

CONDENSED
INTERIM FINANCIAL
INFORMATION

QUARTER ENDED

30 SEPTEMBER 2015

UN-AUDITED



Ravi Textile Mills Limited

CHIEF EXECUTIVE'S REVIEW

The result for the quarter ended September 30, 2015 show a net loss Rs.18.176 million after accounting for depreciation Rs.5.160 million, distribution cost Rs.0.044 million, administrative expenses Rs.2.916 million and finance cost of Rs.2.388 million as compared to previous corresponding period net loss of Rs.18.163 million. The operations of the mill were resumed during the immediate preceding year after more than three years with the support of directors' loans. The management of the Company had successfully negotiated with its banks for restructuring of its debt. Although resumption of mill operations and debt restructuring were critical for the Company but 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. Therefore the company faced closure of mill operations again at start of August 2015.

The company is passing through the legal process under the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations 2008 which details were explained in the immediate directors' report to the shareholders of the company for the year 2015.

For and on behalf of the Board

Multan:
28th October, 2015

Muhammad Waseem ur Rehman
Chief Executive


CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2015

	Note	UN AUDITED 30 September		AUDITED 30 June	
		Book Value	Estimated realizable/ settlement value	Book Value	Estimated realizable/ settlement value
		2015		2015	
		Rupees	Rupees	Rupees	Rupees
ASSETS					
Bank balances on current accounts		1,905,449	1,905,449	3,728,719	3,728,719
Other receivables		-	-	-	-
Advances		4,324,476	4,324,476	2,262,188	2,262,188
Trade debts - unsecured, considered good		613,169	613,169	17,431,246	17,431,246
Stock-in-trade		579,598	579,598	29,113,046	29,113,046
Stores, spare parts and loose tools		4,259,970	4,259,970	3,696,825	3,696,825
Security deposits		390,340	390,340	390,340	390,340
Property, plant and equipment	3	246,175,731	246,175,731	252,835,516	252,835,516
TOTAL ASSETS		258,248,733	258,248,733	309,457,880	309,457,880
LIABILITIES					
Trade and other payables	4	139,944,057	139,944,057	169,831,560	169,831,560
Accrued mark-up		40,806	40,806	40,806	40,806
Loan from ex-chief executive		832,223	832,223	832,223	832,223
Loan from directors		91,786,220	91,786,220	91,786,220	91,786,220
Long term financing	5	77,152,349	77,152,349	80,929,218	80,929,218
Deferred liabilities:					
Deferred income tax liability		21,048,159	-	21,557,660	-
Employees' retirement benefit		4,212,119	2,727,655	3,071,084	2,034,590
TOTAL LIABILITIES		335,015,933	312,483,310	368,048,771	345,454,617
NET ASSETS		(76,767,200)	(54,234,577)	(58,590,891)	(35,996,737)
REPRESENTED BY:					
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		(494,466,525)	(494,466,525)	(477,372,905)	(477,372,905)
Total equity		(235,466,525)	(235,466,525)	(218,372,905)	(218,372,905)
Net surplus on estimated realizable/settlement values		-	181,231,948	-	182,376,168
Surplus on revaluation of operating fixed assets		158,699,325	-	159,782,014	-
Contingencies and commitments	6	-	-	-	-
		(76,767,200)	(54,234,577)	(58,590,891)	(35,996,737)

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 2015****(UNAUDITED)**

	Note	Quarter Ended	Quarter Ended
		30 September	30 September
		2015	2014
		Rupees	Rupees
SALES		42,089,517	-
COST OF SALES		(55,434,858)	-
GROSS LOSS		(13,345,341)	-
DISTRIBUTION COST		(43,695)	-
ADMINISTRATIVE EXPENSES		(2,915,622)	(16,742,455)
		(2,959,317)	(16,742,455)
		(16,304,658)	(16,742,455)
OTHER INCOME	7	7,000	-
LOSS FROM OPERATIONS		(16,297,658)	(16,742,455)
FINANCE COST		(2,388,152)	(1,960,582)
LOSS BEFORE TAXATION		(18,685,810)	(18,703,037)
TAXATION		509,501	540,076
LOSS AFTER TAXATION		(18,176,309)	(18,162,961)
LOSS PER SHARE- BASIC AND DILUTED		(0.73)	(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 2015****(UNAUDITED)**

	Quarter Ended	Quarter Ended
	30 September	30 September
	2015	2014
	Rupees	Rupees
LOSS AFTER TAXATION	(18,176,309)	(18,162,961)
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	(18,176,309)	(18,162,961)

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

Chief Executive_____
Director

**RAVITEXTILEMILLSLIMITED****CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY****FOR THE QUARTER ENDED 30 SEPTEMBER 2015
(UNAUDITED)**

	Issued, Subscribed and paid up Share Capital	REVENUE RESERVE	Accumulated loss	Total equity
		General reserve		
----- Rupees -----				
Balance as at 30 June 2014 - Audited	250,000,000	9,000,000	(414,979,670)	(155,979,670)
Loss for the quarter ended 30 September 2014	-	-	(18,162,961)	(18,162,961)
Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred tax liability	-	-	1,048,382	1,048,382
Balance as at 30 September 2014	250,000,000	9,000,000	(432,094,249)	(173,094,249)
Loss for the nine months ended 30 June 2015	-	-	(48,525,913)	(48,525,913)
Transferred from surplus on revaluation of operating fixed assets to accumulated loss-net of deferred tax liability	-	-	3,247,257	3,247,257
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)

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 2015
(UNAUDITED)

	Quarter Ended 30 September 2015	Quarter Ended 30 September 2014
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(18,685,810)	(18,703,037)
Adjustment for non-cash charges and other items:		
Depreciation	5,159,785	5,090,933
Adjustment due to IAS- 39	906,956	-
Provision for employees' retirement benefit	1,141,035	-
Finance cost	1,481,196	1,960,582
Cash flows from operating activities before adjustment of working capital changes	(9,996,838)	(11,651,522)
(Increase) / decrease in current assets		
Stores, spares parts and loose tools	(563,145)	(1,111,890)
Stock-in-trade	28,533,448	(3,627,332)
Trade debts-unsecured, considered good	16,818,077	-
Advances	(405,746)	7,200
Sales tax refundable	-	(139,286)
	44,382,634	(4,871,308)
Increase / (decrease) in current liabilities		
Trade and other payables	(29,887,503)	21,472,835
Net cash generated from / (used in) operations	4,498,293	4,950,005
Finance costs paid	(43,072)	(809,412)
Income tax	(1,656,542)	(4,779)
	(1,699,614)	(814,191)
Net cash (used in) / generated from operating activities	2,798,679	4,135,814
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	-	(18,000)
Capital work in progress	1,500,000	(8,057,632)
	1,500,000	(8,075,632)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from directors	-	10,250,000
Repayment of long term financing	(6,121,949)	-
Short term borrowings - net	-	(1,250,000)
Net cash from financing activities	(6,121,949)	9,000,000
Net increase / (decrease) in Cash and cash equivalents	(1,823,270)	5,060,182
Cash and cash equivalent at the beginning of the period	3,728,720	163,152
Cash and cash equivalent at the end of the period	1,905,449	5,223,334

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 2015

(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 Karachi and Lahore Stock Exchanges. 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 18.176 million during the quarter ended 30 September 2015. Equity of the Company stand at a negative balance of Rupees 235.467 million due to accumulated loss of Rupees 494.467 million as on 30 September 2015. The Operation of the mill were resumed during the immediate preceding year after more than three years with the support directors' loans. The management of the Company had successfully negotiated with its banks for restructuring of its debt. However during the period under review, 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 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 2015.

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 2015 has been prepared in accordance with the requirements of International Accounting Standard 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 audited annual published financial statements of the Company for the year ended 30 June 2015.

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 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.



In addition to the accounting convention of realisable / settlement value of assets and liabilities, this interim financial information has also been prepared under the historical cost convention except for certain operating fixed assets which are carried at revalued amounts and certain financial instruments which are carried at fair value. Accounting policies of historical cost convention 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 2015.

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 2015.

	Un-Audited	Audited
	30 September	30 June
	2015	2015
	Rupees	Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	251,335,516	269,036,662
Add: Cost of addition during the period /year (Note 3.1)	-	2,996,100
	<u>251,335,516</u>	<u>272,032,762</u>
Less: Depreciation charged during the period / year	5,159,785	20,697,246
	<u>246,175,731</u>	<u>251,335,516</u>
Add: Capital work-in-progress machinery	-	1,500,000
	<u>246,175,731</u>	<u>252,835,516</u>
3.1 Cost of addition		
Plant and machinery	-	825,000
Furniture, fixture and office equipments	-	150,600
Vehicles	-	2,020,500
	<u>-</u>	<u>2,996,100</u>
4. TRADE AND OTHER PAYABLES	139,944,057	169,831,560
This include an amount of Rupees 34.401 million (June 2015: 32.993 million) due to an associated Company.		
5. LONG TERM FINANCING		
From banking companies - secured		
Bank Alfalah Limited	28,292,580	30,195,999
National Bank of Pakistan	48,859,769	50,733,219
	<u>77,152,349</u>	<u>80,929,218</u>

**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 2015.

	UN-AUDITED	
	Quarter Ended 30 September 2015 Rupees	Quarter Ended 30 September 2014 Rupees
7. OTHER INCOME		
Sale of scrap	7,000	-
	<u>7,000</u>	<u>-</u>

8. TRANSACTION WITH RELATED PARTIES

The related parties comprises of associated under taking and key management personnel. The Company in the normal course of business carried out transaction with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed else where in these condensed interim financial information are as follows:

	UN-AUDITED	
	Quarter Ended 30 September 2015 Rupees	Quarter Ended 30 September 2014 Rupees
Remuneration of Chief Executive	255,000	255,000
Executive	300,000	163,635

9. FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the company for the year ended 30 June 2015.

10. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 28 October, 2015.

11. GENERAL

Figures have been rounded off to nearest rupee.

Chief Executive

Director



RAVITEXTILEMILLSLIMITED

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: 92-4237235081-82

MILLS

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

BOOK POST

Under Postal Certificate



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