

CONDENSED
INTERIM FINANCIAL
INFORMATION

QUARTER ENDED

30 SEPTEMBER 2016

UN-AUDITED



Ravi Textile Mills Limited

CHIEF EXECUTIVE'S REVIEW

The result for the quarter ended September 30, 2016 show a net loss Rs.9.141 million after accounting for depreciation Rs.5.112 million, administrative expenses Rs.8.304 million and finance cost of Rs.2.021 million as compared to previous corresponding period net loss of Rs.18.176 million. During the period under review the operations of the mill were remained closed and their reasons were explained in detail in the immediate Directors report to the shareholders for the year 2016. It is beyond the control of the existing management of the Company to run the Company at an economically viable level due to unfavorable circumstances prevailing in the yarn market, squeezed liquidity position of the company and non-availability of fresh credit facilities from the banks to continue the business operation. The lower production with inferior quality of cotton in the country further aggravated the situation for recommencement of operations of the Company very difficult.

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.

For and on behalf of the Board

Multan:
27th October, 2016

Muhammad Waseem ur Rehman
Chief Executive

چیف ایگزیکٹو جائزہ

مالی نتیجہ سہ ماہی ختم ہوا ہے 30 ستمبر 2016ء کو صافی خسارہ 9.141 ملین روپے مشینری کی گھسائی اخراجات 5.112 ملین روپے اور قرضہ اخراجات 2.021 ملین روپے کے بعد ظاہر ہوتا ہے بمقابلہ گزشتہ سہ ماہی صافی خسارہ 18.176 ملین روپے۔ زبرد غور سہ ماہی کے دوران ملز کو چلانے کی کارروائی معطل رہیں اور ان کی وجوہات کو تفصیل سے تازہ ترین ڈائریکٹر رپورٹ کمپنی حصہ دارن سال 2016 کی رپورٹ میں بیان کر دیا ہے۔ کمپنی کو موجودہ انتظامیہ کے لئے مشکل ہو گیا ہے کہ وہ کمپنی کو منافع بخش طریقے سے چلائے کیونکہ دھماگے کی مارکیٹ میں غیر موزوں حالات ہیں کمپنی کی سکلری ہوئی نقد مالی صورت حال اور یہ کہ بینکوں نے بھی مالی قرضہ جات کی نئی سہولت نہیں دی ہے جس سے کاروبار کو جاری رکھا جائے۔ ملک کی کپاس پیداوار میں کمی اور گھٹیا کوالٹی کی وجہ سے صورت حال کو مزید برنجیدہ کر دیا ہے اور کمپنی کی ملز دوبارہ چلانا بہت مشکل ہو گیا ہے۔

دو خریداروں نے کمپنی کے حصص کو خریدنے کے لیے کمپنی کے اکثریتی حصہ دارن سے 57.42% حصص کی خرید کا معاہدہ (SPA) مورخہ 13 جنوری 2015 کو 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% فی حصص قیمت 3.50 روپے پر خرید کی پیش کش کی زیر قانون سیکورٹی ایکٹ 2015 اور سلیڈ پیکجنگ (سسٹا سٹائل) ایکویٹی ٹرانزیکشنز اینڈ ٹیک اوررز) ریگولیشنز 2008 کے تحت۔ اگرچہ سیکورٹی ایکٹ 2015 کو نافذ ہوا گیا پبلک آفر ریگولیشن کے تحت تمام ضابطوں کی تکمیل کر دی تاہم خریداروں نے کمپنی کی مالی دستاویز جاری ہونے کی تاریخ تک اکثریتی فروخت کنندہ حصہ دارن 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۔ جنہوں نے ان کو فروخت کے لیے پیش کیا۔

منجانب بورڈ

محمد وسیم الرحمن
(چیف ایگزیکٹو)

ملتان، 27 اکتوبر 2016



CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2016

	UN AUDITED		AUDITED	
	30 September		30 June	
	Book Value	Estimated realizable/ settlement value	Book Value	Estimated realizable/ settlement value
	2016		2016	
Note	Rupees	Rupees	Rupees	Rupees
ASSETS				
Bank balances on current accounts	44,200	44,200	205,505	205,505
Other receivables	-	-	-	-
Advances	2,592,256	2,592,256	2,498,355	2,498,355
Prepaid insurance	46,927	46,927	59,044	59,044
Trade debts - unsecured, considered good	217,267	217,267	217,267	217,267
Stock-in-trade	10,000	10,000	10,000	10,000
Stores, spare parts and loose tools	2,647,246	2,647,246	2,650,610	2,650,610
Security deposits	270,340	270,340	270,340	270,340
Property, plant and equipment	3	221,453,204	221,453,204	226,565,279
TOTAL ASSETS		227,281,440	227,281,440	232,476,400
LIABILITIES				
Trade and other payables	4	160,072,830	160,072,830	155,280,474
Accrued mark-up		2,144,099	2,144,099	1,685,261
Loan from ex-chief executive		832,223	832,223	832,223
Loans from directors		91,786,220	91,786,220	91,786,220
Long term financing	5	71,120,104	80,889,906	72,086,307
Deferred income tax liability		17,159,576	-	17,629,028
Employees' retirement benefit		3,057,198	2,533,858	2,927,047
Provision for taxation		1,280,377	1,280,377	1,280,377
TOTAL LIABILITIES		347,452,627	339,539,513	343,506,937
NET ASSETS		(120,171,187)	(112,258,073)	(111,030,537)
REPRESENTED BY:				
Authorized share capital		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
Revenue reserve - General reserve		9,000,000	9,000,000	9,000,000
Accumulated loss		(531,384,388)	(531,384,388)	(523,241,325)
Total equity		(272,384,388)	(272,384,388)	(264,241,325)
Net surplus on estimated realizable/settlement values		-	160,126,315	-
Surplus on revaluation of operating fixed assets		152,213,201	-	153,210,788
Contingencies and commitments	6	-	-	-
		(120,171,187)	(112,258,073)	(111,030,537)
				(103,651,391)

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

Chief Executive

Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

(UNAUDITED)

	Note	Quarter Ended	Quarter Ended
		30 September	30 September
		2016	2015
		Rupees	Rupees
SALES		-	42,089,517
COST OF SALES		-	(55,434,858)
GROSS LOSS		-	(13,345,341)
DISTRIBUTION COST		-	(43,695)
ADMINISTRATIVE EXPENSES		(8,303,682)	(2,915,622)
		(8,303,682)	(2,959,317)
		(8,303,682)	(16,304,658)
OTHER INCOME	7	714,930	7,000
LOSS FROM OPERATIONS		(7,588,752)	(16,297,658)
FINANCE COST		(2,021,350)	(2,388,152)
LOSS BEFORE TAXATION		(9,610,102)	(18,685,810)
TAXATION		469,453	509,501
LOSS AFTER TAXATION		(9,140,649)	(18,176,309)
LOSS PER SHARE- BASIC AND DILUTED		(0.37)	(0.73)

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

(UNAUDITED)

	Quarter Ended	Quarter Ended
	30 September	30 September
	2016	2015
	Rupees	Rupees
LOSS AFTER TAXATION	(9,140,649)	(18,176,309)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(9,140,649)	(18,176,309)

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2016
(UNAUDITED)

	Quarter Ended 30 September 2016 Rupees	Quarter Ended 30 September 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,610,102)	(18,685,810)
Adjustment for non-cash charges and other items:		
Depreciation	5,112,075	5,159,785
Adjustment due to IAS-39	873,243	906,956
Provision for employees' retirement benefit	130,151	1,141,035
Finance cost	1,148,107	1,481,196
Cash used in operating activities before working capital changes	<u>(2,346,526)</u>	<u>(9,996,838)</u>
(Increase) / decrease in current assets		
Stores, spares parts and loose tools	3,364	(563,145)
Stock-in-trade	-	28,533,448
Trade debts- unsecured, considered good	-	16,818,077
Advances	19,644	(405,746)
Prepaid insurance	12,117	-
	35,125	44,382,634
Increase / (decrease) in current liabilities		
Trade and other payables	4,754,007	(29,887,503)
Net cash generated from / (used in) operations	<u>2,442,606</u>	<u>4,498,293</u>
Finance cost paid		
Income tax	(689,269)	(43,072)
	(75,196)	(1,656,542)
	<u>(764,465)</u>	<u>(1,699,614)</u>
Net cash (used in) / generated from operating activities	1,678,141	2,798,679
CASH FLOW FROM INVESTING ACTIVITIES		
Capital work in progress	-	1,500,000
	-	1,500,000
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(1,839,446)	(6,121,949)
Net cash used in from financing activities	(1,839,446)	(6,121,949)
Net increase / (decrease) in Cash and cash equivalents	(161,305)	(1,823,270)
Cash and cash equivalent at the beginning of the period	205,505	3,728,719
Cash and cash equivalent at the end of the period	<u>44,200</u>	<u>1,905,449</u>

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

Chief Executive

Director



**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY**

**FOR THE QUARTER ENDED 30 SEPTEMBER 2016
(UNAUDITED)**

	Issued, Subscribed and paid up 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)
Loss for the quarter ended 30 September 2015	-	-	(18,176,309)	(18,176,309)
Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred tax liability	-	-	1,082,689	1,082,689
Balance as at 30 September 2015	250,000,000	9,000,000	(494,466,525)	(235,466,525)
Loss for the nine month ended 30 June 2016	-	-	(32,151,618)	(32,151,618)
Other comprehensive income nine month ended 30 June 2016	-	-	128,747	128,747
Transferred from surplus on revaluation of operating fixed assets to accumulated loss-net of deferred tax liability	-	-	3,248,071	3,248,071
Balance as at 30 June 2016 - Audited	250,000,000	9,000,000	(523,241,325)	(264,241,325)
Loss for the quarter ended 30 September 2016	-	-	(9,140,649)	(9,140,649)
Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred tax liability	-	-	997,586	997,586
Balance as at 30 September 2016	250,000,000	9,000,000	(531,384,388)	(272,384,388)

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

Chief Executive

Director



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 30 SEPTEMBER 2016
(UNAUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Ravi Textile Mills Limited 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 Bunglow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt. The object of the company is manufacturing and trading of yarn.

Going concern assumption

- 1.2 The Company has incurred net loss of Rupees 9.141 million during the quarter ended 30 September 2016. Equity of the Company stand at a negative balance of Rupees 272.384 million due to accumulated loss of Rupees 531.384 million as on 30 September 2016. The operations of mill were remained closed during the quarter ended September 30, 2016. These operation were resumed during the year 2014-2015 after more than three year with the support of director's loans. 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 cost, 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 financial reporting requirements of Code of Corporate Governance, 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 has been presented in the order of liquidity.

2 SUMMARY OF SIGNIFICANT 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 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 quarter ended 30 September 2016 has been prepared in accordance with the requirements of 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 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 judgements

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	Audited
	30 September	30 June
	2016	2016
	Rupees	Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	226,565,279	251,335,516
Add: Surplus on revaluation	-	(4,131,093)
	226,565,279	247,204,423
Less: Depreciation charged during the period / year	5,112,075	20,639,144
	221,453,204	226,565,279
4. TRADE AND OTHER PAYABLES	160,072,830	155,280,474
This include an amount of Rupees 58.279 million (30 June 2016: 49.834 million) due to an associated Company.		
5. LONG TERM FINANCING		
From banking companies - secured		
Bank Alfalah Limited	26,138,148	26,926,064
National Bank of Pakistan	44,981,956	45,160,243
	71,120,104	72,086,307

6. CONTINGENCIES AND COMMITMENTS

There has been no change in the status of contingencies and commitments from the date of preceding annual financial published statements of the company for the year ended 30 June 2016.

	UN-AUDITED	
	Quarter Ended	Quarter Ended
	30 September	30 September
	2016	2015
	Rupees	Rupees
7. OTHER INCOME		
Sale of scrap	-	7,000
Rental income (Note 7.1)	714,930	-
	714,930	7,000

7.1 This represents rental income from rent lease of godown owned by the Company under cancellable lease arrangement.

8. TRANSACTION WITH RELEATED PARTIES

The related parties comprises of associated undertaking and key management personnel. The Company in the normal course of business carried out transaction with verious releated parties.Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim financial information are as follows:

	UN-AUDITED	
	Quarter Ended 30 September 2016 Rupees	Quarter Ended 30 September 2015 Rupees
Remuneration of Chief Executive	255,000	255,000
Executive	163,635	300,000

9. 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.

10. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 October, 2016.

11. GENERAL

Figures have been rounded off to nearest rupee.

Chief Executive

Director



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mohammad 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

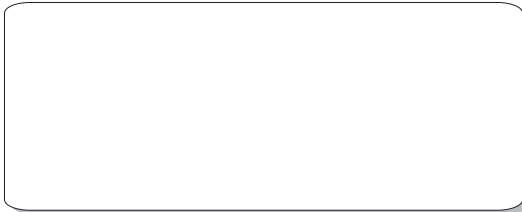
Hameed Majeed Associates (Pvt) Limited
H.M House 7-Bank square, Lahore.
Tel: 92-42 37235081-82

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