

CONDENSED
INTERIM FINANCIAL
INFORMATION
HALF YEAR ENDED
31 DECEMBER 2016
UN-AUDITED



Ravi Textile Mills Limited



COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Waseem-ur-Rehman	(Chief Executive)
Aftab Sarwar	(Chairman)
Tahir Majeed	
Muhammad Riaz	
Muhammad Shahid	
Aamir Khurshid Chandia	
Shahbaz Manzoor	

AUDIT COMMITTEE

Muhammad Shahid	(Independent Director)	Chairman
Muhammad Riaz	(Non - Executive Director)	Member
Aftab Sarwar	(Independent Director)	Member

HR & R COMMITTEE

Tahir Majeed	(Independent Director)	Chairman
Muhammad Shahid	(Independent Director)	Member
Muhammad Riaz	(Non - Executive Director)	Member

CORPORATE SECRETARY/ CHIEF FINANCIAL OFFICER

Munsaf Khan

AUDITORS

Riaz Ahmed & Company
Chartered Accountants
10-B, Saint Mary Park, Main Boulevard,
Gulberg-III, Lahore-54660

BANKERS

National Bank of Pakistan Limited
Bank Alfalah Limited
NIB Bank Limited
Habib Metropolitan Bank Limited
The Bank of Punjab

REGISTERED OFFICE

Bungalow No.120 Defence Officers Housing
Scheme, Sher Shah Road, Multan Cantt. Pakistan
Phone: 92-61-4503620 - 4503630
Fax: 92-61-4503640
E-mail: info@ravitextile.com

SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited
H.M House 7-Bank square, Lahore.
Tel: 92-42 37235081-82

MILLS

49 KM, Lahore-Multan Road, Chunian, District Kasur.



CHIEF EXECUTIVE'S REVIEW

The results for the half year under review show net loss of Rs.17.950 million after accounting for all operational expenses including depreciation of Rs.10.224 million and finance cost of Rs. 3.966 million as compared to previous corresponding period net loss of Rs. 35.000 million. The operations of the mill remained closed during the half year ended 31 December 2016. The operations of the mill were resumed during the year ended 30 June 2015 after more than three years with the support of directors' loans. However, in August 2015, the operations of the mill were suspended again. It is beyond the control of the existing management of the Company to run the Company at an economically viable level due to poor economic / market conditions for spinning sector, high energy costs, scheduled and unscheduled extensive load shedding of electricity, high mark-up rates charged by bank and scarce availability of funds. The textile industry is unable to continue its business without the support of banks. These conditions indicate the existence of material uncertainty which cast doubt about the Company's ability to continue as a going concern.

Two purchasers signed a share purchase agreement (SPA) on 13 January 2015 with major shareholders of the Company to acquire 57.42% of shares of the Company. On 23 September 2015, the purchasers also made public announcement of offer to acquire up to 5,322,347 ordinary shares of the Company comprising 21.289% of the total issued ordinary share capital of the Company at an offer price of Rupees 3.50 per share pursuant to the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008 ("the Regulations"). However, after complying with all requirements of the Securities Act, 2015 and the Regulations in respect of the Public Offer, the purchasers have not till the date of authorization for issue of this condensed interim financial information acquired ordinary shares of the company from majority shareholders under the aforesaid (SPA) dated 13 January 2015. The purchasers acquired 50,500 ordinary shares of the company tendered to them by the shareholders under the public offer. The majority shareholders are in dispute with the purchasers for the performance of (SPA).

For and on behalf of the board

Multan:

24th February, 2017

Muhammad Waseem ur Rehman

Chief Executive

چیف ایگزیکٹو جازرہ

مالی نتائج برائے مدت آدھ سال صافی نقصان 17.950 ملین روپے ظاہر ہوتے ہیں تمام اخراجات کو جس میں مشینری کی گھسائی اخراجات 10.224 ملین روپے اور قرضہ اخراجات 3.966 ملین روپے کو منہا کر کے بمقابلہ گزشتہ اسی مدت میں صافی خسارہ 35.000 ملین روپے تھا۔ ملز کو چلانے کی کارروائی دوران مدت آدھ سال ختم ہوا 31 دسمبر 2016 میں معطل رہیں ملز کے چلانے کی کارروائی کے دوران مدت سال ختم ہوا 30 جون 2015 میں ہوئیں تھیں جو کہ 3 سال سے بھی زیادہ مدت کے بعد شروع ہوئیں ڈائریکٹران کی طرف سے قرضہ دینے سے تاہم اگست 2015 میں ملز چلنے کا آپریشن دوبارہ سے معطل ہو گیا۔ کمپنی کی موجودہ انتظامیہ کے لئے مشکل ہو گیا ہے کہ وہ کمپنی کو منافع بخش طریقہ سے چلائے کیونکہ دھاگے کی مارکیٹ میں غیر موزوں حالات ہیں تو انائی ٹیکنالوجی کی قیمت بہت زیادہ شیڈول اور ان شیڈول ٹیکنالوجی کی لوڈ شیڈنگ بنکوں کی شرح سود بہت زیادہ کمپنی کی سکلزی ہوئی نقد مالی صورت حال نے ایسا کیا ہے۔ ان حالات میں کمپنی کے رواں دواں ہونے کی صلاحیت میں غیر یقینی صورت حال ہے۔

دو خریداروں نے کمپنی کے حصص کو خریدنے کے لیے کمپنی کے اکثریتی حصہ دران سے 57.42% حصص کی خرید کا معاہدہ (SPA) مورخہ 13 جنوری 2015 کو دستخط کیا تھا۔ مورخہ 23 ستمبر 2015 کو دونوں خریداروں نے عوام الناس کے لیے عام اعلان کیا کہ وہ 5,322,347 حصص کل جاری شدہ حصص کا 21.289% تھا۔ فی حصہ قیمت 3.50 روپے پر خرید کی پیش کش کی زیر قانون سکیورٹی ایکٹ 2015 اور لسڈیکٹینیز (سسٹائبل ایکویٹیز آف شیئرز اینڈ ٹیک اوورز) ریگولیشنز 2008 کے تحت۔ تاہم سکیورٹی ایکٹ 2015 و قواعد وغواہ پبلک آفر ریگولیشن کے تحت تمام ضابطوں کی تکمیل کرنے کے بعد خریداروں نے کمپنی کی فعال کی مختصر مالی دستاویز جاری ہونے کی تاریخ تک اکثریتی فروخت کنندہ حصہ دران سے حصص فروخت معاہدہ 13 جنوری 2015 کے مطابق حصص کی خریداری کی تکمیل نہیں کی ہے۔ خریداروں نے عام عوام الناس سے 50,500 حصص خرید لیے ہیں۔ جنہوں نے ان کو فروخت کے لیے پیش کیا پبلک آفر کے تحت اکثریتی حصہ داران ابھی تک خریداروں کے ساتھ معاہدہ کی تکمیل کے لیے تازہ میں ہیں۔

منجانب بورڈ

محمد وسیم الرحمن

(چیف ایگزیکٹو)

ملتان۔ 24 فروری 2017



AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of RAVI TEXTILE MILLS LIMITED as at 31 December 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 quarters ended 31 December 2016 and 31 December 2015 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2016.

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 condensed interim financial information consists of making inquiries, primarily of 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 31 December 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to Note 1.2 to the condensed interim financial information, which states that this condensed interim financial information has been prepared on the basis of estimated realisable / settlement values of assets and liabilities respectively in addition to historical cost convention as the company is no longer a going concern for the reasons stated in the aforesaid note. Our conclusion is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

LAHORE

Date: 24th February, 2017


CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2016

	UN-AUDITED		AUDITED	
	31 December 2016		30 June 2016	
	Book Value	Estimated realizable / settlement value	Book Value	Estimated realizable / settlement value
	Rupees	Rupees	Rupees	Rupees
ASSETS				
Bank balances on current accounts	47,022	47,022	205,505	205,505
Advances	2,748,601	2,748,601	2,498,355	2,498,355
Prepaid insurance	38,938	38,938	59,044	59,044
Trade debts - unsecured but considered good	217,267	217,267	217,267	217,267
Stock-in-trade	-	-	10,000	10,000
Stores, spare parts and loose tools	2,647,744	2,647,744	2,650,610	2,650,610
Security deposits	270,340	270,340	270,340	270,340
Property, plant and equipment	3 216,341,120	216,341,120	226,565,279	226,565,279
TOTAL ASSETS	222,311,032	222,311,032	232,476,400	232,476,400
LIABILITIES				
Trade and other payables	165,227,901	165,227,901	155,280,474	155,280,474
Accrued mark-up	2,485,978	2,485,978	1,685,261	1,685,261
Loan from ex-chief executive	832,223	832,223	832,223	832,223
Loans from directors	91,786,220	91,786,220	91,786,220	91,786,220
Long term financing	4 70,192,554	79,034,615	72,086,307	82,729,378
Deferred income tax liability	16,748,803	-	17,629,028	-
Employees' retirement benefit	3,187,348	2,219,740	2,927,047	2,533,858
Provision for taxation	830,377	830,377	1,280,377	1,280,377
TOTAL LIABILITIES	351,291,404	342,417,054	343,506,937	336,127,791
NET ASSETS	(128,980,372)	(120,106,022)	(111,030,537)	(103,651,391)
Authorized share capital	300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid-up share capital	250,000,000	250,000,000	250,000,000	250,000,000
Revenue reserve - general reserve	9,000,000	9,000,000	9,000,000	9,000,000
Accumulated loss	(539,137,301)	(539,137,301)	(523,241,325)	(523,241,325)
Total equity	(280,137,301)	(280,137,301)	(264,241,325)	(264,241,325)
Net surplus on estimated realizable / settlement values	-	160,031,279	-	160,589,934
Surplus on revaluation of operating fixed assets	151,156,929	-	153,210,788	-
Contingencies and commitments	5 -	-	-	-
	(128,980,372)	(120,106,022)	(111,030,537)	(103,651,391)

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive

Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- Rupees-----			
SALES	-	42,396,547	-	307,030
COST OF SALES	-	(66,426,041)	-	(10,991,183)
GROSS LOSS	-	(24,029,494)	-	(10,684,153)
DISTRIBUTION EXPENSES	-	(43,695)	-	-
ADMINISTRATIVE AND GENERAL EXPENSES	(16,572,736)	(5,560,198)	(8,269,054)	(2,644,576)
	(16,572,736)	(5,603,893)	(8,269,054)	(2,644,576)
	(16,572,736)	(29,633,387)	(8,269,054)	(13,328,729)
OTHER INCOME	1,708,571	7,000	993,641	-
LOSS FROM OPERATIONS	(14,864,165)	(29,626,387)	(7,275,413)	(13,328,729)
FINANCE COST	(3,965,895)	(4,623,606)	(1,944,545)	(2,235,454)
LOSS BEFORE TAXATION	(18,830,060)	(34,249,993)	(9,219,958)	(15,564,183)
TAXATION	880,225	(750,529)	410,772	(1,260,030)
LOSS AFTER TAXATION	(17,949,835)	(35,000,522)	(8,809,186)	(16,824,213)
LOSS PER SHARE - BASIC AND DILUTED	(0.72)	(1.40)	(0.35)	(0.67)

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- (Rupees) -----			
LOSS AFTER TAXATION	(17,949,835)	(35,000,522)	(8,809,186)	(16,824,213)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(17,949,835)</u>	<u>(35,000,522)</u>	<u>(8,809,186)</u>	<u>(16,824,213)</u>

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive_____
Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	HALF YEAR ENDED	
	31 December 2016 Rupees	31 December 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(18,830,060)	(34,249,993)
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	10,224,159	10,319,577
Adjustment due to impact of IAS- 39	1,800,987	1,785,173
Provision for employees' retirement benefit	260,301	2,282,070
Finance cost	2,164,908	2,838,433
Cash used in operating activities before working capital changes	(4,379,705)	(17,024,740)
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	2,866	(563,256)
Stock-in-trade	10,000	29,009,958
Trade debts	-	17,213,979
Prepaid insurance	20,106	-
Advances	55,294	1,445,299
Increase / (decrease) in trade and other payables	9,947,427	(26,771,988)
Effect on cash flows due to working capital changes	10,035,693	20,333,992
Cash generated from operations	5,655,988	3,309,252
Finance cost paid	(1,364,191)	(1,494,386)
Income tax paid	(755,540)	(811,598)
	(2,119,731)	(2,305,984)
Net cash generated from operating activities	3,536,257	1,003,268
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(3,694,740)	(4,683,825)
Net cash used in financing activities	(3,694,740)	(4,683,825)
Net decrease in cash and cash equivalents	(158,483)	(3,680,557)
Cash and cash equivalents at the beginning of the period	205,505	3,728,719
Cash and cash equivalents at the end of the period	47,022	48,162

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive

Director

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	SHARE CAPITAL	REVENUE RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
		General reserve		
----- Rupees -----				
Balance as at 30 June 2015 (Audited)	250,000,000	9,000,000	(477,372,905)	(218,372,905)
Transferred from revaluation surplus - net of deferred income tax	-	-	2,165,381	2,165,381
Loss for the half year ended 31 December 2015	-	-	(35,000,522)	(35,000,522)
Other comprehensive income for the half year ended 31 December 2015	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2015	-	-	(35,000,522)	(35,000,522)
Balance as at 31 December 2015 (Un-audited)	250,000,000	9,000,000	(510,208,046)	(251,208,046)
Transferred from revaluation surplus - net of deferred income tax	-	-	2,165,379	2,165,379
Loss for the half year ended 30 June 2016	-	-	(15,327,405)	(15,327,405)
Other comprehensive income for the half year ended 30 June 2016	-	-	128,747	128,747
Total comprehensive loss for the half year ended 30 June 2016	-	-	(15,198,658)	(15,198,658)
Balance as at 30 June 2016 (Audited)	250,000,000	9,000,000	(523,241,325)	(264,241,325)
Transferred from revaluation surplus - net of deferred income tax	-	-	2,053,859	2,053,859
Loss for the half year ended 31 December 2016	-	-	(17,949,835)	(17,949,835)
Other comprehensive income for the half year ended 31 December 2016	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2016	-	-	(17,949,835)	(17,949,835)
Balance as at 31 December 2016 (Un-audited)	250,000,000	9,000,000	(539,137,301)	(280,137,301)

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive

Director



SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1 THE COMPANY AND ITS OPERATIONS

Ravi Textile Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Pakistan Stock Exchange limited. Its registered office is situated at Banglow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt. The object of the Company is manufacturing and trading of yarn.

Two purchasers signed a share purchase agreement (SPA) on 13 January 2015 with major shareholders of the Company to acquire 57.42% of shares of the Company. On 23 September 2015, the purchasers also made public announcement of offer to acquire upto 5,322,347 ordinary shares of the Company comprising 21.289% of the total issued ordinary share capital of the Company at an offer price of Rupees 3.50 per share pursuant to the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008 ("the Regulations"). However, after complying with all requirements of the Securities Act, 2015 and the Regulations in respect of the Public Offer, the purchasers have not till the date of authorization for issue of this condensed interim financial information acquired ordinary shares of the Company from majority shareholders under the aforesaid SPA dated 13 January 2015. The purchasers acquired 50,500 ordinary shares of the Company tendered to them by the shareholders under the public offer. The majority shareholders are in dispute with the purchasers for the performance of SPA.

1.2 Going concern assumption

The Company has incurred net loss of Rupees 17.950 million during the half year ended 31 December 2016. Equity of the Company stands at a negative balance of Rupees 280.137 million due to accumulated losses of Rupees 539.137 million as on 31 December 2016. The operations of the mill remained closed during the half year ended 31 December 2016. The operations of the mill were resumed during the year ended 30 June 2015 after more than three years with the support of directors' loans. However, in August 2015, the operations of the mill were suspended again. It is beyond the control of the existing management of the Company to run the Company at an economically viable level due to poor economic / market conditions for spinning sector, high energy costs, scheduled and unscheduled extensive load shedding of electricity, high mark-up rates charged by banks and scarce availability of funds.

These conditions indicate the existence of material uncertainty which may cast doubt about the Company's ability to continue as a going concern. In view of the applicable financial reporting requirements, this condensed interim financial information has been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively in addition to historical cost convention. All assets and liabilities in this condensed interim financial information have been presented in the order of liquidity.

2 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

2.1 Basis of preparation

2.1.1 Statement of compliance

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.



2.1.2 Accounting convention

Keeping in view the fact that the Company may not be able to continue as going concern, this condensed interim financial information is prepared on the basis of realisable / (settlement) values of assets and liabilities respectively in addition to the historical cost convention. In realisable / (settlement) value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. Realisable / (settlement) values of assets and liabilities respectively as disclosed in the condensed interim balance sheet are based on the management's best estimate.

2.1.3 Critical accounting estimates and judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

	Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 3.1)	216,341,120	226,565,279
3.1 Operating fixed assets		
Opening net book value	226,565,279	251,335,516
Less: Depreciation charged during the period / year	(10,224,159)	(20,639,144)
Less: Reversal of surplus / impairment loss	-	(4,131,093)
Closing net book value	<u>216,341,120</u>	<u>226,565,279</u>
4. LONG TERM FINANCING		
From banking companies - secured		
Opening balance	72,086,307	80,929,218
Less: Gain on recognition of long term financing at fair value	-	(7,567,209)
	<u>72,086,307</u>	<u>73,362,009</u>
Add: Adjustment due to impact of IAS - 39 during the period / year	1,800,987	9,634,100
Less: Repaid during the period / year	(3,694,740)	(10,909,802)
Closing balance	<u>70,192,554</u>	<u>72,086,307</u>



4.1 As at 31 December 2016, overdue instalments amount to Rupees 9.242 million .

5. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments since the preceding annual published financial statements of the Company for the year ended 30 June 2016.

6. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties is as follows:

i. Transactions

(Un-audited)			
HALF YEAR ENDED		QUARTER ENDED	
31 December 2016	31 December 2015	31 December 2016	31 December 2015

----- Rupees -----

Other related parties

Remuneration to key management personnel

870,000	1,500,000	435,000	945,000
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	Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
ii Period end balances		
Payable to associated company	<u>67,871,667</u>	<u>49,834,743</u>

8. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

9. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 24th February 2017.

10. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made

11. GENERAL

Figures have been rounded off to the nearest of Rupee unless otherwise stated.

Chief Executive

Director



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