

CONDENSED  
INTERIM FINANCIAL  
INFORMATION

QUARTER ENDED

**30 SEPTEMBER 2017**

UN-AUDITED



Ravi Textile Mills Limited



## CHIEF EXECUTIVE'S REVIEW

The result for the quarter ended September 30, 2017 show a net loss Rs. 8.392 million after accounting for administrative and general expenses Rs. 7.563 million including depreciation Rs. 4.337 million and finance cost of Rs. 1.792 million as compared to previous corresponding period net loss of Rs. 9.141 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 2017. 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 passing through sever crisis specially spinning due to high energy cost, schedule and unscheduled extensive load shedding of electricity, high mark up rate charged by the banks and lack of fresh credit facilities from the banks make recommencement of operations of the Company very difficult. However, the management is fully aware of present challenges facing the textile industry specially spinning. The Company is exploring various options for its revival by reorganizing its business and diverting its existing resources for financial viable activities.

For and on behalf of the Board

Multan:  
27<sup>th</sup> October, 2017

Muhammad Waseem ur Rehman  
Chief Executive

### چیف ایگزیکٹو جائزہ

ماہی نتیجہ سہ ماہی ختم ہوا ہے 30 ستمبر 2017 کو صافی خسارہ 8.392 ملین روپے ظاہر ہوتا ہے جو کہ انتظامی اور عام اخراجات 7.563 ملین روپے بشمول مشینری کی گھسائی 4.337 ملین روپے اور قرضہ اخراجات 1.792 ملین روپے کی منہا کے بعد ہے، بمقابلہ گزشتہ سہ ماہی صافی خسارہ 9.141 ملین روپے۔ زیر غور سہ ماہی کے دوران طرز چلانے کی کارروائی معطل رہیں اور ان کی وجوہات کو تفصیل سے تازہ ترین ڈائریکٹر رپورٹ برائے کمپنی ہمداران سال 2017 میں بیان کر دیا ہے۔ کمپنی کی موجودہ انتظامیہ کے لئے مشکل ہو گیا ہے وہ کہ وہ کمپنی کو منافع بخش طریقے سے چلانے کیونکہ دھاگے کی مارکیٹ میں غیر موزوں حالات ہیں کمپنی کی سکری ہوئی نقد مالی صورت حال اور یہ کہ بینکوں نے بھی مالی قرضہ جات کی نئی سہولت نہیں دی ہے۔ ٹیکسٹائل انڈسٹری خاص طور سے دھاگہ بنانے والی شدید بحران کا شکار ہے۔ بجلی کی بڑھتی ہوئی قیمت، اعلا نیے اور غیر اعلا نیے بجلی کی لوڈ شیڈنگ، قرضہ جات پر انتہائی منافع کاروبار اور بینکوں کی طرف سے قرضہ جات نہ دینے کے فقدان نے کمپنی کے دوبارہ کاروبار شروع کرنا مشکل بنا دیا ہے۔ کمپنی بہت سے مواقع کاروبار کے لیے کوشاں ہے کہ اپنے کاروبار کے موجودہ ذرائع کو دوبارہ سے مرتب کر کے کاروبار کو بحال کر لے جس کے کرنے سے مالی منافع حاصل ہو سکے۔

مٹھانہ بورڈ

محمد وسیم الرحمن  
(چیف ایگزیکٹو)

ملتان۔ 27 اکتوبر 2017



## CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Note	UN AUDITED 30, September 2017 Rupees	AUDITED 30, June 2017 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 30,000,000 (2017: 30,000,000) ordinary shares of Rs. 10 each		300,000,000	300,000,000
Issued, subscribed and paid up share capital		250,000,000	250,000,000
Revenue reserve - general reserve		9,000,000	9,000,000
Accumulated loss		(562,414,625)	(554,964,199)
Total equity		(303,414,625)	(295,964,199)
Surplus on revaluation of fixed assets net of deferred income tax		148,551,399	149,492,853
<b>LIABILITIES</b>			
<b>NON- CURRENT LIABILITIES</b>			
Long term financing	3	18,508,987	25,057,216
Deferred Liabilities		31,583,365	31,769,567
Employees' retirement benefit		3,197,059	3,067,087
		53,289,411	59,893,870
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	180,472,816	175,438,358
Accrued mark-up		5,978,918	5,374,430
Loan from ex-chief executive		832,223	832,223
Loan from directors		91,786,220	91,786,220
Current portion of long term financing		29,350,522	24,384,780
Provision for taxation		1,041,993	863,857
		309,462,692	298,679,868
Total liabilities		362,752,103	358,573,738
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>207,888,877</b>	<b>212,102,392</b>
<b>ASSETS</b>			
<b>NON -CURRENT ASSETS</b>			
Fixed assets	6	202,215,272	206,552,100
Long term security deposits		270,340	270,340
		202,485,612	206,822,440
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		2,645,212	2,645,212
Trade debts		-	-
Advances		2,684,355	2,579,276
Short term prepayments		38,938	38,938
Other receivable		-	-
Cash and bank balances		34,760	16,526
		5,403,265	5,279,952
<b>TOTAL ASSETS</b>		<b>207,888,877</b>	<b>212,102,392</b>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2017**  
**(UNAUDITED)**

	Note	Quarter Ended	Quarter Ended
		30 September	30 September
		2017	2016
		Rupees	Rupees
SALES		-	-
COST OF SALES		-	-
GROSS LOSS		-	-
ADMINISTRATIVE AND GENERAL EXPENSES		(7,562,941)	(8,303,682)
		(7,562,941)	(8,303,682)
OTHER INCOME	7	718,290	714,930
LOSS FROM OPERATIONS		(6,844,651)	(7,588,752)
FINANCE COST		(1,792,059)	(2,021,350)
LOSS BEFORE TAXATION		(8,636,710)	(9,610,102)
TAXATION		244,834	469,453
LOSS AFTER TAXATION		(8,391,876)	(9,140,649)
LOSS PER SHARE- BASIC AND DILUTED		(0.34)	(0.37)

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

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CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE QUARTER ENDED 30 SEPTEMBER 2017**  
**(UNAUDITED)**

	Quarter Ended	Quarter Ended
	30 September	30 September
	2017	2016
	Rupees	Rupees
LOSS AFTER TAXATION	(8,391,876)	(9,140,649)
<b>OTHER COMPREHENSIVE INCOME</b>		
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	(8,391,876)	(9,140,649)

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

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CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

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CHIEF FINANCIAL OFFICER



CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017  
(UNAUDITED)

	Quarter Ended 30 September 2017 Rupees	Quarter Ended 30 September 2016 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(8,636,710)	(9,610,102)
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation	4,336,828	5,112,075
Adjustment due to IAS-39	871,821	873,243
Provision for employees' retirement benefit	129,972	130,151
Finance cost	920,238	1,148,107
Cash used in operating activities before working capital changes	(2,377,851)	(2,346,526)
<b>(Increase) / decrease in current assets</b>		
Stores, spares parts and loose tools	-	3,364
Advances	8,052	19,644
Prepaid insurance	-	12,117
	8,052	35,125
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	5,051,628	4,754,007
<b>Net cash generated from / (used in) operations</b>	<b>2,681,829</b>	<b>2,442,606</b>
Finance cost paid	(628,251)	(689,269)
Income tax	(130,300)	(75,196)
	(758,551)	(764,465)
<b>Net cash (used in) / generated from operating activities</b>	<b>1,923,278</b>	<b>1,678,141</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(1,905,044)	(1,839,446)
<b>Net cash used in from financing activities</b>	<b>(1,905,044)</b>	<b>(1,839,446)</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>18,234</b>	<b>(161,305)</b>
Cash and cash equivalent at the beginning of the period	16,526	205,505
<b>Cash and cash equivalent at the end of the period</b>	<b>34,760</b>	<b>44,200</b>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

(UNAUDITED)

	Issued, Subscribed and paid up Share Capital	REVENUE RESERVE	Accumulated loss	Total equity
		General reserve		
----- Rupees -----				
<b>Balance as at 30 June 2016 - Audited</b>	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
<b>Balance as at 30 September 2016</b>	250,000,000	9,000,000	(531,384,388)	(272,384,388)
Loss for the nine month ended 30 June 2017	-	-	(27,260,072)	(27,260,072)
Other comprehensive income nine month ended 30 June 2017	-	-	399,705	399,705
Transferred from surplus on revaluation of operating fixed assets to accumulated loss-net of deferred tax liability	-	-	3,280,556	3,280,556
<b>Balance as at 30 June 2017 - Audited</b>	250,000,000	9,000,000	(554,964,199)	(295,964,199)
Loss for the quarter ended 30 September 2017	-	-	(8,391,876)	(8,391,876)
Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred tax liability	-	-	941,450	941,450
<b>Balance as at 30 September 2017</b>	<u>250,000,000</u>	<u>9,000,000</u>	<u>(562,414,625)</u>	<u>(303,414,625)</u>

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

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CHIEF EXECUTIVE\_\_\_\_\_  
DIRECTOR\_\_\_\_\_  
CHIEF FINANCIAL OFFICER



## SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 30 SEPTEMBER 2017  
(UNAUDITED)

### 1 THE COMPANY AND ITS OPERATIONS

- 1.1 Ravi Textile Mills Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) 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.

#### **Non - going concern basis of accounting**

- 1.2 The Company has incurred net loss of Rupees 8.392 million during the quarter ended 30 September 2017. Equity of the Company stand at a negative balance of Rupees 303,415 million due to accumulated loss of Rupees 562.415 million as on 30 September 2017. The operation of mill were resumed during the year ended 30 June, 2015 after more than three year with the support of director's loans. However, 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.

In view of the aforesaid reason, the Company is not considered a going concern. This condensed interim financial information has been prepared using the non-going concern basis of accounting on the basis of estimated realizable/ settlement values of the assets and liabilities respectively.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of this financial information are set out on those policies have been consistently applied to all years presented.

#### 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 237 (Now Companies Act, 2017) repealed Companies Ordinance, 1984. This condensed interim financial information of the Company for the quarter ended 30 September 2017 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed 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 2017.

##### 2.1.2 Accounting convention

This condensed interim financial information has been prepared using the non-going concern basis of accounting on the basis of accounting on the basis of estimated 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.



**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 2017.

	<u>Un-Audited</u>	<u>Audited</u>
	<u>30 September</u>	<u>30 June</u>
	2017	2017
	Rupees	Rupees
<b>3. LONG TERM FINANCING</b>		
From banking companies - secured		
Bank Alfalah Limited	18,497,356	19,448,973
National Bank of Pakistan	29,362,153	29,993,023
	<u>47,859,509</u>	<u>49,441,996</u>
Less: Current portion shown under current liabilities (3.1)	29,350,522	24,384,780
	<u>18,508,987</u>	<u>25,057,216</u>
3.1 Current portion of long term financing includes overdue amount of Rupees 7.710 million (2017: Rupees. 6.871 million).		
<b>4. TRADE AND OTHER PAYABLES</b>	180,472,816	175,438,358
This include an amount of Rupees 82.032 million (30 June 2017: 77.920 million) due to an associated Company.		
<b>5. CONTINGENCIES AND COMMITMENTS</b>		
There has been no change in the status of contingencies and commitments from the date of preceding annual financial published statement of the company for the year ended 30 June 2017.		
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening book value	206,552,100	226,565,279
Add: Surplus on revaluation	-	76,472
	<u>206,552,100</u>	<u>226,641,751</u>
Less: Depreciation charged during the period / year	4,336,828	20,089,651
	<u>202,215,272</u>	<u>206,552,100</u>
	<u>UN-AUDITED</u>	
	<u>Quarter Ended</u>	<u>Quarter Ended</u>
	<u>30 September</u>	<u>30 September</u>
	2017	2016
	Rupees	Rupees
<b>7. OTHER INCOME</b>		
Rental income (Note 7.1)	718,290	714,930





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

**8. 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 this condensed interim financial information are as follows:

	UN-AUDITED	
	Quarter Ended 30 September 2017 Rupees	Quarter Ended 30 September 2016 Rupees
<b>Remuneration of Chief Executive Executive</b>	255,000	255,000
	163,635	163,635

**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 2017.

**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, 2017.

**11. GENERAL**

Figures have been rounded off to nearest rupee.

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CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

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CHIEF FINANCIAL OFFICER

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**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  
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



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### **RAVI TEXTILE MILLS LIMITED.**

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