees	Audited Rupees
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,018,477,691	1,045,847,046
		1,018,477,691	1,045,847,046
5.1 Operating fixed assets			
Opening written down value		1,045,847,046	1,081,182,819
Add: Additions during the period / year	5.1.1	98,400	24,934,836
Add: Addition due to surplus on revaluation for the period / year		-	-
		1,045,945,446	1,106,117,655
Less: Depreciation on addition due to surplus on revaluation for the period / year		-	-
Less: Depreciation charged during the period / year		27,467,755	60,270,608
		1,018,477,691	1,045,847,046
5.1.1 Details of additions during the period / year are as follows:			
Generators		-	15,821,164
Tools		98,400	8,707,272
Furniture and fixtures		-	-
Office equipment		-	406,400
		98,400	24,934,836
6 LONG TERM FINANCING FROM BANKING COMPANIES			
<i>-Secured</i>			
Opening balance		38,461,536	69,230,768
Received during the year		-	-
		38,461,536	69,230,768
Payment during the year		(15,384,616)	(30,769,232)
		23,076,920	38,461,536
Current portion		(23,076,920)	(30,769,232)
		-	7,692,304
6.1 Company obtained 4 years term finance loan amounting to Rs. 100.00 million against the facility of Rs. 100 million from Bank Alfalah Limited against import of machinery. This loan is secured against personal guarantee of the directors, 1st parri passu charge of Rs.40 million over the current asset, 1st parri passu charge of Rs 295 million over the fixed asset of the company.			
The loan is repayable in 13 equal quarterly installments commencing from August 11, 2015. The loan is subject to mark up at 3 month kibar plus 3% per annum. Mark up is payable quarterly. The grace period for the repayment of long term loan is 9 months from date of disbursement.			
7 CONTINGENCIES AND COMMITMENTS			
7.1 CONTINGENCIES			
The company has availed the facility for issuance of performance guarantees (LG) (Existing) from Bank Alfalah Limited amounting to Rs. 26,940,753 (June 30, 2017: 26,940,753). This facility is secured against counter guarantee of the company and carry commission of 0.40% (June 30, 2017: 0.40%) per quarter (maximum tenor: performance bond revolving).			
7.2 COMMITMENTS			
Outstanding commitments related to letter of credit for purchase of cotton yarn at the end of the period equivalent to Pak Rs. Nil. (June 30, 2017: 20.075 million).			



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8 LOSS PER SHARE - basic and diluted

	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Loss for the period - rupees	(154,225,559)	(53,947,755)	(94,841,690)	(33,183,786)
Weighted average number of ordinary shares - numbers	49,292,600	49,292,600	49,292,600	49,292,600
Loss per share - Basic - rupees	(3.129)	(1.094)	(1.924)	(0.673)

8.1 There is no dilutive effect on the basic earnings per share of the company.

9 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings of the company comprise of associated companies, directors and key management personnel. Transactions with related parties and associated undertakings involve inter company fund transfer and advance for repayment of the long term finance. The Company's aggregate transactions with the associated companies are as follows:

Transaction with related parties	Associated companies	Nature of transaction	December 31, 2017	December 31, 2016
			Unaudited	Unaudited
	Redco Pakistan	Inter company advance / loans - received	40,203,169	92,725,933
		Inter company advance / loans - payment	6,572,679	5,213,003
	Related parties			
	Saif Ur Rehman Khan	Long term financing from directors and others - receipts	10,873,239	64,206,884
		Long term financing from directors and others - payment	52,064,032	160,000
	Balances outstanding at the period end		December 31, 2017	June 30, 2017
			Unaudited	Audited
			Rupees	
	Directors		(12,217,601)	(12,217,601)
	Sponsors		(293,859,558)	(335,050,351)
	Associated undertakings		(626,562,463)	(592,931,873)

There are no transactions with key management personnel other than under their terms of employment.

10 CORRESPONDING FIGURES

Comparative information has been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No major reclassifications have been made in these condensed interim financial statements.

11 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the board of directors of the company on 26th February 2018.

12 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

ڈائریکٹرز رپورٹ

محترم حصص داران

ہم 31 دسمبر 2017 کو ختم ہونے والی ششماہی کی کارکردگی پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ زیر نظر چھ ماہ کے عرصے میں قبل از ٹیکس نقصان 149.4 ملین روپے کا اور بعد از ٹیکس نقصان 154.2 ملین روپے رہا ہے جبکہ اس کے موازنہ میں گزشتہ اسی ششماہی میں قبل از ٹیکس نقصان 44.8 ملین روپے اور بعد از ٹیکس نقصان 53.9 ملین روپے تھا۔

کاروبار کی مستقل کساد بازاری اور توانائی کی مشکلات کی وجہ سے ہم مل کی پیداوار کا عمل دوبارہ شروع نہیں کر سکے مزید یہ کہ خام مال کی غیر مستحکم قیمتوں اور مارکیٹ کے عدم استحکام کی وجہ سے مینجمنٹ نے فیصلہ کیا ہے کہ حصص داران کے بہتر مفاد کے لئے کمپنی عارضی طور پر پیداوار روک رکھے گی تاکہ مزید نقصان سے بچا جاسکے کمپنی نے عارضی طور پر سپننگ یونٹ کی پیداوار 19 اپریل 2017 کو اور ویونگ یونٹ کی پیداوار 10 نومبر 2017 کو روک دی تھی تاکہ کمپنی کو مزید نقصانات سے بچایا جاسکے اور کمپنی ارادہ رکھتی ہے کہ سپننگ یونٹ کی مشینری اور پلانٹ کے توازن، جدید اور متبادل (BMR) کے بعد پیداوار کا دوبارہ آغاز کرے گی۔

زیر نظر ششماہی کے اہم نکات درج ذیل ہیں۔

- فروخت کے حجم میں گزشتہ اسی مدت (908.52 ملین روپے) کے مقابلے میں 57.9 فیصد (382.75 ملین روپے) کمی ہوئی ہے۔
 - اس ششماہی میں 34.79 فیصد (133.15 ملین روپے) خالص نقصان ہوا ہے۔ جبکہ گزشتہ اسی مدت میں 2.28 فیصد (20.72 ملین روپے) خالص نقصان تھا نقصان کی بنیادی وجہ کپڑے کی مارکیٹ میں کمی کا رجحان ہے اور جس پر کمپنی کی نقد آمدن کا انحصار تھا۔ اس کے علاوہ کپڑے کی فروخت کی قیمتوں میں کمی اور کم مارجنز، بجلی اور گیس کا بحران، اور بڑی کھپت کی شرح میں تبدیلی ہمارے نقصانات پر مزید اثر انداز ہوئی ہیں۔
- موجودہ مارکیٹ سازگار نہیں ہے اور آنے والا سال مزید مشکل دکھائی دے رہا ہے۔ ہمیں نقصانات کی وجہ سے یونٹ بند کرنا پڑا ہے۔ اور اس وجہ سے ہم مزید سرمایہ کہ ضائع ہونے سے بچے ہیں۔ تاہم مینجمنٹ ان مشکلات سے نمٹنے کے لئے ضروری اقدامات کر رہی ہے۔ مارکیٹ میں بہتری کی صورت میں مینجمنٹ مثبت ارادہ اور صلاحیت رکھتی ہے کہ پیداوار کو دوبارہ شروع کرے۔

بحکم بورڈ آف ڈائریکٹرز

سارہ سیف خان

سی۔ ای۔ او

بتاریخ: 26 فروری 2018



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