

*“Say No To Corruption”*



**REDCO  
TEXTILES LIMITED**

**ISO 9001 Certified**

Half Yearly Report as at 31<sup>st</sup> December 2018



**REDCO TEXTILES LIMITED**

ISO 9001 2000 Certified

## Company Information

### Board of Directors

Ms. Sarah Saif Khan  
Chief Executive

Mrs. Taufiqah Amanullah Khan  
Chairman

Mrs. Muniza Saif Khan

Mr. Irfan Ahmed Siddiqi

Mr. Ashan ur Rehman Khan

Ms. Ayesha Saif Khan

Mr. Khalid Rehman Khan

### Chief Financial Officer

Mr. Monim Ul Haq

### Company Secretary

Muhammad Kashif

### 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, 2018. The six months period under review incurred a loss before tax of Rs 34.88 million and after tax loss of Rs 34.91 million, as compared to the previous corresponding half year's loss before tax of Rs 149.4 million and after tax of Rs 154.2 million.

The Spinning unit of Company closed production since 19<sup>th</sup> April 2017 and also weaving unit since 10<sup>th</sup> November 2017 to avoid losses in the best interest of shareholders and to protect entity from further losses. However, since the announcement from Government of incentives for the textile sector and the reduction of RLNG prices, the management immediately started planning to resume its production of weaving unit and by the Grace of Almighty Allah the Company had resumed its production process of weaving unit since 26<sup>th</sup> December 2018. The management is satisfied with the governments pro textile policies to revive the industry and conversion cost significantly. This will enable the Company to progress towards profitability and recuperate.

The highlights of the half year include:

- ❖ Decrease in sales revenue by 99.5% (Rs 1.91 million) as compared to the last year corresponding period (Rs 382.75 million).
- ❖ This half year incurred gross loss of Rs 26.85 million as compared to gross loss of Rs. 133.15 million in previous corresponding period.

The trend in the second half is expected to be more fruitful, mainly due to reduction in RLNG prices which will also impact the power costs; however overall trend is declining as the entire industry is still under pressure. The management is continuously putting efforts to overcome this situation.

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

**Chief Executive**

Dated: February 27, 2019

## **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

### *Independent auditor's review report to the members of Redco Textiles Limited*

#### *Report on the Review of the Interim Financial Statements*

#### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Redco Textiles Limited as at December 31, 2018 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

#### **Scope of Review**

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### **Emphasize of Matter Paragraph**

We draw attention to note 2.2 in the financial statements which indicates that the Company has ceased the production of its spinning unit since April 19, 2017. The Company incurred a loss for the half year ended December 31, 2018 of Rupees 34.906 million (December 31, 2017: Rupees 154.225 million) and as of that date, reported accumulated loss of Rs. 858.880 million (June 30, 2018: Rs. 825.360 million) against the issued, subscribed and paid up capital of Rs. 492.926 million (June 30, 2018: Rs. 492.926 million). The current liabilities exceeds the current assets by Rs. 853.136 million (June 30, 2018: Rs. 835.423 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 on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The engagement partner on review resulting in this independent auditor's report is Zahid Hussain Zahid.

**MUSHTAQ & CO**  
Chartered Accountants

Lahore:  
Date: \_\_\_\_\_



# REDCO TEXTILES LIMITED

ISO 9001 2000 Certified

## REDCO TEXTILES LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2018

	Note	December 31, 2018	June 30, 2018
		Un-audited Rupees	Audited Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	794,341,483	811,080,931
Long term investment		64,000	77,810
Long term deposits		5,819,879	5,819,879
		<u>800,225,362</u>	<u>816,978,620</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		41,596,970	41,307,000
Stock in trade		2,983,333	1,073,376
Trade debts		23,624,255	66,942,002
Loans and advances		33,033,703	31,244,118
Trade deposits and short term prepayments		849,642	57,534
Tax refunds due from Government		60,207,252	59,938,982
Cash and bank balances		26,493,746	695,291
		<u>188,788,901</u>	<u>201,258,303</u>
<b>TOTAL ASSETS</b>		<u><b>989,014,263</b></u>	<u><b>1,018,236,923</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 50,000,000 (June 30, 2018: 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, 2018: 49,292,600) ordinary shares of Rs. 10/- each		492,926,000	492,926,000
Fair value Reserves		8,925	22,735
Surplus on revaluation of property plant and equipment - Net of tax		307,016,626	308,403,505
Accumulated loss		(858,880,525)	(825,360,567)
		<u>(58,928,974)</u>	<u>(24,008,327)</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing from banking companies	6	-	-
Deferred liabilities		6,018,327	5,563,912
		<u>6,018,327</u>	<u>5,563,912</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		81,979,718	77,116,204
Accrued mark up / interest		-	514,481
Short term borrowings from banking companies		-	16,942,607
Short term borrowings from associated undertakings		674,605,607	637,824,722
Short term borrowings from directors and others		285,339,585	296,591,020
Current portion of : Long term financing from banking companies		-	7,692,304
		<u>1,041,924,910</u>	<u>1,036,681,338</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>989,014,263</b></u>	<u><b>1,018,236,923</b></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 STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2018

Note	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Rupees	Rupees	Rupees	Rupees
Sales - net	1,912,984	382,754,770	1,467,254	124,709,482
Cost of sales	(28,763,829)	(515,906,759)	(16,629,982)	(209,241,515)
<b>Gross loss</b>	<b>(26,850,845)</b>	<b>(133,151,989)</b>	<b>(15,162,728)</b>	<b>(84,532,033)</b>
<b>Operating expenses</b>				
Distribution cost	(281,987)	(3,412,375)	-	(1,770,286)
Administrative expenses	(6,976,484)	(8,097,658)	(3,881,366)	(4,152,082)
Other operating expenses	(969,003)	(460,655)	(130,391)	(136,910)
	(8,227,474)	(11,970,688)	(4,011,757)	(6,059,278)
<b>Operating loss</b>	<b>(35,078,319)</b>	<b>(145,122,677)</b>	<b>(19,174,485)</b>	<b>(90,591,311)</b>
Other operating income	567,641	16,220	567,224	14,408
Finance cost	(371,614)	(4,313,981)	(1,586)	(2,050,853)
<b>Loss before taxation</b>	<b>(34,882,292)</b>	<b>(149,420,438)</b>	<b>(18,608,847)</b>	<b>(92,627,756)</b>
Taxation	(24,545)	(4,805,121)	(18,973)	(2,213,934)
<b>Loss for the period</b>	<b>(34,906,837)</b>	<b>(154,225,559)</b>	<b>(18,627,820)</b>	<b>(94,841,690)</b>
<b>Loss per share - basic and diluted</b>	<b>8 (0.71)</b>	<b>(3.13)</b>	<b>(0.38)</b>	<b>(1.92)</b>

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, 2018**

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Rupees		Rupees	
Loss for the period	(34,906,837)	(154,225,559)	(18,627,820)	(94,841,690)
<b>Other comprehensive income / (loss):</b>				
<b>Item that may be reclassified subsequently to profit and loss</b>				
Available for sale investment				
Fair value gain / (loss) arised during the period	(13,810)	11,050	(1,315)	12,060
Total comprehensive loss for the period	<u>(34,920,647)</u>	<u>(154,214,509)</u>	<u>(18,629,135)</u>	<u>(94,829,630)</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, 2018

	December 31, 2018	December 31, 2017
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(34,882,292)	(149,420,438)
Adjustment for non cash items:		
Depreciation	16,386,195	27,467,755
Provision for staff retirement benefits - gratuity	721,400	3,178,500
Gain on sale of assets	(566,747)	-
Finance cost	371,614	4,313,981
	16,912,462	34,960,236
Operating (loss) / profit before working capital changes	(17,969,830)	(114,460,202)
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(289,970)	6,595,571
Stock in trade	(1,909,957)	246,505,924
Trade debts	43,317,747	95,756,371
Loans and advances	(1,789,585)	3,157,585
Trade deposits and short term prepayments	(792,108)	57,732
	38,536,127	352,073,183
Increase in current liabilities		
Trade and other payables	4,863,514	(135,550,999)
<b>Cash generated from / (used in) operations</b>	25,429,811	102,061,982
Staff retirement benefits - gratuity paid	(266,985)	(8,473,282)
Interest paid	(886,095)	(6,292,210)
Taxes paid	(292,815)	(3,583,653)
	(1,445,895)	(18,349,145)
<b>Net cash generated from / (used in) operating activities</b>	23,983,916	83,712,837
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment - acquired	-	(98,400)
Proceeds from sale of assets	920,000	-
<b>Net cash used in investing activities</b>	920,000	(98,400)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings from associated undertaking	36,780,885	33,630,590
Short term borrowings from directors and others - net	(11,251,435)	(41,190,793)
Short term borrowings from banking companies	(16,942,607)	(51,730,086)
Long term financing from banking companies	(7,692,304)	(15,384,616)
<b>Net cash (used in) / generated from financing activities</b>	894,539	(74,674,905)
<b>Net increase / (decrease) in cash and cash equivalents</b>	25,798,455	8,939,533
<b>Cash and cash equivalents at the beginning of the period</b>	695,291	14,528,417
<b>Cash and cash equivalents at the end of the period</b>	26,493,746	23,467,950

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, 2018

	Share Capital	Reserves		Revenue Reserves	Total equity
		Unrealized gain on available for sale investment	Revaluation Surplus	Accumulated loss	
Rupees					
Balance as at July 01, 2017 - Restated	492,926,000	15,270	217,320,455	(340,267,139)	369,994,586
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 - Restated	<u>492,926,000</u>	<u>26,320</u>	<u>214,476,301</u>	<u>(491,648,544)</u>	<u>215,780,077</u>
Balance as at July 01, 2018	492,926,000	22,735	308,403,505	(825,360,567)	(24,008,327)
Total comprehensive loss for the half year ended December 31, 2018	-	(13,810)	-	(34,906,837)	(34,920,647)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(1,386,879)	1,386,879	-
Balance as at December 31, 2018	<u>492,926,000</u>	<u>8,925</u>	<u>307,016,626</u>	<u>(858,880,525)</u>	<u>(58,928,974)</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

ISO 9001 2000 Certified

## REDCO TEXTILES LIMITED

### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2018

#### 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 Repealed Companies Ordinance, 1984, now the Companies Act, 2017 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

This condensed interim financial information of the Company for the half year ended December 31, 2018 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 Act, 2017. 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, 2018.

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 statement of financial position, condensed interim statement of profit or loss, 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, 2018 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2018.

##### 2.2 Going Concern Assumption

Company had 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 intended to resume its operations after Balancing, modernization and replacement (BMR) of plant and machinery of spinning unit. The company has resumed its weaving unit since December 26 2018 due to incentives introduced by the Government. Now, the Company is generating its revenue by conversion of yarn into fabrics.

During current year, it incurred a loss for the half year ended December 31, 2018 of Rupees 34.906 million (December 31, 2017: Rupees 154.225 million) and as of that date, reported accumulated loss of Rs. 858.880 million (June 30, 2018 : Rs. 825.360 million) against the issued, subscribed and paid up capital of Rs. 492.926 million (June 30, 2018 : Rs. 492.926 million). The current liabilities exceeds the current assets by Rs. 853.136 million (June 30, 2018 : Rs. 835.423 million). However the management do not have any intention to resume its spinning operations in foreseeable six months. The 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 and the sponsors of the company have conveyed their commitment for providing financial support and is in process to arrange project financing for BMR of its spinning unit.

#### 3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2018, except of change referred to in note 4.

#### 4 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these consolidated condensed interim financial statements.

In addition to that a new standard (i.e. IFRS 15) have become applicable to the Company effective from July 1, 2018. Because of this new standard certain changes to the accounting policies have been made in light of the following paragraphs:

##### IFRS 15 'Revenue from contracts with customers'

IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on the amounts reported in all current and periods presented in these condensed interim financial statements of the Company.

##### IFRS 9 'Financial Instruments'

The Company has deferred the adoption of IFRS 9, in pursuant to SRO 229(I)/2019 dated February 14, 2019. Through this SRO the SECP has modified the effective date for applicability of IFRS 9 (Financial Instruments) in place of IAS 39 (Financial Instruments: Recognition & Measurement) as " Reporting Period / Year ending on or after June 30, 2019.

Previously Through SRO 1007(I)/2017 dated October 04, 2017, the SECP had notified IFRS 9 replacing IAS 39 with effect from reporting periods starting from July 01, 2018.



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5	PROPERTY, PLANT AND EQUIPMENT	Note	December 31, 2018	June 30, 2018
			Un-Audited Rupees	Audited Rupees
	Operating fixed assets	5.1	794,341,483	811,080,931
			<b>794,341,483</b>	<b>811,080,931</b>
5.1	Operating fixed assets			
	Opening written down value		811,080,931	1,045,847,046
	Add: Additions during the period / year		-	98,400
	Add: Addition due to surplus on revaluation for the period / year		-	(54,543,643)
	Less: Deletions during the period / year		(353,253)	(221,384,854)
			810,727,678	770,016,948
	Less: Depreciation on addition due to surplus on revaluation for the period / year		-	(95,177,038)
	Less: Depreciation charged during the period / year		(16,386,195)	(54,113,055)
			<b>794,341,483</b>	<b>811,080,931</b>

## 6 LONG TERM FINANCING FROM BANKING COMPANIES

-Secured

Opening balance	7,692,304	38,461,536
Received during the year	-	-
	<b>7,692,304</b>	<b>38,461,536</b>
Payment during the year	(7,692,304)	(30,769,232)
	-	7,692,304
Current portion	-	(7,692,304)
	-	-

- 6.1 During the year company has fully repaid the loan. 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, 2018: 26,940,753). This facility is secured against counter guarantee of the company and carry commission of 0.40% (June 30, 2018: 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, 2018: Rs. Nil).

## 8 LOSS PER SHARE - basic and diluted

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Loss for the period - rupees	(34,906,837)	(154,225,559)	(18,627,820)	(94,841,690)
Weighted average number of ordinary shares - numbers	49,292,600	49,292,600	49,292,600	49,292,600
Loss per share - Basic - rupees	(0.708)	(3.129)	(0.378)	(1.924)

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



# REDCO TEXTILES LIMITED

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## 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		December 31, 2018	December 31, 2017
		Unaudited	Unaudited
<b>Associated companies</b>	<b>Nature of transaction</b>		
Redco Pakistan	Inter company advance / loans - received	38,322,844	40,203,169
	Inter company advance / loans - payment	1,541,959	6,572,679
<b>Related parties</b>			
Saif Ur Rehman Khan	Long term financing from directors and others - receipts	7,945,642	10,873,239
	Long term financing from directors and others - payment	19,197,077	52,064,032
<b>Balances outstanding at the period end</b>			
		<b>Rupees</b>	
Directors		(12,217,601)	(12,217,601)
Sponsors		(273,121,984)	(284,373,419)
Associated undertakings		(674,605,607)	(637,824,722)

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 27th February 2019.

## 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 2018 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 34.88 ملین روپے کا اور بعد از ٹیکس نقصان 34.91 ملین روپے رہا ہے جبکہ اس کے موازنہ میں گزشتہ اسی ششماہی میں قبل از ٹیکس نقصان 149.4 ملین روپے اور بعد از ٹیکس نقصان 154.2 ملین روپے تھا۔

حصص داران کے بہتر مفاد کے لئے کمپنی نے سپنگ 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۔ البتہ حکومت کی جانب سے ٹیکسٹائل سیکٹر کیلئے مراعات کے اعلان اور RLNG کی قیمتوں میں کمی کے بعد مینجمنٹ نے فوری طور پر ویونگ یونٹ کی پیداوار شروع کرنے کے لئے منصوبہ بندی شروع کر دی تھی اور اللہ تعالیٰ کے فضل سے کمپنی نے 26 دسمبر 2018 سے ویونگ یونٹ کی پیداوار کو دوبارہ شروع کیا تھا۔ گورنمنٹ کی جانب سے ٹیکسٹائل کی صنعت کی بحالی اور پیداواری لاگت کی سازگار پالیسیوں سے مینجمنٹ مطمئن ہے۔ اس سے کمپنی منافع بخش ہوگی اور بحالی کی طرف بڑھنے میں مدد ملے گی۔

زیر نظر ششماہی کے اہم نکات درج ذیل ہیں۔

- فروخت کے حجم میں گزشتہ اسی مدت (382.75 ملین روپے) کے مقابلے میں 99.5 فیصد (1.91 ملین روپے) کمی ہوئی ہے۔
  - اس ششماہی میں 26.85 ملین روپے خالص نقصان ہوا ہے۔ جبکہ گزشتہ اسی مدت میں 133.15 ملین روپے خالص نقصان تھا
- بنیادی طور پر RLNG کی قیمتوں میں کمی کی وجہ سے دوسری سہ ماہی کا رجحان زیادہ مفید ہونے کی امید ہے جو کہ بجلی کی لاگت پر بھی اثر انداز کرے گی؛ تاہم مجموعی طور پر کمی کا رجحان ہے جیسا کہ پوری ٹیکسٹائل صنعت اب بھی دباؤ میں ہے۔ مینجمنٹ مسلسل اس صورتحال پر قابو پانے کیلئے کوشش کر رہی ہے۔

بجلم بورڈ آف ڈائریکٹرز

سارہ سیف خان

سی۔ای۔او

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# REDCO TEXTILES LIMITED

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