

CONDENSED
INTERIM FINANCIAL
INFORMATION

QUARTER ENDED

30 SEPTEMBER 2014

UN-AUDITED



Ravi Textile Mills Limited

CHIEF EXECUTIVE'S REVIEW

The result for the quarter ended September 30, 2014 show a net loss Rs.18.163 million after accounting for administrative expenses Rs.16.742 million including depreciation of Rs.5.091 million and finance cost of Rs.1.961 million as compared to previous corresponding period net loss of Rs.4.387 million. During the period under review the operation of mills were remain suspended but repair and maintenance carried out for revival of operation of mills. The reasons for closure of mills operation and its revival were explained in detail in the immediate directors' report to the shareholders for the year 2014.

The management of the company is under legal process with banks for filing of joint application before the court of Law for Compromise Agreement. Your directors of the company are hopeful that operation of mills will be revived with the support of banks in future.

For and on behalf of the Board

Multan:
29th October, 2014

Muhammad Waseem ur Rehman
Chief Executive


CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2014

| | UN AUDITED 30 September | | AUDITED 30 June | |
|-----------------------------------------------------------|----------------------------|----------------------------------------------|----------------------|----------------------------------------------|
| | Book Value | Estimated realizable/ settlement value | Book Value | Estimated realizable/ settlement value |
| | 2014 | | 2014 | |
| Note | Rupees | Rupees | Rupees | Rupees |
| ASSETS | | | | |
| Bank balances on current accounts | 5,223,334 | 5,223,334 | 163,152 | 163,152 |
| Other receivables | - | - | - | - |
| Advances | 2,154,988 | 2,154,988 | 2,157,409 | 2,157,409 |
| Sales tax refundable | 587,747 | 587,747 | 448,461 | 448,461 |
| Stock in trade | 3,627,332 | 3,627,332 | - | - |
| Stores, spare parts and loose tools | 5,868,397 | 5,868,397 | 4,756,507 | 4,756,507 |
| Security deposits | 330,340 | 330,340 | 330,340 | 330,340 |
| Property, plant and equipment | 3 | 274,696,361 | 274,696,361 | 271,711,662 |
| TOTAL ASSETS | | 292,488,499 | 292,488,499 | 279,567,531 |
| LIABILITIES | | | | |
| Trade and other payables | 4 | 66,901,022 | 66,901,022 | 47,281,065 |
| Accrued mark - up | | 71,266,901 | 71,266,901 | 68,262,853 |
| Short term borrowings | | 82,398,674 | 82,398,674 | 83,648,674 |
| Loan from Ex- chief executive | | 832,223 | 832,223 | 832,223 |
| Loan from directors | | 56,411,220 | 56,411,220 | 46,161,220 |
| Deferred liabilities | | | | |
| - Deferred income tax liabilities | | 24,347,097 | - | 24,347,097 |
| - Employees' retirement benefit- gratuity of ex-employees | | 1,610,090 | 1,610,090 | 1,610,090 |
| TOTAL LIABILITIES | | 303,767,227 | 279,420,130 | 272,143,222 |
| NET ASSETS | | (11,278,728) | 13,068,369 | 7,424,309 |
| 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 | | (432,094,249) | (432,094,249) | (414,979,670) |
| Total equity | | (173,094,249) | (173,094,249) | (155,979,670) |
| Net surplus on estimated realizable / settlement value | | - | 186,162,618 | - |
| Surplus on revaluation of operating fixed assets | | 161,815,521 | - | 163,403,979 |
| Contingencies and commitments | 5 | - | - | - |
| | | (11,278,728) | 13,068,369 | 7,424,309 |

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 ENDED 30 SEPTEMBER 2014

(UNAUDITED)

| | Note | Quarter Ended | Quarter Ended |
|------------------------------------|------|---------------|---------------|
| | | 30 September | 30 September |
| | | 2014 | 2013 |
| | | Rupees | Rupees |
| | | | Restated |
| SALES | | - | - |
| COST OF SALES | | - | - |
| GROSS PROFIT | | - | - |
| ADMINISTRATIVE EXPENSES | | (16,742,455) | (6,503,332) |
| OTHER EXPENSES | | - | - |
| | | (16,742,455) | (6,503,332) |
| | | (16,742,455) | (6,503,332) |
| OTHER INCOME | 6 | - | 4,068,195 |
| LOSS FROM OPERATIONS | | (16,742,455) | (2,435,137) |
| FINANCE COST | | (1,960,582) | (2,458,114) |
| LOSS BEFORE TAXATION | | (18,703,037) | (4,893,251) |
| TAXATION | | 540,076 | 506,683 |
| LOSS AFTER TAXATION | | (18,162,961) | (4,386,568) |
| LOSS PER SHARE - BASIC AND DILUTED | | (0.73) | (0.18) |

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 2014

(UNAUDITED)

| | Quarter Ended | Quarter Ended |
|-----------------------------------------|---------------|---------------|
| | 30 September | 30 September |
| | 2014 | 2013 |
| | Rupees | Rupees |
| LOSS AFTER TAXATION | (18,162,961) | (4,386,568) |
| OTHER COMPREHENSIVE INCOME | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (18,162,961) | (4,386,568) |

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 2014
(UNAUDITED)

| | Quarter Ended 30 September 2014 Rupees | Quarter Ended 30 September 2013 Rupees |
|-----------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (18,703,037) | (4,893,251) |
| Adjustment for non-cash charges and other items: | | |
| Depreciation | 5,090,933 | 4,831,485 |
| Finance cost | 1,960,582 | 2,458,114 |
| Cash flows from operating activities before adjustment of working capital changes | (11,651,522) | 2,396,348 |
| (Increase) / decrease in current assets | | |
| Stores and spares | (1,111,890) | 33,014 |
| Stock in trade | (3,627,332) | - |
| Loans and advances | 7,200 | 31,400 |
| Other receivables | - | (1,950,000) |
| Sales tax | (139,286) | - |
| | (4,871,308) | (1,885,586) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 21,472,835 | (263,134) |
| Net cash generated from / (used in) operations | 4,950,005 | 247,628 |
| Finance costs paid | (809,412) | (35,728) |
| Income tax | (4,779) | (6,540) |
| Gratuity paid | - | (76,957) |
| | (814,191) | (119,225) |
| Net cash (used in) / generated from operating activities | 4,135,814 | 128,403 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure on property, plant and equipment | (18,000) | - |
| Capital work in progress | (8,057,632) | - |
| | (8,075,632) | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Loan from directors | 10,250,000 | - |
| Short term borrowings - net | (1,250,000) | - |
| Net cash from financing activities | 9,000,000 | - |
| Net increase / (decrease) in Cash and cash equivalents | 5,060,182 | - |
| Cash and cash equivalent at the beginning of the period | 163,152 | 19,464 |
| Cash and cash equivalent at the end of the period | 5,223,334 | 147,867 |

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITYFOR THE QUARTER ENDED 30 SEPTEMBER 2014
(UNAUDITED)

| | Issued, Subscribed and paid up Share Capital | Revenew reserves 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 quarter ended 30 September 2013 | - | - | (4,386,568) | (4,386,568) |
| Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred tax liability | - | - | 940,983 | 940,983 |
| Balance as at 30 September 2013 | 250,000,000 | 9,000,000 | (377,287,663) | (118,287,663) |
| Loss for the Nine Months ended 30 June 2014 | - | - | (40,066,958) | (40,066,958) |
| Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred tax liability | - | - | 2,374,951 | 2,374,951 |
| 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 | <u>250,000,000</u> | <u>9,000,000</u> | <u>(432,094,249)</u> | <u>(173,094,249)</u> |

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

Chief ExecutiveDirector



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 30 SEPTEMBER 2014

(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 Bungalow 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 18.163 million during the quarter ended 30 September 2014. Equity of the Company stands at a negative balance of Rupees 173.094 million due to accumulated losses of Rupees 432.094 million as on 30 September 2014. The Company is in the process of rescheduling of its outstanding borrowing from banks. The Company has no fresh / new borrowing facilities from banks. Due to increase in energy cost, scheduled and unscheduled extensive load shedding of electricity, high mark-up rates charged by banks and scarce availability of funds, it has become beyond the control of the management to run the Company at an economically viable level. Hence, ultimately the operations of the mill were suspended.

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 2014.

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 2014 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 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 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 2014.

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 30 September 2014 Rupees | Audited 30 June 2014 Rupees |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------|
| 3. PROPERTY, PLANT AND EQUIPMENT | | |
| Opening book value | 271,711,662 | 281,190,014 |
| Add: Cost of addition during the period /year (Note 3.1) | 18,000 | 1,704,340 |
| Add: Surplus on revaluation | - | 5,508,647 |
| | <u>271,729,662</u> | <u>288,403,001</u> |
| Less: Depreciation charged during the period / year | 5,090,933 | 19,366,339 |
| | <u>266,638,729</u> | <u>269,036,662</u> |
| Add: Capital work-in-progress (Note 3.2) | 8,057,632 | 2,675,000 |
| | <u>274,696,361</u> | <u>271,711,662</u> |
| 3.1 Cost of addition | | |
| Plant and machinery | - | 590,948 |
| Furniture, fixture and office equipments | 18,000 | 465,046 |
| Vehicles | - | 648,346 |
| | <u>18,000</u> | <u>1,704,340</u> |
| 3.2 Capital work-in-progress | | |
| Plant and machinery | 6,617,066 | 2,325,000 |
| Civil work | 1,440,566 | 350,000 |
| | <u>8,057,632</u> | <u>2,675,000</u> |
| | Un-Audited 30 September 2014 Rupees | Audited 30 June 2014 Rupees |
| 4. TRADE AND OTHER PAYABLES | 66,901,022 | 47,281,065 |
| This include an amount of Rupees 7.529 million (June 2014: 7.261 million) due to an associated Company. | | |
| 5. CONTINGENCIES AND COMMITMENTS | | |
| There has been no change in the status of contingencies and commitments from the date of preceding annual financial publishedstatements of the company for the year ended 30 June 2014. | | |



| | UN-AUDITED | |
|------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| | Quarter Ended 30 September 2014 Rupees | Quarter Ended 30 September 2013 Rupees |
| 6. OTHER INCOME | | |
| Rental income | - | 1,950,000 |
| Tenderable gain received from beneficial owner | - | 2,118,195 |
| | <u>-</u> | <u>4,068,195</u> |

- 6.1 This represents rental income from lease of some of the production facilities owned by the company under a cancellable operating lease arrangement, which ended during the period.
- 6.2 This represents tenderable gain received from beneficial owner of the company u/s 224 (2) of the companies ordinance, 1984.

7. TRANSACTION WITH RELATED PARTIES

The related parties comprises of associated undertaking 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 elsewhere in these condensed interim financial information are as follows:

| | UN-AUDITED | |
|---------------------------------|-------------------------------------------------|-------------------------------------------------|
| | Quarter Ended 30 September 2014 Rupees | Quarter Ended 30 September 2013 Rupees |
| Remuneration of Chief Executive | 255,000 | 255,000 |
| Executive | 163,635 | 146,733 |

8. 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 2014.

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 29 October, 2014.

10. GENERAL

Figures have been rounded off to nearest rupee.

Chief Executive

Director



RAVITEXTILEMILLSLIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

| | | |
|---------------------------|-------------------------------------------|--|
| Muhammad Waseem-ur-Rehman | (Chief Executive) | |
| Aftab Sarwar | (Chairman) | |
| Tahir Majeed | | |
| Muhammad Riaz | | |
| Muhammad Shahid | | |
| Aammar Khurshid Chandia | (Non- Executive Director w.e.f 29-04-2014 | |
| Shahbaz Manzoor | (Non- Executive Director w.e.f 08-09-2014 | |

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

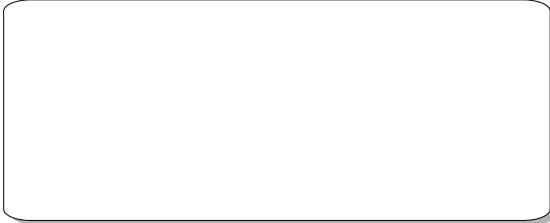
Bungalow No.120 Defence Officers Housing
Scheme, Sher Shah Road, Multan Cantt. Pakistan
Phone: 92-61-4503620 - 4503630
Fax: 92-61-4503640
E-mail: info@ravitextile.com

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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Sher Shah Road Multan cantt. Multan.
Tel: +92-61-4503620-630