

CONDENSED  
INTERIM FINANCIAL  
STATEMENTS  
QUARTER ENDED  
**31 MARCH 2020**  
UN-AUDITED



Ravi Textile Mills Limited

**DIRECTORS' REPORT**

The results for the nine months ended 31 March 2020 show that the company has earned net profit of Rs. 4.215 million due to profit on saving bank account after accounting for administrative and general expenses amounting to Rs. 5.927 million, other expenses amounting to Rs. 0.535 million and finance cost amounting to Rs. 0.776 million against corresponding period net loss of Rs. 5.262 million. The operations of the spinning mill were resumed during the year ended 30 June 2015 after more than three years with the support of directors' 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 costs, high mark-up rates charged by banks and scarce availability of funds.

Approval of the members of the Company was accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to the disposal and sale of Company's assets located at 49 KM, Lahore-Multan Road, Chunian, District Kasur comprising of freehold land, buildings on freehold land, plant and machinery, electric fittings and installations, factory tools and equipment, furniture, fixtures and office equipment and other assets ("Assets") in Extraordinary General Meeting of the members of the Company held on 02 March 2018 at registered office of the Company. The Company signed an Assets Sale and Purchase Agreement on 26 February 2019 with M/s Waqas Rafique International. Total consideration amount for sale of the Assets except vehicles agreed between the parties to the Assets Sale and Purchase Agreement dated 26 February 2019 was Rupees 300,000,000. The Company has received full consideration and Assets have been disposed of in accordance with Assets Sale and Purchase Agreement. Proceeds from sale of the Assets are being utilized for repayment of liabilities of the Company. Financing from banks has been settled and balance amount is deposited in saving bank account of the Company. Under the next heading, update has been given on status of disposal of assets and status of implementation of business plan, which makes it clear that future of the Company is dependent upon remaining proceeds from disposal of assets, if any after payment of liabilities of the Company. In view of the uncertainties explained below, the Company is not considered a going concern.

**STATUS OF DISPOSAL OF ASSETS AND STATUS OF IMPLEMENTATION OF BUSINESS PLAN**

After the aforesaid approvals of the shareholders, progress to-date is as follows:

The Company signed an Assets Sale and Purchase Agreement on 26 February 2019 with M/s Waqas Rafique International. Total consideration amount for sale of the Assets except vehicles agreed between the parties to the Assets Sale and Purchase Agreement dated 26 February 2019 was Rupees 300,000,000. The Company has received full consideration and Assets have been disposed of in accordance with Assets Sale and Purchase Agreement. Proceeds from sale of the Assets are being utilized for repayment of liabilities of the Company. Financing from banks has been settled and balance amount is deposited in saving bank account of the Company. Details of disposal are as under:

|  | Sale price         | Carrying value     | Gain on disposal   | Purchaser                      |
|--|--------------------|--------------------|--------------------|--------------------------------|
| -----Rupees-----                         |                    |                    |                    |                                |
| Freehold land                            | 150,000,000        | 119,790,000        | 30,210,000         | Waqas Rafique International -  |
| Buildings on freehold land               | 100,000,000        | 49,073,326         | 50,926,674         | Assets Sale and Purchase       |
| Plant and machinery                      | 46,743,308         | 22,241,610         | 24,501,698         | Agreement dated 26 February    |
| Factory tools and equipment              | 58,333             | 58,333             | -                  | 2019                           |
| Electric fittings and installations      | 3,168,020          | 3,168,020          | -                  |                                |
| Furniture, fixtures and office equipment | 30,339             | 30,339             | -                  |                                |
|  | 300,000,000        | 194,361,628        | 105,638,372        |                                |
| Vehicle                                  | 1,200,000          | 625,603            | 574,397            | Mr. Muhammad Yasir, Faisalabad |
|  | <u>301,200,000</u> | <u>194,987,231</u> | <u>106,212,769</u> |                                |

There is no remaining fixed asset of the Company after the aforesaid disposals. As part of the implementation of alternative business plan, settlement and payments to the banks amounted to Rs. 72.309 million, payments of trade payables amounted to Rs. 84.617 million including payment of due to associated company of Rs. 64.000 million, security deposit of Rs. 1.000 million and administrative and general expense payments amounted to Rs. 8.373 million till the date of this report.

The board of directors of the Company in their meeting held on 08 October 2019 approved to obtain a cotton ginning factory in Basti Mithu, Tehsil Shujaabad, District Multan on lease. Hence, lease agreement with M/s Aii Cotton Industries has been signed and refundable / adjustable security deposit of Rupees 1,000,000 has been made to the lessor. This lease agreement would be operative for a period of five years commencing from 1<sup>st</sup> day of September 2020. The cotton ginning factory under reference was agreed to be handed over to the Company by March 2020 in time to make necessary repairs and maintenance for commencement of cotton ginning operations from the start of cotton ginning season commencing September 2020. However, due to prevailing situation as result of Coronavirus pandemic disease (COVID-19), the cotton ginning factory has not yet been handed over to the Company. The management of the company is continuing to monitor the situation and shall take appropriate steps in due course of time. The roll out of future business plan is dependent upon remaining proceeds from disposal of assets, if any after payment of liabilities of the Company.

For and on behalf of the Board

**Multan:**  
29<sup>th</sup> April, 2020

**Muhammad Waseem ur Rehman**  
Chief Executive

Director

## ڈائریکٹر رپورٹ

تاج ذریعہ نو مینٹن ہنجر ہوئے 31 مارچ 2020ء کا پر کرتے ہیں کہ کپنی نے صفائی منافع کمایا روپے 4.215 ملین۔ لیج منافع سیونگ بینک اکاؤنٹ بعد منہما انتظامی اور عام اخراجات رقم 5.927 ملین روپے، دوسرے اخراجات رقم 0.535 ملین روپے اور مالیاتی اخراجات رقم 0.776 ملین روپے ہے۔ ہمتا بلڈنگ ڈیولپمنٹ مینوفیکچرنگ کمپنی نے 26.262 ملین روپے ملز کو چلانے کی کاروائی سال 30 جون 2015 میں ہوئی تھی جو کہ تین سال سے زیادہ عرصہ گزارنے کے بعد ڈائریکٹرز کے کپنی کو رقم سے کٹی تھی۔ تاہم آگست 2015 میں ملز دوبارہ بند ہو گئی تھی۔ کپنی کی موجودہ انتظامیہ کیلئے مشکل ہو گیا ہے کہ وہ اس کو منافع بخش نظر طریقے سے چلا میں بچو دھاکے کی مارکیٹ کی معاشی بدحالی، بڑی ہوئی بجلی کی قیمت، بڑھے ہوئے بیجوں کے مالی اخراجات اور کپنی کی سزائی ہوئی مالی حالت۔

کپنی کے ممبران نے کپنی اثاثوں کی فروخت کی منظوری دی کپنی ایکٹ 2017 کے زیر سیکشن 3(3) 183 کے تحت جو کہ واقع ہیں 49 کیلو میٹر لاہور ملتان روڈ چوچیاں ضلع قصور مشتمل ہیں فری ہولڈرز میں، بلڈنگ فری ہولڈرز میں، پلانٹ اور مشینری، بجلی دوسری تنصیبات اور دیگر اثاثے کپنی اپنے غیر معمولی اجلاس عام منعقدہ 02 مارچ 2018ء واقع ریسرڈ کپنی آفس پر۔ کپنی نے اثاثوں کی فروخت و خرید کا معاہدہ میسرز وقاص انٹرنیشنل کیساتھ مورخہ 26 فروری 2019ء میں کیا۔ اثاثوں کی کل قیمت سوائے موٹر کار ماہین فریقین معاہدہ فروخت و خرید مورخہ 26 فروری 2019ء مبلغ 300,000,000 ملین روپے طے پائی۔ کپنی نے پوری قیمت طے شدہ معاہدہ وصول کر چکی ہے اور اثاثوں کو معاہدہ کے مطابق خریدار کے حوالے کر دیا ہے۔ اثاثوں کی فروخت سے حاصل شدہ رقم سے کپنی کی واجب الادا انگلیاں کو ادا کر کے کم کیا ہے۔ بیجوں کے قرضوں کو معاہدہ موافقتوں سے حاصل شدہ رقم سے ادا کر دیا ہے اور باقی رقم کپنی کے منافع بخش بینک اکاؤنٹ میں موجود ہے۔ درج ذیل اگلی شرحہ میں اثاثہ جات فروخت سے منصفوں اور مذکورہ کاروباری منصوبہ کی کارکردگی موجودہ صورت حال یہ بات واضح کرتی ہے کہ کپنی کا مستقبل اثاثہ جات کی فروخت سے حاصل شدہ رقم سے واجب الادا انگلیاں کو ادا کرنے کے بعد اگر کوئی رقم بچ جائے والی رقم پر منحصر ہے۔ ان غیر یقینی حالات درج ذیل بیان کیا، کو مدنظر رکھ کر کپنی کو غیر فعال تصور کیا ہے۔

### اثاثوں کی فروخت اور عمل درآمد کاروباری منصوبہ کی صورتحال

ممبران کی مذکورہ بالا منظوری کے بعد آج تک کی کارکردگی درج ذیل ہے۔

کپنی نے اثاثوں کی فروخت و خرید کا معاہدہ میسرز وقاص انٹرنیشنل کیساتھ مورخہ 26 فروری 2019ء میں کیا۔ اثاثوں کی کل قیمت سوائے موٹر کار ماہین فریقین معاہدہ فروخت و خرید مورخہ 26 فروری 2019ء مبلغ 300,000,000 ملین روپے طے پائی۔ کپنی نے پوری قیمت طے شدہ معاہدہ وصول کر چکی ہے اور اثاثوں کو معاہدہ کے مطابق خریدار کے حوالے کر دیا ہے۔ اثاثوں کی فروخت سے حاصل شدہ رقم سے کپنی کی واجب الادا انگلیاں کو ادا کر کے کم کیا ہے۔ بیجوں کے قرضوں کو معاہدہ موافقتوں سے حاصل شدہ رقم سے ادا کر دیا ہے اور باقی رقم کپنی کے منافع بخش بینک اکاؤنٹ میں موجود ہے۔ اثاثوں کی فروخت کی تفصیل درج ذیل ہے۔

| Sale price                               | Carrying value | Gain on disposal | Purchaser   |
|--|----------------|------------------|-------------|
| Rupees                                   |                |                  |             |
| Freehold land                            | 150,000,000    | 119,790,000      | 30,210,000  |
| Buildings on freehold land               | 100,000,000    | 49,073,326       | 50,926,674  |
| Plant and machinery                      | 46,743,308     | 22,241,610       | 24,501,698  |
| Factory tools and equipment              | 58,333         | 58,333           | -           |
| Electric fittings and installations      | 3,168,020      | 3,168,020        | -           |
| Furniture, fixtures and office equipment | 30,339         | 30,339           | -           |
|  | 300,000,000    | 194,361,628      | 105,638,372 |
| Vehicle                                  | 1,200,000      | 625,603          | 574,397     |
|  | 301,200,000    | 194,987,231      | 106,212,769 |

اثاثوں کی فروخت کے بعد سے اب کپنی کے پاس کوئی غیر متحرک اثاثہ نہیں ہے۔ تبادول کاروبار کے حصے کی تکمیل کے لیے بیجوں کو ادا کی گئی رقم 72.309 ملین روپے، ادا انگلی برائے کاروباری لین دین رقم 84.617 ملین روپے بشمول ایسیٹس کپنی رقم 64.000 ملین روپے، بیوروٹی ڈپارٹمنٹ رقم 1.000 ملین روپے اور انتظامی اور جنرل اخراجات رقم 8.373 ملین روپے ادا ہو چکے ہیں آج تک کی رپورٹ کے مطابق۔

کپنی کے بورڈ آف ڈائریکٹرز نے اپنی میٹنگ مورخہ 10 ستمبر 2019ء میں منظور کیا کہ کپنی تفصیل شجاع آباد سٹی مشعل ملتان میں کانٹریکٹنگ فیکٹری کو (Lease) لیز پر حاصل کرے۔ اسلئے لیز معاہدہ (Lease Agreement) کا معاہدہ میسرز نئی گاؤں انڈسٹری سے کیا جا چکا ہے اور اس کے لیے رقم 1,000,000 روپے لیسر (Lessor) کو ادا کی جو کہ قابل واپسی قابل تصفیہ ہے۔ کانٹریکٹنگ فیکٹری زیر بحث کپنی کو مارچ 2020 تک ملتی تھی جس پر ضروری مرمت اور قابل استعمال بنانے کی ضرورت ہوئی تھی جس کے ساتھ کانٹریکٹنگ فیکٹری کی کاروائی کانٹریکٹنگ کے نومبر ستمبر 2020 سے شروع ہو سکے۔ تاہم موجودہ حالات جو کہ متعدد ایملنگ بتا رہا کہ (کوویڈ-19) کے پھیلنے سے ہیں اس کے نتیجہ میں مذکورہ معاہدہ میں طے شدہ کانٹریکٹنگ فیکٹری جو کہ کپنی کے حوالے مارچ 2020 تک ہونی تھی اس وجہ سے آج تک مکمل نہیں ہو سکی ہے۔ کپنی کی انتظامیہ موجودہ حالات پر گہری نظر رکھے ہوئے ہے اور حالات کے مطابق اسکے لیے مناسب اقدامات کر لے گا۔ لیز معاہدہ (Lease Agreement) پانچ سال کے لیے طے ہے اور یکم ستمبر 2020 سے شروع ہوگا۔ کپنی کے سنے کاروبار کے مستقبل کی کاروباری منصوبہ پر منحصر ہے جو کہ اثاثوں کی فروخت سے حاصل شدہ رقم سے کپنی کی قابل ادائیگیوں سے اگر کوئی رقم بچ جائے والی رقم پر منحصر ہے۔

منجانب بورڈ

محمد وسیم الرحمن

(چیف ایگزیکٹو)

(ڈائریکٹر)

ملتان 29 اپریل 2020



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

| Note  | Un-audited<br>31 March 2020<br>Rupees | Audited<br>30 June 2019<br>Rupees |
|---|---------------------------------------|-----------------------------------|
| <b>EQUITY AND LIABILITIES</b>   |                                       |                                   |
| <b>SHARE CAPITAL AND RESERVES</b>                                       |                                       |                                   |
| <b>Authorised share capital</b>   |                                       |                                   |
| 30,000,000 (30 June 2019: 30,000,000) ordinary shares of Rupees 10 each | 300,000,000                           | 300,000,000                       |
| <b>Issued, subscribed and paid-up share capital</b>                     |                                       |                                   |
| 25,000,000 (30 June 2019: 25,000,000) ordinary shares of Rupees 10 each | 250,000,000                           | 250,000,000                       |
| <b>Capital reserve:</b>   |                                       |                                   |
| Revenue reserve - general reserve                                       | 9,000,000                             | 9,000,000                         |
| Accumulated loss  | (332,634,392)                         | (336,849,780)                     |
| <b>Total equity</b>   | <b>(73,634,392)</b>                   | <b>(77,849,780)</b>               |
| <b>LIABILITIES</b>  |                                       |                                   |
| <b>NON-CURRENT LIABILITIES</b>  |                                       |                                   |
| Employees' retirement benefit   | 3,614,394                             | 3,231,915                         |
| <b>CURRENT LIABILITIES</b>  |                                       |                                   |
| Trade and other payables  | 123,755,160                           | 131,847,804                       |
| Accrued mark-up   | 850,000                               | 850,000                           |
| Loan from ex-chief executive  | 832,223                               | 832,223                           |
| Loans from directors  | 66,586,220                            | 66,586,220                        |
| Loans from ex-directors   | 25,200,000                            | 25,200,000                        |
| Unclaimed dividend  | 1,034,090                             | 1,034,090                         |
| Provision for taxation  | 6,961,563                             | 5,317,100                         |
| <b>Total liabilities</b>  | <b>225,219,256</b>                    | <b>231,667,437</b>                |
| <b>Total liabilities</b>  | <b>228,833,650</b>                    | <b>234,899,352</b>                |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                    |                                       |                                   |
| 4   |                                       |                                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     | <b>155,199,258</b>                    | <b>157,049,572</b>                |

The annexed notes form an integral part of these condensed interim financial statements

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



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

|                             | Note | Un-audited<br>31 March 2020<br>Rupees | Audited<br>30 June 2019<br>Rupees |
|-----------------------------|------|---------------------------------------|-----------------------------------|
| <b>ASSETS</b>               |      |                                       |                                   |
| <b>NON-CURRENT ASSETS</b>   |      |                                       |                                   |
| Long term security deposits |      | 1,115,000                             | 115,000                           |
|                             |      | <u>1,115,000</u>                      | <u>115,000</u>                    |
| <br>                        |      |                                       |                                   |
| <b>CURRENT ASSETS</b>       |      |                                       |                                   |
| Trade debts                 |      | -                                     | -                                 |
| Advances                    |      | 3,190,474                             | 1,771,827                         |
| Other receivable            |      | 1,563,162                             | 2,319,386                         |
| Short term investment       |      | 934,149                               | 870,749                           |
| Cash and bank balances      |      | 148,396,473                           | 151,972,610                       |
|                             |      | <u>154,084,258</u>                    | <u>156,934,572</u>                |
| <br>                        |      |                                       |                                   |
| <b>TOTAL ASSETS</b>         |      | <u><u>155,199,258</u></u>             | <u><u>157,049,572</u></u>         |

The annexed notes form an integral part of these condensed interim financial statements

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**CHIEF EXECUTIVE**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**

FOR THE QUARTER AND NINE MONTH ENDED 31 MARCH 2020

(UNAUDITED)

| Note  | NINE MONTH ENDED |               | QUARTER ENDED |               |
|---|------------------|---------------|---------------|---------------|
|   | 31 March 2020    | 31 March 2019 | 31 March 2020 | 31 March 2019 |
|   | Rupees           | Rupees        | Rupees        | Rupees        |
| SALES   | -                | -             | -             | -             |
| COST OF SALES                                   | -                | -             | -             | -             |
| GROSS PROFIT                                    | -                | -             | -             | -             |
| ADMINISTRATIVE AND GENERAL EXPENSES             | (5,927,236)      | (9,485,415)   | (1,744,951)   | (2,978,055)   |
| OTHER EXPENSES                                  | (535,171)        | -             | (202,088)     | -             |
|   | (6,462,407)      | (9,485,415)   | (1,947,039)   | (2,978,055)   |
| OTHER INCOME                                    | 13,747,823       | 4,858,168     | 4,584,797     | 4,858,168     |
| PROFIT / (LOSS) FROM OPERATIONS                 | 7,285,416        | (4,627,247)   | 2,637,758     | 1,880,113     |
| FINANCE COST                                    | (776,412)        | (634,424)     | (255,759)     | (198,074)     |
| PROFIT / (LOSS) BEFORE TAXATION                 | 6,509,004        | (5,261,671)   | 2,381,999     | 1,682,039     |
| TAXATION  | (2,293,616)      | -             | (859,906)     | -             |
| PROFIT / (LOSS) AFTER TAXATION                  | 4,215,388        | (5,261,671)   | 1,522,093     | 1,682,039     |
| EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED | 0.17             | (0.21)        | 0.06          | 0.07          |

The annexed notes form an integral part of these condensed interim financial statements

\_\_\_\_\_  
CHIEF EXECUTIVE\_\_\_\_\_  
DIRECTOR\_\_\_\_\_  
CHIEF FINANCIAL OFFICER**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME**

FOR THE QUARTER AND NINE MONTH ENDED 31 MARCH 2020

(UNAUDITED)

|   | NINE MONTH ENDED |               | QUARTER ENDED |               |
|---|------------------|---------------|---------------|---------------|
|   | 31 March 2020    | 31 March 2019 | 31 March 2020 | 31 March 2019 |
|   | Rupees           | Rupees        | Rupees        | Rupees        |
| PROFIT / (LOSS) AFTER TAXATION                                | 4,215,388        | (5,261,671)   | 1,522,093     | 1,682,039     |
| OTHER COMPREHENSIVE INCOME                                    |                  |               |               |               |
| Item 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 INCOME / (LOSS) FOR THE PERIOD            | 4,215,388        | (5,261,671)   | 1,522,093     | 1,682,039     |

The annexed notes form an integral part of these condensed interim financial statements

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



**CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY**  
FOR THE NINE MONTH ENDED 31 MARCH 2020  
(UNAUDITED)

|  | SHARE CAPITAL      | CAPITAL RESERVE<br>Surplus on revaluation<br>of operating fixed<br>assets-net of tax | REVENUE<br>General reserve | ACCUMULATED<br>LOSS  | TOTAL EQUITY         |
|--|--------------------|--|----------------------------|----------------------|----------------------|
|  | -----Rupees-----   |  |                            |                      |                      |
| Balance as at 30 June 2018 (Audited)   | 250,000,000        | 147,402,574  | 9,000,000                  | (586,759,690)        | (180,357,116)        |
| Loss for the nine month ended 31 March 2019  | -                  | -  | -                          | (5,261,671)          | (5,261,671)          |
| Other comprehensive income for the nine month ended 31 March 2019                            | -                  | -  | -                          | -                    | -                    |
| <b>Total comprehensive loss for the nine month ended 31 March 2019</b>                       | -                  | -  | -                          | (5,261,671)          | (5,261,671)          |
| <b>Balance as at 31 March 2019 (Un-audited)</b>  | <b>250,000,000</b> | <b>147,402,574</b>   | <b>9,000,000</b>           | <b>(592,021,361)</b> | <b>(185,618,787)</b> |
| Transferred from surplus on revaluation of operating fixed assets-net of deferred income tax | -                  | (147,402,574)  | -                          | 147,402,574          | -                    |
| Profit for the quarter ended 30 June 2019  | -                  | -  | -                          | 107,217,916          | 107,217,916          |
| Other comprehensive income for the quarter ended 30 June 2019                                | -                  | -  | -                          | 551,091              | 551,091              |
| <b>Total comprehensive income for the quarter ended 30 June 2019</b>                         | -                  | -  | -                          | 107,769,007          | 107,769,007          |
| Balance as at 30 June 2019 (Audited)   | 250,000,000        | -  | 9,000,000                  | (336,849,780)        | (77,849,780)         |
| Profit for the nine month ended 31 March 2020  | -                  | -  | -                          | 4,215,388            | 4,215,388            |
| Other comprehensive income for the nine month ended 31 March 2020                            | -                  | -  | -                          | -                    | -                    |
| <b>Total comprehensive income for the nine month ended 31 March 2020</b>                     | -                  | -  | -                          | 4,215,388            | 4,215,388            |
| <b>Balance as at 31 March 2020 (Un-audited)</b>  | <b>250,000,000</b> | <b>-</b>   | <b>9,000,000</b>           | <b>(332,634,392)</b> | <b>(73,634,392)</b>  |

The annexed notes form an integral part of these condensed interim financial statements

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

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



**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTH ENDED 31 MARCH 2020**  
**(UNAUDITED)**

|  | NINE MONTH ENDED   |                     |
|--|--------------------|---------------------|
|  | 31 March 2020      | 31 March 2019       |
|  | Rupees             | Rupees              |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                    |                     |
| <b>Profit / (Loss) before taxation</b>   | 6,509,004          | (5,261,671)         |
| <b>Adjustment for non-cash charges and other items:</b>                                    |                    |                     |
| Profit on terms deposit receipt  | (63,400)           | -                   |
| Provision for employees' retirement benefit  | 382,479            | 417,891             |
| Principal loan written back  | -                  | (118,016)           |
| Accrued mark up written back   | -                  | (4,565,152)         |
| Bank Alfalah legal expenses written back (Accrued liabilities)                             | -                  | (175,000)           |
| Finance cost   | 776,412            | 634,424             |
| <b>Cash generated from / (used in) operating activities before working capital changes</b> | <b>7,604,495</b>   | <b>(9,067,524)</b>  |
| <b>(Increase) / decrease in current assets</b>   |                    |                     |
| Stores, spare parts and loose tools  | -                  | 11,456              |
| Advances   | (35,500)           | (5,000)             |
| Other receivable   | 756,224            | -                   |
| Increase in trade and other payables   | (8,092,644)        | 167,485,014         |
| <b>Effect on cash flows due to working capital changes</b>                                 | <b>(7,371,920)</b> | <b>167,491,470</b>  |
| <b>Cash (used in) / generated from operations</b>  | <b>232,575</b>     | <b>158,423,946</b>  |
| Finance cost paid  | (776,412)          | (25,751,872)        |
| Income tax paid  | (2,032,300)        | (37,927)            |
|  | (2,808,712)        | (25,789,799)        |
| <b>Net cash (used in) / generated from operating activities</b>                            | <b>(2,576,137)</b> | <b>132,634,147</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                     |
| Long term security deposits  | (1,000,000)        | -                   |
| <b>Net cash used in investing activities</b>   | <b>(1,000,000)</b> | <b>-</b>            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                     |
| Repayment of long term financing   | -                  | (47,312,050)        |
| <b>Net cash used in financing activities</b>   | <b>-</b>           | <b>(47,312,050)</b> |
| <b>Net (decrease) / increase in cash and cash equivalents</b>                              | <b>(3,576,137)</b> | <b>85,322,097</b>   |
| <b>Cash and cash equivalents at the beginning of the period</b>                            | <b>151,972,610</b> | <b>1,545,458</b>    |
| <b>Cash and cash equivalents at the end of the period</b>                                  | <b>148,396,473</b> | <b>86,867,555</b>   |

The annexed notes form an integral part of these condensed interim financial statements

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

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





## **SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTH ENDED 31 MARCH 2020**

**(UNAUDITED)**

### **1 THE COMPANY AND ITS OPERATIONS**

**1.1** Ravi Textile Mills Limited ("the Company") 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 Banglow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt. The object of the Company was manufacturing and trading of yarn.

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

Accumulated losses of the Company as on the reporting date are Rupees 332.634 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. 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 costs, high mark-up rates charged by banks and scarce availability of funds.

Approval of the members of the Company was accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to the disposal and sale of Company's assets located at 49 KM, Lahore-Multan Road, Chunian, District Kasur comprising of freehold land, buildings on freehold land, plant and machinery, electric fittings and installations, factory tools and equipment, furniture, fixtures and office equipment and other assets ("Assets") in Extraordinary General Meeting of the members of the Company held on 02 March 2018 at registered office of the Company. The Company signed an Assets Sale and Purchase Agreement on 26 February 2019 with Waqas Rafique International. Total consideration amount for sale of the Assets except vehicles agreed between the parties to the Assets Sale and Purchase Agreement dated 26 February 2019 was Rupees 300,000,000. The Company has received full consideration and Assets have been disposed of in accordance with Assets Sale and Purchase Agreement. Proceeds from sale of the Assets are being utilized for repayment of liabilities of the Company. Financing from banks has been settled and balance amount is deposited in saving bank account of the Company.

The board of directors of the Company in their meeting held on 08 October 2019 approved to obtain a cotton ginning factory in Basti Mithu, Tehsil Shujaabad, District Multan on lease. Hence, lease agreement with M/s Ali Cotton Industries has been signed and refundable / adjustable security deposit of Rupees 1,000,000 has been made to the lessor. The cotton ginning factory under reference was agreed to be handed over to the Company by March 2020 in time to make necessary repairs and maintenance for commencement of cotton ginning operations from the start of cotton ginning season commencing September 2020. However, due to prevailing situation as result of Coronavirus pandemic disease (COVID-19), the cotton ginning factory has not yet been handed over to the Company. The management of the Company is continuing to monitor the situation and shall take appropriate steps in due course of time. This lease agreement would be operative for a period of five years commencing from 1<sup>st</sup> day of September 2020.

The roll out of future business plan is dependent upon remaining proceeds from disposal of assets, if any after payment of liabilities of the Company. Further, as stated aforesaid, the cotton ginning factory under reference is yet to be handed over to the Company and if handed over in time shall require significant investment by the Company on necessary repairs and maintenance for commencement of cotton ginning operations from the start of cotton ginning season commencing September 2020.

In view of the aforesaid reasons, the Company is not considered a going concern. These condensed interim financial statements have 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 BASIS OF PREPARATION**

**2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



**2.2** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. These condensed interim financial statements are un-audited, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

**2.3 ACCOUNTING CONVENTION**

These condensed interim financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the 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.

**3 ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements 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 2019. The Company has adopted IFRS 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lessee accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. Although, the Company has signed a lease agreement for cotton ginning factory but the underlying asset is expected to be made available for use by the Company when (COVID-19) lock down be allowed. Hence, the adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and has not affected the current period.

**3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, 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 2019.

**4 CONTINGENCIES AND COMMITMENTS**

There is no change in the status of contingencies and commitments since the preceding annual published financial statements of the Company for the year ended 30 June 2019.

**5 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS**

**i) Fair value hierarchy**

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

**6 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 related parties. Detail of transactions with related parties is as follows:

**i. Transactions**

| (UN-AUDITED)     |                  |                  |                  |
|------------------|------------------|------------------|------------------|
| NINE MONTH ENDED |                  | QUARTER ENDED    |                  |
| 31 March<br>2020 | 31 March<br>2019 | 31 March<br>2020 | 31 March<br>2019 |

----- Rupees -----

**Associated company**

|                |         |            |         |            |
|----------------|---------|------------|---------|------------|
| Funds received | 181,286 | 6,731,581  | 60,591  | 926,793    |
| Funds repaid   | 181,286 | 64,025,571 | 161,635 | 64,000,000 |

**Other related parties**

|  |           |           |         |         |
|--|-----------|-----------|---------|---------|
| Remuneration to key management personnel | 1,127,835 | 1,305,000 | 374,335 | 435,000 |
|--|-----------|-----------|---------|---------|

Un-audited                      Audited  
31 March                      30 June  
2020                              2019  
Rupees                              Rupees

**ii. Period end balances**

|                               |            |            |
|-------------------------------|------------|------------|
| Payable to associated company | 39,927,406 | 39,927,406 |
|-------------------------------|------------|------------|

**7 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 2019.

**8 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 29th April 2020.

**9 CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the condensed interim statement of financial position 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 statement of profit or loss, condensed interim statement of comprehensive income and condensed statement of cash flows 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.

**10 GENERAL**

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

**CHIEF EXECUTIVE****DIRECTOR****CHIEF FINANCIAL OFFICER**



**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  
Waseem Ejaz

### AUDIT COMMITTEE

Tahir Majeed (Non - Executive Director) Chairman  
Muhammad Riaz (Non - Executive Director) Member  
Aftab Sarwar (Non - Executive Director) Member

### HR & R COMMITTEE

Muhammad Shahid (Non - Executive Director) Chairman  
Tahir Majeed (Non - Executive 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

Bank Alfalah Limited  
Habib Metropolitan Bank Limited

### REGISTERED OFFICE

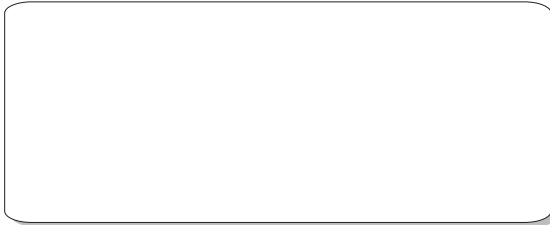
Bungalow No.120 Defence Officers Housing  
Scheme, Sher Shah Road, Multan Cantt. Multan  
Phone: 92-61-4503620 - 30  
Fax: 92-61-4503640  
E-mail: info@ravitextile.com  
Web: www.ravitextile.com

### SHARE REGISTRAR

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

## 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