

Printed Matter

# Half Yearly Accounts

DECEMBER 31, 2023  
(UN-AUDITED)



*If un-delivered please return to:*

**RUBY TEXTILE MILLS**  
**L I M I T E D**

35-Industrial Area, Gulberg-III, Lahore-54660, Pakistan

Phone: (+92-42) 3571-4601, 3576-1243-4

Fax: (+92-42) 3571-1400, 3576-1222

Email: [info@rubytexile.com.pk](mailto:info@rubytexile.com.pk)

# Ruby Textile Mills Limited

## DIRECTOR'S REPORT TO THE MEMBERS

The Board of Directors of your Company are pleased to present the Un-audited Financial Statements for the Half Year ended 31 December, 2023.

### INDUSTRY OVERVIEW:

The textile industry is a crucial contributor to the economy of Pakistan, and its significance is amplified by the country's reliance on foreign exchange. The recent devaluation of the Pakistani Rupee against US dollar has given textile exporters a competitive edge in terms of pricing. However, in the long run, Devaluation has become a growing concern for textile exporters as it raises input costs, making exports less competitive.

Looking towards the future, the economy is facing severe challenges. These challenges will not only impede the already feeble economic growth, but they will also lead to spiraling prices of food items due to supply disruptions. As a result, inflation is likely to remain high throughout the year. The textile industry is expected to remain under stress due to all time high markup rates and increasing energy costs.

### COMPANY PERFORMANCE

Half yearly brief financial performance of the Company is presented here under:


	R U P E E S	
	31-12-2023	31-12-2022
Revenue	-	-
Cost of Sales	(14,717,792)	(5,404,495)
Gross Loss	(14,717,792)	(5,404,495)
Distribution Cost	-	-
Administrative and general expenses	(17,493,858)	(14,813,155)
Other income	5,571,520	11,785,262
Finance cost	(1,741,940)	(1,249,482)
Loss before taxation	(28,382,070)	(9,681,870)
Taxation	4,180,605	-
Loss for the period	(24,201,465)	(9,681,870)
Loss per share – basic and diluted	(0.46)	(0.19)

We regret to inform that our Company's financial performance during the current period has been unsatisfactory. We have incurred a significant loss of 24.201 million. The auditor's has issued adverse report on the matter of Going concern assumption in the preparation of the condensed interim financial statement. Although the company had closed its operation but your directors have firm believe and commitment to contribute funds to meet the financial requirement of the company, We do believe that with favorable market conditions, the company would be operational to achieve to optimum productivity and generate the sufficient funds to meet the commitment.

The directors have full confidence in the company and they are committed to make it a profitable venture. The Directors and Associated Companies have made fresh injection of Rs.20.897 million to meet the financial commitment.

### ACKNOWLEDGEMENT

The Board records its profound appreciation for all our colleagues, customers, banks, management and staff who are strongly committed to their work as the success of your Company is built around their efforts. The Company acknowledges and thanks all stakeholders for the confidence reposed in it.

 on behalf of the Board

Lahore  
February 26, 2024

**Noor Elahi**  
Chief Executive Officer

**Imtiaz Ahmad**  
Director

### ممبران کو ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی مدت کے لیے غیر نظر ثانی شدہ ششماہی مالیاتی گوشوارے پیش کرتے ہیں۔ ٹیکسٹائل کی صنعت پاکستان کی معیشت میں اہم کردار ادا کرتی ہے اور اس کی اہمیت ملک کے فیملی زرمبادلہ پر انحصار کی وجہ سے اور بھی بڑھ جاتی ہے۔ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ کی حالیہ قدر میں کمی نے ٹیکسٹائل برآمد کنندگان کو قیمتوں کے لحاظ سے مسابقتی برتری دی ہے۔ تاہم، بطویل مدت میں، ٹیکسٹائل برآمد کنندگان کے لئے قدر میں کمی بہت زیادہ تشویش بنی ہوئی ہے کیونکہ اس سے پیداواری لاگت میں اضافہ ہوتا ہے، اور برآمدات کم مسابقتی ہو جاتی ہیں۔ مستقبل کی طرف بڑھتے ہوئے معیشت کو شدید مشکلات کا سامنا ہے۔ یہ مشکلات نہ صرف پہلے سے کمزور معاشی نمونوں میں رکاوٹ ڈالیں گی بلکہ رسد میں خلل کی وجہ سے اشیائے خورد و نوش کی قیمتوں میں بھی اضافے کا باعث بنیں گی۔ اس کے نتیجے میں سال بھر افراط زر زیادہ رہنے کا امکان ہے۔ ٹیکسٹائل انڈسٹری کو اب تک کی سب سے زیادہ راک اپ شرح اور توانائی کی زیادہ لاگت کی وجہ سے دباؤ میں رہنے کی توقع ہے۔

کمپنی کی کارکردگی

کمپنی کی ششماہی مالیاتی کارکردگی حسب ذیل کے مطابق ہے:

31-12-2022 (روپے)	31-12-2023 (روپے)	
-	-	آمدنی
(5,404,495)	(14,717,792)	فروخت لاگت
(5,404,495)	(14,717,792)	مجموعی نقصان
-	-	تقسیم کی لاگت
(14,813,155)	(17,493,858)	انتظامی اور عام اخراجات
11,785,262	5,571,520	دیگر آمدنی
(1,249,482)	(1,741,940)	مالی لاگت
(9,681,870)	(28,382,070)	قبل از ٹیکس نقصان
-	4,180,605	ٹیکسیشن
(9,681,870)	(24,201,465)	موجودہ مدت کا نقصان
(0.19)	(0.46)	نقصان فی شیئر - بنیادی اور معتدل

ہمیں یہ بتاتے ہوئے افسوس ہو رہا ہے کہ موجودہ مدت کے دوران ہماری کمپنی کی مالی کارکردگی غیر ترقی بخش رہی ہے۔ ہمیں 24.201 ملین روپے کا نمایاں نقصان ہوا ہے۔ آڈیٹرز نے محمد عبوری مالیاتی گوشواروں کی تیار میں جاری تشویش مفروضہ کے استعمال کے معاملہ پر منفی جائزہ رپورٹ جاری کی ہے۔ اگرچہ کمپنی نے اپنا آپریشن بند کر دیا تھا لیکن آپ کے ڈائریکٹرز کمپنی کی مالی ضروریات کو پورا کرنے کے لیے فنڈز دینے کا پختہ یقین اور عزم رکھتے ہیں۔ ہمیں یقین ہے کہ مارکیٹ کے سازگار حالات کے ساتھ، کمپنی زیادہ سے زیادہ پیداواری صلاحیت حاصل کرنے اور عزم کو پورا کرنے کے لیے کافی فنڈز پیدا کرنے کے لیے آپریشنل ہو جائے گی۔

اظہار تشکر

بورڈ اپنے تمام ساتھیوں، گاہکوں، بینکوں، انتظامیہ اور عملے کی کوششوں کو سراہتا ہے جو اپنے کام کے لئے بخیر عزم رکھتے ہیں کیونکہ آپ کی کمپنی کی کامیابی ان کی کوششوں کی بدولت ہو سکتی ہے۔ کمپنی پر اعتماد کا اظہار کرنے پر تمام اسٹیبلشمنٹ ہولڈرز کی شکر گزار ہے۔

 **مخائبہ بورڈ آف ڈائریکٹرز**

لاہور

انتہا زامہ

نور الہی

26 فروری 2024ء

ڈائریکٹر

چیف ایگزیکٹو

# Ruby Textile Mills Limited

## COMPANY'S PROFILE

<b>BOARD OF DIRECTORS</b>	MR. NOOR ELAHI - CHIEF EXECUTIVE MRS. PARVEEN ELAHI - CHAIR PERSON
	<b>Directors:</b> MRS. NAHEED JAVED MR. IMTIAZ AHAMD MR. MUHAMMAD ASLAM ANSARI MR. AMJAD SHAHID MR. MANSOOB AHMED KHAN
<b>CHIEF FINANCIAL OFFICER</b>	MR. ADREES AZAM
<b>COMPANY SECRETARY</b>	MR. ADREES AZAM
<b>AUDIT COMMITTEE</b>	MR. MANSOOB AHMED KHAN - CHAIRMAN MRS. NAHEED JAVED - MEMBER MR. MUHAMMAD ASLAM ANSARI - MEMBER
<b>HUMAN RESOURCE &amp; REMUNERATION COMMITTEE</b>	MR. MANSOOB AHMED KHAN - CHAIRMAN MR. IMTIAZ AHMAD - MEMBER MR. MUHAMMAD ASLAM ANSARI - MEMBER
<b>BANKERS</b>	M/S. MEEZAN BANK LIMITED M/S. BANK AL-HABIB LIMITED M/S. HABIB METROPOLITAN BANK LTD M/S. NATIONAL BANK OF PAKISTAN M/S. SILK BANK LTD M/S. FAYSAL BANK LIMITED M/S. MUSLIM COMMERCIAL BANK LTD M/S. HABIB BANK LTD M/S. BANK ALFALAH LTD
<b>AUDITORS</b>	M/S. Sarwars Chartered Accountants, Office # 12-14, 2nd Floor, Lahore Centre, 77-D, Main Boulevard, Gulberg-III, Lahore email: sarwarsca@sarwarsca.com Tel: 35782920-22, Fax: 35773825
<b>INTERNAL AUDITOR</b>	MR. TAHIR ALI
<b>LEGAL ADVISOR</b>	M/S. MOHSIN & WAHEED LAW ASSOCIATES Office # S-3, 2nd Floor, West End Plaza, 72-The Mall Road, Lahore.
<b>HEAD OFFICE</b>	35-Industrial Area, Gulberg -III, Lahore - 54660, Pakistan Phone: (+92-42) 3571-4601, 3576-1243-4 Fax: (+92-42) 3571-1400, 3576-1222 Email: info@rubytexile.com.pk
<b>REGISTERED OFFICE</b>	35-Industrial Area, Gulberg -III, Lahore - 54660, Pakistan Phone: (+92-42) 3571-4601, 3576-1243-4 Fax: (+92-42) 3571-1400, 3576-1222 Email: info@rubytexile.com.pk
<b>MILLS</b>	Raiwind-Manga Road, Raiwind, District Kasur. -55050. Pakistan. Phone: (+92-42) 3539-1031, 3539-2651-2 Fax: (+92-42) 3539-1032 Email: wasim@rubytexile.com.pk
<b>SHARE REGISTRAR</b>	M/S. CORPLINK (PRIVATE) LIMITED 1-K, (Commercial) Wings Arcade, Model Town, Lahore. 54700 Phone: (+92-42) 35916714, 35839182 Fax: (+92-42) 3586-9037 Email: corplink786@gmail.com/shares@corplink.com.pk

# Ruby Textile Mills Limited



**SARWARS**  
Chartered Accountants

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF RUBY TEXTILE MILLS LIMITED

### Condensed Interim Financial Information to the Members

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Ruby Textile Mills limited ("the Company") as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### 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 information 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.

#### Adverse Conclusion

Our review indicates that the interim financial information does not give a true and fair view of the financial position of the entity as at December 31, 2023 and of its financial performance and its cash flows for the six-month period then ended in accordance with international Financial Reporting Standards. See also audit report dated October 04, 2023 on financial statements as at June 30, 2023.

#### Basis for Adverse Conclusion

Our conclusion on financial information is based on the qualifications, and adverse opinion duly reported in the audit report on the financial statements of the company for the year ended June 30, 2022. Our conclusion on this issue is adversely reported.

#### Other Matters

The figures for the quarters ended December 31, 2022 and December 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

**SARWARS**  
**CHARTERED ACCOUNTANTS**

**Engagement Partner: Rashid Sarwar**

Date: February 26, 2024

UDIN: RR202310208ukxftBwrZ



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# Ruby Textile Mills Limited

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
Notes		-----Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
	Property, plant and equipment & CWIP	4 917,780,268	931,131,964
	Long term deposits	1,303,945	1,303,945
		<b>919,084,213</b>	<b>932,435,909</b>
<b>CURRENT ASSETS</b>			
	Stores, spare parts and loose tools	-	-
	Stock-in-trade	5 -	-
	Trade debts	15,762,426	17,737,426
	Advances and prepayments	6,226,123	6,310,764
	Due from Government	10,025,920	8,296,745
	Cash and bank balances	223,129	638,678
		<b>32,237,598</b>	<b>32,983,612</b>
	<b>TOTAL ASSETS</b>	<b>951,321,811</b>	<b>965,419,521</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
	Authorized share capital	<b>700,000,000</b>	<b>700,000,000</b>
	Issued, subscribed and paid up share capital	522,144,000	522,144,000
	Accumulated losses	(905,925,543)	(887,128,572)
	Surplus on revaluation of property, plant and equipment	419,867,311	425,271,805
	Loan from sponsors and other related parties	6 674,207,209	653,309,709
		<b>710,292,977</b>	<b>713,596,942</b>
<b>NON-CURRENT LIABILITIES</b>			
	Long term financing from others	7 68,054,916	79,477,250
	Long term security deposits	4,231,660	7,731,660
	Deferred liabilities	8 24,666,654	29,404,308
		<b>96,953,230</b>	<b>116,613,218</b>
<b>CURRENT LIABILITIES</b>			
	Trade and other payables	81,991,053	78,088,715
	Accrued markup	12,587,314	11,755,993
	Unclaimed dividend	402,570	402,570
	Current & overdue portion of long term loans	49,094,667	44,962,083
	Provision for taxation	-	-
		<b>144,075,604</b>	<b>135,209,361</b>
	<b>TOTAL LIABILITIES</b>	<b>241,028,834</b>	<b>251,822,579</b>
	<b>CONTINGENCIES AND COMMITMENTS</b>	<b>9 -</b>	<b>-</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>951,321,811</b>	<b>965,419,521</b>

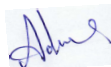
The annex notes from 1 to 13 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

# Ruby Textile Mills Limited

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees-----		-----Rupees-----	
Sales	-	-	-	-
Less: Sales tax	-	-	-	-
Sales- net	-	-	-	-
Cost of sales	(14,717,792)	(5,404,495)	(7,358,896)	(2,724,277)
<b>Gross loss</b>	<b>(14,717,792)</b>	<b>(5,404,495)</b>	<b>(7,358,896)</b>	<b>(2,724,277)</b>
Distribution cost	-	-	-	-
Administrative and general expenses	(17,493,858)	(14,813,155)	(10,687,279)	(9,259,818)
Other income / (Loss)	5,571,520	11,785,262	3,878,640	3,483,602
Finance cost	(1,741,940)	(1,249,482)	(1,741,940)	(604,802)
<b>Loss before taxation</b>	<b>(28,382,070)</b>	<b>(9,681,870)</b>	<b>(15,909,475)</b>	<b>(9,105,295)</b>
<b>Taxation</b>				
- Current	-	-	-	-
- Deferred	4,180,605	-	4,180,605	-
	4,180,605	-	4,180,605	-
<b>Loss for the period</b>	<b>(24,201,465)</b>	<b>(9,681,870)</b>	<b>(11,728,871)</b>	<b>(9,105,295)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.46)</b>	<b>(0.19)</b>	<b>(0.22)</b>	<b>(0.17)</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees-----		-----Rupees-----	
Loss for the period	(24,201,465)	(9,681,870)	(11,728,871)	(9,105,295)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(24,201,465)</b>	<b>(9,681,870)</b>	<b>(11,728,871)</b>	<b>(9,105,295)</b>

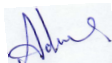
The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

# Ruby Textile Mills Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Share capital	Capital reserves	Revenue reserve		Revaluation surplus on property, plant and equipment Rupees	Sub Total	Long term loan from chief executive and directors	Total
			Accumulated losses					
<b>Balance as at June 30, 2021</b>	522,144,000	-	(780,213,844)		340,374,422	82,304,578	589,833,409	672,137,987
Loss for the year	-	-	(27,919,627)		-	(27,919,627)	-	(27,919,627)
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	(141,024)		-	(141,024)	-	(141,024)
Remeasurement of staff retirement benefits -net of deferred tax	-	-	-		-	-	23,725,000	23,725,000
Loan received during the year	-	-	-		-	-	11,035,500	11,035,500
Loan from associates	-	-	8,662,245		(8,662,245)	-	-	-
Incremental depreciation - net of deferred tax	-	-	(799,612,250)		331,712,177	54,243,927	624,593,909	678,837,836
<b>Balance as at June 30, 2022</b>	522,144,000	-	(36,101,494)		(36,101,494)	(36,101,494)	-	(36,101,494)
<b>Effect of restatement (see note 3.29)</b>	-	-	(275,701)		-	(275,701)	-	(275,701)
<b>Effect of restatement (see note 3.29)</b>	522,144,000	-	(835,989,446)		331,712,177	17,866,732	624,593,909	642,460,641
<b>Balance as at July 01, 2023</b>	-	-	(60,271,380)		-	(60,271,381)	-	(60,271,381)
Loss for the year	-	-	-		-	-	-	-
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	-		101,922,314	101,922,314	-	101,922,314
Remeasurement of staff retirement benefits -net of deferred tax	-	-	769,568		-	769,568	25,629,800	769,568
Loan received during the year	-	-	-		-	-	3,086,000	3,086,000
Loan from associates	-	-	8,362,686		(8,362,686)	-	-	-
Incremental depreciation - net of deferred tax	-	-	(887,128,572)		425,271,805	60,287,233	653,309,709	713,596,942
<b>Balance as at June 30, 2023</b>	522,144,000	-	(24,201,465)		-	(24,201,466)	-	(24,201,466)
Loss for the year	-	-	-		-	-	-	-
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	-		-	-	-	-
Remeasurement of staff retirement benefits -net of deferred tax	-	-	-		-	-	290,000	290,000
Loan received during the year	-	-	-		-	-	20,607,500	20,607,500
Loan from associates	-	-	5,404,495		(5,404,495)	-	-	-
Incremental depreciation - net of deferred tax	-	-	(905,925,543)		419,867,311	36,085,768	674,207,209	710,292,977
<b>Balance as at December 31, 2023</b>	522,144,000	-	(905,925,543)		419,867,311	36,085,768	674,207,209	710,292,977

The annexd notes from 1 to 13 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# Ruby Textile Mills Limited

## CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	December 31, 2023 Rupees	December 31, 2022 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(28,382,070)	(9,681,870)
Adjustments for non cash and other items:		
Depreciation	14,972,928	5,459,086
Provision for staff retirement benefit-gratuity	-	-
Liability written back	-	-
Provision for obsolete stores and spares & written down to NRV	-	-
Reversal of Provision	-	-
Finance cost	1,741,940	1,249,482
	<b>16,714,868</b>	<b>6,708,568</b>
<b>Operating cash flow before working capital changes</b>	<b>(11,667,202)</b>	<b>(2,973,302)</b>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	-	-
Stock in trade	-	-
Trade debts	1,975,000	1,720,390
Advances and prepayments	84,641	1,960,323
Balance with statutory authorities	(1,658,284)	3,845,580
<b>Increase in current liabilities</b>		
Trade and other payables	3,902,338	(12,316,972)
	<b>4,303,695</b>	<b>(4,790,679)</b>
<b>Cash used in from operations</b>	<b>(7,363,507)</b>	<b>(7,763,981)</b>
Finance cost paid	(910,618)	(1,400,082)
Taxes paid	(70,891)	-
Staff retirement gratuity paid	(557,050)	(150,000)
	<b>(1,538,559)</b>	<b>(1,550,082)</b>
<b>Net cash used in from operating activities</b>	<b>(8,902,066)</b>	<b>(9,314,063)</b>
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipment	(1,621,233)	-
Long term deposits	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,621,233)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>c) Long term financing from banking companies</b>	<b>(7,289,750)</b>	<b>(4,859,829)</b>
Short term financing	-	-
Long term financing from others	-	-
Long term security deposits	(3,500,000)	(5,940,000)
Long term financing from directors and associates	20,897,500	10,692,800
	<b>10,107,750</b>	<b>(107,029)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(415,549)</b>	<b>(9,363,961)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>638,678</b>	<b>9,676,755</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>223,129</b>	<b>312,794</b>


The annex notes from 1 to 13 form an integral part of these financial statements.



**Chief Executive**



**Director**



**Chief Financial Officer**



# Ruby Textile Mills Limited

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023

### 1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on October 18, 1980 as a private limited company and was subsequently converted into public limited company. The registered office and head office of the company is located at 35-Industrial area, Gulberg III, Lahore. The shares of the company are quoted on the Pakistan stock exchange limited. The principal business of the company is manufacturing and sale of yarn. The manufacturing units are located at 3-km, Manga Road, Raiwind in the province of Punjab.

### 1.1 Going concern assumption

The company has been incurring gross losses for the last eight years due to under utilization of production capacity and during the period ended December 31, 2023, the company has incurred a net loss after taxation amounting Rs. 24.172 million, accumulated loss of Rs. 905.897 million and current liabilities exceeds current asset by Rs. 111.824 million of that date. The unit-I and unit-II remain closed during the whole financial year. The company financial limits from bank are rescheduled, whereas the company operation is mainly reliant on the financial contribution from sponsoring director's of the company.

These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements, however, have been prepared under the going concern assumptions based on the following mitigating factors narrated below;

- Sponsoring Director's of the company has contributed funds amounting to Rs. 20.897 million during the current year and directors has ability and committed to contribute further funds as and when required by the company. Due to the financial constraints faced by the company, the management has been working on alternate option by seeking a party to lease out Unit-II to third party or make the unit operative on the conversion basis, whereby, the unit-I will be operated by the company itself. The management expects that lease option or conversion option will be exercised in the foreseeable future or make the unit operative on conversion basis.
- The total assets of the company exceeds total liability by Rs. 710.321 million and the company entered into restructuring agreement in the year 2020 with M/s Messi Capital for converting the foreign currency loan repayable into Pak rupee with fixation of exchange rate of USD\$ parity at Rs.105 with markup on LIBOR plus 1.5%. The company's overall assets are sufficient to meet its liabilities and with directors continuous financial supports to meet the financial commitments, the company would be able to revive the business operation at normal trends in upcoming months.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Financial Reporting Standard (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

#### 2.2.1

These financial statements have been prepared under the historical cost convention, except for Property plant and equipment's and recognition of certain staff retirement benefits at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow.

The preparation of these financial statements in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years.

#### 2.2.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

### 2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

#### 2.3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for the year ended June 30, 2022 and are considered to be relevant to the Company's financial statements:

IFRS	Description	Effective Date
IFRS 3	"Business Combinations" - Definition of business	January 01, 2020
IFRS 7	Financial Instruments Disclosure - Interest rate benchmark reform	January 01, 2020
IFRS 9	Financial instruments	January 01, 2020
IFRS 16	Leases- Amendment to provide lessees with an exemption from assessing whether a Covid-19 related rent concession is a lease modification.	June 01, 2020
IAS 1	Amendments to IAS 1 'Presentation of Financial Statements' - Definition of material	January 01, 2020
IAS 8	IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors	January 01, 2020
IAS 39	Financial Instruments Recognition and Measurement	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

#### 2.3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective Date (Period beginning on or after)
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01,2021
IFRS 1 Amendments to IFRS 1 'Simplifies the application of IFRS 1 for a subsidiary that become a first time adopter of IFRS later than its parent.	January 01,2021
IFRS 3 Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.	January 01,2022
IFRS 9 Financial Instruments- For the purpose of performing the 'ten per cent test' for derecognition of financial liabilities.	January 01,2022
IFRS 16 Amendment to IFRS 16 'Leases' illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.	January 01,2022
IAS 1 Presentation of financial Statements- Amendments regarding the definition of materiality - Disclosure of accounting policies.	January 01,2023
IAS 1 Presentation of financial Statements- Amendments regarding the classification of liabilities.	January 01,2023
IAS 8 Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' The IASB clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.	January 01,2023
IAS 12 Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01,2023
IAS 16 Property Plant and Equipment- Amendments prohibiting a company from deducting from the cost of Property Plant and Equipment amounts received from selling items produced while the company is preparing for its intended use.	January 01,2022
IAS 37 Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits.	January 01,2022
IAS 41 Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 'Fair Value Measurement'.	January 01,2022

Certain annual improvements have also been made to a number of IFRSs.

# Ruby Textile Mills Limited

## 2.3.3 Standards, Interpretations and amendments to approved accounting standards that are not yet effective

The following new standards and interpretation have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by Securities and Exchange Commission of Pakistan.

	Effective Date (Period beginning on or after)
IFRS 1	First time adoption of international financial reporting standards. January 01,2018
IFRS 17	Insurance contracts. January 01,2021

The management anticipates that the adoption of the above standards and amendments in future periods will have no material impact on the company's financial statements.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computations adopted in preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2023.

	NOTE	December 2023	June 2023
		RUPEES	RUPEES
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets		917,780,268	931,131,964
Opening written down value		890,724,159	791,277,561
Add: Deficit during the year		-	-
Add: Addition during the year		1,621,233	-
Add: Revaluation surplus during the year		-	126,412,942
Capital Work in Process		40,407,804	40,407,804
		932,753,196	958,098,306
Less: Depreciation charged during the period / year		(14,972,928)	(26,966,342)
Closing written down value		917,780,268	931,131,964
<b>5. STOCK-IN-TRADE</b>			
Raw material		-	-
Work-in-process		-	-
Finished goods		-	-
<b>6. LOAN FROM SPONSORS AND OTHER RELATED PARTIES</b>			
<b>Unsecured-from related parties</b>			
Mr. Noor Elahi		286,229,178	267,753,678
Mrs. Parveen Elahi		139,378,121	137,246,121
Mr. Nabeel Javed		-	-
Mrs. Naheed Javed		150,024,598	150,024,598
		575,631,897	555,024,397
<b>Associated Companies:</b>			
Naheed Noor (Pvt) Limited		3,848,844	3,848,844
Naheed Noor Enterprises (Pvt) Limited		62,197,770	61,907,770
Pure Drinks (Pvt) Limited		877,656	877,656
Sunrise Bottling Co (Pvt) Ltd		1,115,000	1,115,000
Aroma Drinks (Pvt) Limited		30,536,042	30,536,042
		98,575,312	98,285,312
<b>Total loan from sponsors and other related parties</b>	6.1	674,207,209	653,309,709

6.1 These interest free loans are repayable at the discretion of the Company. Company has no intention to repay these loan within next twelve months from the reporting date. Therefore, no portion has been classified under current liabilities. Therefore, these loans are not measured at amortized cost as per requirements of IFRS-09, rather these are treated as equity in accordance with the Technical Release - 32 "Accounting Directors' Loan" (TR-32) issued by the Institute of Chartered Accountants of Pakistan (ICAP). The lenders have been given an option to convert the loan into share capital but no option has been exercised yet.

## 7. LONG TERM FINANCING FROM OTHERS

Foreign Loan	65,625,000	72,187,500
Loan From Bank Al Habab	2,429,916	7,288,750
	68,054,916	79,477,250

## 8. DEFERRED LIABILITIES

Staff gratuity-Unfunded	12,067,543	12,624,593
Deferred taxation	12,599,111	16,779,715
	24,666,654	29,404,308

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

Mr. Khurram Shahzad Mughal, Mr. Muhammad Afzal and Mr. Muhammad Waseem, ex-employees of the company have filed suits against the company before the compensation Commissioner wages Authority Lahore for compensation amounting Rs. 510,000, Rs. 103,576 and Rs. 123,000 as damages against loss of eye-sight and pending wages claim respectively. Legal counsel of the company is hopeful that there is no scope of any fiscal loss to the company in this case.

### 9.2 Commitments

There are no commitments as at year end. (2023: Rs. Nil).

## 10. RELATED PARTY TRANSACTIONS

Disclosure of transactions between the Company and related parties have disclosed in the relevant notes to the financial statements except following:

Name of Related Party	Basis of relationship	December 31, 2023	December 31, 2022
		RUPEES	RUPEES
<b>Loan obtained from;</b>			
Mr. Noor Elahi	Chief executive	19,545,500	6,682,800
Mrs. Parveen Elahi	Director	2,132,000	4,905,000
Mrs. Naheed Javed	Director	-	1,450,000
Naheed Noor Enterprises (Pvt) Limited	Common Directorship	290,000	-
<b>Loan repaid to;</b>			
Mr. Nabeel Javed		-	2,345,000
Mr. Noor Elahi	Chief executive	1,070,000	-
Naheed Noor Enterprises (Pvt) Limited	Common Directorship	-	-
Aroma drinks (Pvt.) Limited		-	-

## 11. 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 2023.

## 12. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorised for issued on February 26, 2024 by the Board of Directors of the Company.

## 13. GENERAL

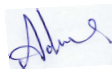
Figures in this condensed interim financial information have been rounded off to the nearest of rupee.



Chief Executive



Director



Chief Financial Officer