

CONDENSED  
INTERIM FINANCIAL  
STATEMENTS  
HALF YEAR ENDED  
**31 DECEMBER 2020**  
UN-AUDITED



Ravi Textile Mills Limited

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mohammad 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
Aftab Sarwar	(Non - Executive Director)	Member
Muhammad Riaz	(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

### COMPANY SECRETARY/ CHIEF FINANCIAL OFFICER

Munsaf Khan

### AUDITORS

Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants  
71-C-3, Gulberg-III,  
Lahore-54660-Pakistan

### 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](mailto:info@ravitextile.com)  
Web: [www.ravitextile.com](http://www.ravitextile.com)

### SHARE REGISTRAR

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

### GINNING AND PRESSING UNIT

- Lalaka Road, Haroon Abad  
District, Bahawalnagar  
- 3 km, Bahawal Pur Road, Multan



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**DIRECTORS' REPORT****In-Process Acquisition And Resultant Change Of Control Of The Company**

Pursuant to Regulation 6 of the Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Regulations, 2017, the Company received, on 16 October 2020, a notice of public announcement of intention from Mr. Ch. Muhammad Shafique and Mr. Muhammad Ahmad Raza (the "Acquirers"), whereby the Acquirers expressed their intention to acquire more than 51% shares of RAVI TEXTILE MILLS LIMITED ("the Company"), together with management control.

The Acquirers entered into a share purchase agreement (SPA) dated 11 November 2020 with Mr. Muhammad Shahid Iqbal, Mr. Muhammad Iftikhar, Mr. Muhammad Shahid, Mr. Muhammad Riaz, Mr. Amir Khurshid Chandia, Mr. Tahir Majeed, Mr. Waseem Ejaz, Mr. Muhammad Waseem-ur-Rehman, Mr. Aftab Sarwar, Mr. Qamar Sultan, Mr. Mohammad Sarfraz, Mr. Jan Muhammad Imran, Mr. Musawar Husain, Mrs. Tasbiha Sarfraz, Spintex Enterprises (Private) Limited and Universal Equities (Private) Limited (collectively, the "Sellers") for the sale and purchase of 15,748,746 Ordinary Shares representing 62.99% of the total issued share capital of the Target Company, Ravi Textile Mills Limited, at an aggregate sale price of PKR 30,000,000/- (Pak Rupees Thirty Million Only) calculated at the rate of PKR 1.905 per share.

Public Announcement of Offer to acquire up to 4,625,627 ordinary shares (18.50% of the issued share capital) of the Company under provisions of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 was made by the Acquirers and published in the Daily Nawai-e-Waqt (Urdu) and Business Recorder (English) on December 23, 2020.

The shares under the SPA shall, in a few days time, be transferred in the name of the Acquirers as compliance with applicable provisions of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 has been made.

Mr. Ch. Muhammad Shafique and Mr. Muhammad Ahmad Raza are the majority shareholders of Chaudhry Steel Re-Rolling Mills Limited and BECO Steel Re-Rolling Mills (Private) Limited which are engaged in manufacturing of steel and allied products. Hence, the Company shall engage in steel business in future. The accompanying condensed interim financial statements of the Company for the half year ended 31 December 2020 reflect the results of commercial operations of cotton ginning and pressing carried out by the Company under the current / Sellers' management. During the half year under review, the Company made sales of Rs. 220.578 million. The Company earned gross profit of Rs. 4.285 million and net profit of Rs. 8.868 million. Corresponding period's net profit was Rs. 2.693 million.

The Company is a going concern and on track for a splendid future. Securities and Exchange Commission of Pakistan has withdrawn the show cause notice issued to the Company for winding up and resultantly Pakistan Stock Exchange has removed the Company from the Defaulters' Segment with effect from 28 January 2021.

For and on behalf of the board

Multan:  
01 March 2021

Muhammad Waseem ur Rehman  
Chief Executive

\_\_\_\_\_  
Director

## ڈائریکٹران رپورٹ

### ایگزیکوشن نتیجہ نکلتا ہے کمپنی کی انتظامی تبدیلی

لیڈ کمپنی (سسٹینٹشل وونگ شیئرز ٹیک اور) ریگولیشن 6 2017ء کے تحت کمپنی کو 16 اکتوبر 2020 کو نوٹس برائے عوام الناس موصول ہوا کہ چوہدری محمد شفیق اور محمد احمد رضا کی طرف سے کہ وہ ارادہ رکھتے ہیں کہ وہ (کمپنی) راوی ٹیکسٹائل ملز لمیٹیڈ کے 51% سے زیادہ حصص کو حاصل کریں باشمول کمپنی کے ٹوٹل انتظامی کنٹرول کے ساتھ۔

کمپنی کے اکثریتی حصص خریداروں نے مورخہ 11 نومبر 2020 کو مسٹر محمد شاہد اقبال، مسٹر محمد افتخار، مسٹر محمد شاہد، مسٹر محمد ریاض، مسٹر عامر خورشید چانڈیا، مسٹر طاہر مجید، مسٹر وسیم اعجاز، مسٹر محمد وسیم الرحمن، مسٹر آفتاب سرور، مسٹر قمر سلطان، مسٹر محمد سرفراز، مسٹر جان محمد عمران، مسٹر منصور حسین، مسز تسبیہ سرفراز، سپن ٹیکس انٹرنپرائزز (پرائیویٹ) لمیٹیڈ اور یونیوسل ایکویٹیز (پرائیویٹ) لمیٹیڈ (اجتماعی حصص فروخت کنندہ) سے معاہدہ حصص کی فروخت و خریداری (SPA) برائے عام حصص 15,748,746 کیا جو کہ ٹارگیٹڈ کمپنی کے جاری شدہ سرمائے کا % 62.99 فیصد کو ٹوٹل رقم مبلغ 30,000,000 روپے میں فی حصص قیمت 1.905 روپے میں معاہدہ کر لیا۔

کمپنی کے اکثریتی حصص خریداروں نے سیکورٹیز ایکٹ 2015 اور (سسٹینٹشل وونگ شیئرز ٹیک اور) ریگولیشن 2017 کی دفعہ کے تحت بذریعہ اشتہار برائے عوام الناس شائع کروایا مورخہ 23 دسمبر 2020 کو اخبار روزنامہ نوائے وقت (اردو) بزنس ریکارڈر (انگریزی) 4,625,627 حصص کی خریداری کے لیے جو کہ ٹارگیٹڈ کمپنی کے ٹوٹل (جاری شدہ سرمائے کا % 18.50 فیصد) بنتا ہے۔

(SPA معاہدہ حصص خرید و فروخت) اور سیکورٹیز ایکٹ 2015 لیڈ کمپنی (سسٹینٹشل وونگ شیئرز ٹیک اور) ریگولیشن 2017 کی دفعہ کے تحت چند دنوں کے وقت میں اکثریتی حصص خریداروں کو مذکورہ بالا حصص منتقل ہو کر تمام تر قانونی کارروائی مکمل ہو جائے گی۔

چوہدری محمد شفیق اور محمد احمد رضا کے پاس اکثریت حصص ہیں چوہدری سٹیل ری رولنگ ملز لمیٹیڈ میں اور بیکوسٹیل ری رولنگ ملز (پرائیویٹ) لمیٹیڈ میں جو کہ سٹیل اور اس سے ملتی جلتی اشیاء بنانے میں مصروف عمل ہیں۔ ڈائریکٹران رپورٹ سے منسلک کنڈینس انیریم فنانشل سٹیٹمنٹس برائے آدھا سال ختم ہوا 31 دسمبر 2020 کے نتائج بتاتے ہیں کہ حصص فروخت کنندگان کی موجودہ کمپنی انتظامیہ نے کاشن جننگ اور پرینگ کا کاروبار کیا۔ دوران آدھا سال زیر غور میں کمپنی نے 220.578 ملین روپے کی سیل کی۔ کمپنی نے اسی دوران غیر صافی منافع 4.285 ملین روپے اور صافی منافع 8.868 ملین روپے کمایا۔ برعکس پچھلے آدھے سال صافی منافع 2.693 ملین روپے تھا۔

کمپنی کاروبار کے لیے رواں دواں ہو چکی ہے اور اس کا مستقبل بہت چمکدار ہے۔ سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنی کے خلاف جاری شدہ شوکاز فاروائسڈنگ اپ کو ختم کر دیا ہے اور اس نتیجہ میں کمپنی پاکستان سٹاک ایکسچینج کے ڈیفالٹر کا ڈنٹر پھانک سے واپس ہو کر مورخہ 28 جنوری 2021 سے عام ٹریڈنگ کا ڈنٹر پر آ چکی ہے۔

منجانب بورڈ

محمد وسیم الرحمن

(چیف ایگزیکٹو)

(ڈائریکٹر)

ملتان۔ 01 مارچ 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF RAVI TEXTILE MILLS LIMITED  
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Ravi Textile Mills Limited ("the company")** as at 31 December 2020 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statement based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended 31 December 2020.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Shahid Mehmood**.

**Dated: 01 March 2021**

**Lahore**

**Tariq Abdul Ghani Maqbool & Co.**

**Chartered Accountants**



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2020

	Note	Un-audited 31-Dec. 20 Rupees	Audited 30-Jun. 20 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital: 30,000,000 (2020: 30,000,000) ordinary shares of Rs.10 each		300,000,000	300,000,000
Issued, subscribed and paid up capital		250,000,000	250,000,000
Loan from directors		66,586,220	66,586,220
Revenue reserve		9,000,000	9,000,000
Accumulated loss		(297,784,731)	(306,652,770)
		27,801,489	18,933,450
<b>Non current liabilities</b>			
Staff retirement benefits		3,996,873	3,741,887
Deferred taxation		-	-
<b>Current liabilities</b>			
Trade and other payables	5	55,698,317	124,173,926
Accrued mark-up	6	850,000	850,000
Loan from ex-chief executive		832,223	832,223
Unclaimed dividend		1,034,090	1,034,090
Provision for taxation		2,205,777	5,205,920
		60,620,407	132,096,159
		64,617,280	135,838,046
Contingencies and commitments	7	-	-
		<b>92,418,769</b>	<b>154,771,496</b>

Chief Executive Officer

Director

Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2020

	Note	Un-audited 31-Dec. 20 Rupees	Audited 30-Jun. 20 Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	8	3,552,216	-
Long term security deposits		115,000	1,115,000
		<u>3,667,216</u>	<u>1,115,000</u>
<b>Current assets</b>			
Stock in trade		10,192,477	-
Trade debts- unsecured but considered good		20,901,052	-
Advances		11,633,931	3,798,811
Trade deposits and short term prepayments	9	-	2,870
Other receivable	10	223,340	827,618
Short term investment	11	995,526	949,314
Cash and bank balances		44,805,227	148,077,883
		88,751,553	153,656,496
		<u><u>92,418,769</u></u>	<u><u>154,771,496</u></u>

The annexed notes from 01 to 17 form an integral part of these financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Half year ended		Quarter ended	
		31-Dec. 20	31-Dec. 19	31-Dec. 20	31-Dec. 19
		Rupees	Rupees	Rupees	Rupees
Sales	12	220,577,714	-	197,099,712	-
Cost of Sales	13	(216,292,846)	-	(193,511,118)	-
Gross profit		4,284,868	-	3,588,594	-
Distribution and selling expenses		(1,844,454)	-	(1,844,454)	-
Administrative and general expenses		(3,417,447)	(4,182,285)	(1,582,055)	(2,235,283)
Other expenses		(70,734)	(333,083)	-	(112,781)
		(5,332,635)	(4,515,368)	(3,426,509)	(2,348,064)
Operating profit /(loss)		(1,047,767)	(4,515,368)	162,085	(2,348,064)
Other income		11,856,933	9,163,026	9,683,316	4,623,045
Profit from operations		10,809,166	4,647,658	9,845,401	2,274,981
Finance cost		(153,354)	(520,653)	71,736	(252,780)
<b>Profit before taxation</b>		10,655,812	4,127,005	9,917,137	2,022,201
Taxation		(1,787,773)	(1,433,710)	(1,662,198)	(37,710)
<b>Profit after taxation</b>		8,868,039	2,693,295	8,254,939	1,984,491
<b>Earning per share- basic and diluted</b>		0.35	0.11	0.33	0.08

The annexed notes from 01 to 17 form an integral part of these financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Half year ended		Quarter ended	
		31-Dec. 20	31-Dec. 19	31-Dec. 20	31-Dec. 19
		Rupees	Rupees	Rupees	Rupees
<b>Profit for the period</b>		8,868,039	2,693,295	8,254,939	1,984,491
<b>Other comprehensive income:</b>					
Item that will not be reclassified to statement of profit or loss:		-	-	-	-
Items that may be reclassified to statement of profit or loss:		-	-	-	-
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		8,868,039	2,693,295	8,254,939	1,984,491

The annexed notes from 01 to 17 form an integral part of these financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(Rupees)

	Share capital	Loan from directors	Revenue reserve General reserve	Accumulated Loss / profit	Total equity
Balance as at 30 June 2019 (Audited) - restated	250,000,000	-	9,000,000	(336,849,780)	(77,849,780)
Profit for the half year ended 31 December 2019	-	-	-	2,693,295	2,693,295
Other comprehensive income for the half year ended 31 December 2019	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2019	-	-	-	2,693,295	2,693,295
Balance as at 31 December 2019 (Un-audited)	250,000,000	-	9,000,000	(334,156,485)	(75,156,485)
Profit for the half year ended 30 June 2020	-	-	-	27,503,715	27,503,715
Loan from directors reclassified during the year	-	66,586,220	-	-	66,586,220
Other comprehensive income for the half year ended 30 June 2020	-	-	-	-	-
Total comprehensive income for the half year ended 30 June 2020	-	66,586,220	-	27,503,715	94,089,935
Balance as at 30 June 2020 (Audited)	250,000,000	66,586,220	9,000,000	(306,652,770)	18,933,450
Profit for the half year ended 31 December 2020	-	-	-	8,868,039	8,868,039
Other comprehensive income for the half year ended 31 December 2020	-	-	-	-	-
Total comprehensive profit for the half year ended 31 December 2020	-	-	-	8,868,039	8,868,039
Balance as at 31 December 2020 (Un-audited)	250,000,000	66,586,220	9,000,000	(297,784,731)	27,801,489

The annexed notes from 01 to 17 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Note	Half year ended	
	31-Dec. 20 Rupees	31-Dec. 19 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	10,655,812	4,127,005
Adjustments for following items:		
Depreciation	325,084	-
Profit on term deposit receipt	(46,212)	(42,420)
Credit balances written back	(8,561,173)	
Staff retirement benefits	254,986	254,986
Finance cost	153,354	520,653
	(7,873,961)	733,219
<b>Operating profit before working capital changes</b>	<b>2,781,851</b>	<b>4,860,224</b>
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade	(10,192,477)	-
Trade debts - unsecured but considered good	(20,901,052)	-
Advances	(9,603,855)	(35,500)
Trade deposit and short term prepayments	2,870	-
Other receivable	604,278	759,483
	(40,090,236)	723,983
<b>(Increase) / decrease in current liabilities</b>		
Trade and other payables	(60,049,497)	(9,038,074)
	(97,357,882)	(3,453,867)
Cash generated from operations	(134,666,267)	2,130,340
Finance cost paid	(18,294)	(520,653)
Income tax paid	(3,019,180)	(1,346,057)
Gratuity paid	-	-
	(3,037,474)	(1,866,710)
<b>Net cash used in operating activities</b>	<b>(100,395,356)</b>	<b>(5,320,577)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(3,877,300)	-
Security deposit	1,000,000	(1,000,000)
<b>Net cash (used in) / generating from investing activities</b>	<b>(2,877,300)</b>	<b>(1,000,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	-	-
<b>Net cash flows generated from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents	(103,272,656)	(6,320,577)
Cash and cash equivalents at the beginning of the period	148,077,883	151,972,610
Cash and cash equivalents at the end of the period	<b>44,805,227</b>	<b>145,652,033</b>

The annexed notes from 01 to 17 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

## **SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

### **1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.01** M/s 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. The principal activity of the Company is cotton ginning and pressing; processing of cotton seeds; trading of cotton and yarn.
- 1.02** Pursuant to Regulation 6 of the the Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Regulations, 2017, the Company has received on 16 October 2020 a notice of public announcement of intention from potential acquirers, Mr. Ch. Muhammad Shafique and Mr. Muhammad Ahmad Raza, whereby the potential acquirers have expressed their intention to acquire more than 51% shares of the Company, together with management control.

The Acquirers entered into a share purchase agreement dated 11 November 2020 with Mr. Muhammad Shahid Iqbal, Mr. Muhammad Itikhar, Mr. Muhammad Shahid, Mr. Muhammad Riaz, Mr. Amir Khurshid Chandia, Mr. Tahir Majeed, Mr. Waseem Ejaz, Mr. Muhammad Waseem-ur-Rehman, Mr. Aftab Sarwar, Mr. Qamar Sultan, Mr. Mohammad Sarfraz, Mr. Jan Muhammad Imran, Mr. Musawar Husain, Mrs. Tasbiha Sarfraz, Spintex Enterprises (Private) Limited and Universal Equities (Private) Limited (collectively, the "Sellers") for the sale and purchase of 15,748,746 Ordinary Shares representing 62.99% of the total issued share capital of the Target Company, Ravi Textile Mills Limited, at an aggregate sale price of PKR 30,000,000/- (Pak Rupees Thirty Million Only) calculated at the rate of PKR 1.905 per share.

Public Announcement of Offer to acquire up to 4,625,627 ordinary shares (18.50% of the issued share capital) of the Company under provisions of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 was made by the Acquirers and published in the Daily Nawai-e-Waqt (Urdu) and Business Recorder (English) on December 23, 2020.

The shares under the SPA shall, in a few days time, be transferred in the name of the Acquirers as compliance with applicable provisions of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 has been made.

Mr. Ch. Muhammad Shafique and Mr. Muhammad Ahmad Raza are the majority shareholders of Chaudhry Steel Re-Rolling Mills Limited and BECO Steel Re-Rolling Mills (Private) Limited which are engaged in manufacturing of steel and allied products. Hence, the Company shall engage in steel business in future.

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.01 BASIS OF PREPARATION**

##### **a) Statement of compliance**

These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with notes forming part thereof.

These condensed interim statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Company Act, 2017.

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 applicable in Pakistan for interim financial reporting comprise of:

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

These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2020. Comparative condensed interim statement of financial position is stated from annual financial statements as of June 30, 2020, whereas comparatives for condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statement of the Company for the six months' period December 31, 2019.

**b) Accounting convention**

These condensed interim financial statements have been prepared using the going concern basis of accounting and in conformity with approved Accounting Standards as disclosed in audited annual published financial statement of the company for the year ended 30 June 2020.

**3 ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of this 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 2020.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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 2020.

	Note	Un-Audited 31-Dec. 20 Rupees	Audited 30-Jun. 20 Rupees
<b>5 TRADE AND OTHER PAYABLES</b>	<b>5.01</b>	<u>55,698,317</u>	<u>124,173,926</u>
<p>5.01 This include an amount of Rupees 39.927 million (30 June 2020: 39.927 million) is being interest free payable on demand to an Associated Company..</p>			
		Un-Audited 31-Dec. 20 Rupees	Audited 30-Jun. 20 Rupees
<b>6 ACCRUED MARK-UP</b>			
Bank Alfalah Limited		<u>850,000</u>	<u>850,000</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>		-	-
<p>There is no change in the status of contingencies and commitments as disclosed in the audited financial statements as at 30 June 2020.</p>			
		Un-Audited 31-Dec. 20 Rupees	Audited 30-Jun. 20 Rupees
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Opening book value		-	-
Add: Addition during the period		<u>3,877,300</u>	<u>-</u>
		3,877,300	-
Less: Depreciation charged during the period		<u>325,084</u>	<u>-</u>
		3,552,216	-
<b>9 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Prepayments		<u>-</u>	<u>2,870</u>
<b>10 OTHER RECEIVABLE</b>			
<b>Considered good, unsecured:</b>			
Accrued profit on saving bank account		<u>223,340</u>	<u>827,618</u>

	Un-Audited 31-Dec. 20 Rupees	Audited 30-Jun. 20 Rupees
<b>11 SHORT TERM INVESTMENT</b>		
<b>Debt instrument - at amortized cost</b>		
Term deposit receipt	925,942	925,942
Add: Profit accrued thereon	69,584	23,372
	<u>995,526</u>	<u>949,314</u>

**11.01** This term deposit receipt issued by banking company has maturity period of one year and carries profit at the rate 9.90% per annum.

12 SALES - NET	Note	Half year ended		Quarter ended	
		31-Dec. 20 Rupees	31-Dec. 19 Rupees	31-Dec. 20 Rupees	31-Dec. 19 Rupees
Sales - net		220,577,714	-	197,099,712	-
<b>13 COST OF SALES</b>					
Raw material consumed		215,978,005	-	183,039,245	-
Salaries, wages and others benefits		2,391,875	-	1,747,479	-
Packing Material consumed		1,272,764	-	1,247,375	-
Fuel and power		856,222	-	482,296	-
Insurance		61,197	-	40,797	-
Repair and maintenance		2,273,069	-	1,508,393	-
Other factory overheads		3,652,191	-	3,040,847	-
		<u>226,485,323</u>	<u>-</u>	<u>191,106,432</u>	<u>-</u>
Work in process					
Opening inventory		-	-	-	-
Closing inventory		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cost of goods manufactured</b>		<u>226,485,323</u>	<u>-</u>	<u>191,106,432</u>	<u>-</u>
Finished goods					
Opening inventory		-	-	12,597,163	-
Closing inventory		(10,192,477)	-	(10,192,477)	-
		<u>(10,192,477)</u>	<u>-</u>	<u>2,404,686</u>	<u>-</u>
<b>Cost of sales</b>		<u>216,292,846</u>	<u>-</u>	<u>193,511,118</u>	<u>-</u>

**14 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprises of associated undertaking, directors 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 statements are as follows:

Related Party Transactions	Half year ended		Quarter ended	
	31-Dec. 20 Rupees	31-Dec. 19 Rupees	31-Dec. 20 Rupees	31-Dec. 19 Rupees
<b>Associated company</b>				
Funds received	-	120,695	-	28,934
Funds repaid	-	19,651	-	19,651
<b>Other related parties</b>				
Remuneration to key management personnel	642,607	753,500	318,646	375,323

**15 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 2020.

**16 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 01 March 2021.

**17 GENERAL**

Figures have been rounded off to nearest of Rupee.

# **BOOK POST**

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