

OLYMPIA SPINNING & WEAVING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN AND CHIEF EXECUTIVE : M. WAQAR MONNOO

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

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
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, 2011. During the period under review the amount of sales (net) was Rs.391,161,731/- as compared to previous corresponding period sales of Rs.910,882,779/- which shows the decrease of (57.05) % over previous periods sales.

Financial results for three months period ended September 30th 2011 are as under:

	September-2011	September-2010
	Rupees	Rupees
Sales (net)	391,161,731	910,882,779
Cost of goods sold	403,171,482	879,472,949
Gross profit	(12,009,751)	31,409,831
Distribution cost	(3,831,869)	(8,222,643)
Administrative expenses	(10,547,831)	(9,520,320)
Other income	648,197	2,225,326
	(13,731,502)	(15,517,637)
Operating profit	(25,741,253)	15,892,194
Finance cost	(40,577,672)	(35,135,733)
Net loss before taxation	(66,318,926)	(19,243,539)
Taxation:	(3,911,617)	(7,453,030)
Net loss for the period after taxation	(70,230,543)	(26,696,569)
Earning per share	(5.85)	(2.22)

FINANCIAL RESULTS:

The financial results for three months period ended September 30, 2011 have resulted in net loss after tax of Rs. 70,230,543/-. Gross profit percentage has decreased from 3.44% to (3.07) % as compared to the previous corresponding period. The company restricted its sales and production during the period to avoid further losses due to wide fluctuations in raw cotton and yarn prices. The cotton prices have been fluctuated from Rs 13000/maund to Rs 4800/mound during the year 2011 that makes very difficult for spinners to procure cotton viably. The company also curtails its production to the extent of available yarn orders. Further the loss for the period is mainly due to unavailability of working capital, continuous rising prices of energy, increasing dollar rate and due to 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, 2011

M.WAQAR MONNOO
Chief Executive/Director

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2011

	Un-Audited SEPTEMBER 30, 2011 RUPEES	Audited JUNE 30, 2011 RUPEES
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 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	(777,634,056)	(709,686,428)
	(657,634,056)	(589,686,428)
Surplus on revaluation of property, plant and equipment	1,094,950,510	1,097,233,425
NON CURRENT LIABILITIES		
Long term financing	1,100,918,170	1,114,867,088
Liability against assets subject to finance lease	12,886,656	8,877,566
Deferred liabilities	3,340,398	4,535,754
CURRENT LIABILITIES		
Trade and other payables	645,167,351	691,596,675
Accrued Markup	39,860,742	34,083,541
Short-term borrowings	262,969,091	254,216,981
Current portion of		
- long term financing	50,508,792	46,429,452
- liabilities against asset subject to finance lease	20,787,170	31,269,824
	1,019,293,146	1,057,596,474
CONTINGENCIES AND COMMITMENTS		
	2,573,754,823	2,693,423,879
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,938,266,949	1,944,631,853
Long term deposit	4,153,372	6,373,372
Long term investment in subsidiary	44,665,822	44,665,822
CURRENT ASSETS		
Stores, spare parts and loose tools	20,860,251	21,365,279
Stock in trade	175,548,234	208,092,957
Trade debts	187,109,286	305,588,578
Other financial assets	19,739,716	8,300,000
Loans and advances	130,405,289	113,926,933
Income tax and Sales tax	37,978,201	30,334,965
Other receivables	2,475,612	2,087,120
Cash and bank balances	12,552,091	8,057,000
	586,668,681	697,752,832
	2,573,754,823	2,693,423,879

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

Karachi: 31 October 2011

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 2011	September 2010
	RUPEES	RUPEES
Sales (net)	391,161,731	910,882,779
Cost of sales	(403,171,482)	(879,472,949)
Gross Profit / (Loss)	(12,009,751)	31,409,831
Distribution cost	(3,831,869)	(8,222,643)
Administrative expenses	(10,547,831)	(9,520,320)
Other operating income	648,197	2,225,326
Operating Profit / (Loss)	(13,731,502)	(15,517,637)
Finance cost	(40,577,672)	(35,135,733)
Net loss before taxation	(66,318,926)	(19,243,539)
Taxation	(3,911,617)	(7,453,030)
Net loss for the year after taxation	(70,230,543)	(26,696,569)
Earning per share - Basic and diluted	(5.85)	(2.22)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

Karachi: 31 October 2011

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 2011	September 2010
	RUPEES	RUPEES
Loss for the period after taxation	(70,230,543)	(26,696,569)
Total comprehensive loss for the period	(70,230,543)	(26,696,569)

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

CHIEF EXECUTIVE
Karachi: 31 October 2011

DIRECTOR

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	PAID UP CAPITAL	REVENUE RESERVE	CAPITAL RESERVE	UN- APPROPRIATED LOSS	TOTAL
	← RUPEES →				
Balance as at 30-06-2010 (Restated)	120,000,000	3,580,053	44,665,822	(801,719,502)	(633,473,627)
Total comprehensive income for the quarter ended 30th September, 2010				8,554,437	8,554,437
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation				2,392,363	2,392,363
Balance as at 30-09-2010	<u>120,000,000</u>	<u>3,580,053</u>	<u>44,665,822</u>	<u>(790,772,702)</u>	<u>(622,526,827)</u>
Total comprehensive income for the Period from 01-10-2010 to 30-06-2011				25,663,310	25,663,310
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation				7,177,090	7,177,090
Balance as at 30-06-2011	<u>120,000,000</u>	<u>3,580,053</u>	<u>44,665,822</u>	<u>(757,932,303)</u>	<u>(589,686,428)</u>
Total comprehensive income for the quarter ended September 30, 2011	-	-	-	(70,230,543)	(70,230,543)
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation	-	-	-	2,282,915	2,282,915
Balance as at 30-09-2011	<u>120,000,000</u>	<u>3,580,053</u>	<u>44,665,822</u>	<u>(825,879,931)</u>	<u>(657,634,056)</u>

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

CHIEF EXECUTIVE

Karachi: 31 October 2011

DIRECTOR

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 2011	September 2010
	RUPEES	RUPEES
Loss before taxation	(66,318,926)	(19,243,539)
Adjustment for non cash charges and other items:		
Depreciation	14,374,544	15,339,824
Finance cost	40,577,672	35,135,733
Provision for gratuity	374,244	1,596,255
	<u>55,326,461</u>	<u>52,071,811</u>
Operating Profit before working capital changes	(10,992,465)	32,828,273
(Increase)/Decrease in current assets:		
Stocks, stores and spares	33,049,751	(59,590,147)
Trade debts	118,479,292	(60,372,427)
Loan and advances	(27,918,072)	6,170,494
Sales tax	(7,892,785)	1,812,393
Other Receivables	(388,492)	(551,915)
	<u>115,329,694</u>	<u>(112,531,601)</u>
Increase/(Decrease) in current liabilities:		
Trade and other payables	(46,429,324)	72,327,563
Cash generated from operations	<u>57,907,905</u>	<u>(7,375,765)</u>
Taxes paid	<u>(3,662,070)</u>	(8,295,689)
Finance Cost Paid	(34,800,471)	(32,918,606)
Gratuity-net	(1,569,600)	(2,852,900)
Long term deposits	2,220,000	(4,990,187)
	<u>(37,812,141)</u>	<u>(49,057,382)</u>
Net cash from operating activities	20,095,764	(56,433,147)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(3,585,100)	(1,887,017)
Capital work in progress	(4,424,540)	-
Net cash (used in)/from investing activities	(8,009,640)	(1,887,017)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(9,869,578)	(8,393,258)
Short Term Finance	8,752,110	75,280,184
Repayment of lease liabilities	(6,473,565)	(8,766,711)
Net cash used in financing activities	(7,591,033)	58,120,215
Net increase / decrease in cash and cash equivalents	4,495,091	(199,949)
Cash and cash equivalents at the beginning of the year	8,057,000	3,757,001
Cash and cash equivalents at the end of the year	<u>12,552,091</u>	<u>3,557,052</u>

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

CHIEF EXECUTIVE
Karachi: 31 October 2011

DIRECTOR

OLYMPIA SPINNING & WEAVING MILLS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 31, 2011 (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 Bank Alfalah Ltd has filed suit in the high court of Sindh and in banking court for recovery of Rs. 197,675,768 for the loan balances against the banking facilities provided by them due to non payment and unauthorized utilization / lifting of pledged stock by the company . The company is defending the case in the high court and banking court.
- 1.3 The company has filed a suit in High Court of Sindh and obtained Stay Order against settlement of cross currency swap contracts of Rs. 830.5(M) entered into by the company with Standard Chartered bank. The company mainly contests on provision of unwinding cost calculation, mismatched dates of settlement with its long term loans repayments and other procedural non compliance of foreign bank. No provision of unwinding cost of cross currency swap contract of Rs 293.35 (M) has been made in the financial statements. No confirmation was received from bank. Confirmation was sent. Had the company accounted for currency SWAP losses, the profit of the company would have decreased by Rs. 293.35 million.
- 1.4 The company had filed a counter recovery suits against Bank Alfalah Limited and its muqaddam Asif Associates (Pvt) Ltd in the high court of Sindh for Rs. 172,628,533/- plus interest for recovery of pledged cotton which were in possession and control of defendants. Till the finalization of accounts, no significant development has taken place.
- 1.5 In the month of June 2011, the company started comprehensive review of its receivables and advances for any impairment to identify parties from which recoveries have to be made to identify probable doubtful debts. Since the process is cumbersome and required detail scrutiny of old records the company had not provided any provision against stagnant balances in current year. The work is still in progress.
- 1.6 The cumulative loss of the company stands at Rs. 825.879 million. The current liabilities exceed current assets by Rs. 432.625 million .The directors have given their commitment that in case the decision of the high court and banking court is against the company , they will meet the obligation by their own resources. The going concern assumption is based on the financial support/commitment by the sponsors/directors.

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, 2011. 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, 2011 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2011.

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, 2011.
- 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 2011.

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 30,2011		JUNE 30,2011	
	Acquisition	Disposal	Acquisition	Disposal
	Rupees		Rupees	
Factory building	-	-	-	-
Plant and machinery	2,043,500	-	21,418,228	-
Office equipment	147,600	-	219,030	-
Factory Tools & Equipment	-	-	435,000	-
Furniture and fixture	-	-	16,800	-
Motor vehicles	1,394,000	-	10,905,314	6,592,460
Electric and pipe fitting	-	-	-	-
Total	3,585,100	-	32,994,372	6,592,460

7. TRANSACTIONS WITH SUBSIDIARY:

	(UN-AUDITED)	(UN-AUDITED)
	September-2011	September-2010
	RUPEES	RUPEES
Electricity purchased	47,691,198	48,251,440

Transaction with 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 AUTHORISATION FOR ISSUE:

These financial statements were authorised for issue on October 31, 2011 by the board of directors of the company.

10. GENERAL

Figure have been rounded off to the nearest rupee.

CHIEF EXECUTIVE
 Karachi: 31 October 2011

DIRECTOR

OLYMPIA SPINNING & WEAVING MILLS LIMITED
DIRECTORS REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Directors have pleasure in presenting their Unaudited Condensed Consolidated Interim Report of the Group for three months ended September 30, 2011 for your consideration and approval. The Olympia Group comprises financial statement of Olympia Spinning & Weaving Mills Limited and Olympia Power Generation (Pvt) Limited.

The Directors report on the performance of Olympia Spinning & Weaving for the period ended 30 September, 2011 has been presented separately.

GROUP RESULTS

The operating results of the period under review has resulted in net loss before taxation of Rs.55,298,057/- with net sales of Rs.391,161,731/-

	For period ended September 30, 2011 Rupees	For period ended September 30, 2010 Rupees
Gross Sales	391,161,731	910,882,779
Gross Profit	2,442,892	35,783,223
Profit/loss from Operation	(14,565,912)	18,711,064
EPS	(4.93)	(2.05)

OLYMPIA POWER GENERATION (PVT) LIMITED

Olympia Power Generation (Pvt) Limited, groups subsidiary has earned profit of Rs 11.02 million with sales of Rs 47.691 million and remain successful in achieving its target. The company is expecting continuous inflationary pressure during the next year & plans to cope with it by considering alternative sources of revenue and internal cost savings.

ACKNOWLEDGEMENT:

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, 2011

M.WAQAR MONNOO
Chief Executive/Director

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSE INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT SEPTEMBER 30, 2011

	Unaudited SEPTEMBER 30, 2011 RUPEES	Audited JUNE 30, 2011 RUPEES
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 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	(743,187,679)	(681,852,573)
	(623,187,679)	(561,852,573)
Non-Controlling Interest	52,741,466	48,333,119
Surplus on revaluation of property, plant and equipment	1,094,950,510	1,097,233,425
NON CURRENT LIABILITIES		
Long term financing	1,102,231,922	1,116,320,086
Liability against assets subject to finance lease	12,886,656	8,877,566
Deferred liabilities	3,283,832	4,588,688
CURRENT LIABILITIES		
Trade and other payables	648,700,181	691,336,813
Accrued Markup	39,860,742	34,083,541
Short-term borrowings	262,969,090	254,740,413
Current portion of		
- long term financing	59,658,980	65,236,132
- liabilities against asset subject to finance lease	20,787,170	31,269,824
	1,031,976,163	1,076,666,724
CONTINGENCIES AND COMMITMENTS		
	2,674,882,870	2,790,167,035
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	2,066,292,004	2,073,637,248
Long term deposit	4,153,372	6,373,372
CURRENT ASSETS		
Stores, spare parts and loose tools	26,318,159	28,154,093
Stock in trade	175,548,234	208,092,957
Trade debts	187,109,286	305,588,578
Other financial assets	19,739,716	8,300,000
Loans and advances	139,305,953	119,269,831
Income tax and Sales tax	38,136,994	30,425,019
Other receivables	2,475,612	2,087,120
Cash and bank balances	15,803,540	8,238,818
	604,437,495	710,156,416
	2,674,882,870	2,790,167,035

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

Karachi: 31 October 2011

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 2011	September 2010
	RUPEES	RUPEES
Sales (net)	391,161,731	910,882,779
Cost of sales	(388,718,839)	(875,099,556)
Gross Profit	2,442,892	35,783,223
Distribution cost	(3,831,869)	(8,222,643)
Administrative expenses	(13,825,133)	(11,074,842)
Other operating income	648,197	2,225,326
Operating Profit / (Loss)	(17,008,804)	(17,072,159)
Finance cost	(40,732,144)	(35,847,281)
Net loss before taxation	(55,298,057)	(17,136,217)
Taxation	(3,911,617)	(7,453,030)
Net loss for the year after taxation	(59,209,674)	(24,589,247)
Attributable to:		
Equity holders of the parent	(63,618,021)	(25,432,176)
Non-Controlling Interest	4,408,347	842,929
	(59,209,674)	(24,589,247)
Earning per share - Basic and diluted	(4.93)	(2.05)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

Karachi: 31 October 2011

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 2011	September 2010
	RUPEES	RUPEES
Loss for the period after taxation	(63,618,021)	(25,432,176)
Total comprehensive loss for the period	<u>(63,618,021)</u>	<u>(25,432,176)</u>

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

CHIEF EXECUTIVE

Karachi: 31 October 2011

DIRECTOR

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	PAID UP CAPITAL	REVENUE RESERVE	CAPITAL RESERVE	UN- APPROPRIATED LOSS	TOTAL	NON- CONTROLLING INTEREST	TOTAL EQUITY
	← RUPEES →						
Balance as at 30-06-2010 (Restated)	120,000,000	3,580,053	44,665,822	(783,011,835)	(614,765,960)	42,248,994	(572,516,966)
Total comprehensive income for the quarter ended 30th September, 2010				(25,432,176)	(25,432,176)	842,929	(24,589,247)
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation				2,392,363	2,392,363	-	2,392,363
Balance as at 30-09-2010	120,000,000	3,580,053	44,665,822	(806,051,648)	(637,805,773)	43,091,923	(594,713,850)
Total comprehensive income for the Period from 01-10-2010 to 30-06-2011				68,776,110	68,776,110	5,241,196	74,017,306
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation				7,177,090	7,177,090	-	7,177,090
Balance as at 30-06-2011	120,000,000	3,580,053	44,665,822	(730,098,448)	(561,852,573)	48,333,119	(513,519,454)
Total comprehensive income for the quarter ended September 30, 2011				(63,618,021)	(63,618,021)	4,408,347	(59,209,674)
Transfer from surplus on revaluation of property, plant & equipment on account of Incremental depreciation				2,282,915	2,282,915	-	2,282,915
Balance as at 30-09-2011	120,000,000	3,580,053	44,665,822	(791,433,554)	(623,187,679)	52,741,466	(570,446,213)

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

CHIEF EXECUTIVE
Karachi: October 31, 2011

DIRECTOR

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September-2011	September-2010
	RUPEES	RUPEES
Loss before taxation	(55,298,057)	(17,136,217)
Adjustment for non cash charges and other items:		
Depreciation	16,003,590	16,994,175
Finance cost	40,732,144	35,847,281
Provision for gratuity	394,244	1,596,255
	<u>57,129,979</u>	<u>54,437,711</u>
Operating Profit before working capital changes	1,831,922	37,301,494
(Increase)/Decrease in current assets:		
Stocks, stores and spares	34,380,657	(59,815,549)
Trade debts	118,479,292	(60,372,427)
Loan and advances	(31,475,838)	6,516,986
Sales tax	(7,892,785)	2,840,221
Other Receivables	(388,492)	(551,915)
	<u>113,102,834</u>	<u>(111,382,684)</u>
Increase/(Decrease) in current liabilities:		
Trade and other payables	(42,701,374)	77,495,623
Cash generated from operations	<u>72,233,383</u>	<u>3,414,433</u>
Taxes paid	(3,666,065)	(8,298,455)
Finance Cost Paid	(34,954,943)	(33,630,153)
Gratuity-net	(1,699,100)	(2,852,900)
Long term deposits	2,220,000	(4,990,187)
	<u>(38,100,108)</u>	<u>(49,771,695)</u>
Net cash from operating activities	34,133,275	(46,357,262)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(4,233,808)	(1,887,017)
Capital work in progress	(4,424,540)	-
Net cash (used in)/from investing activities	(8,658,348)	(1,887,017)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(19,665,316)	(18,183,725)
Short Term Finance	8,228,677	75,393,765
Repayment of lease liabilities	(6,473,565)	(9,116,711)
Net cash used in financing activities	(17,910,204)	48,093,329
Net increase / decrease in cash and cash equivalents	7,564,722	(150,950)
Cash and cash equivalents at the beginning of the year	8,238,818	3,931,191
Cash and cash equivalents at the end of the year	<u>15,803,540</u>	<u>3,780,241</u>

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

CHIEF EXECUTIVE
Karachi: October 31, 2011

DIRECTOR

OLYMPIA SPINNING & WEAVING MILLS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 31, 2011 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

The Group Comprises of :

Olympia Spinning & Weaving Mills Limited - (the holding company)

- 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.

Olympia Power Generation (Pvt) Ltd (the subsidiary company)

The Company was incorporated in Pakistan as a private limited company on August 30, 1994. The main business of the company is power generation and sale of power.

- 1.2 Bank Alfalah Ltd had filed suit in the high court of Sindh and in banking court for recovery of Rs. 197,675,768 for the loan balances against the banking facilities provided by them due to non payment and unauthorized utilization / lifting of pledged stock by the company . The company is defending the case in the high court and banking court.
- 1.3 The company has filed a suit in High Court of Sindh and obtained Stay Order against settlement of cross currency swap contracts of Rs. 830.5(M) entered into by the company with Standard Chartered bank. The company mainly contests on provision of unwinding cost calculation, mismatched dates of settlement with its long term loans repayments and other procedural non compliance of foreign bank. No provision of unwinding cost of cross currency swap contract of Rs 293.35 (M) has been made in the financial statements. No confirmation was received from bank. Confirmation was sent. Had the company accounted for currency SWAP losses, the profit of the company would have decreased by Rs. 293.35 million.
- 1.4 The company had filed a counter recovery suits against Bank Alfalah Limited and its muqaddam Asif Associates (Pvt) Ltd in the high court of Sindh for Rs. 172,628,533/- plus interest for recovery of pledged cotton which were in possession and control of defendants. Till the finalization of accounts, no significant development has taken place.
- 1.5 In the month of June 2011, the company started comprehensive review of its receivables and advances for any impairment to identify parties from which recoveries have to be made to identify probable doubtful debts. Since the process is cumbersome and required detail scrutiny of old records the company had not provided any provision against stagnant balances in current year. The work is still in progress.
- 1.6 The cumulative loss of the company stands at Rs. 791.433 million. The current liabilities exceed current assets by Rs. 427.539 million .The directors have given their commitment that in case the decision of the high court and banking court is against the company , they will meet the obligation by their own resources. The going concern assumption is based on the financial support/commitment by the sponsors/directors.

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, 2011. 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, 2011 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2011.

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, 2011.
- 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 2011.

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, 2011		JUNE 30, 2011	
	Acquisition	Disposal	Acquisition	Disposal
	Rupees		Rupees	
Factory building	-	-	-	-
Plant and machinery	2,043,500	-	21,422,098	-
Office equipment	147,600	-	219,030	-
Factory Tools & Equipment	-	-	438,999	-
Furniture and fixture	-	-	16,800	-
Motor vehicles	1,394,000	-	10,905,314	6,592,460
Electric Equipment	648,708	-	-	-
Total	4,233,808	-	33,002,241	6,592,460

7 TRANSACTIONS WITH SUBSIDIARY:

	(UN-AUDITED)	(UN-AUDITED)
	September-2011	September-2010
	RUPEES	RUPEES
Electricity purchased	47,691,198	48,251,440

Transaction with 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 AUTHORISATION FOR ISSUE:

These financial statements were authorised for issue on October 31, 2011 by the board of directors of the company.

10 GENERAL

Figure have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

Karachi: October 31, 2011