ANNUAL REPORT 2014

RAVI TEXTILE MILLS LIMITED

CONTENTS

RAVI TEXTILE MILLS LIMITED

Corporate Information

BOARD OF DIRECTORS

Muhammad Waseem-ur-Rehman	(Chief Executive)
Muhammad Shahid Iqbal	
Aftab Sarwar	
Tahir Majeed	
Shabbir Ahmad Alvi	
Muhammad Riaz	
Muhammad Shahid	
Aammar Khurshid Chandia	(Non-Executive Director) w.e.f 29-04-2014

AUDIT COMMITTEE

Muhammad Shahid Iqbal	(Independent Director)	Chairman
Muhammad Riaz	(Independent Director)	Member
Aftab Sarwar	(Independent Director)	Member

HR & R COMMITTEE

Tahir Majeed	(Independent Director)	Chairman
Muhammad Shahid	(Independent Director)	Member
Muhammad Riaz	(Non-Executive Director)	Member

CORPORATE SECRETARY/ CHIEF FINANCIAL OFFICER

Munsaf Khan

AUDITORS

Riaz Ahmed & Company
Chartered Accountants
10-B, Saint Mary Park, Main Boulevard,
Gulberg-III, Lahore-54660

BANKERS

National Bank of Pakistan Limited
Bank Alfalah Limited
NIB Bank Limited
Habib Metropolitan Bank Limited
The Bank of Punjab

REGISTERED OFFICE

Bungalow No. 120 Defence Officers Housing
Scheme, Sher Shah Road, Multan Cantt. Multan
Phone: 92-61-4503620-30
Fax: 92-61-4503640

MILLS

49 KM, Lahore-Multan Road
Chunian, District Kasur.

Notice of Annual General Meeting

Notice is hereby given that 28th Annual General Meeting of Shareholders of Ravi Textile Mills Limited will be held on Friday 31sth October, 2014 at 11:00 a.m. at registered office of the company Bungalow No.120 Defence Officers Housing Scheme Sher Shah Road, Multan Cantt. Multan to transact the following business:-

1. To confirm the minutes of the preceding Annual General Meeting of the shareholders of the company held on 31sth October, 2013.

2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2014 together with Directors' and Auditors' reports thereon.

3. To appoint external Auditor for the next year ending June 30, 2015 M/s Riaz Ahmed & Company, Chartered Accountants being eligible for appointment have offered themselves for re-appointment.

4. To transact any other matter with the permission of the chair.

By order of the Board

Multan:
09th October, 2014.

MUNSAF KHAN
Corporate Secretary

Notes:

1. The Members' Register will remain closed from 24th October, 2014 to 31st October 2014 (both days inclusive). Transfers received of the registered office of the company by the close of business on 23rd October 2014 will be entertained.
2. A Member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding the meeting.
3. Shareholders are requested to immediately notify the change in address, if any.
4. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan:
5. a. For attending the meeting

   i). In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.

   ii). In case of corporate entity the board of directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   b. For Appointing Proxies

   i). In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.

   ii). The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

   iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

   iv). The Proxy shall produce his original CNIC or original passport at the time of the meeting.

   v). In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

VISION

To accomplish, build up and sustain a good reputation of the project in textile sector locally and globally by marketing high quality of Yarn through team work by means of honesty, integrity and commitment and to explore and create growth opportunities to maximize return to all stakeholders.

MISSION

To provide maximum satisfaction to the customers by supplying quality of Yarn for knitting and weaving for well known textile brands through effective utilization of work force, material and machines by encouraging, supporting and rewarding the employees with highest level of efficiency, productivity and profitability sharing with shareholders.

CORE VALUES

- Merit
- Integrity
- Team Work
- Safety
- Dedication
- Innovation

GOALS

Financial

- To reduce cost and time over runs to improve financial results.
- To maximize profits by investing surplus funds in profitable avenues.
- To make investment decisions by ranking projects on the basis of best economic indicators.
- Growth and superior return to the stakeholders.

Learning and Growth

- Motivate and train our force, revitalize our equipment base and attain full autonomy in financial and decision making matters.
- To enhance the technical and commercial skills through modern HR management practices.
- Continuously develop technical and managerial skills at all levels and stay abreast of latest technological developments in the industry.

Internal Processes

- To set up task forces with representation from all relevant departments to improve internal business decision making and strategic planning.
- To use most effective business practices and formulate a framework of synergic organization with change in culture.

Directors' Report to the Shareholders

The directors of your company welcome you to the Annual General Meeting and are pleased to present the company's audited financial statements for the year ended June 30, 2014.

Performance Review

The result for the year under review the company has suffered net loss Rs. 44.960 million after accounting for administrative and general expenses of Rs. 37.875 million including depreciation of Rs. 19.366 million, other expenses of Rs. 4.631 million and finance cost of Rs.9.792 million as compared, to last corresponding year's net loss of Rs. 28.604 million. In the preceding years, volatile changes in prices of raw materials, disproportionate increase in price of yarn, volatile yarn market, bearish yarn market, increase in energy cost, scheduled and unscheduled extensive load shedding of electricity, high mark up rates charged by banks resulted in squeezed liquidity position of the company and the company was not able to meet its obligations in respect of repayment of short term borrowings and finance cost accrued thereon. As result of this banks did not renew the credit facilities of the company which were expired on 30 June 2011 and ultimately the operations of mills were suspended. Moreover, National Bank of Pakistan and Bank Alfalah Limited instituted recovery suit against the company in the Honorable Lahore High Court, Lahore. Owing to these factors, the management of the company was compelled to suspend its own operations of mills, which remained suspended during the year under review. During the year under review, the management of the company received compromise offer letters from both banks. Revised terms and conditions of compromise agreements are applicable after filing of joint application both by the company and banks before court of law for passing a consent decree. During the year, the management obtained directors loans for necessary repairs and maintenance, paying of some creditors, capex, etc.

Future Prospects

The management of the company is fully aware of the present challenges prevailing in the textile industry especially high energy costs, scarce energy supply and lack of fresh credit facilities by lenders. These factors make operations of the company unviable.

Loss per Share

Based on net loss for the year ended 30 June 2014, the loss per share for the year ended 30 June 2014 is Rs. 1.80 as compared to loss per share of Rs. 1.14 in the preceding year ended 30 June 2013.

Key Operating and Financial Data

Last six years data is annexed.

Dividends

Due to the loss for the current year and in view of accumulated losses, the directors are not able to recommend any dividend.

Pattern of Shareholding

The pattern of shareholdings is annexed under section 236(2) of the Companies Ordinance, 1984 along with additional information as required by the code of corporate governance.

Directors' Report to the Shareholders

Board Meetings

Four (4) meetings were held from 01 July, 2013 to 30 June 2014 and attended by the directors as follows.

NAME OF THE DIRECTORS	DESIGNATION	TOTAL ATTENDANCES
Muhammad Waseem ur Rehman	Chief Executive Officer	4
Aftaab Sarwar	Chairman	4
Mohammad Shahid Iqbal	Director	4
Shabbir Ahmad Alvi	Director	4
Tahir Majeed	Director	4
Muhammad Riaz	Director	4
Muhammad Shahid	Director	4
Aamar Khurshid Chandia	Director w.e.f.29-04-2014	0

Audit Committee Meetings

Four (4) meetings were held from 01 July, 2013 to 30 June 2014 and attended by the members as follows.

NAME OF THE MEMBERS	DESIGNATION	TOTAL ATTENDANCES
Muhammad Shahid Iqbal	(Independent Director/ Chairman)	4
Aftaab Sarwar	(Independent Director/ Member)	4
Muhammad Riaz	(Non-Executive Director/ Member)	4

Auditors

The present Auditors, M/s Riaz Ahmad & Company, Chartered Accountants retire and being eligible for appointment have offered themselves for re-appointment. The Audit committee and Board of Directors have recommended their appointment for the next year ending on 30th June, 2015.

Corporate Governance

As required by the Code of Corporate Governance, directors are pleased to report that:

a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity. With the closure of mills' operations and the financial reporting requirements, the management has changed its basis of accounting, therefore, the financial statements have been drawn on estimated realizable (settlement) value of asset and liabilities respectively in addition to the historical cost convention.

Directors' Report to the Shareholders

b. Proper books of accounts have been maintained by the Company.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. The International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and departures there from, if any, has been adequately disclosed and explained.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. The significant doubts upon the Company's ability to continue as a going concern have been adequately disclosed in Note No.1.2 to the financial statements.

g. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations of the stock exchanges.

Acknowledgement

The directors would like to place on record their appreciation for services rendered by the employees of the company who have contributed their optimum skills and hope that the same spirit of devotion will continue in future. In addition, we thank our bankers for supporting and stakeholders for trusting us.

On behalf of the board

MUHAMMAD WASEEM UR REHMAN
CHIEF EXECUTIVE
Multan: October 09, 2014

Six Years at a Glance

(Rs. in '000)

	2014	**2013**	**2012**	**2011**	**2010**	**2009**
Sales	-	-	-	194,122	432,368	316,778
Cost of Sales	-	-	-	(235,558)	(452,614)	347,095
Gross Profit(Loss)	-	-	-	(41,436)	(20,246)	(30,317)
Administrative General Expenses	(37,875)	(26,842)	(31,071)	(11,801)	(13,434)	10,932
Other Expenses	(4,631)	(898)	(6,845)	(41,160)	(87)	248
Finance Cost	(9,791)	(10,194)	(11,153)	(13,406)	(12,644)	12,511
Other Income	5,368	7,260	9,506	3,065	10,331	54,251
Profit(Loss) before taxation	(46,929)	(30,674)	(39,563)	(104,738)	(36,080)	243
Provision for taxation	1,969	-	19	(19)	(60)	-
Profit(Loss) after taxation	(44,960)	(30,674)	(39,544)	(104,757)	(36,140)	243
Balance Sheet						
Share Capital	250,000	250,000	250,000	250,000	250,000	250,000
Reserves	9,000	9,000	9,000	9,000	9,000	9,000
Accumulated Loss	(414,980)	(373,842)	(349,083)	(314,509)	(214,957)	(183,866)
Share Deposit Money	-	-	-	-	-	-
Surplus on revaluation of Assets	187,751	188,034	193,949	173,439	160,387	164,999
Shareholders' Equity	(31,771)	(73,192)	(90,083)	(55,509)	204,430	240,132
Long Term Obligation	-	-	-	-	57,526	62,459
Current Liability and Provision	(247,796)	(219,979)	(207,512)	(195,239)	142,467	134,431
Total	**31,771**	**73,192**	**103,866**	**117,930**	**404,423**	**437,023**
Fixed Assets - Tangible	271,712	281,190	301,603	299,999	286,287	301,751
Long Term Security Deposits	-	-	-	-	243	243
Current Assets	7,856	11,981	9,775	13,170	117,893	135,028
Total	**31,771**	**73,192**	**103,866**	**117,930**	**404,423**	**437,023**

Statement of Ethics and Business Practices

The entire organization of Ravi Textile Mills Limited will be guided by the following principles in all activities to achieve the company's objectives:-

Directors:

- Commit themselves to all the necessary and appropriate resources;
- Create a conductive environment through healthy and responsive policies;
- Maintain organizational effectiveness for the achievement of the company goals;
- Encourage and support compliance of legal and industry requirements;
- Protect the interest and assets of the company;

Executives and Managers:

- Ensure the profitability of operations;
- Provide the direction and leadership for the organization;
- Ensure total customer satisfaction through excellent product and service;
- Promote a culture of excellence, conversation, and continual improvement;
- Cultivate work ethics and harmony among colleagues and associates;
- Encourage initiative and self realization in employees through meaningful empowerment;
- Ensure an equitable way of working and reward system;
- Institute commitment of environmental, health and safety performance.

Employees and staff will:

- Devote their time and efforts to productive activities;
- Observe company policies and regulations;
- Promote and protect the interest of the company;
- Exercise prudence in using company resources;
- Observe cost effective practice in daily activities;
- Strive for excellence and quality;
- Avoid making personal gain (other than authorized salary and benefits) at the Company's expenses, participating in or assisting activities which complete with work of any customer or supplier of Ravi Textile Mills Ltd. and to hold any interest in a customer, supplier, agent or competitor.

Statement of Compliance with the Code of Corporate Governance for the year ended 30 June 2104

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of listing regulations of Karachi Stock Exchange Ltd and Lahore Stock Exchange Ltd for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors. At present the board includes:

Category	**Names**
Independent Directors	Mr. Aftab Sarwar Mr. Mohammad Shahid Iqbal Mr. Tahir Majeed Mr. Mohammad Shahid Mr. Shabbir Ahmad Alvi
Executive Director	Mr. Mohammad Waseem Ur Rehman
Non-Executive Directors	Mr. Aamar Khurshid Chandia Mr. Mohammad Riaz

   The independent directors meet the criteria of independence as required under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the board was filled up by the directors within the stipulated time.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses. In this regard one director of the company has obtained mandatory certification under directors training program offered by Institutions specified by the SECP before 30-06-2013 under clause (xi) of the CCG.

Statement of Compliance with the Code of Corporate Governance for the year ended 30 June 2104

10. No new appointment of CFO, Company Secretary and Head of Internal Audit has been made by the Board during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of 3 members, of whom 2 are independent directors and one is non-executive director and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter for the review of interim and final results prior to the approval by the Board of Directors. The terms of reference of the committee have been approved by the Board and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of 3 members, of whom two are independent directors and one is non-executive director and the chairman of the committee is an independent director.
18. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on full time basis.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material requirements of the CCG have been complied with.

For and on behalf of the Board.

(MOHAMMAD WASEEM UR REHMAN)
CHIEF EXECUTIVE OFFICER
C.N.I.C. # 61101-1886412-1

Multan
09 October 2014

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **RAVI TEXTILE MILLS LIMITED** ("the Company") for the year ended 30 June 2014, to comply with the requirements of Listing Regulation No. 35 of the Karachi and Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

(i) Arrangements for directors' training program for one of the directors of the Company were not made as required by clause (xi) of the Code.

(ii) The board of directors of the Company has not put in place a mechanism for an annual evaluation of the board's own performance as required by clause (v)(e) of the Code.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2014.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: October 09, 2014
Lahore

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **RAVI TEXTILE MILLS LIMITED** as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company 's affairs as at 30 June 2014 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

We draw attention to Note No. 1.2 to the financial statements, which states that these financial statements have been prepared on the basis of estimated realisable / settlement values of assets and liabilities respectively in addition to historical cost convention as the company is no longer a going concern for the reasons stated in the aforesaid note. Our report is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants
Name of engagement partner:
Mubashar Mehmood

Date: October 09, 2014
LAHORE

Balance Sheet as at 30 June 2014

		2014		2013	
		Book Value	Estimated realisable / settlement value	Book Value	Estimated realisable / settlement value
	Note	Rupees	Rupees	Rupees	Rupees
ASSETS					
Bank balances on current accounts		163,152	163,152	19,464	19,464
Other receivables	3	-	-	5,828,400	5,828,400
Advances	4	2,157,409	2,157,409	1,764,382	1,764,382
Sales tax refundable		448,461	448,461	-	-
Stores, spare parts and loose tools	5	4,756,507	4,756,507	4,099,760	4,099,760
Security deposits		330,340	330,340	268,840	268,840
Property, plant and equipment	6	271,711,662	271,711,662	281,190,014	281,190,014
TOTAL ASSETS		279,567,531	279,567,531	293,170,860	293,170,860
LIABILITIES					
Trade and other payables	7	47,281,065	47,281,065	67,521,253	67,521,253
Accrued mark-up	8	68,262,853	68,262,853	51,587,695	51,587,695
Short term borrowings	9	83,648,674	83,648,674	98,350,447	98,350,447
Loan from ex-chief executive	10	832,223	832,223	832,223	832,223
Loans from directors	11	46,161,220	46,161,220	-	-
Deferred income tax liability	12	24,347,097	-	25,181,177	-
Employees' retirement benefit - gratuity of ex-employees		1,610,090	1,610,090	1,687,047	1,687,047
TOTAL LIABILITIES		272,143,222	247,796,125	245,159,842	219,978,665
NET ASSETS		7,424,309	31,771,406	48,011,018	73,192,195
Authorized share capital	13	300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid-up share capital	14	250,000,000	250,000,000	250,000,000	250,000,000
Revenue reserve - general reserve		9,000,000	9,000,000	9,000,000	9,000,000
Accumulated loss		(414,979,670)	(414,979,670)	(373,842,078)	(373,842,078)
Total equity		(155,979,670)	(155,979,670)	(114,842,078)	(114,842,078)
Net surplus on estimated realisable / settlement values		-	187,751,076	-	188,034,273
Surplus on revaluation of operating fixed assets	15	163,403,979	-	162,853,096	-
Contingencies and commitments	16				
		7,424,309	31,771,406	48,011,018	73,192,195

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Profit and Loss Account
for the year ended 30 June 2014

	Note	2014 Rupees	2013 Rupees Restated
SALES		-	-
COST OF SALES		-	-
GROSS PROFIT		-	-
ADMINISTRATIVE AND GENERAL EXPENSES	17	(37,874,870)	(26,842,042)
OTHER EXPENSES	18	(4,631,253)	(897,904)
		(42,506,123)	(27,739,946)
		(42,506,123)	(27,739,946)
OTHER INCOME	19	5,368,195	7,260,000
LOSS FROM OPERATIONS		(37,137,928)	(20,479,946)
FINANCE COST	20	(9,791,508)	(10,193,835)
LOSS BEFORE TAXATION		(46,929,436)	(30,673,781)
TAXATION	21	1,969,227	2,070,143
LOSS AFTER TAXATION		(44,960,209)	(28,603,638)
LOSS PER SHARE - BASIC AND DILUTED	22	(1.80)	(1.14)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Statement of Comprehensive Income for the year ended 30 June 2014

	2014 Rupees	2013 Rupees Restated
LOSS AFTER TAXATION	(44,960,209)	(28,603,638)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(44,960,209)	(28,603,638)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Cash Flow Statement
for the year ended 30 June 2014

	Note	2014 Rupees	2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	23	(26,267,075)	650,211
Net increase in security deposits		(61,500)	-
Finance cost paid		(490,789)	(118,272)
Income tax paid		(40,098)	(275,742)
Gratuity paid		(76,957)	(200,000)
		(669,344)	(594,014)
Net cash (used in) / generated from operating activities		(26,936,419)	56,197
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,379,340)	(87,300)
Net cash used in investing activities		(4,379,340)	(87,300)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from directors		46,161,220	-
Short term borrowings - net		(14,701,773)	-
Net cash from financing activities		31,459,447	-
Net increase / (decrease) in cash and cash equivalents		143,688	(31,103)
Cash and cash equivalents at the beginning of the year		19,464	50,567
Cash and cash equivalents at the end of the year		163,152	19,464

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Statement of Changes In Equity for the year ended 30 June 2014

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	REVENUE RESERVE General reserve	ACCUMULATED LOSS	TOTAL EQUITY
	--------------------------------Rupees--------------------------------			
Balance as at 30 June 2012	250,000,000	9,000,000	(349,082,992)	(90,082,992)
Transferred from revaluation surplus - net of deferred income tax	-	-	3,844,552	3,844,552
Loss for the year ended 30 June 2013 - restated	-	-	(28,603,638)	(28,603,638)
Other comprehensive income for year ended 30 June 2013	-	-	-	-
Total comprehensive loss for the year ended 30 June 2013 - restated	-	-	(28,603,638)	(28,603,638)
Balance as at 30 June 2013	250,000,000	9,000,000	(373,842,078)	(114,842,078)
Transferred from revaluation surplus - net of deferred income tax	-	-	3,822,617	3,822,617
Loss for the year ended 30 June 2014	-	-	(44,960,209)	(44,960,209)
Other comprehensive income for year ended 30 June 2014	-	-	-	-
Total comprehensive loss for the year ended 30 June 2014	-	-	(44,960,209)	(44,960,209)
Balance as at 30 June 2014	250,000,000	9,000,000	(414,979,670)	(155,979,670)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Notes to the Financial Statements for the year ended 30 June 2014

1. THE COMPANY AND ITS OPERATIONS

1.1 Ravi Textile Mills Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Karachi and Lahore Stock Exchanges. Its registered office is situated at Bunglow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt. The object of the Company is manufacturing and trading of yarn.

Going concern assumption

1.2 The Company has incurred net loss of Rupees 44.960 million during the year ended 30 June 2014. Equity of the Company stands at a negative balance of Rupees 155.980 million due to accumulated losses of Rupees 414.980 million as on 30 June 2014. The Company is in the process of rescheduling of its outstanding borrowings from banks. The Company has no fresh / new borrowing facilities from banks. Due to increase in energy cost, scheduled and unscheduled extensive load shedding of electricity, high mark-up rates charged by banks and scarce availability of funds, it has become beyond the control of the management to run the Company at an economically viable level. Hence, ultimately the operations of the mill were suspended.

These conditions indicate the existence of material uncertainty which may cast doubt about the Company's ability to continue as a going concern. In view of the applicable financial reporting requirements, these financial statements have been prepared on the basis of estimated realisable / settlement values of assets and liabilities respectively in addition to historical cost convention. All assets and liabilities in these financial statements have been presented in the order of liquidity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

Keeping in view the fact that the Company may not be able to continue as going concern, these financial statements are prepared on the basis of realisable / settlement values of assets and liabilities respectively. In realisable / settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. Realisable / settlement values of assets and liabilities respectively as disclosed in the balance sheet are based on the management's best estimate.

In addition to the accounting convention of realisable / settlement values of assets and liabilities, these financial statements have also been prepared under the historical cost convention except for certain operating fixed assets which are carried at revalued amounts and certain financial instruments which are carried at fair value. Accounting policies of historical cost convention are disclosed, in detail, in Notes 2.2 to 2.14 to these financial statements.

c) Critical accounting estimates and judgments

The preparation of 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

Notes to the Financial Statements for the year ended 30 June 2014

expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

i. Realisable / settlement values of assets and liabilities respectively
ii. Useful lives, patterns of economic benefits and impairments
iii. Taxation
iv. Provision for doubtful debts

d) Amendments to published approved standards that are effective in current year and are relevant to the Company

The following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 July 2013:

IFRS 7 (Amendment) 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 January 2013). The International Accounting Standards Board (IASB) has amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing amendments to IAS 32 'Financial Instruments: Presentation' and IFRS 7. These amendments are the result of IASB and US Financial Accounting Standard Board undertaking a joint project to address the differences in their respective accounting standards regarding offsetting of financial instruments. The application of the amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

On 17 May 2012, IASB issued Annual Improvements to IFRS: 2009 – 2011 Cycle, incorporating amendments to five IFRS more specifically in IAS 1 'Presentation of Financial Statements' and IAS 32 'Financial instruments: Presentation' that are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2013. The application of the amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

e) Standards, interpretations and amendments to published approved standards that are effective in current year but not relevant to the Company

There are other standards, new interpretations and amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 July 2013 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards, interpretation and amendments to published approved standards that are not yet effective but relevant to the Company

Following standard, interpretation and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2014 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Notes to the Financial Statements for the year ended 30 June 2014

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash- generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. However, the amendments are not expected to have a material impact on the Company's financial statements.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 13 'Fair Value Measurement' and IAS 16 'Property, Plant and Equipment', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2011 – 2013 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 13 'Fair Value Measurement', that is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. However, the interpretation is not expected to have a material impact on the Company's financial statements.

Notes to the Financial Statements
for the year ended 30 June 2014

g) Standard and amendments to published approved standards that are not yet effective and not considered relevant to the Company

There are other standard and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2014 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Foreign currencies

The financial statements are presented in Pak Rupees, which is the Company's functional currency. Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency using rate of exchange prevailing at the balance sheet date. All differences are taken to the profit and loss account.

2.3 Property, plant and equipment and depreciation

Owned

Cost

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, factory tools and equipment and capital work in progress are carried at cost less accumulated depreciation and any identified impairment loss. Freehold land is carried at revalued amount being the fair value at the date of revaluation less any identified impairment loss. Buildings on freehold land, plant and machinery and factory tools and equipment are carried at revalued amount being fair value at the date of revaluation less accumulated depreciation and any identified impairment loss. Capital work in progress is stated at cost less any identified impairment loss.

Cost of property, plant and equipment signifies historical cost, revalued amount, directly attributable costs of bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management and borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's gross carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Depreciation

Depreciation is charged to profit or loss on the straight-line method so as to write off the cost of an asset over its estimated useful life at the rates given in Note 6.1. The residual value, useful life of an asset and depreciation method are reviewed at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the month in which the assets are available for use and on deletions up to the month in which the assets are deleted.

Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit or loss in the period the asset is de-recognized.

Surplus on revaluation of operating fixed assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Increases in the carrying amount arising on revaluation of operating fixed assets are credited to surplus on revaluation of operating fixed assets. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of operating fixed assets to accumulated loss. All transfers to / from surplus on revaluation of operating fixed assets are net of applicable deferred taxation.

Notes to the Financial Statements
for the year ended 30 June 2014

2.4 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. Recoverable amount is the higher of fair value less costs to sell and value in use. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.5 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of that asset.

2.6 Inventories

Inventories except for stock in transit and waste stock are stated at lower of cost and net realizable value.

Stores, spare parts and loose tools

Useable stores and spares are valued at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice values plus other charges paid thereon.

Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

i) For raw materials	-	at monthly average cost
ii) For work-in-process and finished goods	-	at annual average manufacturing cost including a portion of production overheads

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.7 Taxation

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Notes to the Financial Statements for the year ended 30 June 2014

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from difference between the carrying amounts of the assets and liabilities in the financial statements and corresponding tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.8 Revenue recognition

Revenue from sale of goods is recognized on dispatch of goods to customers. Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon.

2.9 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.10 Employees' retirement benefit

The management discontinued / terminated the unfunded gratuity scheme, with the consent of employees. The Company will introduce a funded provident fund scheme after it has recommenced its operations and recruited the required workforce.

2.11 Share capital

Ordinary shares are classified as equity.

2.12 Financial Instruments

Financial instruments carried on the balance sheet include bank balances, advances, deposits, other receivables, trade and other payables, short term borrowings, accrued mark-up, loan from ex-chief executive and loans from directors.

Financial assets and liabilities are initially recognized at fair value at the time the Company becomes a party to the contractual provisions of the instruments. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and derecognition is charged to the profit or loss currently.

2.12.1 Trade and other receivables

Trade and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.12.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

Notes to the Financial Statements for the year ended 30 June 2014

2.12.3 Borrowings

All borrowings are initially recognized at the fair value. Difference between the fair value and the proceeds of borrowing is recognized as income or expense in profit and loss account. Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit and loss account when the liabilities are derecognized as well as through amortization process.

2.12.4 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.13 Off setting of financial assets and financial liabilities

Financial assets and financial liabilities are off set and the net amount is reported in the financial statements when there is a legally enforceable right to off set and the Company intends either to settle on a net basis, or to realize the asset and to settle the liabilities simultaneously.

2.14 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

	2014 Rupees	2013 Rupees
3. OTHER RECEIVABLES		
Considered good:		
Lease rental receivable	-	5,828,400
Considered doubtful	11,330,999	11,330,999
Less: Provision against doubtful other receivables	11,330,999	11,330,999
	-	-
	-	5,828,400
4. ADVANCES		
Considered good:		
Advances to employees against salary	379,784	93,355
Advances to suppliers	66,500	-
Advance income tax	1,711,125	1,671,027
	2,157,409	1,764,382
5. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	860,684	333,760
Spare parts	3,985,080	3,753,000
Loose tools	36,241	13,000
	4,882,005	4,099,760
Less: Net realizable value adjustment	(125,498)	-
	4,756,507	4,099,760

Notes to the Financial Statements for the year ended 30 June 2014

	2014 Rupees	2013 Rupees
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 6.1)	269,036,662	281,190,014
Capital work-in-progress (Note 6.3)	2,675,000	-
	271,711,662	281,190,014

6.1 Reconciliation of carrying amounts of operating fixed assets at the beginning and end of the year is as follows:

	Freehold land	Buildings on freehold land	Plant and machinery	Electric fittings and installations	Factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	TOTAL
	Rupees							
As at 30 June 2012								
Cost / revalued amount	119,790,000	101,251,643	150,663,816	24,252,596	13,084,890	3,995,151	53,700	413,091,796
Accumulated depreciation	-	(25,185,943)	(60,863,816)	(12,164,165)	(9,423,941)	(3,826,205)	(24,364)	(111,488,434)
Net book value	119,790,000	76,065,700	89,800,000	12,088,431	3,660,949	168,946	29,336	301,603,362
Year ended 30 June 2013								
Opening net book value	119,790,000	76,065,700	89,800,000	12,088,431	3,660,949	168,946	29,336	301,603,362
Additions	-	-	-	-	-	87,300	-	87,300
Depreciation charge	-	(4,761,893)	(13,193,718)	(1,595,292)	(795,542)	(148,336)	(5,867)	(20,500,648)
Closing net book value	119,790,000	71,303,807	76,606,282	10,493,139	2,865,407	107,910	23,469	281,190,014
As at 30 June 2013								
Cost / revalued amount	119,790,000	101,251,643	150,663,816	24,252,596	13,084,890	4,082,451	53,700	413,179,096
Accumulated depreciation	-	(29,947,836)	(74,057,534)	(13,759,457)	(10,219,483)	(3,974,541)	(30,231)	(131,989,082)
Net book value	119,790,000	71,303,807	76,606,282	10,493,139	2,865,407	107,910	23,469	281,190,014
Year ended 30 June 2014								
Opening net book value	119,790,000	71,303,807	76,606,282	10,493,139	2,865,407	107,910	23,469	281,190,014
Additions	-	-	590,948	-	-	465,046	648,346	1,704,340
Depreciation charge	-	(4,761,893)	(12,169,225)	(1,595,292)	(749,578)	(73,678)	(16,673)	(19,366,339)
Surplus on revaluation	-	3,336,652	2,171,995	-	-	-	-	5,508,647
Closing net book value	119,790,000	69,878,566	67,200,000	8,897,847	2,115,829	499,278	655,142	269,036,662
As at 30 June 2014								
Cost / revalued amount	119,790,000	104,588,295	153,426,759	24,252,596	13,084,890	4,547,497	702,046	420,392,083
Accumulated depreciation	-	(34,709,729)	(86,226,759)	(15,354,749)	(10,969,061)	(4,048,219)	(46,904)	(151,355,421)
Net book value	119,790,000	69,878,566	67,200,000	8,897,847	2,115,829	499,278	655,142	269,036,662
Annual rate of depreciation (%)	-	5	6.67 - 20	10 - 50	10 - 20	10	20	

6.2 The revaluation of certain operating fixed assets was carried out as on 29 February 2008, 30 June 2012 and 30 June 2014 by an independent valuer on the basis of current value / replacement cost. Had there been no revaluation, the cost, accumulated depreciation and book value of the revalued assets would have been as follows:

	2014				2013			
	Cost	Accumulated depreciation	Accumulated impairment loss	Net book value	Cost	Accumulated depreciation	Accumulated impairment loss	Net book value
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold land	5,818,014	-	-	5,818,014	5,818,014	-	-	5,818,014
Buildings on freehold land	44,871,404	38,873,407	-	5,997,997	44,871,404	38,444,176	-	6,427,228
Plant and machinery	201,896,316	144,594,833	-	57,301,483	201,305,368	133,884,796	-	67,420,572
Factory tools and equipment	12,257,783	9,736,692	405,262	2,115,829	12,257,783	8,987,108	405,262	2,865,413

	2014 Rupees	2013 Rupees
6.3 Capital work-in-progress		
Advances against:		
Plant and machinery	2,325,000	-
Civil works	350,000	-
	2,675,000	-

Notes to the Financial Statements for the year ended 30 June 2014

		2014 Rupees	2013 Rupees
7.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 7.1)	31,784,334	55,506,742
	Advances from customers	4,675,960	5,301,472
	Workers' profit participation fund (Note 7.2)	808,265	682,080
	Accrued liabilities	8,142,881	4,609,329
	Unclaimed dividend	1,034,300	1,034,300
	Income tax deducted at source	835,325	387,330
		47,281,065	67,521,253

7.1 This includes Rupees 7.261 million (2013: Rupees 1.158 million) due to Spintex Enterprises (Private) Limited - associated company.

		2014 Rupees	2013 Rupees
7.2	**Workers' profit participation fund**		
	Balance as at 01 July	682,080	567,832
	Add: Interest on funds utilized in the Company's business (Note 7.2.1)	126,185	114,248
		808,265	682,080
	Less: Payments made during the year	-	-
	Balance as at 30 June	808,265	682,080

7.2.1 The Company retains workers' profit participation fund for its business operation. Interest is accrued at the prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company.

8. ACCRUED MARK-UP

This represents overdue mark-up on short term borrowings.

9. SHORT TERM BORROWINGS

	2014 Rupees	2013 Rupees
From banking companies - secured (Note 9.1)	83,648,674	98,350,447

9.1 As per the original terms of the respective agreements with the banks, the aggregate borrowing facilities stand expired as at 30 June 2011. These are secured against first pari passu charge over the movable and immovable fixed assets and personal guarantees of directors of the Company. Mark-up on short term borrowings ranged from 13.33% to 21.90% (2013: 13.59% to 21.90%) per annum. These short term borrowings are obtained from National Bank of Pakistan and Bank Alfalah Limited against which the banks filed a suit in the Honourable Lahore High Court, Lahore for the recovery of outstanding amount of principal and interest accrued thereon. During the year, the Company has received compromise offer letters from banks. Revised terms and conditions of compromise agreements are applicable after filing of joint application both by the Company and banks before court of law for passing a consent decree.

10. LOAN FROM EX-CHIEF EXECUTIVE

This represents unsecured and interest free loan from ex-chief executive of the Company. The balance is an old one, un-reconciled, unconfirmed and disputed.

11. LOANS FROM DIRECTORS

These represent unsecured interest free loan obtained from directors of the Company and are repayable on demand.

12. DEFERRED INCOME TAX LIABILITY

The Company has recognized deferred income tax liability on surplus on revaluation of operating fixed assets. The Company has tax losses of Rupees 235.566 million as at 30 June 2014 (2013: Rupees 202.613 million). The net deferred income tax asset of Rupees 62.862 million (2013: Rupees 50.739 million) as at the reporting date has not been recognized in these financial statements as these temporary differences are not likely to reverse in the foreseeable future. Previously, deferred income tax liability relating to incremental depreciation was credited directly in equity instead of through profit and loss account. Now, the correction has been made through retrospective restatement. The restatement has no impact on total equity as at 30 June 2013 or earlier periods. However, loss per share for the year ended 30 June 2013 reduced by Rupee 0.09.

Notes to the Financial Statements for the year ended 30 June 2014

		2014 Rupees	2013 Rupees
13.	**AUTHORIZED SHARE CAPITAL**		
	30,000,000 (2013: 30,000,000) ordinary shares of	300,000,000	300,000,000
14.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	25,000,000 (2013: 25,000,000) ordinary shares of Rupees 10 each fully paid in cash (Note 14.1)	250,000,000	250,000,000

14.1 It includes 4,479,993 (2013: 4,479,993) ordinary shares of the Company held by Spintex Enterprises (Private) Limited - associated company.

15. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS

	2014 Rupees	2013 Rupees
Balance as at 01 July	188,034,273	193,948,968
Add: Surplus on revaluation incorporated during the year	5,508,647	-
Less: Incremental depreciation transferred to statement of changes in equity	(5,791,844)	(5,914,695)
	187,751,076	188,034,273
Less: Related deferred income tax liability	(24,347,097)	(25,181,177)
Balance as at 30 June	163,403,979	162,853,096

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 A cotton supplier has filed a writ petition in the court of Honourable Civil Judge, Multan for the recovery of Rupees 0.300 million against the Company. The Honourable Court awarded decree to the supplier of the same amount on ex-party basis. The amount was adjusted by the Company towards quality claim of raw cotton supplied in the preceding years. The Company filed a petition against the decree in the Court of Honourable District Judge, Multan which is still pending.

	2014	2013
16.2 Commitments	NIL	NIL

Notes to the Financial Statements for the year ended 30 June 2014

	2014 Rupees	2013 Rupees
17. ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries and other benefits	6,836,628	3,345,839
Rent, rates and taxes	515,105	498,900
Postage and telephone	353,479	278,902
Electricity, gas and water	607,179	249,809
Printing and stationery	239,600	143,934
Repair and maintenance	6,519,673	176,075
Stores and spares consumed	571,962	-
Travelling and conveyance	369,532	347,376
Legal and professional	1,000	21,000
Auditors' remuneration:		
Audit fee	375,000	346,500
Review of interim financial information	80,700	80,700
Taxation services	276,700	91,500
Other certifications	85,000	75,000
Out of pocket expenses	14,500	11,500
	831,900	605,200
Fee and subscription	649,134	347,057
Entertainment	298,973	113,102
Depreciation (Note 6.1)	19,366,339	20,500,648
Miscellaneous	714,366	214,200
	37,874,870	26,842,042

18. OTHER EXPENSES		
Debit balances written off	4,505,755	-
Reversal of credit balances written back	-	892,904
Donation (Note 18.1)	-	5,000
Write down of stores, spare parts and loose tools to net realisable value	125,498	-
	4,631,253	897,904

18.1 There was no interest of any director or his spouse in donees' fund.

19. OTHER INCOME		
Rental income (Note 19.1)	3,250,000	7,260,000
Gain tendered by beneficial owner (Note 19.2)	2,118,195	-
	5,368,195	7,260,000

19.1. This represents rental income from lease of some of the production facilities of the Company under a cancellable operating lease arrangement, which ended during the year.

19.2. This represents gain tendered to the Company by the beneficial owner under Section 224 of the Companies Ordinance, 1984.

	2014 Rupees	2013 Rupees
20. FINANCE COST		
Mark-up on short term borrowings	9,644,722	10,075,563
Interest on workers' profit participation fund	126,185	114,248
	9,770,907	10,189,811
Bank charges	20,601	4,024
	9,791,508	10,193,835

	2014 Rupees	2013 Rupees Restated
21. TAXATION		
Current (Note 21.1)	-	-
Deferred (Note 12)	1,969,227	2,070,143
	1,969,227	2,070,143

Notes to the Financial Statements for the year ended 30 June 2014

21.1 The Company's tax computation for the year gives rise to a tax loss. The Company has not made provision for minimum tax under section 113 of the Income Tax Ordinance, 2001 as it has no turnover for the year. Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented being impracticable.

22. LOSS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic loss per share of the Company which is based on:

		2014	2013
Loss after taxation	Rupees	(44,960,209)	(28,603,638)
Weighted average number of ordinary shares	Numbers	25,000,000	25,000,000
Loss per share – basic and diluted	Rupees	(1.80)	(1.14)

23. CASH (USED IN) / GENERATED FROM OPERATIONS

	2014 Rupees	2013 Rupees
Loss before taxation	(46,929,436)	(30,673,781)
Adjustments for non-cash charges and other items:		
Depreciation	19,366,339	20,500,648
Debit balances written off	4,505,755	-
Reversal of credit balances written back	-	892,904
Write down of stores, spare parts and loose tools to net realisable value	125,498	-
Finance cost	9,791,508	10,193,835
Working capital changes (Note 23.1)	(13,126,739)	(263,395)
	(26,267,075)	650,211

23.1 Working capital changes

	2014 Rupees	2013 Rupees
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(782,245)	240
Advances	(352,929)	66,091
Other receivables	1,322,645	(2,027,400)
Sales tax refundable	(448,461)	-
	(260,990)	(1,961,069)
(Decrease) / increase in trade and other payables	(12,865,749)	1,697,674
	(13,126,739)	(263,395)

24. PLANT CAPACITY AND ACTUAL PRODUCTION

	2014 Kgs.	2013 Kgs.
Normal production capacity of the Company converted at 20s count based on 3 shifts per day	6,038,534	6,038,534
Actual production converted to 20s count based on 3 shifts per day	-	-

25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of 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, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2014 Rupees	2013 Rupees
Associated company		
Advance received	13,666,822	12,940,906
Advance paid	-	5,055,400
Share of finance cost	7,500,624	7,500,624
Payments made on behalf of associated company	63,311	-
Other		
Loans from directors	46,161,220	-

Notes to the Financial Statements for the year ended 30 June 2014

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, allowances, including all benefits to chief executive, director and executives of the Company is as follows:

	2014			2013		
	Chief Executive	Director	Executive	Chief Executive	Director	Executive
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	1,020,000	-	637,638	1,020,000	-	-
Utilities	226,237	-	-	173,735	-	-
Medical allowance	-	-	63,769	-	-	-
	1,246,237	-	701,407	1,193,735	-	-
Number of persons	1	-	1	1	-	-

26.1 No remuneration was paid to non-executive directors of the Company.

27. NUMBER OF EMPLOYEES

	2014	2013
Number of employees as on 30 June	380	14
Average number of employees during the year	32	14

28. FINANCIAL RISK MANAGEMENT

28.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of non derivative financial instruments and investment of excess liquidity.

(a) Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as almost all of its transactions are in local currency and no foreign currency receivables and payables exist at the reporting date.

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risks.

Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no interest-bearing assets. The Company's interest rate risk arises from short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

Notes to the Financial Statements for the year ended 30 June 2014

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2014 Rupees	2013 Rupees
Floating rate instruments		
Financial liability		
Short term borrowings	83,648,674	98,350,447

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, loss for the year would have been Rupees 0.836 million (2013: Rupees 0.984 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liability outstanding at balance sheet date was outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2014 Rupees	2013 Rupees
Deposits	330,340	268,840
Advances	379,784	93,355
Other receivables	-	5,828,400
Bank balances on current accounts	163,152	19,464
	873,276	6,210,059

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2014	2013
	Short term	Long term	Agency	----------- Rupees ----------	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	1,283	2,333
Bank Alfalah Limited	A1+	AA	PACRA	5,622	5,622
The Bank of Punjab	A1+	AA-	PACRA	44,896	3,013
MCB Bank Limited	A1+	AAA	PACRA	816	766
Meezan Bank Limited	A-1+	AA	JCR-VIS	3,153	3,153
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	46,872	4,577
Habib Bank Limited	A-1+	AAA	JCR-VIS	60,510	-
				163,152	19,464

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Notes to the Financial Statements for the year ended 30 June 2014

At 30 June 2014, the Company has Rupees 0.163 million (2013 : Rupees 0.019 million) bank balances. Management believes the liquidity risk to be high. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2014

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	----------	----------	----------	Rupees	----------	----------
Non-derivative financial liabilities:						
Trade and other payables	40,961,515	40,961,515	40,961,515	-	-	-
Accrued mark-up	68,262,853	68,262,853	68,262,853	-	-	-
Short term borrowings	83,648,674	90,758,811	90,758,811	-	-	-
Loan from ex-chief executive	832,223	832,223	832,223	-	-	-
Loans from directors	46,161,220	46,161,220	46,161,220	-	-	-
	239,866,485	246,976,622	246,976,622	-	-	-

Contractual maturities of financial liabilities as at 30 June 2013

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	----------	----------	----------	Rupees	----------	----------
Non-derivative financial liabilities:						
Trade and other payables	61,150,371	61,150,371	61,150,371	-	-	-
Accrued mark-up	51,587,695	51,587,695	51,587,695	-	-	-
Short term borrowings	98,350,447	106,798,471	106,798,471	-	-	-
Loan from ex-chief executive	832,223	832,223	832,223	-	-	-
	211,920,736	220,368,760	220,368,760	-	-	-

28.2 Fair values of financial assets and liabilities

The book values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

28.3 Financial instruments by categories

	Loans and receivables	
	2014 Rupees	2013 Rupees
Assets as per balance sheet		
Deposits	330,340	268,840
Advances	379,784	93,355
Other receivables	-	5,828,400
Bank balances on current accounts	163,152	19,464
	873,276	6,210,059

Notes to the Financial Statements for the year ended 30 June 2014

	Financial liabilities at amortized cost	
	2014	2013
	Rupees	Rupees
Liabilities as per balance sheet		
Trade and other payables	40,961,515	61,150,371
Accrued mark-up	68,262,853	51,587,695
Short term borrowings	83,648,674	98,350,447
Loan from ex-chief executive	832,223	832,223
Loans from directors	46,161,220	-
	239,866,485	211,920,736

28.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

29. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 09 October 2014 by the Board of Directors of the Company.

30. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangement / regrouping has been made.

31. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE

DIRECTOR

Pattern of Shareholding for the year ended 30 June 2014

No. of Shareholders	Shareholding From	Shareholding To	Total Share held	Percentage %
165	1	100	11,835	0.05%
318	101	500	132,123	0.53%
180	501	1,000	172,596	0.69%
300	1,001	5,000	890,363	3.56%
109	5,001	10,000	902,089	3.61%
37	10,001	15,000	474,947	1.90%
23	15,001	20,000	436,930	1.75%
16	20,001	25,000	389,070	1.56%
46	25,001	75,000	1,999,895	8.00%
7	75,001	200,000	1,030,019	4.12%
3	200,001	420,000	1,108,884	4.44%
5	400,001	690,000	2,932,597	11.73%
1	690,001	755,000	755,000	3.02%
3	755,001	2,240,000	5,334,359	21.33%
1	2,240,001	8,500,000	8,429,293	33.71%
1,214			25,000,000	100.00%

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
INDIVIDUALS	1,185	16,223,173	64.89%
INVESTMENT COMPANIES	3	8,500	0.04%
INSURANCE COMPANIES	1	200,000	0.80%
JOINT STOCK COMPANIES	18	7,234,932	28.94%
FINANCIAL INSTITUTIONS	3	1,250,292	5.00%
MODARBAS AND MUTUAL FUND	3	33,103	0.13%
CHARITABLE TRUSTS	1	50,000	0.20%
TOTAL	1,214	25,000,000	100.00%

Pattern of Shareholding for the year ended 30 June 2014

Categories of Shareholders		Number of Share Holders	Total Shares Held	Percentage
Directors, CEO & their Spouses and Minor Children		8		
Mr. Mohammad Waseem Ur Rehman	Chief Executive		502,500	2.01%
Mr. Aftab Sarwar	Chairman		645,000	2.58%
Mr. shahid Iqbal	Director		1,632,000	6.53%
Mr. Aamir Khurshid Chandia	Director		2,500	0.01%
Mr. Tahir Majeed	Director		2,500	0.01%
Mr. Mohammad Shahid	Director		2,500	0.01%
Mr. Mohammad Riaz	Director		2,500	0.01%
Mr. Shabbir Ahmad Alivi	Director		2,500	0.01%
Executives		-	-	
Public Sector Companies & Corporations		1		
Investment Corporation of Pakistan			2,800	0.01%
Joint Stock Companies		18	7,234,932	28.94%
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarba & Mutual Funds		7	-	
Financial Institutions.			1,250,292	5.00%
Modarba Al-Mali Corporation Limited			300	0.01%
Pakistan Kuwait Inv. Co. (Pvt) Limited			3,600	0.01%
Managing Committee, Crescent Foundation			50,000	0.20%
State Life Insurance Corporation of Pakistan			200,000	0.80%
Individuals		1,180	13,466,076	53.86%
Grand Total		1,214	25,000,000	100.00%

Share Holding 5% or more voting rights:

Jan Muhammad Imran	2,096,996 Shares
Musawar Hussain	2,037,363 Shares

The Corporate Secretary
Bungalow No. 120, Defence Officers Housing Scheme,
Sher Shah Road, Multan Cantt, Multan.

Folio No. ....

No. of Shares held ....

Form of Proxy

28th Annual General Meeting

I/We ---

of -- being a member of

RAVI TEXTILE MILLS LIMITED and holder of -- Ordinary Shares

as per Share Register Folio No. --

For beneficial owners as per CDC List

CDC PARTICIPANT I.D. No. ____________ **Sub-Account No.** ____________

CNIC NO. | | | | | | - | | | | | | | | - | |

hereby appoint ____________

of ____________

another member of the company as per Register Folio No. ____________

or (failing him/her) ____________ of

another member of the company as per Register Folio No. ____________

as my/our proxy to attend and vote for me/our behalf at 28th Annual General Meeting member of the Company to be held on Friday 31st October, 2014 at 11 a.m at the Registered Office Bungalow No. 120, Defence Officers Housing Scheme,Sher Shah Road, Multan Cantt, Multan. and at any adjournment thereof.

Please Affix Rupees
five
Revenue Stamp

(Signature should agree with the specimen signature registered in the Company)

Dated this ____________ day of ____________ 2014

Signature of Shareholder

Sinature of Proxy

For beneficial owners as per CDC list

1. WITNESS:

Signature ____________

Name ____________

Address ____________

CNIC No. | | | | | | - | | | | | | | | - | |

2. WITNESS:

Signature ____________

Name ____________

Address ____________

CNIC No. | | | | | | - | | | | | | | | - | |

Notes:

1. Proxies, in order to be effective,must be duly stamped, signed and witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned and must be received at the Registered Office of the Company at Bungalow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt. Not later than 48 hours before the time for holding the meeting.
2. CDC Shareholders and their Proxies are requested to attach an attested photocopy of their National Identity Card with the proxy form before submission to the Company (Original CNIC or passport is required to be produced at the time of the meeting)
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.