



***OLYMPIA SPINNING &  
WEAVING MILLS LIMITED***

**INTERIM ACCOUNTS FOR THE  
PERIOD ENDED  
SEPTEMBER 30, 2017**



## COMPANY INFORMATION

### BOARD OF DIRECTORS

CHIEF EXECUTIVE : MR. M. WAQAR MONNOO (Executive)  
CHAIRMAN : MRS. GHAZALA WAQAR (Non-Executive)

DIRECTORS : MR. SIRAJ SADIQ MONNOO (Executive)  
: MR. SYED AYAZUDDIN (Non-Executive)  
: MR. SYED INAMUDDIN AHMED (Non-Executive)  
: MR. UMAR ILYAS SHAFI (Independent)  
: MR. ARSHAD IQBAL (Non-Executive)

### AUDIT COMMITTEE MEMBERS

CHAIRMAN (INDEPENDENT) : MR. UMAR ILYAS SHAFI  
MEMBER (NON-EXECUTIVE) : MR. SYED AYAZUDDIN  
MEMBER (NON-EXECUTIVE) : MR. SYED INAMUDDIN AHMED

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

CHAIRMAN (NON-EXECUTIVE) : MR. SYED INAMUDDIN AHMED  
MEMBER (NON-EXECUTIVE) : MRS. GHAZALA WAQAR  
MEMBER (INDEPENDENT) MR. UMAR ILYAS SHAFI

CFO & COMPANY SECRETARY : MR. ASIM JAFFERY

LEGAL ADVISOR : M/S. MAKHDOOM & CO. BARRISTERS & 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 LTD  
: BANK AL-FALAH LTD.

REGISTERED OFFICE : 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, 2017. Financial results for three months period ended September 30<sup>th</sup> 2017 are as under:

	September 2017	September 2016
	RUPEES	RUPEES
Sales (net)	53,399,174	-
Cost of sales	(51,760,813)	(6,359,830)
<b>Gross Profit/(Loss)</b>	<b>1,638,361</b>	<b>(6,359,830)</b>
Administrative expenses	(4,062,500)	(1,910,394)
Other income	13,383,784	38,508,642
	9,321,284	36,598,248
<b>Operating Profit</b>	<b>10,959,645</b>	<b>30,238,418</b>
Finance cost	(648,135)	(329,368)
<b>Net Profit before taxation</b>	<b>10,311,510</b>	<b>29,909,050</b>
Taxation	(3,233,689)	(119,481)
<b>Net Profit for the period after taxation</b>	<b>7,077,821</b>	<b>29,789,569</b>
Earning per share - Basic and diluted	0.59	2.48

**FINANCIAL RESULTS:**

The revenue from Paper business is Rs 53.40 million whereas Rent income for the quarter is Rs 11.60 million. The financial results for three months period ended September 30, 2017 have resulted in net Profit after tax of Rs. 7,077,821/-. Due to highly competitive Paper market the company the company earns Rs 1.638 million on account of Gross Profit. The high tax cost on rent income is a denting factor on profitability.

**FUTURE PROSPECTS:**

The directors are very actively working on different plans to work out the best possible solution and to smoothly sail the company out of financial crisis and as described in note 1.2. As disclosed in note 9 the management leased out the Paper business to earn stable revenues.

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



**M. WAQAR MONNO**  
**CHIEF EXECUTIVE**

Karachi: October 30, 2017



اولمپیا سٹاپس اور ہڈائی ملز لمیٹڈ

ڈائریکٹرز رپورٹ

ڈائریکٹرز ستمبر 30، 2017، تین ماہ کی مدت 30 ستمبر کو ختم ہونے کے مالیاتی نتائج کو ختم ہونے سے تین ماہ کے لئے کمپنی کی ان کی غیر

آڈٹ لکازیشن کو پیش کرنے میں خوشی ہو رہی ہے۔ 2017 مندرجہ ذیل ہیں:

	ستمبر 2017	ستمبر 2016
	روپے	روپے
سیلز (خالص)	53,399,174	-
فروخت کی قیمت	(51,760,813)	(6,359,830)
مجموعی منافع / (نقصان)	1,638,361	(6,359,830)
انتظامی اخراجات	(4,082,500)	(1,910,394)
دوسری آمدنی	13,383,784	38,508,642
	9,321,284	38,598,248
اپریٹنگ منافع	10,959,645	30,238,418
خزانہ لاگت	(648,135)	(329,368)
ٹیکسیشن سے پہلے خالص منافع	10,311,510	29,909,050
ٹیکسیشن	(3,233,689)	(119,481)
ٹیکسیشن بعد مدت کے لئے خالص	7,077,821	29,789,569
فی شیئر کمائے - بنیادی اور پتلا	0.59	2.48

مالیاتی نتائج:

سہ ماہی کے لئے کرایہ کی آمدنی 11.60 روپے روپے کی ٹیکس کے بعد خالص منافع میں million.The تین ماہ کی مدت ستمبر 30، 2017 کو ختم ہونے کے مالیاتی نتائج کا نتیجہ ہے جبکہ کاغذ کے business سے آمدنی 53.40 ملین روپے ہے۔ 7,077.821 / - انتہائی مساواتی پیر مارکیٹ کی وجہ سے کمپنی نے کمپنی کے مجموعی منافع کے سبب 1,638 ملین روپے کماتا ہے۔ کرایہ آمدنی پر اعلیٰ ٹیکس لاگت profitability پر ایک denting عنصر ہے۔

مستقبل کے امکانات:

ڈائریکٹرز بہت فعال طور پر بہترین ممکنہ حل سے باہر کام کرنے کے لئے مختلف مناصبوں پر کام کر رہے ہیں اور آسانی ملی بحران سے باہر کمپنی کے سفر کرنے کے لئے اور اس کو نوٹ کوجینے 1.2 میں بیان کیا، نوٹ کے 9 میں انکشاف کیا کے طور پر انتظام مستحکم آمدنی حاصل کرنے کے لئے کاغذ کے کاروبار کے باہر نیز پر دیا۔

میں ریکارڈ تعاون ان کے تعاون سے ان کی حمایت کے لئے اور بغیر ہمارے بینکاروں کی طرف سے طلبہ کئے گئے، حل نتائج حاصل کئے جا سکتے تھے پر رکھنے کے لئے پسند کریں گے۔ وفاداری اور کمپنی کی جانب عملے کے ارکان اور کارکنوں کی لگن بھی موجود نتائج کے حصول کے لئے اہم عوامل میں سے ایک ہے۔

کے لئے اور بورڈ کی جانب

  
M. WAQAR MONNOO  
چیف ایگزیکٹو

کراچی: اکتوبر 2017، 30



**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2017**

NOTES	Un-Audited SEPTEMBER 30, 2017 RUPEES	Audited JUNE 30, 2017 RUPEES
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 13,000,000 (2017: 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	(1,212,352,437)	(1,219,700,947)
	(1,092,352,437)	(1,099,700,947)
Surplus on revaluation of property, plant and equipment	525,650,088	525,920,777
<b>NON CURRENT LIABILITIES</b>		
Long term financing	875,355,914	885,695,818
Deferred liabilities	85,065	67,733
<b>CURRENT LIABILITIES</b>		
Trade and other payables	396,677,852	409,387,700
Short-term borrowings	84,719,431	85,211,041
Current portion of long term financing	87,200,000	78,300,000
	568,597,283	572,898,740
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>5</b>	-
	<b>877,335,913</b>	<b>884,882,122</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	765,569,005	769,021,704
Long term deposit	3,545,162	3,545,162
<b>CURRENT ASSETS</b>		
Stock in trade	1,596,375	9,358,230
Trade debts	20,618,884	23,173,864
Other financial assets	34,096,000	34,096,000
Loans and advances	4,787,176	1,883,626
Income tax and Sales tax Refundable	8,182,102	9,494,410
Other receivables	27,716,437	25,845,649
Cash and bank balances	11,224,771	8,463,475
	108,221,745	112,315,254
	<b>877,335,913</b>	<b>884,882,122</b>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Karachi : October 30, 2017



**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	NOTES	Un-Audited	Un-Audited
		September 2017	September 2016
		RUPEES	RUPEES
Sales		53,399,174	-
Cost of sales		(51,760,813)	(6,359,830)
<b>Gross Profit/(Loss)</b>		<b>1,638,361</b>	<b>(6,359,830)</b>
Administrative expenses		(4,062,500)	(1,910,394)
Other income	7	13,383,784	38,508,642
		9,321,284	36,598,248
<b>Operating Profit</b>		<b>10,959,645</b>	<b>30,238,418</b>
Finance cost		(648,135)	(329,368)
<b>Net Profit before taxation</b>		<b>10,311,510</b>	<b>29,909,049</b>
Taxation		(3,233,689)	(119,481)
<b>Net Profit for the period after taxation</b>		<b>7,077,821</b>	<b>29,789,569</b>
Earning per share - Basic and diluted		0.59	2.48

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

Karachi : October 30, 2017



**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Un-Audited	Un-Audited
	September 2017	September 2016
	RUPEES	RUPEES
Profit /Loss for the period after taxation	7,077,821	29,789,569
<b>Total comprehensive Income for the period</b>	<b>7,077,821</b>	<b>29,789,569</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

Karachi : October 30, 2017



**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Un-Audited	Un-Audited
	September 2017	September 2016
	RUPEES	RUPEES
<b>Profit before taxation</b>	<b>10,311,510</b>	<b>29,909,050</b>
Adjustment for non cash charges and other items:		
Depreciation	3,224,370	3,592,871
Finance cost	648,135	329,368
Gain on disposal of fixed assets	(555,516)	(36,338)
Provision for gratuity	17,332	5,855
	<u>3,334,321</u>	<u>3,891,756</u>
<b>Operating Profit before working capital changes</b>	<b>13,645,831</b>	<b>33,800,806</b>
<b>(Increase)/Decrease in current assets:</b>		
Stock in trade	7,761,855	-
Trade debts	2,554,980	-
Loan and advances	(2,903,550)	(10,738,873)
Sales tax	231,168	(1,783,922)
Other Receivables	(1,870,788)	(1,580,746)
	<u>5,773,665</u>	<u>(14,103,541)</u>
<b>Increase/(Decrease) in current liabilities:</b>		
Trade and other payables	(12,941,016)	(22,126,029)
<b>Cash generated from operations</b>	<b>6,478,480</b>	<b>(2,428,764)</b>
Taxes paid	(1,921,381)	(1,534,289)
Finance Cost Paid	(648,135)	(329,368)
	<u>(2,569,516)</u>	<u>(1,863,657)</u>
<b>Net cash from operating activities</b>	<b>3,908,964</b>	<b>(4,292,421)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of fixed assets	870,000	484,000
Fixed Capital Expenditure	(86,155)	-
<b>Net cash (used in)/from investing activities</b>	<b>783,845</b>	<b>484,000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	(1,439,904)	5,725,726
Short Term Finance	(491,610)	(2,355,517)
	<u>-</u>	<u>-</u>
<b>Net cash used in financing activities</b>	<b>(1,931,514)</b>	<b>3,370,209</b>
Net increase / decrease in cash and cash equivalents	2,761,296	(438,212)
Cash and cash equivalents at the beginning of the year	8,463,475	5,851,182
<b>Cash and cash equivalents at the end of the year</b>	<b>11,224,771</b>	<b>5,412,970</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

Karachi : October 30, 2017





**OLYMPIA SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	PAID UP CAPITAL	REVENUE RESERVE	UN- APPROPRIATED LOSS	TOTAL
	←————— RUPEES —————→			
Balance as at 30-06-2016	120,000,000	3,580,053	(1,214,545,313)	(1,090,965,261)
Total comprehensive income for the quarter ended 30 <sup>th</sup> September, 2016			29,789,569.12	29,789,569
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation			1,122,957.59	1,122,958
<b>Balance as at 30-09-2016</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>(1,183,632,786)</b>	<b>(1,060,052,734)</b>
Total comprehensive income for the Period from 01-10-2016 to 30-06-2017			(42,524,760)	(42,524,760)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation			2,876,546	2,876,546
Realisation of Surplus on revaluation of property, plant & equipment on disposal				-
<b>Balance as at 30-06-2017</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>(1,223,281,000)</b>	<b>(1,099,700,949)</b>
Total comprehensive income for the quarter ended September 30, 2017	-	-	7,077,821	7,077,821
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation	-	-	270,690.00	270,690
<b>Balance as at 30-09-2017</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>(1,215,932,490)</b>	<b>(1,092,352,437)</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

Karachi : October 30, 2017



OLYMPIA SPINNING & WEAVING MILLS LIMITED  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017 (UN-AUDITED)

**1 The Company and its Operations**

**1.1 THE COMPANY AND ITS OPERATIONS:**

The company was incorporated in Pakistan as a public limited company on October 26, 1968 under the Companies Act, 1913 (Now the Companies Ordinance, 1984) and its shares are quoted on the Pakistan Stock Exchange. On 14 November 2016, the Company notified to SECP for the commencement of Paper Manufacturing Business as Principal Line of business under Section 32 of the Companies Ordinance, 2016. The registered office of the company is situated at H-23/2, Landhi Industrial Area, Landhi Karachi.

- 1.2 During the period, the company earned profit of Rs. 7,277 million (2017: Rs. -11,809 million) and as of that date, reported accumulated losses of Rs. 1,215,632 million (2017: Rs. 1,223,281 million). The current liabilities exceeded its current assets by Rs. 463,376 million (2017: Rs. 468,563 million). These conditions along with adverse key financial ratios and legal cases against the company give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future and therefore, the company may be unable to realize its assets and discharge its liability in a normal course of business. However, management assesses the reliability of going concern assumption in preparation of these financial statement and the financial statements have been prepared on going concern basis on following factors.

**(A) REVENUE GENERATION MITIGATING FACTORS**

**(i) Paper Manufacturing Business**

The Company Started paper manufacturing business from November 2016. However, subsequent to balance sheet date, company leased its paper production facility to Perfect Paper Mills to earned stable cash flows and to hedged against fluctuations in input prices, demand and supply.

**(ii) Renting of unused factory space**

The company have sufficient space available for rent which is expected to generate annual cashflows around Rs 40-45 million.

**(B) FINANCIAL & DEBT RESTRUCTURING FACTORS**

**(i) Restructuring of Entire Bank Borrowing by Executing a Debt-Asset Swap arrangement**

All our borrowers entrust our commitment agreed to restructure all our borrowings that existed at 30 June 2015 through a Debt-Asset Swap arrangement with conditional write off of Frazer markup of Rs 268.218 million subject to the payment of principal as per schedule agreed with the banks. During the current year United Bank Limited has restructured our balance amount of Rs 39.8 m into a four year term finance with flexible repayment plan and markup payable at the end of term. The balance payable to Askari Bank Ltd and Sonnet Bank Ltd will become due after 31 December 2018.

**(ii) Settlement with Cotton Ginners and Share Parties**

Due to severe liquidity crisis, the company started negotiation with cotton ginners and other creditors during last year to settle their dues amicably. We are please to inform you that majority of cotton ginners and parties understand our position and agreed on bilateral settlement terms. The negotiation with remaining creditors are in process. As a result of our firm assurances not a single creditor gone to Court for initiating recovery proceedings. A major portion of creditors has been settlement. The balance amount is expected to be settled within a year.

**(iii) Support of Directors, Sponsors and Olympia Power Generation (Pvt) Limited**

Directors of the company have committed that if in case any additional funds are required for running the business of the company, will be provided by the sponsors and directors. Moreover Olympia Power will provide continuous support to the company by sale of electricity.

**2.1 BASIS OF PREPARATION**

**2.2 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 30<sup>th</sup> June, 2017. This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulators of Stock Exchanges and section 245 of the Companies Ordinance, 1984.

**3.1 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the preparation of the financial statements for the quarter ended September 30, 2016 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2017.

**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, 2017.

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 2017.

**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 2017		June 30, 2017	
	Acquisition	Disposal	Acquisition	Disposal
	Rupees		Rupees	
Factory building	86,155	-	-	-
Plant and machinery	-	-	50,542,422	2,968,958
Motor vehicles	-	314,484	2,583,248	447,962
<b>Total</b>	<b>86,155</b>	<b>314,484</b>	<b>53,105,670</b>	<b>3,113,721</b>

9

**7 OTHER OPERATING INCOME**

	(Un-Audited)	(Un-Audited)
	September 30 2017	September 30 2016
	Rupees	Rupees
Income From Financial Assets		
Return on Bank term deposits	357,610	343,762
Others	-	-
Scrap Sales	-	-
Rental Income	11,559,452	620,842
Others	-	-
Gain on disposal of fixed assets	555,516	36,338
Gain on fixed assets taken over by Bank	-	-
Liabilities No Longer Payable-Creditors-others	911,206	37,687,700
Liabilities No Longer Payable-Creditors-Gainers	-	-
	<b>13,383,784</b>	<b>38,588,642</b>

**8 TRANSACTIONS WITH RELATED PARTIES**

	(Un-Audited)	(Un-Audited)
	September 30 2017	September 30 2016
	Rupees	Rupees
Purchase of Electricity(Olympia Power Generation(Pvt)Ltd	11,713,371	49,000
Rent Income (Olympia Power Generation(Pvt) Ltd	220,842	220,842
Amount paid/received to Olympia Power Generation (Pvt) Ltd	(818,481)	9,244,000
Capital work in progress (Olympia Paper Industries(Pvt)Ltd	-	30,500,000
	<b>11,115,732</b>	<b>40,013,942</b>

All transactions have been carried out on commercial terms and conditions as per the Company's Policy.

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

The company has entered into agreement with Perfect Paper Mills to lease its paper plant facility from 1st October 2017.

**10 DATE OF AUTHORIZATION FOR ISSUE:**

These financial statements were authorized for issue on October 30, 2017 by the board of directors of the company.

**11 GENERAL**

Figure have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



Karachi - October 30, 2017