

Printed Matter



Half Yearly Accounts

DECEMBER 31, 2018 (UN-AUDITED)



If un-delivered please return to:

Ruby Textile Mills Limited

Room#. 203, Faiyaz Centre, 2nd Floor,3-A,
S.M.C.H.S., Shahrah-e-Faisal, Karachi-74400

Ph#(+92-21) 3439-6600,3438-7700

Fax#(+92-21) 3439-8800

Email:aslamd9@yahoo.com

RUBY TEXTILE MILLS LIMITED

BOARD OF DIRECTORS	MR.NOOR ELAHI -CHIEF EXECUTIVE MRS.PARVEEN ELAHI -CHAIR PERSON Directors: MRS. NAHEED JAVED MR. NABEEL JAVED MR. SHARIQ JAVED MR. FAIZAN JAVED MR.MANSOOB AHMED KHAN
COMPANY SECRETARY AUDIT COMMITTEE	MR. ASIF PERVAIZ KHAWAJA MR. MANSOOB AHMED KHAN -CHAIRMAN MR. FAIZAN JAVED -MEMBER MRS.NAHEED JAVED -MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. MANSOOB AHMED KHAN -CHAIRMAN MR. NABEEL JAVED -MEMBER MR. FAIZAN JAVED -MEMBER
BANKERS	M/S.MEEZAN BANK LTD M/S.BANK ALHABIB LTD M/S.HABIB METROPOLITAN BANK LTD M/S.NATIONAL BANK OF PAKISTAN M/S.SONERI BANK LTD M/S. SILK BANK LTD M/S. FAYSAL BANK LTD M/S. MUSLIM COMMERCIAL BANK LTD M/S. HABIB BANK LTD M/S. BANK ALFALAH LTD
AUDITORS	M/S. IBRAHIM SHAIKH & CO Chartered Accountants, 259-260, Panorama Building No. 1 Saddar, Karachi, Ph: (0092-21) 35210577
INTERNAL AUDITOR	Mr. TAHIR ALI
LEGAL ADVISOR	M/S MOHSIN & WAHEED LAW ASSOCIATES Office#S-3, 2 nd Floor, West End Plaza, Shahra-e-Quide Azam
HEAD OFFICE	35-Industrial Area, Gulberg-III, Lahore-54660, Pakistan. Ph#(+92-42)3571-4601,3576-1243-4 Fax:(+92-42)3571-1400, 3576-1222 Email:info@rubytextile.com.pk
REGISTERED OFFICE	Room#203, Faiyaz Centre, 2 nd Floor,3-A, S.M.C.H.S., Shahrah-e-Faisal, Karachi-74400 Ph#(+92-21) 34396600,34387700 Fax#(+92-21)34398800 Email:aslamd9@yahoo.com
MILLS	Raiwind -Manga Road, Raiwind, District Kasur-55050, Pakistan Phone:(+92-42) 3539-1031,3539-2651-2 Fax:(+92-42)3539-1032 Email:wasim@rubytextile.com.pk
SHARE REGISTRAR	M/S CORPLINK (PVT) LTD., 1-K, (Commercial) wings Arcade., Model Town, Lahore-54700, Pakistan. Phone:(+92-42) 35916714,35916719,35839182 Fax:(+92-42) 3586-9037 Email:corplink786@gmail.com/shares@corplink.com.pk

RUBY TEXTILE MILLS LIMITED

DIRECTORS REPORT TO MEMBERS

The Directors' of your company are pleased to present the un-audited six months financial statements for the period ended December 31, 2018.

During the period under review the company's net sales of Rs.340.440 million as compared to corresponding period Rs.120.691 million by increase of 182.07%. Gross loss reduced from 32% to 9.9% of the net sales as compared to corresponding period. The company had incurred loss after tax of Rs.85.703 million as against loss after tax of Rs.59.862 million of the corresponding period. This loss is inclusive of exchange loss of Rs.38.323 million due to increase in exchange rate on foreign currency loans as compared to exchange loss of Rs.11.873 million of the corresponding period.

The company incurred loss due to inadequate availability of adequate bank financing for timely procurement of good quality cotton in the peak season. The sponsoring directors have paid from their own resources all liabilities of Habib Metropolitan Bank Ltd of Rs.150 million. The company is trying to acquire adequate limits from other financial institutions. Consequently, the company would be able to perform better due to availability of bank financing and would be able to achieve its optimal level of production.

The Directors are pleased to report that the litigation against Habib Metropolitan Bank has been resolved as an out of Court Settlement. The Directors discharged the entire liability of the Company, by injecting funds from their own resources. Now the project is out of charges from Habib Metropolitan Bank Limited.

We would like to thank all of workers, staff and officers, customers, agents, suppliers and shareholders for their dedicated efforts. We also thanks to our financial institutions for their financial support to run our operations.

Auditors Report

The auditors have qualified their report as under:

A). Interest free loans from directors and associates not amortized.

Loans from directors and associates are interest free and repayment of these loans not confirm. Therefore, the company has not amortized these loans.

With reference to emphasis of matter paragraph by auditor in their report, the management is making its best efforts to make operation as efficient as possible.

For and on behalf of the Board of Directors



(NABEEL JAVED)
DIRECTOR



(FAIZAN JAVED)
DIRECTOR

LAHORE
February 28, 2019

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2018ء کو ختم ہونے والی مدت کے لئے کمپنی کے غیر نظر ثانی شدہ ششماہی مالی حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی خالص فروخت 340.440 ملین روپے ہے جبکہ گزشتہ سال کی اسی مدت میں 120.691 ملین روپے، جو 182.07 فیصد اضافہ ظاہر کر رہا ہے۔ مجموعی نقصان گزشتہ سال کی اسی مدت کے مقابلے خالص فروخت کی 32 فیصد سے 9.9 فیصد تک کم

ہو گیا۔ کمپنی نے 85.703 ملین روپے ٹیکس کے بعد نقصان برداشت کیا جو گزشتہ سال کی اسی مدت میں ٹیکس کے بعد نقصان 59.862 ملین روپے تھا۔ یہ نقصان گزشتہ سال کی اسی مدت کے 11.873 ملین روپے کے ایکسچینج نقصان کے مقابلے غیر ملکی کرنسی قرضوں پر تبادلہ کی

شرح میں اضافہ کی وجہ سے 38.323 ملین روپے کے ایکسچینج نقصان کے بشمول ہے۔ کمپنی نے پیک سیزن میں اچھی کولٹی کے کپاس کی بروقت خریداری کے لئے بینک سے کافی قرضہ کی عدم دستیابی کی وجہ سے نقصان برداشت کیا۔ اسپانسرنگ ڈائریکٹرز نے حبیب میٹروپولیٹن بینک لمیٹڈ کو 150 ملین روپے کی تمام واجب ادائیگیاں اپنے ذاتی ذرائع سے ادا کئے ہیں۔

کمپنی دیگر مالی اداروں سے کافی فنانسنگ حدود حاصل کرنے کی کوشش کر رہی ہے۔ اس کے بعد کمپنی بینک فنانسنگ کی دستیابی کی بدولت بہتر کارکردگی کا مظاہرہ کرنے کے قابل ہو جائے گی، اور پیداوار کی اپنی زیادہ سے زیادہ سطح حاصل کرنے کے قابل ہو جائے گی۔

ڈائریکٹرز خوشی بیان کرتے ہیں کہ حبیب میٹروپولیٹن بینک کے خلاف قانونی چارہ جوئی عدالتی سٹیٹمنٹ کے باہر ہی حل کر لی گئی ہے۔ ڈائریکٹرز نے کمپنی کی تمام واضح ادائیگیاں، اپنے ذاتی ذرائع سے فنڈز مہیا کر کے، ادا کر دی ہیں۔ اب پراجیکٹ حبیب میٹروپولیٹن بینک لمیٹڈ کے چارجز سے پاک ہے۔

ہم اپنے تمام کارکنوں، عملے اور افسران، صارفین، ایجنٹوں، سپلائرز اور حصص داروں کی بھرپور کوششوں کا شکریہ ادا کرتے ہیں۔ ہم اپنے مالیاتی اداروں کے ہمارے آپریشنز کو چلانے کے لئے ان کے مالی تعاون کے بھی شکر گزار ہیں۔

آڈیٹرز کی رپورٹ

آڈیٹرز نے حسب ذیل کے مطابق اپنی رپورٹ درج کی ہے:

(A)۔ ڈائریکٹرز اور شریک کمپنیوں سے بلا سود قرضوں میں کمی نہیں کی گئی

ڈائریکٹرز اور شریک کمپنیوں سے قرضے بلا سود ہیں اور ان قرضوں کی واپسی کی یقینی نہیں ہے۔ لہذا، کمپنی نے ان قرضوں کو کم نہیں کیا ہے۔

آڈیٹرز کی طرف سے اپنی رپورٹ میں پیرا گراف پر زور دینے کے حوالے سے، انتظامیہ آپریشن کو ممکنہ طور پر موثر بنانے کی اپنی پوری کوششیں کر رہی ہے۔

منجانب بورڈ آف ڈائریکٹرز

Fazal Javed

(فیضان جاوید)

ڈائریکٹر

لاہور

28 فروری 2019ء

Munir Javed

(منیل جاوید)

ڈائریکٹر

RUBY TEXTILE MILLS LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RUBY TEXTILE MILLS LIMITED

Report on review of Interim Financial Statements.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Ruby Textile Mills Limited** as at December 31, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The Company has not accounted for interest free long term financing from associates at amortized cost as required by the International Accounting Standard (IAS) 39 "Financial Instruments-Recognition and Measurement". Due to the non-availability of underlying repayment terms and conditions of interest free loans, we are unable to ascertain the effects on financials statements regarding amortized cost of interest free loans.

Qualified Conclusion

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

Emphasis of Matter Paragraph

We draw attention to note 1.2 to the financial statements which indicates that the company incurred a net loss of Rs.85.703 million during the period and has accumulated loss of Rs. 736.111 million as at December 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.68.950 million. These conditions, along with other matters as explained in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not qualified in this respect.

Other Matter Paragraph

The figures of the interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

The engagement partner on the audit resulting in this independent auditor's report is Shabbir Ahmed.

CHARTERED ACCOUNTANTS

Karachi.
February 28, 2019

RUBY TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

ASSETS	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
NON CURRENT ASSETS			
Property, plant and equipment	4	850,207,039	868,457,835
Long term deposits		4,397,945	5,735,445
		<u>854,604,984</u>	<u>874,193,280</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		113,475,285	115,559,079
Stock in trade		320,052,751	333,342,716
Trade debts		13,508,789	14,659,943
Loans and advances		24,911,885	17,630,164
Trade deposit, short term prepayments and current account balances with statutory authorities		12,348,556	10,330,992
Tax refunds due from Government		2,128,112	1,788,171
Other receivables		-	-
Cash and bank balances		1,093,092	1,339,905
		<u>487,518,470</u>	<u>494,650,970</u>
TOTAL ASSETS		<u>1,342,123,454</u>	<u>1,368,844,250</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital 70,000,000 (June 30, 2018: 70,000,000) Ordinary shares of Rs. 10 each		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid up capital 52,214,400 (June 30, 2018: 52,214,400) Ordinary shares of Rs. 10 each		522,144,000	522,144,000
Capital reserves		3,240,000	3,240,000
Accumulated loss		(736,111,069)	(655,018,427)
Surplus on revaluation of property, plant and equipment - net of tax		312,177,368	316,787,467
		<u>101,450,299</u>	<u>187,153,040</u>
Long term loan from chief executive and directors		444,631,554	310,021,554
		<u>546,081,853</u>	<u>497,174,594</u>
NON CURRENT LIABILITIES			
Long term financing from banking companies	5	-	-
Long term financing from others	6	81,286,562	79,420,000
Long term financing from associates	7	78,492,812	52,651,676
Deferred liabilities	8	79,793,375	80,992,510
		<u>239,572,749</u>	<u>213,064,186</u>
CURRENT LIABILITIES			
Trade and other payables		146,699,947	144,703,110
Deposits, accrued liabilities and advances		138,940,379	130,678,004
Accrued mark up / interest		14,262,078	11,217,986
Unclaimed dividend		402,570	402,570
Loan from banking companies	9	24,845,592	175,934,149
Loan from related party		11,869,000	12,869,000
Current portion of:			
Long term financing from banking companies	5	1,666,665	4,166,665
Long term financing from others	6	210,816,485	175,933,921
Provision for taxation		6,966,136	2,700,065
		<u>556,468,852</u>	<u>658,605,470</u>
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		<u>1,342,123,454</u>	<u>1,368,844,250</u>

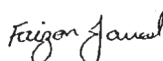
The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



DIRECTOR

RUBY TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Rupees-----		-----Rupees-----	
Sales	340,960,024	120,900,475	192,570,192	22,318,060
Less: Sales tax	(519,879)	(209,852)	(272)	(174,752)
Sales- net	<u>340,440,145</u>	<u>120,690,623</u>	<u>192,569,920</u>	<u>22,143,308</u>
Cost of sales	(374,182,704)	(159,529,057)	(229,929,185)	(43,564,180)
Gross loss	<u>(33,742,559)</u>	<u>(38,838,434)</u>	<u>(37,359,265)</u>	<u>(21,420,872)</u>
Distribution cost	-	(149,105)	-	-
Administrative expenses	(8,212,469)	(8,658,772)	(4,461,085)	(3,942,303)
Other income	845,540	820,170	443,540	402,000
Finance cost	(42,210,180)	(15,921,740)	(34,814,833)	(12,946,533)
Loss before taxation	<u>(83,319,668)</u>	<u>(62,747,881)</u>	<u>(76,191,643)</u>	<u>(37,907,708)</u>
Taxation				
-Current	(4,266,071)	(1,215,108)	(2,417,693)	(229,635)
-Deferred	1,882,998	4,100,904	-	-
	<u>(2,383,073)</u>	<u>2,885,796</u>	<u>(2,417,693)</u>	<u>(229,635)</u>
Loss for the period	<u>(85,702,741)</u>	<u>(59,862,085)</u>	<u>(78,609,336)</u>	<u>(38,137,343)</u>
Earnings per share - basic and diluted	<u>(1.64)</u>	<u>(1.15)</u>	<u>(1.51)</u>	<u>(0.73)</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Rupees-----		-----Rupees-----	
Loss for the period	(85,702,741)	(59,862,085)	(78,609,336)	(38,137,343)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(85,702,741)</u>	<u>(59,862,085)</u>	<u>(78,609,336)</u>	<u>(38,137,343)</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Haleem Ahmed

DIRECTOR

Jaduz Ghosh

CHIEF FINANCIAL OFFICER

Fazlon Javed

DIRECTOR

RUBY TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	HALF YEAR ENDED	
	December 31, 2018	December 31, 2017 (Restated)
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(83,319,668)	(62,747,881)
Adjustments for:		
Depreciation	18,250,796	19,204,930
Provision for staff retirement benefits - gratuity	683,863	807,842
Finance cost	42,210,180	15,921,740
	61,144,839	35,934,512
Loss before working capital changes	(22,174,829)	(26,813,369)
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,083,794	(321,341)
Stock in trade	13,289,965	38,341,565
Trade debts	1,151,154	(3,104,668)
Loans and advances	(7,281,721)	2,427,401
Trade deposits and short term prepayments	(1,031,187)	4,925
Other receivables	-	933,926
	8,212,005	38,281,808
Increase in current liabilities		
Trade and other payables	1,996,837	(5,468,372)
Deposits, accrued liabilities and advances	8,262,375	8,334,360
	10,259,212	2,865,988
Cash used in operations	(3,703,612)	14,334,427
Finance cost paid	(39,166,088)	(12,847,640)
Income tax paid	(1,326,318)	(651,371)
Net cash used in operating activities	(44,196,018)	835,416
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits	1,337,500	-
Net cash used in investing activities	1,337,500	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing from banking companies and others	34,249,126	10,566,058
Long term loan from chief executive and directors	134,610,000	-
Long term financing from associates	25,841,136	277,500
Loan from related party	(1,000,000)	-
Net cash generated from financing activities	193,700,262	10,843,558
Net increase in cash and cash equivalents	150,841,744	11,678,974
Cash and cash equivalents at the beginning of the period	(174,594,244)	(199,227,638)
Cash and cash equivalents at the end of the period	(23,752,500)	(187,548,664)
Cash and cash equivalents		
Cash and bank balances	1,093,092	1,906,328
Loan from banking companies	(24,845,592)	(189,454,992)
	(23,752,500)	(187,548,664)

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Share capital	Capital reserves	Revenue Reserve Accumulated loss	Revaluation surplus on property, plant and equipment	Sub Total	Long term loan from chief executive and directors	Total
	-----Rupees-----						
Balance as at June 30, 2017 - (Audited & Restated)	522,144,000	3,240,000	(659,208,704)	323,759,003	189,934,299	460,101,554	650,035,853
Loss for the six months ended December 31, 2017	-	-	(59,862,085)	-	(59,862,085)	-	(59,862,085)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	(59,862,085)	-	(59,862,085)	-	(59,862,085)
Loan received during the year	-	-	-	-	-	2,600,000	2,600,000
Loan paid during the year	-	-	-	-	-	(1,225,000)	(1,225,000)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	9,568,776	(9,568,776)	-	-	-
Balance as at December 31, 2017 - (Unaudited & Restated)	522,144,000	3,240,000	(709,502,013)	314,190,227	130,072,214	461,476,554	591,548,768
Balance as at June 30, 2018 - (Audited)	522,144,000	3,240,000	(655,018,427)	316,787,467	187,153,040	310,021,554	497,174,594
Loss for the six months ended December 31, 2018	-	-	(85,702,741)	-	(85,702,741)	-	(85,702,741)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income	-	-	(85,702,741)	-	(85,702,741)	-	(85,702,741)
Loan received during the year	-	-	-	-	-	134,610,000	134,610,000
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation- net of tax	-	-	4,610,099	(4,610,099)	-	-	-
Balance as at December 31, 2018 - (Unaudited)	522,144,000	3,240,000	(736,111,069)	312,177,368	101,450,299	444,631,554	546,081,853

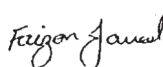
The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



DIRECTOR

RUBY TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 THE COMPANY AND NATURE OF ITS BUSINESS

1.1 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 of the company is located at 3-A, SMC Housing Society, Shara-e-Faisal, Karachi. The shares of the company are quoted on Pakistan Stock Exchange Limited. The principal business of the company is manufacturing and sale of yarn. The manufacturing units are located at Manga Road, Raiwind in the province of Punjab.

1.2 Going concern assumption

The company has been incurring gross losses for the last five years due to under utilization of production capacity. During the period ended December 31, 2018, the company has incurred a net loss amounting Rs. 85.703 million and has accumulated loss of Rs. 736.111 million as of that date. During the period, unit-2 of the company was operated partially i.e less than 3 months due to non availability of required load of electricity from LESCO to run the entire machinery. Due to un-sustained supply of gas, the company was unable to produce electricity from its own electricity generation plant. Consequently, production of yarn is considerably less as compared with the installed capacity. All these factors impede the company to achieve the optimal production.

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;

Request of the company submitted to LESCO for enhancement of load is under consideration. During the period, Sponsoring Directors of the company have injected further funds amounting Rs. 134.610 million along with written commitment to the company stating that they would inject funds as and when required by the company to overcome the financial crunch. The Sponsoring Directors also put on record that they have enough liquid fund to fulfill their commitments. In addition to the above, a financial plan has been developed with reduction in cost to achieve the objects of the company.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2018.

2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and 2017 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2018 and 2017.

2.4 Accounting Estimates, Judgements And Financial Risk Management

Judgments and estimates made by the management in the preparation of the condensed interim financial statements were the same as those applied to the financial statements as at and for the year ended June 30, 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the 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, 2018 except those stated in note 3.2 (a) below.

3.2 NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW INTERPRETATIONS

a) Amendments to published approved accounting standards which are effective during the half year ended December 31, 2018

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that a new standard (i.e. IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts', and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these condensed interim financial statements of the Company.

b) Standards and amendments to published approved accounting standards that are not yet effective

There are two new standards, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements except for the following standard:

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The Securities and Exchange Commission of Pakistan (SECP) had notified IFRS 9 'Financial instruments', through SRO 1007(I)/2017 dated October 4, 2017, replacing the IAS 39 'Financial instruments: Recognition and Measurement' with effect from reporting periods starting July 1, 2018. However, the SECP has deferred the applicability of IFRS 9 'Financial instruments', through SRO 229(I)/2019 dated February 14, 2019, for reporting periods ending on or after June 30, 2019 for all companies required to prepare their financial statements in accordance with requirements of said IFRS. Hence, the company has not yet adopted the IFRS 9.

4 PROPERTY, PLANT AND EQUIPMENT

Note

	(Un audited) 31-Dec-18	(Audited) 30-Jun-18
	Rupees	
Operating fixed assets	850,207,039	868,457,835
Opening written down value	868,457,835	902,017,774
Add: Addition during the period / year	-	4,890,684
	868,457,835	906,908,458
Less: Depreciation charged during the period / year	(18,250,796)	(38,450,623)
Closing written down value	850,207,039	868,457,835

5 LONG TERM FINANCING FROM BANKING COMPANIES

Note

	(Un audited) 31-Dec-18	(Audited) 30-Jun-18
	Rupees	
Term finance	1,666,665	4,166,665
Less: Current portion	(1,666,665)	(4,166,665)
	-	-
5.1 Movement is as follows:		
Opening balance	4,166,665	6,666,667
Repaid during the period/year	(2,500,000)	(2,500,002)
Closing balance	1,666,665	4,166,665

RUBY TEXTILE MILLS LIMITED

6 LONG TERM FINANCING FROM OTHERS

Unsecured

- from QueenBerg Venture Limited	6.1	153,010,000	133,760,000
- from Messi Capital Investment Limited	6.2	139,093,047	121,593,921
		292,103,047	255,353,921
		(210,816,485)	(175,933,921)
Less: Current maturity		81,286,562	79,420,000

6.1 Unsecured - from QueenBerg Venture Limited

Opening/Transferred from share application money	99,363,000	99,363,000
Exchange loss on foreign loan	53,647,000	34,397,000
	153,010,000	133,760,000
Current portion	(19,126,250)	(16,720,000)
Overdue portion	(52,597,188)	(37,620,000)
	(71,723,438)	(54,340,000)
	81,286,562	79,420,000

6.2 Unsecured - from Messi Capital Investment Ltd

Foreign loan I	52,369,762	52,369,763
Foreign loan II	52,395,000	52,395,000
Exchange loss/(gain) on foreign loan	34,328,285	16,829,158
	139,093,047	121,593,921
Current portion	(139,093,047)	(121,593,921)
	-	-

7 LONG TERM FINANCING FROM ASSOCIATES

Loan from associated companies	7.1 & 7.2	78,492,812	52,651,676
--------------------------------	-----------	------------	------------

7.1 During the period, the company received further unsecured and interest free loan amounting Rs. 26.49 million from its associated companies.

7.2 These loans are unsecured and do not bear any interest or other profit. The loan is repayable at the discretion of the company. Company has no intention to repay director loan within next twelve months from the balance sheet date. Therefore, no portion has been classified under current liabilities.

8 DEFERRED LIABILITIES

Note	31-Dec-18	30-Jun-18
	-----Rupees-----	
Staff retirement benefits - gratuity	6,356,443	5,672,580
Deferred taxation	73,436,932	75,319,930
	79,793,375	80,992,510
	(Un audited)	(Audited)
	31-Dec-18	30-Jun-18
	-----Rupees-----	

8.1 Deferred taxation

The net liability for deferred taxation comprises of temporary differences.

Taxable temporary difference

Accelerated tax depreciation allowance	102,539,380	103,060,128
Surplus on revaluation of property, plant and equipment	73,436,932	75,319,930
	175,976,312	178,380,058

Deductible temporary differences

Provision for doubtful debts	(392,733)	(388,611)
Staff retirement benefits - gratuity	(4,278,822)	(4,108,518)
Unused tax losses carried forward	(171,784,844)	(155,093,241)
Turnover tax available for carry forward	(12,338,749)	(8,086,482)
Deferred tax asset not recognized on unused losses	86,255,768	64,616,724
	(97,867,825)	(98,562,999)
	(102,539,380)	(103,060,128)
	73,436,932	75,319,930

Reconciliation of deferred tax (income)/expense for the year

Balance as at July 01,	75,319,930	82,018,073
Add: Charge/(Reversal) during the year		
Profit and loss account	(1,882,998)	(4,231,477)
Other comprehensive income	-	130,573
Attributable to revaluation surplus of property, plant and equipment	-	(2,597,239)
	(1,882,998)	(6,698,143)
	73,436,932	75,319,930

9 LOAN FROM BANKING COMPANIES

Running finance	24,845,592	24,967,108
Cash finance	-	967,041
Payable to Habib Metropolitan Bank Limited(Final settlement)	-	150,000,000
	24,845,592	175,934,149

9.1 There is no major change in the terms and conditions of the loan from banking companies as disclosed in the annual audited financial statements of the company as at and for the year ended June 30, 2018 except that the company has repaid loan amounting Rs. 150 million to Habib Metropolitan Bank.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no change in status of contingencies as disclosed in note 20.1 of the audited annual financial statements of the Company for the year ended June 30, 2018.

10.2 Commitments

There is no change in status of commitments as disclosed in note 20.2 of the audited annual financial statements of the Company for the year ended June 30, 2018.

11 RELATED PARTY DISCLOSURES

Transaction with the related parties	Relationship	(Un audited)	
		31-Dec-18	31-Dec-17
-----Rupees-----			
Mr. Noor Elahi	Director / Chief Executive		
Loan received		131,555,000	2,600,000
Loan repaid		1,000,000	1,135,000
Mrs. Parveen Elahi	Director		
Loan received		2,000,000	-
Loan repaid		-	90,000
Mr. Nabeel Javed	Director		
Loan received		1,055,000	-
Mr. Nabeel Javed	Director		
Remuneration		1,200,000	1,200,000
Aroma Drinks (Pvt) Limited	Associated company		
Loan received		26,340,000	277,500
Sunrise Bottling (Pvt) Limited	Associated company		
Loan received		150,000	-
Loan repaid		648,864	-
Yasir Food Industries Limited	Associated company		
Loan received		-	933,926

12 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 2018.

13 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorised for issued on 28 February 2019 by the Board of Directors of the Company .

14 GENERAL

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

DIRECTOR

CHIEF FINANCIAL OFFICER

DIRECTOR