

CONDENSED
INTERIM FINANCIAL
INFORMATION

QUARTER ENDED

31 MARCH 2016

UN-AUDITED



Ravi Textile Mills Limited



CHIEF EXECUTIVE'S REVIEW

The results for the nine month under review show net loss of Rs.46.089 million after accounting for all operational expenses including depreciation of Rs.15.479 million and finance cost of Rs. 6.679 million. 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. The management of the Company has successfully negotiated with its banks for restructuring of its debt. However, during the period under review, 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 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.

Certain purchasers have executed a share purchase agreement (SPA) dated 13 January 2015 with major shareholders of the Company to acquire 57.42% of issued ordinary share capital of the Company. On 23 September 2015, the purchasers have 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 purchasers are in process of completing necessary legal and other requirements / formalities.

For and on behalf of the Board

Multan:
27th April, 2016

Muhammad Waseem ur Rehman
Chief Executive


CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2016

	Note	UN-AUDITED		AUDITED	
		31 March 2016		30 June 2015	
		Book Value	Estimated realizable/ settlement value	Book Value	Estimated realizable/ settlement value
	Rupees	Rupees	Rupees	Rupees	
ASSETS					
Bank balances on current accounts		81,929	81,929	3,728,719	3,728,719
Advance and prepayments		2,546,399	2,546,399	2,262,188	2,262,188
Trade debts- unsecured but considered goods		217,267	217,267	17,431,246	17,431,246
Stock-in-trade		103,088	103,088	29,113,046	29,113,046
Stores, spare parts and loose tools		4,234,846	4,234,846	3,696,825	3,696,825
Security deposits		270,340	270,340	390,340	390,340
Property, plant and equipment	3	235,856,156	235,856,156	252,835,516	252,835,516
TOTAL ASSETS		243,310,025	243,310,025	309,457,880	309,457,880
LIABILITIES					
Trade and other payables		150,467,180	150,467,180	169,831,560	169,831,560
Accrued mark-up		1,862,895	1,862,895	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	4	75,237,901	75,237,901	80,929,218	93,762,079
Deferred income tax liability		20,029,156	-	21,557,660	-
Employees' retirement benefit		6,494,189	2,394,710	3,071,084	2,034,590
Provision for taxation		1,280,377	1,280,377	-	-
TOTAL LIABILITIES		347,990,141	323,861,506	368,048,771	358,287,478
NET ASSETS		(104,680,116)	(80,551,481)	(58,590,891)	(48,829,598)
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		(520,214,060)	(520,214,060)	(477,372,905)	(477,372,905)
Total equity		(261,214,060)	(261,214,060)	(218,372,905)	(218,372,905)
Net surplus on estimated realizable/settlement values		-	180,662,579	-	169,543,307
Surplus on revaluation of operating fixed assets		156,533,944	-	159,782,014	-
Contingencies and commitments	5	-	-	-	-
		(104,680,116)	(80,551,481)	(58,590,891)	(48,829,598)

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 2016
(UNAUDITED)

	NINE MONTH ENDED		QUARTER ENDED	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Note	----- Rupees -----			
SALES	42,396,547	132,505,586	-	105,197,089
COST OF SALES	(74,222,895)	(195,318,104)	(7,796,855)	(123,283,684)
GROSS LOSS	(31,826,348)	(62,812,518)	(7,796,855)	(18,086,595)
DISTRIBUTION COST	(43,695)	(50,240)	-	(50,240)
ADMINISTRATIVE EXPENSES	(7,621,720)	(8,229,651)	(2,061,522)	(2,645,262)
	(7,665,415)	(8,279,891)	(2,061,522)	(2,695,502)
	(39,491,763)	(71,092,409)	(9,858,377)	(20,782,097)
OTHER INCOME	6 322,489	34,754,310	315,489	-
LOSS FROM OPERATIONS	(39,169,274)	(36,338,099)	(9,542,888)	(20,782,097)
FINANCE COST	(6,678,923)	(7,918,797)	(2,055,317)	(2,547,762)
LOSS BEFORE TAXATION	(45,848,197)	(44,256,896)	(11,598,205)	(23,329,859)
TAXATION	(241,028)	1,586,069	509,501	528,689
LOSS AFTER TAXATION	(46,089,225)	(42,670,827)	(11,088,704)	(22,801,170)
LOSS PER SHARE - BASIC AND DILUTED	(1.84)	(1.71)	(0.44)	(0.91)

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 2016
(UNAUDITED)

	NINE MONTH ENDED		QUARTER ENDED	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	----- (Rupees) -----			
LOSS AFTER TAXATION	(46,089,225)	(42,670,827)	(11,088,704)	(22,801,170)
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	(46,089,225)	(42,670,827)	(11,088,704)	(22,801,170)

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 2016
(UNAUDITED)

	Nine Month Ended	
	31 March 2016	31 March 2015
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(45,848,197)	(44,256,896)
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	15,479,360	15,477,064
Adjustment due to impact of IAS- 39	2,568,351	-
Accrued mark up written back	-	(18,284,521)
Gain on recognition of long term financing at fair value	-	(16,469,789)
Provision for employees' retirement benefit	3,423,105	-
Finance cost	4,110,572	7,918,797
Cash used in operating activities before working capital changes	(20,266,809)	(55,615,345)
(Increase) / decrease in current assets		
Stores and spares	(538,021)	(688,691)
Stock in trade	29,009,958	(38,996,651)
Trade debts- unsecured but considered goods	17,213,979	(4,735,857)
Sales tax refundable	-	220,402
Advances and prepayments	67,821	(751,664)
Security deposit	120,000	(60,000)
(Decrease) / increase in Trade and other payables	(19,364,380)	88,569,229
Effect on cash flows due to working capital changes	26,509,357	43,556,768
Cash generated from / (used in) operations	6,242,548	(12,058,577)
Finance costs paid	(2,285,310)	(183,856)
Income tax paid	(841,187)	(118,954)
Net cash generated from / (used in) operating activities	3,116,051	(12,361,387)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	1,500,000	(1,704,500)
Net cash used in investing activities	1,500,000	(1,704,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(8,262,842)	(13,384,245)
Loan from directors	-	30,450,000
Net cash (used in) from financing activities	(8,262,842)	17,065,755
Net (decrease) increase in cash and cash equivalents	(3,646,791)	2,999,868
Cash and cash equivalents at the beginning of the period	3,728,720	163,152
Cash and cash equivalents at the end of the period	81,929	3,163,020

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITYFOR THE NINE MONTH ENDED 31 MARCH 2016
(UNAUDITED)

	ISSUED, SUBSCRIBED AND PAID-UP	REVENUE RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	SHARE CAPITAL	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 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)
Loss for the quarter ended 30 June 2015	-	-	(24,018,047)	(24,018,047)
Other comprehensive income for the quarter ended 30 June 2015	-	-	-	-
Total comprehensive loss for the quarter ended 30 June 2015	-	-	(24,018,047)	(24,018,047)
Transferred from revaluation surplus net of deferred income tax	-	-	1,075,438	1,075,438
Balance as at 30 June 2015 (Audited)	250,000,000	9,000,000	(477,372,905)	(218,372,905)
Loss for the nine month ended 31 March 2016	-	-	(46,089,225)	(46,089,225)
Other comprehensive income for nine month ended 31 March 2016	-	-	-	-
Total comprehensive loss for the nine month ended 31 March 2016	-	-	(46,089,225)	(46,089,225)
Transferred from revaluation surplus net of deferred income tax	-	-	3,248,070	3,248,070
Balance as at 31 March 2016 (Un-Audited)	250,000,000	9,000,000	(520,214,060)	(261,214,060)

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 2016
(UNAUDITED)

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 Company is engaged in manufacturing and trading of yarn.

Certain purchasers have executed a share purchase agreement (SPA) dated 13 January 2015 with major shareholders of the Company to acquire 57.42% of issued ordinary share capital of the company. On 23 September 2015, the purchasers have 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 Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulation, 2008. The purchasers are in process of completing necessary legal and other requirements / formalities.

1.2 Going concern assumption

The Company has incurred net loss of Rupees 46,089 million during the nine month ended 31 March 2016. Equity of the Company stands at a negative balance of Rupees 261.214 million due to accumulated losses of Rupees 520.214 million as on 31 March 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. The management of the Company has successfully negotiated with the banks for restructuring of its debt. However, during the period, 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 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 value 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

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 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 2016 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 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 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 judgements 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
	31 March	30 June
	2016	2015
3. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 3.1)	235,856,156	251,335,516
Capital work-in-progress	-	1,500,000
	<u>235,856,156</u>	<u>252,835,516</u>
3.1		
Opening book value	251,335,516	269,036,662
Add: Cost of additions during the period / year (Note 3.2)	-	2,996,100
	<u>251,335,516</u>	<u>272,032,762</u>
Less: Depreciation charged during the period / year	15,479,360	20,697,246
	<u>235,856,156</u>	<u>251,335,516</u>
3.2 Cost of additions		
Plant and machinery	-	825,000
Furnitures, fixtures and office equipment	-	150,600
Vehicles	-	2,020,500
	<u>-</u>	<u>2,996,100</u>
4. LONG TERM FINANCING		
From banking companies - secured		
Opening balance	80,929,218	-
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>80,929,218</u>	<u>90,394,352</u>
Add:- Adjustment of IAS-39 during the period/ year	2,571,525	3,636,928
Less:- Repaid during the period	(8,262,842)	(13,102,062)
	<u>75,237,901</u>	<u>80,929,218</u>

4.1 As at 31 March 2016, overdue instalments amount to Rupees.6.033 million.

5. 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 2015.



(Un-audited)			
NINE MONTH ENDED		QUARTER ENDED	
31 March 2016	31 March 2015	31 March 2016	31 March 2015
Rupees	Rupees	Rupees	Rupees
6. OTHER INCOME			
Mark up written back	-	18,284,521	-
Gain on recognition of long term financing at fair value	-	16,469,789	-
Miscellaneous	7,000	-	-
Rental income (Note No. 6.1)	315,489	315,489	-
	<u>322,489</u>	<u>315,489</u>	<u>-</u>
	<u>34,754,310</u>	<u>315,489</u>	<u>-</u>

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

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			
NINE MONTH ENDED		QUARTER ENDED	
31 March 2016	31 March 2015	31 March 2016	31 March 2015
-----Rupees-----			

Other related parties

Remuneration of Chief Executive, Director and Executives 2,200,000 1,501,021 700,000 532,178

Un-audited	Audited
31 March 2015	30 June 2015
Rupees	Rupees

ii. Trade and other payables

Trade and other payables to associated company 41,492,275 32,992,729

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 2015

9. DATE OF AUTHORIZATION FOR ISSUE

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

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



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

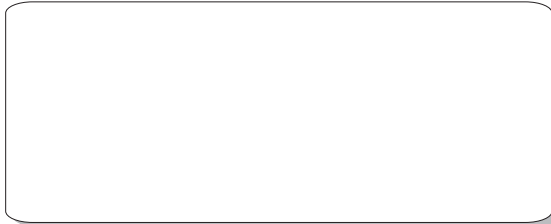
Hameed Majeed Associates (Pvt) Limited
H.M House 7-Bank square, Lahore.
Tel: 92-42-37235081-82

MILLS

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

BOOK POST

Under Postal Certificate



IF UNDELIVERED, PLEASE RETURN TO:

RAVI TEXTILE MILLS LIMITED.

Bungalow No. 120, Defence Officers Housing Scheme,
Sher Shah Road Multan cantt. Multan.
Tel: +92-61-4503620-630