

## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### DIRECTORS

: MRS. GHAZALA WAQAR  
MR. SIRAJ SADIQ MONNOO  
MR. SYED AYAZUDDIN  
MR. SYED INAMUDDIN AHMED  
MR. MUHAMMAD ANWAR SAIGAL

### AUDIT COMMITTEE MEMBERS

**CHAIRMAN (NON-EXECUTIVE)** : MR. SYED INAMUDDIN AHMED  
**MEMBER (NON-EXECUTIVE)** MRS.GHAZALA WAQAR

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

:

**CHAIRMAN (NON-EXECUTIVE)** MRS.GHAZALA WAQAR  
**MEMBER (NON-EXECUTIVE)** MR. SYED INAMUDDIN AHMED

### 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  
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 ended March 31, 2014. During the period under review the amount of sales (net) was Rs.1,852,321,878/- as compared to previous corresponding period sales of Rs.1,850,809,015/- which shows an increase of 0.08 % over previous period sales.

	NINE MONTHS PERIOD ENDED		QUARTER ENDED	
	March 31, 2014 RUPEES	March 31, 2013 RUPEES	March 31, 2014 Rupees	March 31, 2013 Rupees
Sales	1,852,321,878	1,850,809,015	550,019,472	595,819,539
Cost of sales	(1,963,325,805)	(1,738,020,678)	(661,119,304)	(544,578,124)
<b>Gross profit / (loss)</b>	<b>(111,003,926)</b>	<b>112,788,337</b>	<b>(111,099,832)</b>	<b>51,241,415</b>
Distribution Cost	(22,900,442)	(24,837,603)	(8,757,638)	(7,254,180)
Administrative expenses	(27,989,058)	(27,917,762)	(7,974,204)	(7,694,629)
Other operating income	16,852,610	12,351,038	(164,262)	4,429,355
	(34,036,890)	(40,404,328)	(16,896,104)	(10,519,454)
<b>Operating profit/ (Loss)</b>	<b>(145,040,816)</b>	<b>72,384,009</b>	<b>(127,995,936)</b>	<b>40,721,961</b>
Finance cost	(99,191,795)	(115,195,176)	(36,212,776)	(33,789,236)
<b>Loss before taxation</b>	<b>(244,232,611)</b>	<b>(42,811,167)</b>	<b>(164,208,712)</b>	<b>6,932,725</b>
<b>Taxation:</b>				
Current	(18,523,219)	(18,508,090)	(5,500,195)	(5,958,195)
<b>Loss after taxation</b>	<b>(262,755,830)</b>	<b>(61,319,257)</b>	<b>(169,708,907)</b>	<b>974,530</b>
Earnings /(Loss) per share-Basic and diluted (Rupees)	<b>(21.90)</b>	<b>(5.11)</b>	<b>(14.14)</b>	<b>0.08</b>

**Financial Results**

The financial results for nine months ended March 31, 2014 have resulted in net loss after tax of Rs. 262,755,830/-. Gross profit percentage has decreased from 6.09% to (5.99%) as compared to the previous corresponding period. The main reason of loss is the unavailability of working capital which results in higher purchase cost. The recent dumping of yarn in Pakistani markets by India and decrease in demand from China make local spinning business totally at loss. On top of that high fluctuations in dollar rate also make a denting impact on our business. The heavy burden of debt in form of markup and principal payments dried out nearly all of our liquidity. The company in the past and during the period has made several request to its bankers for opening lines for working capital but banks seems not reluctant to offer us any working capital lines. This situation creates very tough time for managing our business efficiently. The other reasons of loss includes, continuous rising prices of energy, gas load shedding and double digit general inflation which increases cost of other inputs.

During the period, the company successfully entered into a restructuring agreement with United Bank Limited as disclose in note 5 which is settled amicably through a consent decree. We are very hopeful that we will get out of the financial crises as discussed in note 1.2.

**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.

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.

For and on behalf of the Board

Karachi: 30<sup>th</sup> April 2014

M.WAQAR MONNOO  
Chief Executive/Director

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2014**

	NOTES	Un-Audited MARCH 31, 2014 Rupees	Audited JUNE 30, 2013 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
13,000,000 (2013: 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		(1,220,661,104)	(968,730,606)
		(1,097,081,051)	(845,150,553)
Surplus on revaluation of property, plant and equipment		1,109,148,131	1,119,973,462
<b>NON CURRENT LIABILITIES</b>			
Long term financing		1,096,554,386	1,144,389,474
Deferred liabilities		4,934,892	9,390,368
<b>CURRENT LIABILITIES</b>			
Trade and other payables		673,210,955	750,380,531
Accrued Markup		55,003,821	63,828,657
Short-term borrowings		420,206,021	193,953,347
Current portion of			
- long term financing		119,275,036	76,229,662
- liabilities against asset subject to finance lease		-	1,994,349
		1,267,695,832	1,086,386,546
<b>CONTINGENCIES AND COMMITMENTS</b>	6	<b>2,381,252,189</b>	<b>2,514,989,297</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	1,893,362,962	1,956,218,462
Long term deposit		3,408,482	3,408,482
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		23,868,289	65,003,407
Stock in trade		260,938,868	253,966,406
Trade debts		44,776,185	59,911,512
Other financial assets		8,300,000	8,300,000
Loans and advances		21,024,971	55,303,239
Income tax and Sales tax Refundable		81,242,775	69,757,152
Other receivables		37,041,866	37,831,795
Cash and bank balances		7,287,791	5,288,842
		484,480,745	555,362,352
		<b>2,381,252,189</b>	<b>2,514,989,297</b>

*The annexed notes form an integral part of this condensed interim financial information.*

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi  
Dated: April 30, 2014

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Rupees	Rupees	Rupees	Rupees
Sales	1,852,321,878	1,850,809,015	550,019,472	595,819,539
Cost of sales	(1,963,325,805)	(1,738,020,678)	(661,119,304)	(544,578,124)
<b>Gross profit</b>	<b>(111,003,926)</b>	<b>112,788,337</b>	<b>(111,099,832)</b>	<b>51,241,415</b>
Distribution Cost	(22,900,442)	(24,837,603)	(8,757,638)	(7,254,180)
Administrative expenses	(27,989,058)	(27,917,762)	(7,974,204)	(7,694,629)
Other operating income	16,852,610	12,351,038	(164,262)	4,429,355
	(34,036,890)	(40,404,328)	(16,896,104)	(10,519,454)
<b>Operating profit</b>	<b>(145,040,816)</b>	<b>72,384,009</b>	<b>(127,995,936)</b>	<b>40,721,961</b>
Finance cost	(99,191,795)	(115,195,176)	(36,212,776)	(33,789,236)
<b>Profit / (Loss) before taxation</b>	<b>(244,232,611)</b>	<b>(42,811,167)</b>	<b>(164,208,712)</b>	<b>6,932,725</b>
<b>Taxation:</b>				
Current	(18,523,219)	(18,508,090)	(5,500,195)	(5,958,195)
<b>Profit / (Loss) after taxation</b>	<b>(262,755,830)</b>	<b>(61,319,257)</b>	<b>(169,708,907)</b>	<b>974,530</b>
Earnings per share-Basic and diluted (Rupees)	<b>(21.90)</b>	<b>(5.11)</b>	<b>(14.14)</b>	<b>0.08</b>

*The annexed notes form an integral part of this condensed interim financial information.*

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi

Dated: April 30, 2014

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Rupees	Rupees	Rupees	Rupees
<b>Profit / (Loss) for the period after taxation</b>	(262,755,830)	(61,319,257)	(169,708,907)	974,530
<b>Total comprehensive Income / (loss) for the period</b>	<u>(262,755,830)</u>	<u>(61,319,257)</u>	<u>(169,708,907)</u>	<u>974,530</u>

*The annexed notes form an integral part of this condensed interim financial information.*

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi

Dated: April 30, 2014

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	Share Capital	Revenue Reserve	Capital Reserve	Accumulated (Loss)	Total
	<b>Rupees</b>				
<b>Balance as at July 01, 2012</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>44,665,822</b>	<b>(863,980,592)</b>	<b>(695,734,717)</b>
Total comprehensive loss for the Nine Months ended 31 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
Realisation of surplus on revaluation of property, plant and equipment on disposal	-	-	(44,665,822)	-	(44,665,822)
<b>Balance as at March 31, 2013</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>-</b>	<b>(916,568,315)</b>	<b>(792,988,262)</b>
Total comprehensive loss for the period from March 01, 2013 to June 30, 2013	-	-	-	(55,330,749)	(55,330,749)
Transfer from surplus on revaluation of property, plant and equipment for the period March 01, 2013 to June 30, 2013 on account of incremental depreciation	-	-	-	2,702,823	2,702,823
Realisation of Surplus on revaluation of property, plant and equipment on disposal	-	-	-	465,637	465,637
<b>Balance as at June 30, 2013</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>-</b>	<b>(968,730,606)</b>	<b>(845,150,553)</b>
Total comprehensive loss for the half year ended 31 March, 2014	-	-	-	(262,755,830)	(262,755,830)
Transfer from surplus on revaluation of property, plant and equipment for the half year ended 31 March, 2014 on account of incremental depreciation	-	-	-	8,132,707	8,132,707
Realisation of Surplus on revaluation of property, plant and equipment on disposal	-	-	-	2,692,624	2,692,624
<b>Balance as at March 31, 2014</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>-</b>	<b>(1,220,661,104)</b>	<b>(1,097,081,051)</b>

*The annexed notes form an integral part of this condensed interim financial information.*

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi:

Dated: April 30, 2014

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED MARCH 31, 2014**

	<b>March-2014</b>	<b>March-2013</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH GENERATED FROM OPERATION</b>		
Loss before taxation	(244,232,611)	(42,811,167)
Adjustment for non cash charges and other items:		
Depreciation	41,406,448	45,922,023
Finance cost	99,191,795	115,195,176
(Gain)/loss on disposal of fixed assets	(2,216,730)	771,130
Provision for Gratuity	2,295,524	6,510,219
	<u>140,677,037</u>	<u>168,398,548</u>
Operating Profit before working capital changes	(103,555,574)	125,587,381
(Increase)/decrease in current assets:		
Stocks, stores and spares	34,162,655	(64,771,686)
Trade debts	15,135,326	2,487,320
Other financial assets	-	10,488,312
Loan and advances	34,278,269	(9,166,022)
Sales tax	(10,951,009)	12,072,977
Other receivables	789,929	(5,241,520)
	<u>73,415,170</u>	<u>(54,130,618)</u>
Increase/(Decrease) in current liabilities:		
Trade and other payables	(77,169,576)	54,954,237
<b>Cash generated from operations</b>	<u>(107,309,979)</u>	<u>126,411,001</u>
Taxes paid	(19,057,831)	(19,677,772)
Finance cost paid	(108,016,632)	(120,656,618)
Gratuity-net	(6,751,000)	(4,880,450)
Long term deposits	-	1,649,700
	<u>(133,825,463)</u>	<u>(143,565,140)</u>
Net cash generated from operating activities	(241,135,442)	(17,154,138)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	66,200,000	4,561,500
Fixed capital expenditure	(42,534,218)	(14,776,659)
Net cash generated from / (used in) investing activities	23,665,782	(10,215,159)
<b>CASH FLOW FORM FINANCING ACTIVITIES</b>		
Long term finance	(4,789,714)	130,706,593
Short term finance	226,252,674	(94,439,572)
Repayment of lease liabilities	(1,994,349)	(8,095,086)
Net cash generated from financing activities	<u>219,468,610</u>	<u>28,171,935</u>
Net increase in cash and cash equivalents	1,998,950	802,638
Cash and cash equivalents at the beginning of the period	5,288,842	7,353,383
Cash and cash equivalents at the end of the period	<u><b>7,287,791</b></u>	<u><b>8,156,021</b></u>

*The annexed notes form an integral part of these condensed interim financial information.*

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi:  
Dated: April 30, 2014

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014 (UN-AUDITED)**

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

- 1.1** The company was incorporated in Pakistan as a public limited company on October 28, 1960 under the Companies Act, 1913 (Now the Companies Ordinance, 1984), 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, 2014 of Rupees 262.755 million (June 30, 2013: Rupees 107.623 million) and as of that date, reported accumulated losses of Rupees 1220.661 million (June 30, 2013: Rupees 968.730 million). The current liabilities exceeded its current assets by Rupees 783.215 million (June 30, 2013: Rupees 531.024 million) as of that date. These conditions along with adverse key financial ratios and legal cases against the company 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, management is confident that with better manufacturing facilities and continuous support from directors, they would improve the financial position and restore its profitability. During the period, company has made expansion to building, plant & machinery to increase in profitability. Banking facilities with United Bank Limited for rescheduling / restructuring has been finalized. Directors of the company have committed that in case, the decision of the high court and banking 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 Accounting Standard "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 for the year ended 30 June, 2013.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges 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 2013.

**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 for the year ended 30 June, 2013.



- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 30 June 2013.

	Note	<b>MARCH 31, 2014 Rupees</b>	<b>JUNE 30, 2013 Rupees</b>
<b>5 LONG TERM FINANCING</b>			
United Bank Limited	5.1	670,877,418	642,720,983
Askari Bank Limited		343,439,305	357,198,661
Summit Bank Limited		13,500,000	20,000,000
Bank Alfalah Limited		164,000,000	177,000,000
		1,191,816,723	1,196,919,644
Directors / Sponsors loan		24,012,699	23,699,492
		1,215,829,421	1,220,619,136
Current maturity of long term financing		(119,275,036)	(76,229,662)
		<b>1,096,554,386</b>	<b>1,144,389,474</b>

- 5.1 United Bank Limited has rescheduled all the markup bearing loans on September 14, 2013 at the request of the company with effect from January 01, 2013. All principal accounts (NIDF, NIDF-I to NIDF-IV shall be merged into single account. Markup for 2.5 years starting from January 01, 2013 to June 30, 2015 shall be deferred and to be paid after full adjustment of principal liability for June 2020 onwards. During deferment period of markup, the existing quarterly principal installments shall be increased by 50 %. The quarterly markup accrued from July 01, 2015 onwards shall be bifurcated into 80:20. The 80 % payment of accrued quarterly markup shall be diverted towards adjustment of principal and remaining 20 % payment shall be taken to markup expense. The existing markup rate i.e. 3 months KIBOR + 1% shall be revised to 3 months KIBOR, w.e.f. January 01, 2013. After full adjustment of principal liability the deferred markup along with frozen markup (NIDF V & NIDF VI) shall be paid in 11 quarterly installments commencing from June 30, 2023.

## 6 CONTINGENCIES AND COMMITMENTS

### 6.1 CONTINGENCIES

- 6.1.1 There has been no change in contingencies since last Balance Sheet date.

	<b>March 31, 2014 Rupees</b>	<b>JUNE 30, 2013 Rupees</b>
<b>6.2 COMMITMENTS</b>		
Letter of credit	66,687,172	16,150,987

### 7 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	<b>(UN-AUDITED)</b>		<b>(AUDITED)</b>	
	<b>March 31, 2014</b>		<b>JUNE 30, 2013</b>	
	<b>Acquisition</b>	<b>Disposal</b>	<b>Acquisition</b>	<b>Disposal</b>
	<b>Rupees</b>		<b>Rupees</b>	
Factory building	25,000	-	2,038,796	-
Plant and machinery	21,385,696	69,671,747	22,305,556	6,248,797
Office equipment	1,801,650	-	669,336	-
Factory tools & equipment	57,950	-	-	-
Furniture and fixture	-	-	70,400	-
Motor vehicles	450,000	-	344,925	887,000
Arms & Ammunition	20,875	-	10,000	-
Capital work in progress	21,376,583	-	2,583,536	-
<b>Total</b>	<b>45,117,754</b>	<b>69,671,747</b>	<b>28,022,549</b>	<b>7,135,797</b>

	<u>(UN-AUDITED)</u> <u>March-2014</u> <u>Rupees</u>	<u>(UN-AUDITED)</u> <u>March-2013</u> <u>Rupees</u>
<b>8 TRANSACTIONS WITH ASSOCIATED UNDERTAKING</b>		
Electricity purchased	381,945,168	210,626,789
Stores & spares sold	65,647,563	17,402,277
	<u>447,592,731</u>	<u>228,029,066</u>

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

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

There were no significant event since the balance sheet date.

**10 DATE OF AUTHORISATION FOR ISSUE:**

These financial information were authorised for issue on **April 30, 2014** by the board of directors of the company.

**11 GENERAL**

Figures have been rounded off to the nearest rupee.

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi:

Dated: April 30,2014