

CONDENSED
INTERIM FINANCIAL
INFORMATION

QUARTER ENDED

31 MARCH 2015

UN-AUDITED



Ravi Textile Mills Limited

CHIEF EXECUTIVE'S REVIEW

The results for the nine month under review show net loss of Rs.42.671 million after accounting for all operational expenses including depreciation of Rs.15.477 million and finance cost of Rs. 7.919 million. The operations of the mill were resumed during the nine month ended 31 March 2015 after more than three years with the support of directors' loans. The management of the Company has 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. The textile industry is unable to continue its business without the support of banks. These conditions indicate the existence of material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

During the period under review, certain purchasers have executed a share purchase agreement (SPA) dated 13 January 2015 with major shareholders of the Company to acquire 57.42 percent of issued ordinary share capital of the Company plus such additional shares as may be required to be purchased from the general public to comply with the takeover laws. Necessary legal and other requirements / formalities and conditions are being fulfilled.

For and on behalf of the Board

Multan:
28th April 2015

Muhammad Waseem ur Rehman
Chief Executive


CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2015

	Note	UN-AUDITED		AUDITED	
		31 March 2015		30 June 2014	
		Book Value	Estimated realizable/settlement value	Book Value	Estimated realizable/settlement value
		Rupees	Rupees	Rupees	Rupees
ASSETS					
Bank balances on current accounts		3,163,020	3,163,020	163,152	163,152
Advance and prepayments		3,028,027	3,028,027	2,157,409	2,157,409
Sales tax refundables		228,059	228,059	448,461	448,461
Trade debts- unsecured but considered goods		4,735,857	4,735,857	-	-
Stock-in-trade		38,996,651	38,996,651	-	-
Stores, spare parts and loose tools		5,445,198	5,445,198	4,756,507	4,756,507
Security deposits		390,340	390,340	330,340	330,340
Property, plant and equipment	3	257,939,098	257,939,098	271,711,662	271,711,662
TOTAL ASSETS		313,926,250	313,926,250	279,567,531	279,567,531
LIABILITIES					
Trade and other payables		162,613,160	162,613,160	47,281,065	47,281,065
Accrued mark-up		-	-	68,262,853	68,262,853
Short term borrowings	4	-	-	83,648,674	83,648,674
Loan from ex-chief executive		832,223	832,223	832,223	832,223
Loan from directors		76,611,220	76,611,220	46,161,220	46,161,220
Long term financing	5	84,745,047	93,479,895	-	-
Deferred liabilities:					
Deferred income tax liability		22,761,028	-	24,347,097	-
Employees' retirement benefit - gratuity of ex-employees		1,610,090	1,610,090	1,610,090	1,610,090
TOTAL LIABILITIES		349,172,768	335,146,588	272,143,222	247,796,125
NET ASSETS		(35,246,518)	(21,220,338)	7,424,309	31,771,406
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		(454,430,296)	(454,430,296)	(414,979,670)	(414,979,670)
Total equity		(195,430,296)	(195,430,296)	(155,979,670)	(155,979,670)
Net surplus on estimated realizable/settlement values		-	174,209,958	-	187,751,076
Surplus on revaluation of operating fixed assets		160,183,778	-	163,403,979	-
Contingencies and commitments	6	-	-	-	-
		(35,246,518)	(21,220,338)	7,424,309	31,771,406

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

Chief Executive

Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTH ENDED 31 MARCH 2015
(UNAUDITED)

	NINE MONTH ENDED		QUARTER ENDED	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Note	----- Rupees -----			
SALES	132,505,586	-	105,197,089	-
COST OF SALES	(195,318,104)	-	(123,283,684)	-
GROSS LOSS	(62,812,518)	-	(18,086,595)	-
DISTRIBUTION COST	(50,240)	-	(50,240)	-
ADMINISTRATIVE EXPENSES	(8,229,651)	(21,393,055)	(2,645,262)	(7,765,568)
OTHER OPERATING EXPENSES	-	(4,489,400)	-	-
	(8,279,891)	(25,882,455)	(2,695,502)	(7,765,568)
	(71,092,409)	(25,882,455)	(20,782,097)	(7,765,568)
OTHER OPERATING INCOME 7	34,754,310	5,368,195	-	-
LOSS FROM OPERATIONS	(36,338,099)	(20,514,260)	(20,782,097)	(7,765,568)
FINANCE COST	(7,918,797)	(7,463,012)	(2,547,762)	(2,505,885)
LOSS BEFORE TAXATION	(44,256,896)	(27,977,272)	(23,329,859)	(10,271,453)
TAXATION	1,586,069	1,476,620	528,689	492,206
LOSS AFTER TAXATION	(42,670,827)	(26,500,652)	(22,801,170)	(9,779,247)
LOSS PER SHARE - BASIC AND DILUTED	(1.71)	(1.06)	(0.91)	(0.39)

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME**
FOR THE NINE MONTH ENDED 31 MARCH 2015
(UNAUDITED)

	NINE MONTH ENDED		QUARTER ENDED	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	----- (Rupees) -----			
LOSS AFTER TAXATION	(42,670,827)	(26,500,652)	(22,801,170)	(9,779,247)
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	(42,670,827)	(26,500,652)	(22,801,170)	(9,779,247)

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTH ENDED 31 MARCH 2015
(UNAUDITED)

	Nine Month Ended	
	31 March 2015 Rupees	31 March 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(44,256,896)	(27,977,272)
Adjustment for non-cash charges and other items:		
Depreciation	15,477,064	14,495,904
Other receivable written off		4,489,400
Accrued mark up written back	(18,284,521)	-
Gain on recognition of long term financing at fair value	(16,469,789)	-
Finance cost	7,918,797	7,463,012
Cash used in operating activities before working capital changes	(55,615,345)	(1,528,956)
(Increase) / decrease in current assets		
Stores and spares	(688,691)	491,205
Stock in trade	(38,996,651)	-
Trade debts- unsecured but considered goods	(4,735,857)	-
Sales tax refundable	220,402	-
Advances and prepayments	(751,664)	57,000
Other receivables	-	(3,250,000)
Security deposit	(60,000)	-
Increase / (decrease) in current liabilities		
Trade and other payables	88,569,229	4,700,050
Effect on cash flows due to working capital changes	43,556,768	1,998,255
Cash (used in) / generated from operations	(12,058,577)	469,299
Finance costs paid	(183,856)	(3,698)
Income tax paid	(118,954)	(16,809)
Employees' retirement benefit paid	-	(76,957)
	(302,810)	(97,464)
Net cash (used in) from operating activities	(12,361,387)	371,835
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(1,704,500)	(17,400)
Net cash used in investing activities	(1,704,500)	(17,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(13,384,245)	-
Loan from directors	30,450,000	-
Net cash from financing activities	17,065,755	-
Net increase in cash and cash equivalents	2,999,868	354,435
Cash and cash equivalents at the beginning of the period	163,152	19,464
Cash and cash equivalents at the end of the period	3,163,020	373,899

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY****FOR THE NINE MONTH ENDED 31 MARCH 2015****(UNAUDITED)**

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	REVENUE RESERVE General reserve	ACCUMULATED LOSS	TOTAL EQUITY
	Rupees			
Balance as at 30 June 2013 (Audited)	250,000,000	9,000,000	(373,842,078)	(114,842,078)
Loss for the nine month ended 31 March 2014	-	-	(27,977,272)	(27,977,272)
Other comprehensive income for nine month ended 31 March 2014	-	-	-	-
Total comprehensive loss for the nine month ended 31 March 2014	-	-	(27,977,272)	(27,977,272)
Transferred from revaluation surplus net of deferred income tax	-	-	4,342,999	4,342,999
Balance as at 31 March 2014 (Un-Audited)	250,000,000	9,000,000	(397,476,351)	(138,476,351)
Loss for the quarter ended 30 June 2014	-	-	(16,982,937)	(16,982,937)
Other comprehensive income for the nine month ended 30 June 2014	-	-	-	-
Total comprehensive loss for the quarter ended 30 June 2014	-	-	(16,982,937)	(16,982,937)
Transferred from revaluation surplus net of deferred income tax	-	-	(520,382)	(520,382)
Balance as at 30 June 2014 (Audited)	250,000,000	9,000,000	(414,979,670)	(155,979,670)
Loss for the nine month ended 31 March 2015	-	-	(42,670,827)	(42,670,827)
Other comprehensive income for nine month ended 31 March 2015	-	-	-	-
Total comprehensive loss for the nine month ended 31 March 2015	-	-	(42,670,827)	(42,670,827)
Transferred from revaluation surplus net of deferred income tax	-	-	3,220,201	3,220,201
Balance as at 31 March 2015 (Un-Audited)	250,000,000	9,000,000	(454,430,296)	(195,430,296)

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

Chief Executive

Director



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH ENDED 31 MARCH 2015
(UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

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 Banglow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt. The Company is engaged in manufacturing and trading of yarn.

1.2 Going concern assumption

The Company has incurred net loss of Rupees 42.671 million during the nine month ended 31 March 2015. Equity of the Company stands at a negative balance of Rupees 195.430 million due to accumulated losses of Rupees 454.430 million as on 31 March 2015. The operations of the mill were resumed during period ended 31 March 2015 after more than three years with the support of directors' loans. The management of the Company has successfully negotiated with the 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 poor economic / market conditions for spinning sector.

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 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. ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of compliance

This condensed interim financial information is un-audited and being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the nine month ended 31 March 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 the preceding audited annual published financial statements of the Company for the year ended 30 June 2014.

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 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 2014.

	Un-audited 31 March 2015	Audited 30 June 2014
3. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 3.1)	255,614,098	269,036,662
Capital work-in-progress	2,325,000	2,675,000
	<u>257,939,098</u>	<u>271,711,662</u>
3.1		
Opening book value	269,036,662	281,190,014
Add: Cost of additions during the period / year (Note 3.2)	2,054,500	1,704,340
Add: Surplus on revaluation	-	5,508,647
	<u>271,091,162</u>	<u>288,403,001</u>
Less: Depreciation charged during the period / year	15,477,064	19,366,339
	<u>255,614,098</u>	<u>269,036,662</u>
3.2		
Cost of additions		
Plant and machinery	-	590,948
Furnitures, fixtures and office equipment	34,000	465,046
Vehicles	2,020,500	648,346
	<u>2,054,500</u>	<u>1,704,340</u>
4. SHORT TERM BORROWINGS		
These short term borrowings have been restructured as long term financing by the banks.		
	Un-audited 31 March 2015	Audited 30 June 2014
5. LONG TERM FINANCING		
From banking companies - secured		
Opening balance	-	-
Add: transferred from short term borrowing along with accrued mark up	106,864,141	-
Less: Gain on recognition of long term financing at fair value	(16,469,789)	-
	<u>90,394,352</u>	<u>-</u>
Add:- Adjustment of IAS-39 during the period/ year	7,734,941	-
Less:- Repaid during the period	(13,384,246)	-
	<u>84,745,047</u>	<u>-</u>
6. CONTINGENCIES AND COMMITMENTS		

There is no change in the status of contingencies and commitments from the preceding annual published financial statements of the Company for the year ended 30 June 2014.



(Un-audited)			
NINE MONTH ENDED		QUARTER ENDED	
31 March 2015	31 March 2014	31 March 2015	31 March 2014
Rupees	Rupees	Rupees	Rupees
7. OTHER INCOME			
Mark up written back	18,284,521	-	-
Gain on recognition of long term financing at fair value	16,469,789	-	-
Rental income	-	3,250,000	-
Gain received from beneficiary owner	-	2,118,195	-
	<u>34,754,310</u>	<u>5,368,195</u>	<u>-</u>

8. 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			
NINE MONTH ENDED		QUARTER ENDED	
31 March 2015	31 March 2014	31 March 2015	31 March 2014
-----Rupees-----			

Other related parties

Remuneration of Chief Executive, Director and Executives

1,501,021	1,432,416	532,178	476,611
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Un-audited	Audited
31 March	30 June
2015	2014
Rupees	Rupees

ii. Trade and other payables

Trade and other payables to associated company

39,374,117	7,260,915
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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 2014.

10. DATE OF AUTHORIZATION FOR ISSUE

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

11. 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 profit or loss and other 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.

12. GENERAL

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

Chief Executive

Director



RAVI TEXTILE MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Waseem-ur-Rehman (Chief Executive)
Aftab Sarwar (Chairman)
Tahir Majeed
Muhammad Riaz
Muhammad Shahid
Aammar 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

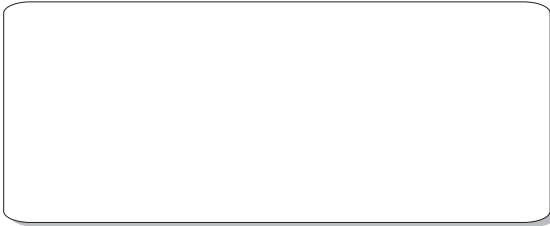
Bungalow No. 120 Defence Officers Housing
Scheme, Sher Shah Road, Multan Cantt. Pakistan
Phone: 92-61-4503620 - 4503630
Fax: 92-61-4503640
E-mail: info@ravitextile.com

MILLS

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

BOOK POST

Under Postal Certificate



IF UNDELIVERED, PLEASE RETURN TO:

RAVI TEXTILE MILLS LIMITED.

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