

## 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 (NON-EXECUTIVE)** : MR. SYED EJAZUDDIN  
**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 three months ended September 30, 2013. During the period under review the amount of sales (net) were Rs.594,811,552/- as compared to previous corresponding period sales of Rs.608,908,513/- which shows a nominal decrease of 2.31 % over previous periods sales. Financial results for three months period ended September 30th 2013 are as under:

	<b>September 2013</b>	<b>September 2012</b>
	<b>RUPEES</b>	<b>RUPEES</b>
Sales (net)	594,811,552	608,908,513
Cost of sales	(550,579,900)	(537,145,305)
<b>Gross Profit</b>	<b>44,231,652</b>	<b>71,763,208</b>
Distribution cost	(5,612,460)	(9,027,817)
Administrative expenses	(9,655,560)	(10,668,622)
Other income	8,066,145	3,788,160
	(7,201,876)	(15,908,280)
<b>Operating Profit</b>	<b>37,029,776</b>	<b>55,854,928</b>
Finance cost	(31,043,136)	(39,586,500)
<b>Net Profit before taxation</b>	<b>5,986,640</b>	<b>16,268,428</b>
Taxation	(5,948,116)	(6,089,085)
<b>Net Profit for the period after taxation</b>	<b>38,525</b>	<b>10,179,343</b>
Earning per share - Basic and diluted	0.0032	0.85

**FINANCIAL RESULTS:**

The financial results for three months period ended September 30, 2013 have resulted in net profit after tax of Rs. 38,525/- . Gross profit percentage has decrease from 11.78 % to 7.436 % as compared with the previous corresponding period. The main reason of reduced profitability is the unavailability of working capital which results in higher purchase cost. The comparison between spinning mills making profit and those having losses reveals that availability of adequate working capital is the main cause for lose making spinning units. The shortage of working capital restrains us to stock cheap cotton at peak cotton season where cotton prices are at their minimum level. The spinning mill like us with acute working capital shortage have no choice but to procure expensive cotton throughout the year which makes a heavy dent in our profitability. Also 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 ,increasing dollar rate and double digit general inflation which increases cost of other inputs.

**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. 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: 31th October, 2013**

**M. Waqar Monnoo**  
**Chief Executive**

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2013**

	<b>Un-Audited</b>	<b>Audited</b>
	<b>SEPTEMBER</b>	<b>JUNE</b>
	<b>30, 2013</b>	<b>30, 2013</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<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
Reserves	(962,401,126)	(965,150,553)
	(842,401,126)	(845,150,553)
Surplus on revaluation of property, plant and equipment	1,117,262,560	1,119,973,462
<b>NON CURRENT LIABILITIES</b>		
Long term financing	1,134,555,613	1,144,389,474
Deferred liabilities	8,136,993	9,390,368
<b>CURRENT LIABILITIES</b>		
Trade and other payables	662,848,611	750,380,531
Accrued Markup	31,224,906	63,828,657
Short-term borrowings	331,268,423	193,953,347
Current portion of		
- long term financing	89,702,187	76,229,662
- liabilities against asset subject to finance lease	1,647,026	1,994,349
	1,116,691,154	1,086,386,546
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>2,534,245,195</b>	<b>2,514,989,297</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	1,949,604,324	1,956,218,462
Long term deposit	3,408,482	3,408,482
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	28,355,666	65,003,407
Stock in trade	354,516,034	253,966,406
Trade debts	26,041,959	59,911,512
Other financial assets	8,300,000	8,300,000
Loans and advances	60,640,169	55,303,239
Income tax and Sales tax Refundable	62,410,457	69,757,152
Other receivables	37,920,445	37,831,795
Cash and bank balances	3,047,659	5,288,842
	581,232,388	555,362,352
	<b>2,534,245,195</b>	<b>2,514,989,297</b>

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

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi:

Dated: \_\_\_\_\_

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	<b>September 2013</b>	<b>September 2012</b>
	<b>RUPEES</b>	<b>RUPEES</b>
Sales (net)	594,811,552	608,908,513
Cost of sales	(550,579,900)	(537,145,305)
<b>Gross Profit</b>	<b>44,231,652</b>	<b>71,763,208</b>
Distribution cost	(5,612,460)	(9,027,817)
Administrative expenses	(9,655,560)	(10,668,622)
Other income	8,066,145	3,788,160
	(7,201,876)	(15,908,280)
<b>Operating Profit</b>	<b>37,029,776</b>	<b>55,854,928</b>
Finance cost	(31,043,136)	(39,586,500)
<b>Net Profit before taxation</b>	<b>5,986,640</b>	<b>16,268,428</b>
Taxation	(5,948,116)	(6,089,085)
<b>Net Profit for the period after taxation</b>	<b>38,525</b>	<b>10,179,343</b>
Earning per share - Basic and diluted	0.0032	0.85

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

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi:  
Dated: \_\_\_\_\_

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	<b>September 2013</b>	<b>September 2012</b>
	<b>RUPEES</b>	<b>RUPEES</b>
Profit for the period after taxation	38,525	10,179,343
<b>Total comprehensive Income for the period</b>	<b>38,525</b>	<b>10,179,343</b>

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

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi:

Dated: \_\_\_\_\_

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	PAID UP CAPITAL	REVENUE RESERVE	CAPITAL RESERVE	UN- APPROPRIATED LOSS	TOTAL
	← RUPEES →				
Balance as at 30-06-2012	120,000,000	3,580,053	44,665,822	(863,980,593)	(695,734,718)
Total comprehensive income for the quarter ended 30th September, 2012				10,179,343	10,179,343
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation				2,910,512	2,910,512
<b>Balance as at 30-09-2012</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>44,665,822</b>	<b>(850,890,738)</b>	<b>(682,644,863)</b>
Total comprehensive income for the Period from 01-10-2012 to 30-06-2013				(126,829,349)	(126,829,349)
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation				8,523,844	8,523,844
Realisation of Surplus on revaluation of property, plant & equipment on disposal				465,637	465,637
Reserve reversed on account of gift back of shares			(44,665,822)		(44,665,822)
<b>Balance as at 30-06-2013</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 income for the quarter ended September 30, 2013	-	-	-	38,525	38,525
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation	-	-	-	2,710,902	2,710,902
<b>Balance as at 30-09-2013</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>-</b>	<b>(965,981,179)</b>	<b>(842,401,126)</b>

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

CHIEF EXECUTIVE

DIRECTOR

Karachi:

Dated: \_\_\_\_\_

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	<b>September 2013</b>	<b>September 2012</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>Profit before taxation</b>	<b>5,986,640</b>	<b>16,268,428</b>
Adjustment for non cash charges and other items:		
Depreciation	14,644,139	15,236,074
Finance cost	21,316,201	39,586,500
Provision for gratuity	765,175	2,170,073
	<u>36,725,515</u>	<u>56,992,647</u>
<b>Operating Profit before working capital changes</b>	<b>42,712,155</b>	<b>73,261,075</b>
<b>(Increase)/Decrease in current assets:</b>		
Stocks, stores and spares	(63,901,887)	(103,497,190)
Trade debts	33,869,553	(14,840,313)
Loan and advances	(5,336,929)	(42,056,079)
Sales tax	7,431,681	14,913,896
Other Receivables	(88,650)	-
	<u>(28,026,232)</u>	<u>(145,479,685)</u>
<b>Increase/(Decrease) in current liabilities:</b>		
Trade and other payables	(87,531,919)	46,357,597
<b>Cash generated from operations</b>	<b>(72,845,997)</b>	<b>(25,861,013)</b>
Taxes paid	(6,033,100)	(6,626,754)
Finance Cost Paid	(63,646,887)	(40,289,892)
Gratuity-net	(2,018,550)	(1,582,350)
	<u>(71,698,537)</u>	<u>(48,498,996)</u>
<b>Net cash from operating activities</b>	<b>(144,544,534)</b>	<b>(74,360,010)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(3,996,505)	(1,553,994)
Capital work in progress	(4,033,495)	-
<b>Net cash (used in)/from investing activities</b>	<b>(8,030,000)</b>	<b>(1,553,994)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	13,365,599	(16,033,327)
Short Term Finance	137,315,076	95,039,268
Repayment of lease liabilities	(347,323)	(3,908,521)
<b>Net cash used in financing activities</b>	<b>150,333,352</b>	<b>75,097,420</b>
Net increase / decrease in cash and cash equivalents	(2,241,182)	(816,584)
Cash and cash equivalents at the beginning of the year	5,288,842	7,353,383
<b>Cash and cash equivalents at the end of the year</b>	<b><u>3,047,659</u></b>	<b><u>6,536,800</u></b>

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

**CHIEF EXECUTIVE**

**DIRECTOR**

Karachi:

Dated: \_\_\_\_\_

**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013 (UN-AUDITED)**

**1 THE COMPANY AND ITS OPERATIONS:**

- 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 earned profit for the period ended September 30, 2013 of Rupees 0.0385 million (June 30, 2013: Loss Rupees 107.623 million) and as of that date, reported accumulated losses of Rupees 965.981 million (June 30, 2013: Rupees 968.730 million). The current liabilities exceeded its current assets by Rupees 535.458 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 indicates 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 projection and increase in sales volume and profitability, 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.

**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, 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**

The accounting policies and methods of computation adopted for the preparation of the financial statements for the quarter ended September 30, 2013 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 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 as at and 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 as at and for the year ended 30 June 2013.

**5 CONTINGENCIES AND COMMITMENTS**

There have been no significant change in Contingencies & Commitment since the last audited financial statements.

**6 ACQUISITION AND DISPOSAL OF FIXED ASSETS**

	(UN-AUDITED)		(AUDITED)	
	September 30, 2013		JUNE 30, 2013	
	Acquisition	Disposal	Acquisition	Disposal
	Rupees		Rupees	
Factory building	-	-	2,038,796	
Plant and machinery	1,914,255	-	22,305,556	6,248,797
Office equipment	1,574,300	-	669,336	
Factory Tools & Equipment	57,950	-		
Furniture and fixture	-	-	70,400	
Motor vehicles	450,000	-	344,925	887,000
Arms & Ammunition	-	-	10,000	
<b>Total</b>	<b>3,996,505</b>	<b>-</b>	<b>25,439,013</b>	<b>7,135,797</b>

**7 TRANSACTIONS WITH SUBSIDIARY**

	(UN-AUDITED)	(UN-AUDITED)
	September-2013	September-2012
	RUPEES	RUPEES
<b>Electricity purchased</b>	<b>80,539,245</b>	<b>64,453,181</b>

Transaction with associated undertakings/ subsidiary are made under normal commercial terms and conditions

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

There were no significant event since the balance sheet date.

**9 DATE OF AUTHORIZATION FOR ISSUE:**

These financial statements were authorized for issue on October 31, 2013 by the board of directors of the company.

**10 GENERAL**

Figure have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

Karachi:

Dated: \_\_\_\_\_