

## COMPANY INFORMATION

### BOARD OF DIRECTORS

**CHAIRMAN AND CHIEF EXECUTIVE** : **M. WAQAR MONNOO**

**DIRECTORS** : MRS. GHAZALA WAQAR  
MR. SIRAJ SADIQ MONNOO  
MR. SYED EJAZUDDIN  
MR IMRAN MONNOO  
MR. SYED AYAZUDDIN  
MR. MUHAMMAD ANWAR SAIGAL

### AUDIT COMMITTEE MEMBERS

**CHAIRMAN (EXECUTIVE)** : M. WAQAR MONNOO  
**MEMBER (NON-EXECUTIVE)** MR IMRAN MONNOO  
**MEMBER (NON-EXECUTIVE)** MRS.GHAZALA WAQAR

### HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

**CHAIRMAN (NON-EXECUTIVE)** MR IMRAN MONNOO  
**MEMBER (NON-EXECUTIVE)** MRS.GHAZALA WAQAR  
**MEMBER (NON-EXECUTIVE)** MR. SYED EJAZUDDIN

**CHIEF FINANCIAL OFFICER** : MR. ASIM JAFFERY

**COMPANY SECRETARY** : MR. MUHAMMAD ANWAR SAIGAL

**LEGAL ADVISOR** : M/S. A.K. BROHI & CO. ADVOCATE

**AUDITORS** : MUSHTAQ & COMPANY  
CHARTERED ACCOUNTANTS  
407-408, COMMERCE CENTRE,  
HASRAT MOHANI ROAD, KARACHI.

**BANKERS** : UNITED BANK LTD  
ASKARI BANK LTD  
SONERI BANK LTD  
HABIB BANK LTD  
ALLIED BANK OF PAKISTAN  
BANK AL-FALAH LTD.

**PRINCIPAL/REGISTERED OFFICE** : E/3, FARZANA BUILDING, 1ST FLOOR,  
BLOCK 7 & 8, K.C.H.S. UNION LTD.,  
SHAHEED-E-MILLAT ROAD,  
KARACHI-75350

**MILLS AT** : PLOT NO. H/23/3, LANDHI INDUSTRIAL AREA,  
LANDHI, KARACHI.

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**DIRECTORS REPORT**

The Directors have pleasure in presenting their un-audited accounts of the Company for nine months period ended March 31, 2013. During the period under review the amount of sales (net) was Rs.1,850,809,015/- as compared to previous corresponding period sales of Rs.1,611,574,412/- which shows an increase of 14.84 % over previous period sales.

	<b>NINE MONTHS ENDED</b>		<b>QUARTER ENDED</b>	
	<b>March 31, 2013 RUPEES</b>	<b>March 31, 2012 RUPEES</b>	<b>March 31, 2013 RUPEES</b>	<b>March 31, 2012 RUPEES</b>
Sales	1,850,809,015	1,611,574,412	595,819,539	629,511,530
Cost of sales	<u>(1,738,020,678)</u>	<u>(1,449,036,773)</u>	<u>(544,578,124)</u>	<u>(534,665,423)</u>
<b>Gross profit / (loss)</b>	<b>112,788,337</b>	<b>162,537,639</b>	<b>51,241,415</b>	<b>94,846,107</b>
Distribution Cost	<u>(24,837,603)</u>	<u>(14,192,493)</u>	<u>(7,254,180)</u>	<u>(5,380,630)</u>
Administrative expenses	<u>(27,917,762)</u>	<u>(41,120,389)</u>	<u>(7,694,629)</u>	<u>(9,170,488)</u>
Other operating income	<u>12,351,038</u>	<u>3,220,541</u>	<u>4,429,355</u>	<u>2,019,923</u>
	<u>(40,404,328)</u>	<u>(52,092,342)</u>	<u>(10,519,454)</u>	<u>(12,531,195)</u>
<b>Operating profit/ (Loss)</b>	<b>72,384,009</b>	<b>110,445,297</b>	<b>40,721,961</b>	<b>82,314,911</b>
Finance cost	<u>(115,195,176)</u>	<u>(153,970,464)</u>	<u>(33,789,236)</u>	<u>(67,754,154)</u>
<b>Profit / (Loss) before taxation</b>	<b>(42,811,167)</b>	<b>(43,525,167)</b>	<b>6,932,725</b>	<b>14,560,757</b>
<b>Taxation:</b>				
Current	<u>(18,508,090)</u>	<u>(16,115,744)</u>	<u>(5,958,195)</u>	<u>(6,295,115)</u>
<b>Profit / (Loss) after taxation</b>	<b>(61,319,257)</b>	<b>(59,640,911)</b>	<b>974,530</b>	<b>8,265,642</b>
Earnings /(Loss) per share-Basic and diluted (Rupees)	<u><b>(5.11)</b></u>	<u><b>(4.97)</b></u>	<u><b>0.08</b></u>	<u><b>0.69</b></u>

**Financial Results**

The financial results for nine months period ended March 31, 2013 have resulted in net loss after tax of Rs. 61,319,257/-. Gross profit percentage has decreased from 10.09% to 6.09 % as compared to the previous corresponding period. The main reason for losses are energy crisis, working capital and high cost of overheads and markups. The company is facing weekly gas load shedding of one/two days which drastically reduced our production equivalent to one & half months in a year. On top of this, regular low gas pressure reduces our daily production to nearly 80%. The combined production loss from weekly gas load shedding and low gas pressure comes approximately to 40% of total production. This loss of production has directly increased our overhead cost which is already high. The additional losses due to gas loading shedding and low gas pressure has also badly affected our profitability.

The unavailability of working capital also have a very destructive impact on our profitability. It is observed that the spinning mills with adequate working capital can procure cheap cotton at peak cotton season in which the cotton prices ranges between Rs 4000-5000/mound and take advantage of low cotton prices which produces greater profitability. On the other hand the spinning mills like us with acute working capital shortage have to procure expensive cotton through the year with average cotton price of Rs 5500-6500/mound. This makes a huge dent in our profitability resulting in shortage of cash flow. Higher Inflationary pressure of cost of raw material, labour and overheads together with energy load shedding has put tremendous pressure on our profitability.

During the period, the company successfully entered into a restructuring agreement with Bank Alfalah as disclose in note 5.1 which is settled amicably through a consent decree. Also the board of directors decided to record gift back of shares as disclosed in note 7.

**FUTURE PROSPECTS:**

To overcome the negative financial effects of wide fluctuations in material prices, liquidity crunch and continuous increase in the financial cost and input prices, the management is very cautiously operating its activities. The company is very actively approaching banks for working capital facilities. There is no change in contingencies since the date of last balance sheet date except for settlement of Bank Alfalah case as disclose in note 5.1.

I would like to place on record the co-operation shown by our Bankers for their support and without their co-operation, the present results could not have been achieved. The loyalty and devotion of the Staff members and the workers towards the Company is also one of the major factors for achieving the present results.

**or and on behalf of the Boar**

**DIRECTOR\***

**DIRECTOR\***

Karachi: 30<sup>th</sup> April, 2013

\* Statement Under Section 241(2) of Companies Ordinance, 1984

The Chief Executive was out of Country for official visit.

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2013**

NOTES	Un-Audited MARCH 31, 2013 RUPEES	Audited JUNE 30, 2012 RUPEES
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 13,000,000 (2012: 13,000,000) Ordinary shares of Rs.10 each.	130,000,000	130,000,000
Issued, subscribed and paid up capital	120,000,000	120,000,000
General reserve	3,580,053	3,580,053
Unappropriated loss	(916,568,315)	(819,314,771)
	(792,988,262)	(695,734,718)
Surplus on revaluation of property, plant and equipment	1,123,141,923	1,131,873,456
<b>NON CURRENT LIABILITIES</b>		
Long term financing	1,190,334,845	1,076,768,387
Liability against assets subject to finance lease	-	1,996,828
Deferred liabilities	6,698,665	5,068,896
<b>CURRENT LIABILITIES</b>		
Trade and other payables	702,562,515	647,608,278
Accrued Markup	39,020,314	44,481,756
Short-term borrowings	196,336,729	290,776,301
Current portion of		
- long term financing	71,529,578	54,389,443
- liabilities against asset subject to finance lease	3,014,081	9,112,339
	1,012,463,217	1,046,368,117
<b>CONTINGENCIES AND COMMITMENTS</b>	5	
	2,539,650,387	2,566,340,966
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	1,959,018,853	1,995,496,847
Long term deposit	3,408,482	5,058,182
Long term investment in subsidiary	-	44,665,822
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	21,278,094	18,608,270
Stock in trade	293,718,557	231,616,695
Trade debts	68,535,883	71,023,203
Other financial assets	8,300,000	18,788,312
Loans and advances	95,761,446	86,595,424
Income tax and Sales tax Refundable	43,147,976	54,051,272
Other receivables	38,325,076	33,083,556
Cash and bank balances	8,156,021	7,353,383
	577,223,053	521,120,116
	2,539,650,387	2,566,340,966

The annexed notes form an integral part of these financial statements

**DIRECTOR\***

**DIRECTOR\***

Karachi

Dated: April 30, 2013

\* Statement Under Section 241(2) of Companies Ordinance, 1984

The Chief Executive was out of Country for official visit.

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2013 RUPEES	March 31, 2012 RUPEES	March 31, 2013 Rupees	March 31, 2012 Rupees
Sales	1,850,809,015	1,611,574,412	595,819,539	629,511,530
Cost of sales	(1,738,020,678)	(1,449,036,773)	(544,578,124)	(534,665,423)
<b>Gross profit</b>	<u>112,788,337</u>	<u>162,537,639</u>	<u>51,241,415</u>	<u>94,846,107</u>
Distribution Cost	(24,837,603)	(14,192,493)	(7,254,180)	(5,380,630)
Administrative expenses	(27,917,762)	(41,120,389)	(7,694,629)	(9,170,488)
Other operating income	12,351,038	3,220,541	4,429,355	2,019,923
<b>Operating profit</b>	<u>72,384,009</u>	<u>110,445,297</u>	<u>40,721,961</u>	<u>82,314,911</u>
Finance cost	(115,195,176)	(153,970,464)	(33,789,236)	(67,754,154)
<b>Profit / (Loss) before taxation</b>	<u>(42,811,167)</u>	<u>(43,525,167)</u>	<u>6,932,725</u>	<u>14,560,757</u>
<b>Taxation:</b>				
Current	(18,508,090)	(16,115,744)	(5,958,195)	(6,295,115)
<b>Profit / (Loss) after taxation</b>	<u>(61,319,257)</u>	<u>(59,640,911)</u>	<u>974,530</u>	<u>8,265,642</u>
Earnings per share-Basic and diluted (Rupees)	<u>(5.11)</u>	<u>(4.97)</u>	<u>0.08</u>	<u>0.69</u>

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

**DIRECTOR\***

**DIRECTOR\***

Karachi

Dated: April 30, 2013

\* Statement Under Section 241(2) of Companies Ordinance, 1984

The Chief Executive was out of Country for official visit.

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2013 RUPEES	March 31, 2012 RUPEES	March 31, 2013 Rupees	March 31, 2012 Rupees
<b>Profit / (Loss) for the period after taxation</b>	(61,319,257)	(59,640,911)	974,530	8,265,642
<b>Total comprehensive Income / (loss) for the period</b>	<b>(61,319,257)</b>	<b>(59,640,911)</b>	<b>974,530</b>	<b>8,265,642</b>

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

**DIRECTOR\***

**DIRECTOR\***

Karachi

Dated: April 30, 2013

\* Statement Under Section 241(2) of Companies Ordinance, 1984

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**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2013**

NOTE	PAID UP CAPITAL	REVENUE RESERVE	CAPITAL RESERVE	UN- APPROPRIATED LOSS	TOTAL
	←————— RUPEES —————→				
Balance as at 1-07-2011	120,000,000	3,580,053	44,665,822	(757,932,303)	(589,686,428)
Total comprehensive income for the Nine Months ended 31st March, 2012				(59,640,911)	(59,640,911)
Transfer from surplus on revaluation of property, plant & equipment for the Nine Months ended March 31, 2012				6,848,744	6,848,744
Balance as at 31-03-2012	<u>120,000,000</u>	<u>3,580,053</u>	<u>44,665,822</u>	<u>(810,724,469)</u>	<u>(642,478,594)</u>
Total comprehensive loss for the period from 01-04-2012 to 30-6-2012				(57,073,540)	(57,073,540)
Transfer from surplus on revaluation of property, plant & equipment for the period 01-04-2012 to 30-06-2012				3,273,039	3,273,039
Realisation of Surplus on revaluation of property, plant & equipment on disposal				544,378	544,378
Balance as at 30-06-2012	<u>120,000,000</u>	<u>3,580,053</u>	<u>44,665,822</u>	<u>(863,980,592)</u>	<u>(695,734,717)</u>
Total comprehensive income for the Nine Months ended 31st March, 2013	-	-		(61,319,257)	(61,319,257)
Transfer from surplus on revaluation of property, plant & equipment for the Nine Months ended March 31, 2013.				8,731,533	8,731,533
Gift back of Shares	7		(44,665,822)		(44,665,822)
Balance as at 31-03-2013	<u>120,000,000</u>	<u>3,580,053</u>	<u>-</u>	<u>(916,568,315)</u>	<u>(792,988,262)</u>

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

**DIRECTOR\***

**DIRECTOR\***

Karachi

Dated: April 30, 2013

\* Statement Under Section 241(2) of Companies Ordinance, 1984

The Chief Executive was out of Country for official visit.

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	<b>March-2013</b>	<b>March-2012</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>CASH GENERATED FROM OPERATION</b>		
Loss before taxation	(42,811,167)	(43,525,167)
Adjustment for non cash charges and other items:		
Depreciation	45,922,023	43,255,999
Finance cost	115,195,176	153,970,464
(Gain)/Loss on disposal of fixed assets	771,130	(39,766)
Provision for Gratuity	6,510,219	7,729,363
	<u>168,398,548</u>	<u>204,916,059</u>
Operating Profit before working capital changes	125,587,381	161,390,892
(Increase)/Decrease in current assets:		
Stocks, stores and spares	(64,771,686)	(176,782,384)
Trade debts	2,487,320	90,694,350
Other Financial Assets	10,488,312	-
Loan and advances	(9,166,022)	19,032,079
Refund due from Government	12,072,977	-
Other Receivables	(5,241,520)	(245,234)
	<u>(54,130,618)</u>	<u>(67,301,190)</u>
Increase/(Decrease) in current liabilities:		
Trade and other payables	54,954,237	63,604,647
<b>Cash generated from operations</b>	<u>126,411,001</u>	<u>157,694,350</u>
Taxes paid	(19,677,772)	(18,107,093)
Finance cost paid	(120,656,618)	(114,812,390)
Gratuity-net	(4,880,450)	(6,192,150)
Long term deposits	1,649,700	1,315,190
	<u>(143,565,140)</u>	<u>(137,796,444)</u>
Net cash from operating activities	(17,154,138)	19,897,907
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	4,561,500	100,000
Fixed capital expenditure	(14,776,659)	(44,467,400)
Net cash (used in)/from investing activities	(10,215,159)	(44,367,400)
<b>CASH FLOW FORM FINANCING ACTIVITIES</b>		
Long term finance	130,706,593	(9,607,518)
Short Term Finance	(94,439,572)	49,237,874
Repayment of lease liabilities	(8,095,086)	(17,082,371)
Net cash used in financing activities	28,171,935	22,547,985
Net increase in cash and cash equivalents	802,638	(1,921,508)
Cash and cash equivalents at the beginning of the year	7,353,383	8,057,000
Cash and cash equivalents at the end of the year	<u>8,156,021</u>	<u>6,135,492</u>

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

**DIRECTOR\***

**DIRECTOR\***

Karachi

Dated: April 30, 2013

\* Statement Under Section 241(2) of Companies Ordinance, 1984  
The Chief Executive was out of Country for official visit.

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2013 (UN-AUDITED)**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1** The company was incorporated in Pakistan as a public limited company on October 28, 1960, and its shares are quoted on the Karachi Stock Exchange. The main business of the company is manufacturing and sale of yarn. The registered office of the company is situated at E-3 Farzana Building, 1st floor, Block 7 & 8, Shaheed-e-Millat Road Karachi.
- 1.2** The company has incurred a loss for the period ended March 31, 2013 of Rupees 61.319 million (June 30, 2012: Loss Rupees 109.464 million) and as of that date, reported accumulated losses of Rupees 916.568 million (June 30, 2012: Rupees 863.981 million). The net assets of company are amounting to Rupees 330.153 million (June 30, 2012 : Rupees 436.138 million) and the current liabilities exceeded its current assets by Rupees 435.240 million (June 30, 2012: Rupees 525.248 million) as of that date. These conditions along with adverse key financial ratios and legal cases against the company as mentioned in note 5.1 (contingencies and commitment) indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. On the basis of five year plan for expansion and increase in sales volume and profitability and improvement in working capital management, management is confident that with better manufacturing facilities and continuous support from directors and banks, they would improve the financial position and restore its profitability. Banking facilities with Bank Alfalah for rescheduling / restructuring has been finalized. Directors of the company have committed that in case, the decision of the high court is against the company they will provide finance from their own resources to meet the obligation. Accordingly, these interim financial statements have been prepared on going concern assumption.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30th June, 2012.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi Stock Exchange and section 245 of the Companies Ordinance, 1984.

**3 SIGNIFICANT ACCOUNTING POLICIES**

- 3.1** The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June, 2012.

**4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

- 4.1** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2** Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June, 2012.
- 4.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

**5 CONTINGENCIES AND COMMITMENTS**

**CONTINGENCIES**

- 5.1** There have been no significant changes in Contingencies since last Annual Balance Sheet date except for the Bank Alfalah case which was settled vide a restructuring agreement on 13th November 2012. The company will pay principal liability of Rs 192 million in 40 quarterly installments starting from 31st December 2012. The company will pay markup of Rs 83.005 million in six equal quarterly installments starting from 31 December 2020. This term loan is secured by existing first pari passu hypothecation charge over movable assets and books debts to the extent of Rs 40m and 2nd ranking charge on land, building and spinning machinery to the extent of Rs 216 million.

	<b>MARCH 31, 2013 RUPEES</b>	<b>JUNE 30, 2012 RUPEES</b>
<b>5.2 COMMITMENTS</b>		
Letter of credit - import of cotton	116,564,547	52,670,984



**6 ACQUISITION AND DISPOSAL OF FIXED ASSETS**

	<b>(UN-AUDITED)</b>		<b>(AUDITED)</b>	
	<b>MARCH 31,2013</b>		<b>JUNE 30,2012</b>	
	<b>Acquisition</b>	<b>Disposal</b>	<b>Acquisition</b>	<b>Disposal</b>
	<b>Rupees</b>		<b>Rupees</b>	
Factory Building	2,038,796	-	28,485,760	-
Plant and Machinery	5,089,516	5,542,368	52,411,261	3,496,500
Office Equipment	401,522	-	322,580	-
Factory Tools & Equipment	-	-	3,281,997	-
Furniture and Fixture	70,400	-	130,580	-
Motor Vehicles	-	41,000	2,122,425	396,000
Electric & Pipe Fitting	-	-	1,476,799	-
Arms & Ammunition	10,000	-	-	-
Capital work in progress	7,166,425	-	-	-
<b>Total</b>	<b>14,776,659</b>	<b>5,583,368</b>	<b>88,231,402</b>	<b>3,892,500</b>

**7 LONG TERM INVESTMENT IN SUBSIDIARY**

The board of directors in their meeting decided to record gift back of shares to the directors of Olympia Power Generation (Pvt.) Limited on 29th March, 2013.

**8 STOCK IN TRADE**

The carrying value of pledge stock amount to Rs.171,840,649

**9 TRANSACTIONS WITH ASSOCIATED UNDERTAKING**

	<b>(UN-AUDITED)</b>	<b>(UN-AUDITED)</b>
	<b>March-2013</b>	<b>March-2012</b>
	<b>RUPEES</b>	<b>RUPEES</b>
Electricity	210,626,789	168,998,325
Stores & Spares	17,402,277	-

Transactions with associated undertakings are carried out on normal commercial terms and conditions at Arms length price.

**10 EVENT AFTER THE BALANCE SHEET DATE:**

There were no significant event since the balance sheet date.

**11 DATE OF AUTHORISATION FOR ISSUE:**

These financial statements were authorised for issue on April 30, 2013 by the board of directors of the company.

**12 GENERAL**

Figure have been rounded off to the nearest rupee.

**DIRECTOR\***

**DIRECTOR\***

Karachi

Dated: April 30,2013

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