



OLYMPIA MILLS LIMITED

ANNUAL REPORT
June 30, 2018



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COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|-----------------|--|
| CHIEF EXECUTIVE | : MR. M. WAQAR MONNOO (Executive) |
| CHAIRMAN | : MR. SYED INAMUDDIN AHMED (Non-Executive) |

| | |
|-----------|--------------------------------------|
| DIRECTORS | : MR. SIRAJ SADIQ MONNOO (Executive) |
| | : MR. SYED AYAZUDDIN (Non-Executive) |
| | : MRS. GHAZALA WAQAR (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) | : MRS. GHAZALA WAQAR |
| MEMBER (NON-EXECUTIVE) | : MR. SYED INAMUDDIN AHMED |
| MEMBER (INDEPENDENT) | : MR. UMAR ILYAS SHAFI |

| | |
|-------------------------|--------------------|
| CHIEF FINANCIAL OFFICER | : MR. ASIM JAFFERY |
|-------------------------|--------------------|

| | |
|---------------|--|
| LEGAL ADVISOR | : M/S. MAKHDUM & 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. |
|-------------------|--|



VISION STATEMENT

To become diversified Company by delivering excellence in delivering goods & services and to generate sustainable returns for all stakeholders

MISSION STATEMENT

We strive to achieve market leadership through technological edge, distinguished by quality and customer satisfaction, and emphasis on employees long term welfare and ensure adequate return to shareholders.

We further wish to contribute to the development of the economy and the country through harmonized Endeavour.



DIRECTORS REPORT

The Directors have pleasure in presenting their Annual Report along with audited accounts of the Company for year ended June 30, 2018 for your consideration and approval.

OPERATING REVIEW:

The operating results of the period under review has resulted in net profit before taxation of Rs.143,372,479/- as compared to the last year's loss before taxation of Rs 3,801,015/-

| | 30 JUNE 2018 | 30 JUNE 2017 |
|--|-----------------|-----------------|
| Appropriations is as under: | | |
| Net Profit/(loss) before taxation | 143,372,479 | 3,801,015 |
| Taxation | (9,819,862) | (7,808,828) |
| Net Profit/ (loss) for the year after taxation | 133,552,617 | (11,609,844) |
| Un-appropriated (loss) brought forward | (1,223,281,000) | (1,214,545,311) |
| Re-measurements adjustment of Post Retirement obligation | (7,645) | (2,390) |
| Net Effect of surplus on revaluation of fixed assets Transferred to accumulated profit | 682,289 | 2,876,546 |
| Accumulated (loss) carried forward | (1,089,053,740) | (1,223,281,000) |
| EPS | 11.13 | (0.97) |

FINANCIAL RESULTS:

The financial results for the year ended June 30, 2018 have shown net profit after tax of Rs.133,552,617/-. During the period the company has changed its Principal line of business to renting/ leasing of fixed assets of the company and accordingly changed its name to Olympia Mills Limited. By the Grace of Allah, your management has successfully implemented the new business model and started to earn profits from renting & leasing of company assets. Most of the Company premises is now rented out to various tenants which generate rent income and on the other hand management leased out its Paper manufacturing plant to Perfect Paper Mills in order to minimize risk associated with Paper sector. The company has classified its land & building as Investment Property as majority of its space are now rented out. The major events transactions are disclosed in note 1.3 of financial statement.

During the year, the company has manage to secure full & final settlement with Soneri Bank Ltd and Bank Alfalah Ltd. The company with the financial support from directors has fully paid off Soneri Bank. The Settlement amount of Bank Alfalah will be paid fully in year 2018 as disclosed in notes. Whereas the Company successfully negotiated with Askari Bank Ltd for five year term loan. The settlement with remaining Cotton ginneries are under process.

The major risks attributable to business are changing economic conditions, government policies and law and order situation.

The auditors has given some remarks over financial stability of the company by pointing towards use of going concern assumption and not receiving Bank confirmation from Standard Chartered Bank. The management has justified the use of going concern assumption in Note 1.2 of financial statement which is supported by very strong mitigating factors such as start of new



business, settlement with bank and creditors & continuous support from directors and sponsors. Whereas non receipt of Bank confirmation from Standard Chartered Bank is not in the control of the company since the company is under litigation with bank as disclosed in notes to the account.

FUTURE PROSPECTS:

The directors are concentrating on repayments of all company debts after which the company will be in a position to diversify into different sectors.

CORPORATE SOCIAL RESPONSIBILITY:

We believe that the highest standards of corporate behavior in our society are essential to our long-term success. Therefore, your Company actively meets the social responsibilities to the nation. In the field of health the Company conducts medical camps for employees on regular basis and the emphasis remains on the diagnostic and preventive Care.

RELATED PARTY TRANSACTIONS

During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in notes to financial statements.

CORPORATE GOVERNANCE:

The Company has taken all necessary steps to ensure Good Corporate Governance. As part of Compliance of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("CCG"), the Directors are pleased to state as follows:

- 1- The enclosed financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- 2- Proper books of account have been maintained by the Company as required by the Companies Act, 2017.
- 3- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting statements are based on reasonable and prudent judgment.
- 4- Internal Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- 5- The system of internal control is sound in design and has been effectively implemented and monitored.
- 6- There are no significant doubt upon the Company's ability to continue as a going concern as describe above and in Note 1.2.
- 7- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- 8- Key operating and financial data of last six years is annexed.



- 9- During the year, six board meetings were held and the attendance by each director is given hereunder:

| Name of Director | No of Meetings Attended |
|------------------------|-------------------------|
| Mr M. Waqar Monnoo | 6 |
| Mrs. Ghazala Waqar | 6 |
| Mr. Siraj Sadiq Monnoo | 6 |
| Mr. Syed Ayazuddin | 5 |
| Mr. Umar Ilyas Shafi | 6 |
| Mr Syed Inamuddin | 6 |
| Mr Arshad Iqbal | 6 |

- 10- There were no shares bought and sale by the Directors, CEO, and CFO, Company secretary and their spouses and minor children during the year.
- 11- The pattern of shareholding and additional information required by the Code of Corporate Governance is annexed.
- 12- The name of directors & composition of committees of BOD are disclosed in Annual Report.

AUDITORS:

You are requested to appoint auditors for the year 2018-2019 and fix their remuneration. The present auditors M/s. Mushtaq & Co., Chartered Accountants retires and offers them for re-appointment.

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


Siraj Sadiq Monnoo
Director


M. Waqar Monnoo
Chief Executive/Director

Karachi: 3rd October, 2018



ڈائریکٹرز رپورٹ

ڈائریکٹرز کو اپنے سالانہ رپورٹ کے ساتھ آڈٹ اکاؤنٹس جو کہ سال کے آخر جون ۲۰۱۸ء میں آپ کے طور اور منظوری پر پیش کرنے میں خوشی ہو رہی ہے۔

عملیاتی جائزہ:

عملیاتی نتائج مدت کے جائزہ پر ٹیکس سے پہلے خالص منافع 143,372,479/- رہا جو کہ پچھلے سال کے مقابلے میں ٹیکس سے پہلے نقصان 3,801,015/- تھا۔

| جون ۲۰۱۸ء | جون ۲۰۱۸ء | نفع کی تقسیم درج ذیل ہے |
|-----------------|-----------------|--|
| (3,801,015) | 143,372,479 | ٹیکس سے پہلے خالص نفع (نقصان) |
| (7,808,828) | (9,819,862) | ٹیکسیشن |
| (11,609,844) | 133,552,617 | ٹیکس کے بعد خالص نفع (نقصان) |
| (1,214,545,311) | (1,223,281,000) | ناقابل برداشت (نقصان) آگے کیا ہوا |
| (2,390) | (7,645) | نوکری سے فارغ ہونے کے بعد کی دوبارہ پیمائش کی ایڈجسٹمنٹ |
| 2,876,546 | 682,289 | فکسڈ اثاثوں کی دوبارہ قیمت پر اضافہ کا اثرات جمع منافع میں منتقل |
| (1,223,281,000) | (1,089,053,740) | آگے کیا گیا جمع (نقصان) |
| (0.97) | 11.13 | فی شیئر کمائی |

مالیاتی نتائج:

سال کے آخر میں جون ۲۰۱۸ء میں مالیاتی نتائج ٹیکس کے بعد خالص نفع 133,552,617/- روپے ظاہر ہوا۔ مدت کے دوران بمطابق کاروبار کے حصول کو کرانے داری لینیزنگ نامی اثاثہ جات میں تبدیل کر دیا گیا ہے اور اس وجہ سے ادارے کا نام اولمپیا ملز لمیٹڈ میں تبدیل کر دیا گیا ہے۔ اللہ پاک کی مہربانی سے آپ کے کاروبار چلانے والے لوگوں نے کاروبار کی نئی ساکھ کو گریہ داری اور کاروبار کے اثاثوں کی لینیزنگ سے منافع بخش کرنا شروع کر دیا ہے۔ زیادہ تر کمپنی نے اب اپنے احاطے میں گریہ آمدنی حاصل کرنے کے لئے مختلف گریہ دار کو دیا ہے اور دوسری طرف انتظامیہ نے کاغذ کے شعبے سے وابستہ خطرے کو کم کرنے کے لئے اپنے کاغذ بنانے والے پلانٹ کو پرفیکٹ پیپر ملز کو لیز پر دے دیا ہے۔ کمپنی نے اپنی زمین اور عمارت کو سرمایہ کاری کی جائیداد کے طور پر درجہ بندی کرتے ہوئے اپنے بیشتر حصہ کو گریہ پر دے دیا ہے۔ اہم واقعہ کی لہن دین کو مالی تفصیلات کے نوٹ نمبر 1.3 میں انکشاف کیا گیا ہے۔

سال کے دوران کمپنی نے انتظامی امور کی حفاظت کے لئے سونیری بینک اور بینک الفلاح سے مالی امداد کو مکمل طور پر معاہدہ کیا ہے۔ کمپنی نے ڈائریکٹرز کے مالی امداد سے سونیری بینک کو مکمل طور پر ادائیگی کر دی ہے۔ آپس میں رضامندی والے روپے کو سال ۲۰۱۸ء میں مکمل طور پر بینک الفلاح کو ادا کر دیا جائے گا۔ جیسا کہ نوٹس میں انکشاف کیا گیا ہے۔ جب کہ عکسری بینک لمیٹڈ کے ساتھ بات چیت کے ذریعہ مدت کے قرضے کو پانچ سال میں ادا کرنے کے مذاکرات پر کامیابی حاصل کر لی ہے۔ کاش جنہر کی باقی ادائیگی ابھی جاری ہے۔ کاروبار سے منسوب بڑے خطرات اقتصادی حالات، حکومتی پالیسی اور امن و امان کی صورت حال کو تبدیل کر رہے ہیں۔



آڈیٹرز نے مالیاتی استحکام پر کاروبار کے جاری رہنے والے نکتہ کی طرف اشارہ کیا ہے اور اسٹیٹ بینک آف پاکستان سے بینک کی تصدیق حاصل نہیں ہو پائی۔ انتظامیہ نے کاروبار کے جاری رہنے پر نوٹ نمبر 1.2 میں وضاحت دی ہے جو کہ مضبوط نمٹنے والے اثرات کا ثبوت جیسا کہ نیا کاروبار شروع کرنا، بینک اور قرضہ داروں کے ساتھ مباحثات اور مسلسل ڈائریکٹرز اور اسپانسرز کی مدد جاری ہے۔

جب کہ بینک کی تصدیق کی عدم وصولی کمپنی کے اختیار میں نہیں ہے، جیسا کہ کمپنی بینک کے ساتھ قانونی چارہ جوئی کے تحت ہے جو کھاتے کے نوٹس میں انکشاف کر دیا گیا ہے۔

مسئلوں کے امکانات:

ڈائریکٹرز تمام کمپنیوں کے قرض کی ادائیگی پر توجہ مرکوز کر رہے ہیں۔ جب کمپنی مختلف شعبوں میں پھیلنے کی پوزیشن میں آجائے گی۔

کارپوریٹ سماجی ذمہ داری:

بسم یقین ہے کہ ہمارے معاشیے میں کارپوریٹ رویے اعلیٰ ترین معیارات ہساری طویل مدتی کامیابی کے لئے ضروری ہے۔ لہذا آپ کی کمپنی قوم کی سماجی ذمہ داری والے کام کو پورا کر رہی ہے۔ صحت کے شعبے میں کمپنی مسئلہ مزاجی کے ساتھ صحت کے کمپ کے اعتماد اور تشخیص اور احتیاطی دیکھ بھال پر زور دیتی ہے۔

متعلقہ فریقوں سے لین دین:

سال کے دوران کمپنی نے متعلقہ فریقوں سے لین دین کی ہے۔ لین دین کی تفصیلات مالی بیانات کے نوٹس میں انکشاف کیا گیا ہے۔

کارپوریٹ گورنس:

کمپنی بہترین کارپوریٹ گورنس کے تمام ضروری اقدامات اٹھاتی ہے۔ درج کمپنیوں کی تعمیل (کارپوریٹ گورنس کا کوڈ) قانون ۲۰۱۶، (CCG) کے حصے دار کی حیثیت سے ڈائریکٹرز حسب ذیل بیان کرنے کے لئے خوش ہیں۔

۱. منسلک مالیاتی بیانات، کمپنی کی انتظامیہ کی طرف سے امانداری سے تیار کردہ امور کے

ریاست، اس کے عملیاتی، نقد رقم کے ہیاؤ اور ایکونٹی میں تبدیلیوں کا نتیجہ پیش کرتے ہیں۔

۲. مناسب کتابی کھاتے کمپنی کی طرف سے برقرار رکھا گیا ہے جو کہ کمپنی ایکٹ ۲۰۱۷ کی

ضرورت ہے۔

۳. مناسب اکاؤنٹنگ پالیسیوں کو مسلسل مالی بیانات اور اکاؤنٹنگ بیانات کی تیاری میں عمل

درآمد کیا گیا ہے جو کہ مناسب اور دانشمندانہ فیصلے پر مبنی ہیں۔

۴. انٹرنیشنل مالیاتی رپورٹنگ معیارات (IFRS) جو کہ پاکستان میں قابل عمل ہے اس کو مالیاتی

بیانات بنانے میں پیروی کی گئی ہے اور کسی بھی روانگی کی تیاری میں مناسب طور پر انکشاف

کیا گیا ہے۔

۵. اندرونی کنٹرول کے نظام کے ڈیزائن کو مکمل اور مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے۔

۶. کمپنی کے کاروبار کو جاری رہنے والے صلاحیت پر کوئی قابل ذکر شک نہیں ہے جیسا کہ اوپر

نوٹ نمبر 1.2 میں بیان کیا گیا ہے۔

۷. درج کے قواعد و ضوابط میں تفصیلی طور پر کارپوریٹ گورنس کے بہترین طریقوں میں سے کوئی

بڑے مواد کی روانگی نہیں ہوئی ہے۔



۸. کلیدی عملیاتی اور مالیاتی ریکارڈ چھ سال کا شامل کیا گیا ہے۔
۹. سال کے دوران، چھ بورڈ اجلاس منعقد کئے گئے اور ہر ڈائریکٹر کی طرف سے حاضری نیچے دی گئی ہے۔

| ڈائریکٹر کا نام | ملاقاتوں کی شرکت |
|----------------------|------------------|
| مسٹر ایم وقار منوں | 6 |
| مسز غزالہ وقار | 6 |
| مسٹر سراج صادق منوں | 6 |
| مسٹر سید ایاز الدین | 5 |
| مسٹر عمر الیاس شفیع | 6 |
| مسٹر سید انعام الدین | 6 |
| مسٹر ارشد اقبال | 6 |

۱۰. سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کی بیگمات اور نابالغ بچوں کی طرف سے کسی حصص کی خرید و فروخت نہیں کی گئی۔
۱۱. شینرسولٹرز کا پیٹرن اور اضافی معلومات جو کہ کوڈ آف کارپوریٹ گورنس کی ضرورت سے شامل کیا گیا ہے۔
۱۲. ڈائریکٹرز اور بی او ڈی کی کمیٹیوں کی تشکیل کے نام کی سالانہ رپورٹ میں انکشاف کیا گیا ہے۔

آڈیٹرز:

آپ سے گزارش ہے کہ ۲۰۱۸-۱۹ کے لئے آڈیٹرز کی تقرری اور ان کے معارضے کو منجمد کرنے کی درخواست ہے۔ موجودہ آڈیٹر میسرز مشتاق ایٹڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی مدت ختم ہو گئی ہے اور انہیں دوبارہ تقرری کے لئے پیش کرتے ہیں۔

اعتراف:

میں اس بات کو ظاہر کرنا پسند کرتا ہوں کہ ہمارے بینکاروں کے تعاون اور حمایت کے بغیر موجودہ نتائج حاصل نہیں ہو سکتے تھے۔ کمپنی کی جانب سے عملے کے ارکان اور کارکنوں کی لگن اور وفاداری بھی موجودہ نتائج کے حصول کے لئے اہم عوامل میں سے ایک ہے۔

بورڈ کے لئے اور بورڈ کی جانب سے


سراج صادق منوں
ڈائریکٹر


ایم وقار منوں
ڈائریکٹر/چیف ایگزیکٹو
مورخہ ۲ اکتوبر ۲۰۱۸ء، کراچی



**CHAIRMAN REVIEW ON BOARD'S OVERALL PERFORMANCE U/S 192 OF
COMPANIES ACT 2017**

1. The board of Directors met 6 times during the year dealing with routine business matters as well as other matters.
2. The board received proper agendas and supporting papers in a timely manner for its Board Meetings.
3. All Directors fully participated in the meetings and made valuable contributions in decision making process of the Board.
4. The Board's various committees are meeting regularly to strengthen the functions of the Board.
5. Looking ahead, with improved regulatory climate, the Board will sail the company into a profitable undertaking.

Karachi: 3rd October, 2018



SYED INAMUDDIN AHMED
Chairman of BOD



STATISTICAL SUMMARY OF KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS.

(Rupees in Million)

| YEAR ENDED JUNE 30, 2018 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------|----------|---------|---------|----------|----------|----------|
| OPERATING RESULTS | | | | | | |
| Sales net | 104.57 | 97.41 | - | 77.01 | 1,971.66 | 2,634.36 |
| Gross profit | 37.13 | 6.08 | (38.60) | (104.86) | (194.08) | 193.55 |
| Operating expenses | (120.59) | (71.33) | (23.47) | 16.19 | 56.30 | 155.08 |
| Operating profit | 157.71 | 77.41 | (62.08) | (118.11) | (222.80) | 62.97 |
| Finance cost | (14.34) | (81.21) | (1.58) | 107.79 | 130.93 | 148.68 |
| Profit/(Loss) before tax | 143.37 | (3.80) | (63.66) | (225.90) | (353.73) | (85.71) |
| Taxation | (9.82) | (7.81) | (0.65) | 0.53 | 7.91 | 21.92 |
| Profit/(Loss) after tax | 133.55 | (11.61) | (64.31) | (226.09) | (361.64) | (107.62) |

FINANCIAL POSITION

| | | | | | | |
|--------------------------|----------|----------|----------|------------|----------|----------|
| Paid-up Capital | 120.00 | 120.00 | 120.00 | 120.00 | 120.00 | 120.00 |
| Retained earnings/(loss) | (540.24) | (693.78) | (589.06) | (1,552.35) | (1,336) | (965.15) |
| Total equity | (440.24) | (573.78) | (469.06) | (1,432.35) | (1,216) | (845.15) |
| Long term finances | 525.04 | 805.70 | 619.85 | 1,293.77 | 1,223.34 | 1,229.62 |
| Deferred liability | 0.20 | 0.07 | 0.02 | 0.26 | 0.08 | 9.39 |
| Current liabilities | 754.99 | 572.90 | 778.53 | 1,211.89 | 1,562.25 | 1,086.39 |
| Total assets | 840.00 | 884.88 | 929.34 | 1,926.99 | 2,124.33 | 2,514.99 |
| Fixed assets (Gross) | | | | 2,021.29 | 2,021.29 | 2,110.52 |
| Accumulated depreciation | | | | 226.40 | 176.07 | 154.30 |
| Fixed assets (Net) | 748.16 | 769.02 | 826.27 | 1,794.89 | 1,845.22 | 1,956.22 |
| Long term deposits | 3.60 | 3.55 | 3.44 | 3.41 | 3.41 | 3.41 |
| Long Term Investment | - | - | - | - | - | - |
| Current assets | 88.24 | 112.32 | 99.63 | 128.70 | 275.70 | 555.36 |

RATIOS

| | | | | | | |
|--|--------|---------|--------|----------|----------|---------|
| Gross profit to sales % (Excluding Depreciation) | 0.943 | (0.004) | - | (73.00) | (7.25) | 9.58 |
| Gross profit to sales % (Including Depreciation) | 0.70 | (0.17) | - | (136.18) | (9.84) | 7.35 |
| Cost of sales to sales % | 1.02 | 1.17 | - | (236.18) | (109.84) | (92.65) |
| Net profit to sales % | 2.50 | (0.15) | - | (293.35) | (17.94) | (3.25) |
| Earning/(loss) per shares in Rs. | 11.13 | (0.97) | (5.36) | (18.83) | (30.14) | (8.97) |
| Earning/(loss) to equity % | (0.30) | 0.01 | 0.06 | 15.77 | 29.08 | 10.14 |
| Admin expenses to net sales % | 0.36 | 0.14 | - | 21.03 | 2.86 | 5.89 |
| Return on fixed assets before tax % | 1.90 | (0.02) | (0.08) | (12.75) | (19.41) | (4.39) |
| Return on total assets before tax % | 0.159 | (0.013) | (6.85) | (11.72) | (16.65) | (3.41) |
| Debt equity ratio % | (1.50) | (0.88) | (0.83) | 127.12 | 107.72 | 83.75 |
| Current ratio | 0.12 | 0.20 | 0.13 | 0.11 | 0.24 | 0.51 |
| Quick ratio | 0.12 | 0.18 | 0.13 | 0.11 | 0.14 | 0.22 |
| Turn over to fixed assets times | 0.76 | 0.10 | - | 0.04 | 1.08 | 1.35 |
| Turn over to total assets times | 0.06 | 0.09 | - | 0.04 | 0.93 | 1.05 |



FORM - A
PATTERN OF HOLDING OF THE SHARES HELD BY THE
SHAREHOLDERS AS AT JUNE 30, 2018

| No. of Share | Holding | Shareholding | | Total Shares Held | |
|--------------|---------|--------------|----|-------------------|-------------------|
| | | from | to | | |
| 180 | --- | 001 | to | 100 | 8,445 |
| 122 | --- | 101 | to | 500 | 36,010 |
| 36 | --- | 501 | to | 1,000 | 35,900 |
| 78 | --- | 1,001 | to | 5,000 | 214,115 |
| 15 | --- | 5,001 | to | 10,000 | 124,530 |
| 4 | --- | 10,001 | to | 15,000 | 46,500 |
| 7 | --- | 15,001 | to | 20,000 | 132,500 |
| 3 | --- | 20,001 | to | 25,000 | 70,500 |
| 3 | --- | 25,001 | to | 30,000 | 85,500 |
| 1 | --- | 30,001 | to | 35,000 | 35,000 |
| 2 | --- | 35,001 | to | 40,000 | 71,500 |
| 2 | --- | 40,000 | to | 45,000 | 86,500 |
| 2 | --- | 65,001 | to | 70,000 | 136,500 |
| 1 | --- | 130,001 | to | 135,000 | 131,000 |
| 1 | --- | 145,001 | to | 150,000 | 146,500 |
| 1 | --- | 150,001 | to | 155,000 | 155,000 |
| 1 | --- | 350,001 | to | 355,000 | 350,500 |
| 1 | --- | 1,150,001 | to | 1,155,000 | 1,151,855 |
| 1 | --- | 1,875,001 | to | 1,880,000 | 1,878,570 |
| 1 | --- | 2,300,001 | to | 2,305,000 | 2,300,025 |
| 1 | --- | 4,800,001 | to | 4,805,000 | 4,803,250 |
| 463 | | | | | 12,000,000 |

| Categories Shareholders | No. of Shareholders | Shares Held | Percentage |
|-------------------------|---------------------|-------------------|-------------|
| Financial Institutions | 1 | 475 | 0.0040% |
| Individuals | 453 | 11,821,719 | 98.51% |
| Joint Stock Companies | 6 | 173,551 | 1.45% |
| Other Companies | 3 | 4,255 | 0.04% |
| | 463 | 12,000,000 | 100% |



**PATTERN OF HOLDING OF THE SHARES HELD BY THE
SHAREHOLDERS AS AT JUNE 30, 2018**

ADDITIONAL INFORMATION

| SHAREHOLDER'S CATEGORY | | | Total Shares | Percentage |
|--|---|---|--------------|------------|
| Associated Companies, Undertakings and related parties (Name-wise). | | | None | None |
| Directors, CEO and their Spouse and Minor Children (Name-wise) | | | | |
| 1 | Muhammad Waqar Monnoo | Chairman and Chief Executive / Director | 1,878,570 | 15.65 |
| 2 | Mrs. Ghazala Waqar | Director | 1,151,660 | 9.60 |
| 3 | Mr. Siraj Sadiq Monnoo | Director | 2,300,025 | 19.17 |
| 4 | Mrs. Hina Siraj Sadiq | Director's Spouse | 4,803,250 | 40.03 |
| 5 | Mr. Syed Ayazuddin | Director | 5,000 | 0.042 |
| 6 | Mr. Umar Ilyas Shafi | Director | 2,500 | 0.021 |
| 7 | Mr. Syed Inamuddin | Director | 2,500 | 0.021 |
| 8 | Mr. Arshad Iqbal | Director | 2,500 | 0.021 |
| Executives | | | None | None |
| Public Sector, Joint Stock Companies and Corporations | | | | |
| 1 | Trustee National Bank of Pakistan Employees Pension fund | | 3,918 | 0.03265 |
| 2 | Trustee National Bank of Pakistan Employees Benevolent fund | | 137 | 0.00114 |
| 3 | National Bank Of Pakistan | | 25 | 0.00021 |
| 4 | Fateh Textile Mills Ltd. | | 50 | 0.00042 |
| 5 | Fikree's (SMC-PVT) Limited | | 1,000 | 0.00833 |
| 6 | Investment Corporation of Pakistan | | 450 | 0.00375 |
| 7 | Pearl Securities Limited | | 25,000 | 0.20833 |
| 8 | Maple Leaf Capital Ltd | | 1 | 0.00001 |
| 9 | Salim Sozer Securities (Pvt) Ltd | | 146,500 | 1.22083 |
| 10 | MRA Securities (Pvt) Ltd | | 1,000 | 0.00833 |
| Abandoned properties & Other Companies. | | | | |
| 1 | Abandoned Properties Organization. | | 200 | 0.00167 |
| Shareholders holding 10% or more voting interest in the Listed Companies | | | | |
| (1) | Muhammad Waqar Monnoo. | | 1,878,570 | 15.65475 |
| (2) | Mr. Siraj Sadiq Monnoo. | | 2,300,025 | 19.16688 |
| (3) | Mrs. Hina Siraj Sadiq | | 4,803,250 | 40.02708 |



**STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF
CORPORATE GOVERNANCE) REGULATION, 2017
FOR THE YEAR ENDED 30TH JUNE, 2018**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

a. Male: 6

b. Female: 1

2. The composition of board is as follows:

a) Independent Directors

(i) Mr Umar Ilyas Shafi

b) Other Non-executive Director

(i) Mrs Ghazala Waqar

(ii) Mr Syed Ayazuddin

(iii) Mr Syed Inamuddin Ahmed

(iv) Mr Arshad Iqbal

c) Executive Directors

(i) Mr.M.Waqar Monnoo

(ii) Mr Siraj Sadiq Monnoo

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.



9. The Board has arranged Directors' Training program for the following:

Name of Director -None

Name of Executive & Designation -None

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. But due to cost constraints, the company has not appointed fully qualified Company Secretary and Head of Internal Audit yet.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee

(i) Mr Umar Illyas Shafi (Chairman)

(ii) Mr Syed Ayazuddin

(iii) Mr Syed Inamuddin Ahmed

b) HR and Remuneration Committee

(i) Mrs Ghazala Waqar (Chairman)

(ii) Mr Umar Illyas Shafi

(iii) Mr Syed Inamuddin Ahmed

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee -4

b) HR and Remuneration Committee -1

15. The board has set up an effective internal audit function managed internally but due to cost constraints did not appoint suitably qualified and experienced Internal Auditor as required by Code.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.



17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

FOR AND BEHALF OF THE BOARD OF DIRECTORS



SYED INAMUDDIN AHMED
CHAIRMAN



M. WAQAR MONNOO
CHIEF EXECUTIVE

Karachi: 03rd October, 2018



MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 32638521-4 Fax: 32639843

Branch Office: 501-B, City Towers, Main Boulevard, Lahore. Tel: 35788637-8 Fax: 35788626

Email Address: mushtaq_vohra@hotmail.com



REVIEW REPORT TO THE MEMBERS

On the Statement of Compliance with Best Practices of the Code of Corporate Governance

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Olympia Mills Limited** for the year ended June 30, 2018 to comply with the Code contained in regulation No. 5.19 of the Rule book of Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirement of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all the risks and control or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee and upon recommendation of audit committee, places before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non compliance with requirements of the code as reflected in the paragraph reference where these are stated in the statement of Compliance:

| Paragraph reference | Description |
|---------------------|--|
| 20 | Appropriate arrangement to carry out Director training program has not been carried out during the year. |
| 24 | Head of Internal Audit is not meeting the criteria specified in CCG. |
| 25 | Company Secretary is not meeting the criteria specified in CCG. |

Karachi:

Date: _____

MUSHTAQ & COMPANY

Chartered Accountants

Engagement Partner:

 Anwarul Haque

FCA

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of the members of Olympia Mills Limited will be held at 1100 a.m. on Tuesday 25 October, 2018 at the registered office of the company at H-23/3 Landhi Industrial Area Karachi to transact the following business:

Ordinary Business:

- 1 To confirm the minutes of the last General Meeting held on October 30, 2017.
- 2 To receive, consider and adopt Audited Accounts for the year ended 30th June, 2018 together with Auditor's and Director's Report thereon.
- 3 To appoint Auditors for the year ending 30th June, 2019 and to fix their remuneration.
- 4 To transact any other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board



Chief Executive

Karachi: October 3, 2018

Notes:

- (i) The Register of Members of the Company will remain closed from October 19, 2018 to October 25, 2018 (both days inclusive). members are requested to notify change of addresses (if any)
- (ii) A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The instrument appointing a Proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney must be received at the Registered Office of the Company duly stamped, signed and witnessed not later than 48 hours before the meeting.
- (iii) Central Depository Company account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A For Attending the Meeting

- 1 In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (NIC) or original Passport at the time of attending the Meeting.
- 2 In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B For Appointing Proxies

- 1 In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.
- 2 The proxy form shall be witnessed by two persons whose name, addresses and NIC numbers shall be mentioned on the form.
- 3 Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- 4 The proxy shall produce his original NIC or original passport at the time of the Meeting.
- 5 Members are requested to notify immediately changes, if any, in their registered addresses.

- C In order to comply with the requirements of SECP SRO 831 (1)/2012 dated July 2, 2012, members who hold shares in physical form and have not yet submitted photocopy of their CNIC are requested to send the same to the Share Registrar of Company Najeeb Consultants (Private) Limited, 405 Commerce Centre Hasrat Mohani Road, Karachi at the earliest. CDC Shareholders are requested to submit their CNIC directly to their broker (Participant)/CDC Investor account services.

- D Pursuant to Section 134(1)(b) of the Companies Act, 2017, if the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 10 (ten) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city.

- E In order to comply with the requirements of SECP SRO 831 (1)/2012 dated July 2, 2012, members who hold shares in physical form and have not yet submitted photocopy of their CNIC are requested to send the same to the Share Registrar of Company Najeeb Consultants (Private) Limited, 405 Commerce Centre Hasrat Mohani Road, Karachi at the earliest. CDC Shareholders are requested to submit their CNIC directly to their broker (Participant)/CDC Investor account services.

- F For any query/problem/information, the investors may contact the company on phone Numbers 021-35080923-24, e-mail addressed finance@olympiadmills.com. and the relevant officer Mr. Ashraf of the Company and the Share Registrar Mr. Mohammad Saifuraz of Najeeb Consultants (Private) Limited.



Independent auditor's report to the members of Olympia Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Olympia Mills Limited**, which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters referred to in paragraph (a) to (c), the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June, 2018 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- a. As discussed in the note No. 1.1 of the financial statements, During the year the principal line of business of the company has been changed from paper business to renting/leasing of company's fixed assets as approved by Shareholders in AGM dated 30 October 2017 and subsequently reported to Securities & Exchange Commission of Pakistan.
- b. The company has ceased the operation of spinning unit since May 21, 2014 the company has earned profit for the year ended June 30, 2018 of Rupees 133.802 million (June 30, 2017: Loss Rupees 11.609 million) and as of that date, reported accumulated losses of Rupees 1,088.083 million (June 30, 2017: Rupees 1,223.281 million). The company's current liabilities exceeded its current assets by Rupees 666.503 million (June 30, 2017: Rupees 460.583 million) as of that date. These conditions along with adverse key financial ratios, shows, the company's inability to comply with loan agreements and pay debts on due dates. Discontinuance of operation indicates the existence of a material uncertainty which may cast significant doubt

about the company's ability to continue as a going concern. These circumstances 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 liabilities in the normal course of business. The financial statements have been prepared on going concern basis, but in our judgment, management's use of going concern assumption in these financial statements is inappropriate.

- c. Balance with Standard Chartered bank amounting to Rs. 6,058 million remains unconfirmed. Confirmation was sent. We were also unable to satisfy ourselves as to the correctness of the reported balances by performing other alternate auditing procedures and mentioned in note 22.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the Key audit matters:

| S. No. | Key audit matters | How the matter was addressed in our audit |
|--------|---|---|
| 1 | <p>First time application of third and fourth schedules to the Companies Act, 2017.</p> <p>As referred to in note 2.2 to the annexed financial statements, the third and fourth schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018.</p> <p>The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>As part of this transition to the requirements of the said third and fourth schedules, the management performed a gap analysis to identify differences between the previous reporting framework and the current reporting framework and as a result assessed the amendments (as specified in the said note 2.1)</p> | <p>Our audit procedures included the following:</p> <p>Considering the management's process to identify the necessary amendments required in the Company's financial statements.</p> <p>Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our understanding of the Company's operations and business.</p> <p>Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements.</p> |

| | | |
|----------|---|---|
| | relating to disclosures required in the Company's financial statements. We consider it as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017. | |
| 2 | <p>Revenue Recognition</p> <p>Refer note 24 to the financial statements and the accounting policy in note 3.12 to the financial statements regarding the sale of goods. The Company generates revenue from sale of goods to and local customers and from renting and leasing of company's fixed assets.</p> <p>We identified recognition of revenue (against the sale of goods) as a key audit matter because revenue is one of the key performance indicators of the Company which gives rise to an inherent risk of the existence and the accuracy of the revenue.</p> | <p>Our audit procedures to assess the timing of revenue recognized from sale of products included the following:</p> <p>Obtained an understanding of the processes relating to the recognition of revenue and accessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue.</p> <p>Comparing a sample of revenue transactions recognized during the year with the sales invoices, delivery orders and other relevant underlying documentations.</p> <p>Comparing a sample of revenue transactions recorded around the year end with the sales invoices, delivery orders and other relevant underlying documentations to access if the related revenue was recorded in the appropriate accounting period.</p> |

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises:

Information obtained prior to the date of auditor's report,

- a) last six years' financial analysis;
- b) director's report;

Information expected to be made available to us after the date of auditor's report,

- a) chairman's review;

but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

MUSHTAQ & COMPANY

CHARTERED ACCOUNTANTS

H/O-407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-4 Fax: 021-32639843

Email Address: mushtaq_vohra@hotmail.com; info@mushtaqandcompany.com



leading edge alliance

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Member firm

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Anwarul Haque, FCA**.

Karachi.

Dated: _____

MUSHTAQ & COMPANY

Chartered Accountants

Engagement Partner:

Anwarul Haque, FCA

OLYMPIA MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

| NOTES | JUNE 30, 2018 RUPEES | JUNE 30, 2017 RUPEES Restated | JUNE 30, 2016 RUPEES Restated |
|--|-------------------------|-------------------------------------|-------------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 13,000,000 (2017: 13,000,000) Ordinary shares of Rs.10 each. | 130,000,000 | 130,000,000 | 130,000,000 |
| Issued, subscribed and paid up capital | 5 120,000,000 | 120,000,000 | 120,000,000 |
| Revaluation surplus on Property, Plant and Equipment | 7 525,238,488 | 525,920,777 | 621,900,373 |
| Revenue Reserve | 3,580,053 | 3,580,053 | 3,580,053 |
| Unappropriated loss | (1,089,053,740) | (1,223,281,000) | (1,214,545,311) |
| | (440,235,199) | (573,780,170) | (469,064,885) |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 8 525,037,318 | 885,695,818 | 619,849,387 |
| Deferred liabilities | 9 202,366 | 67,733 | 23,421 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 317,324,857 | 409,387,700 | 433,180,938 |
| Short-term borrowings | 11 303,566,971 | 85,211,041 | 62,227,776 |
| Current portion of - long term financing | 134,100,002 | 78,300,000 | 283,120,983 |
| | 754,991,830 | 572,898,740 | 778,529,697 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | - | - | - |
| | 839,996,315 | 884,882,122 | 929,337,619 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 13 70,290,020 | 769,021,704 | 826,268,971 |
| Investment Property | 14 677,872,707 | - | - |
| Long term deposit | 15 3,595,162 | 3,545,162 | 3,438,482 |
| CURRENT ASSETS | | | |
| Stock in trade | 16 - | 9,358,230 | - |
| Trade debts | 17 12,953,190 | 24,281,131 | - |
| Other financial assets | 18 34,096,000 | 34,096,000 | 34,096,000 |
| Loans and advances | 19 511,094 | 1,883,626 | 13,539,992 |
| Income tax and Sales tax Refundable | 20 9,663,879 | 9,494,410 | 14,954,722 |
| Other receivables | 21 24,380,536 | 24,738,382 | 31,188,269 |
| Cash and bank balances | 22 6,633,725 | 8,463,475 | 5,851,182 |
| | 88,238,424 | 112,315,255 | 99,630,165 |
| | 839,996,315 | 884,882,122 | 929,337,619 |

The annexed notes from 1 to 43 form an integral part of these financial statements


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

OLYMPIA MILLS LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2018

| NOTE | For the year ended June 30, 2018 RUPEES | For the year ended June 30, 2017 RUPEES |
|---|---|---|
| Rental Income from Investment Property | 51,170,088 | 19,628,443 |
| Income from lease of Land, building Plant & Machinery | 12,039,450 | - |
| Direct Operating Expenses | 23 (25,230,922) | - |
| Profit from principal line of business | 37,978,616 | 19,628,443 |
| Income from Paper Manufacturing Business | | |
| Sales of Paper | 24 53,399,174 | 77,782,303 |
| Cost of Sales | 25 (54,252,175) | (91,335,680) |
| Gross loss from paper business | (853,001) | (13,553,377) |
| | 37,125,615 | 6,075,066 |
| Administrative & general expenses | 26 (19,442,144) | (11,206,008) |
| Other Income | 27 57,180,947 | 115,838,521 |
| Gain on Extinguishment of debt | 28 83,312,875 | - |
| Other Expenses | 29 (465,684) | (33,299,083) |
| | 120,585,994 | 71,333,430 |
| Operating Profit | 157,711,610 | 77,408,495 |
| Finance Cost | 30 (14,339,131) | (81,209,512) |
| Profit/(Loss) before taxation | 143,372,479 | (3,801,015) |
| Taxation - Current | 31 (11,280,025) | (5,744,422) |
| - Prior | 1,460,163 | (2,064,406) |
| Net Profit/(Loss) for the year after taxation | 133,552,617 | (11,609,844) |
| Earning per share - Basic and diluted | 32 11.13 | (0.97) |

The annexed notes from 1 to 43 form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

OLYMPIA MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

| NOTE | For the year ended June 30, 2018 RUPEES | For the year ended June 30, 2017 RUPEES |
|--|---|---|
| | | Restated |
| Profit (Loss) for the year ended after taxation | 133,552,617 | (11,609,844) |
| Items that will not be reclassified to Profit & Loss in subsequent periods | | |
| Remeasurement of post retirement benefit obligation | (7,645) | (2,390) |
| Reversal of Revaluation Surplus | | (93,103,050) |
| Total comprehensive Income /(Loss) for the year | 133,544,972 | (104,715,284) |

The annexed notes from 1 to 43 form an integral part of these financial statements

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CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

OLYMPIA MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

| | PAID UP CAPITAL | REVENUE RESERVE | ACCUMULATED (LOSS) | SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | TOTAL |
|--|--------------------|--------------------|-----------------------|--|-----------------|
| | RUPEES | | | | |
| Balance as at 01-07-2016-as previously reported | 120,000,000 | 3,580,053 | (1,214,545,311) | | (1,090,965,258) |
| Impact of Restatement-note 4 | | | | 621,900,373 | 621,900,373 |
| Balance as at 01-07-2016-as restated | 120,000,000 | 3,580,053 | (1,214,545,311) | 621,900,373 | (469,064,885) |
| Total comprehensive loss for the year ended June 30, 2017 | - | - | (11,612,234) | - | (11,612,234) |
| Reversal of Revaluation Surplus | - | - | - | (93,103,050) | (93,103,050) |
| Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation | - | - | 2,876,546 | (2,876,546) | - |
| Balance as at 30-06-2017 as restated | 120,000,000 | 3,580,053 | (1,223,281,000) | 525,920,777 | (573,780,169) |
| Total comprehensive loss for the year ended June 30, 2018 | - | - | 133,544,972 | - | 133,544,972 |
| Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation | - | - | 682,289 | (682,289) | - |
| Balance as at 30-06-2018 | 120,000,000 | 3,580,053 | (1,089,053,749) | 525,238,488 | (448,235,198) |

The annexed notes from 1 to 43 form an integral part of these financial statements


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

OLYMPIA MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

| Note | For the year ended June 30, 2018 RUPEES | For the year ended June 30, 2017 RUPEES |
|------|---|---|
|------|---|---|

CASH FLOW FROM OPERATING ACTIVITIES

| | | | |
|---|----|-------------------|------------------|
| Cash generated from operations | 33 | 66,404,332 | 16,904,746 |
| Taxes paid - net of refund received | | (9,204,552) | (7,124,846) |
| Finance cost paid | | (834,754) | (1,689,887) |
| Long term deposits | | (50,000) | (106,680) |
| Net cash from operating activities | | 56,315,026 | 7,983,333 |

CASH FLOW FROM INVESTING ACTIVITIES

| | | | |
|---|--|---------------------|---------------------|
| Proceeds from disposal of property, plant and equipment | | 1,870,000 | 2,860,000 |
| Payments for capital expenditure | | (43,320,707) | (25,155,670) |
| Net cash used in investing activities | | (41,450,707) | (22,295,670) |

CASH FLOW FROM FINANCING ACTIVITIES

| | | | |
|---|----|---------------------|-------------------|
| Long term finance | | (235,050,000) | (6,058,635) |
| Short term borrowings | | 218,355,930 | 22,983,265 |
| Net cash used in financing activities | | (16,694,070) | 16,924,630 |
| Net increase in cash and cash equivalents | | (1,829,750) | 2,612,293 |
| Cash and cash equivalents at the beginning of the year | | 8,463,475 | 5,851,182 |
| Cash and cash equivalents at the end of the year. | 22 | 6,633,725 | 8,463,475 |

The annexed notes from 1 to 43 form an integral part of these financial statements

[Signature]

[Signature]
CHIEF EXECUTIVE

[Signature]
DIRECTOR

[Signature]
CHIEF FINANCIAL OFFICER

1 THE COMPANY AND ITS OPERATIONS**1.1 STATUS & NATURE OF BUSINESS**

The company was incorporated in Pakistan as a public limited company on October 28, 1960 under the Companies Act, 1913 (Now the Companies Act, 2017), and its shares are quoted on the Pakistan Stock Exchange. During the year the principal line of business of the company has been changed from paper business to renting/leasing of company's fixed assets as approved by Shareholders in AGM dated 30 October 2017 and subsequently reported to Securities & Exchange Commission of Pakistan. The name of the company has also been changed from Olympia Spinning & Weaving Mills Ltd to Olympia Mills Limited which was approved in AGM by shareholders. The registered office of the company is situated at H-23/3, Landhi Industrial Area, Landhi Karachi.

- 1.2 The company has earned a profit during year ended June 30, 2018 of Rupees 133,552 million (June 30, 2017: Loss of Rupees 11,609 million) and as of that date, reported accumulated losses of Rupees 1089,053 million (June 30, 2017: Rupees 1,223,281 million). The current liabilities exceeded its current assets by Rupees 466,753 million (June 30, 2017: Rupees 460,583 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. However management assesses the reliability of going concern assumption in preparation of these financial statement and concluded that it is still in going concern due to settlement of nearly all bank borrowing, inflows of positive cash flows from business, settlement with creditors and support from directors/sponsors. Accordingly, these financial statements have been prepared on going concern assumption.

1.3 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

- (i) The company during the year changed its principal line of business to leasing/renting of its fixed assets and change its name from Olympia Spinning & Weaving Mills Limited to Olympia Mills Limited.
- (ii) The company has paid off entirely long term loan of Soneri Bank Limited which was made possible through major contribution from directors and loan from Bank Alfalah will be paid in year 2018 fully. Askari Bank Ltd has also restructured long term loan as disclose in note 8.
- (iii) Due to applicability of the Companies Act, 2017 amounts reported for the previous period are restated. For detailed information please refer note 4.
- (iv) For a detailed discussion about the Company's performance please refer to the Directors' report.

2 BASIS OF PREPARATION**2.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for measurement of certain financial assets and financial liabilities at fair value and recognition of employee benefits at present value.

2.2 Statement of compliance

These financial statements of the company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest Rupee.

2.4 Use Of Estimates And Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. During the year the company revises depreciation rates of building & Plant & Machinery based on estimates/judgement and market trends which increases the depreciation charge by Rs 13,638 million.

2.5 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IAS 7, Statement of Cash Flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financial activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided.

The change may impact the disclosures of the Company's annual financial statements.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the company. These changes also include change in respect of recognition criteria of surplus on revaluation of fixed assets as more fully explained in note 4, change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2017, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in these financial statements.

Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018, that may have an impact on the financial statements of the Company.

IFRS 9 Financial instruments- This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 Revenue from contracts with customers- IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principal that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 Leases- IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognized on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The Only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Defined benefit plan

The company operates an unfunded gratuity plan for all of its permanent employees, who attain the minimum qualification period for entitlement to gratuity. Provision is made on the basis of actuarial valuation. The most recent actuarial valuation was carried out effective from June 30, 2018 using the Projected Unit Credit Method.

Any Remeasurement of post retirement benefit obligation recognized during the year if any, recognized in "Statement of Comprehensive Income."



3.2 Taxation

Current

Provision for current taxation is made on the taxable income, if any, after taking into account tax credit and tax rebate available.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. The carrying amount of all deferred tax assets are reviewed at each balance sheet date and reduced to the extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

3.3 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.4 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.5 Property, plant and equipment

a) Owned

Property plant and equipment except land, Building and Plant & Machinery are stated at cost less accumulated depreciation and impairment loss, if any. Land, Building and Plant & Machinery are stated at revalued amount less accumulated depreciation and impairment loss, if any. Depreciation on additions during year is charged on pro-rata basis when the asset is acquired or capitalized. Similarly the depreciation on deletion is charged on pro-rata basis up to the period when the assets is derecognized. The company reviews the rate of depreciation, useful life, residual value of assets for possible impairment on annual basis. Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charges and impairment. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

b) Leased Assets subject to finance lease

Assets subject to finance lease are initially recorded at the lower of present value of minimum lease payment under the lease agreement and the fair value of the leased asset. The related obligations under the lease less financial charges allocated to future period are shown as a liability. Financial charges are allocated to accounting period in a manner to provide constant periodic rate of charge on the outstanding liability. Capitalized or leased assets are depreciated on the same basis and on the same rate as owned assets. Income arising from sales and lease back transaction, if any, is deferred and is amortized equally over the lease period.

c) Capital work in progress

Capital work in progress is stated at cost and represents expenditure on fixed assets in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use intended.

d) Impairment of fixed assets

In accordance with IAS 36, assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may be recoverable. Whenever the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognized in the profit and loss account.

e) Revaluation Surplus-4.1

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognized in the statement of profit or loss however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

f) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases.

Payments received under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

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3.6 Stores, spares and loose tools

These are valued at lower of cost and net realizable value. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.7 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except waste which is valued at NRV, cost is determined as follows:

| | |
|----------------------------------|--|
| Raw material | Yearly average except those in transit which are stated at cost comprising invoice value plus other charge incurred thereon. |
| Work in process & Finished goods | Raw material cost plus appropriate Manufacturing expenses. |
| Waste | At net realizable value |

Net realizable value signifies the selling price prevailing in the market less selling expenses incidental to sales.

3.8 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

3.9 Cash and cash equivalent

Cash in hand, cash at bank and short-term deposits, which are held to maturity, are carried at cost. For the purpose of cash flow statements, cash equivalent are short-term highly liquid instrument that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

3.10 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or losses on derecognition of the financial assets and financial liabilities are taken to profit and loss account currently. Financial assets are stated at their nominal value as reduced by the appropriate allowances for estimating irrecoverable amount.

Mark up bearing financial liabilities are recorded at the gross proceeds received. Other financial liabilities are stated at their nominal value.

3.11 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

3.12 Revenue recognition

Sales are recognized on dispatch of goods to the customers. Dividend income is recognized when right to receive dividend is established. Rental/lease income is recognized on accrual basis. Markup / interest income is recognized as it accrues in statement of profit or loss, using the effective interest rate method.

3.13 Derivative Financial Instruments

These are initially recognized at cost and are subsequently remeasured at their fair value. The method of recognizing gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. Derivatives (Other than designated as hedging instrument) with positive market values (unrealized gains) are included in other assets and derivative with negative market values (unrealized) losses are included in other liabilities in the balance sheet. The resultant gain and losses are included in the income currently.

3.14 Borrowing

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis and are shown as accrued finance cost to the extent of the amount remaining unpaid.

3.15 Dividend and appropriation to reserves

The dividend distribution and appropriation to reserves is recognized in the period in which, these are approved.

3.16 Borrowing costs

Mark up, interest and other charges on borrowing are capitalized up to the date of commissioning of the related property, plant and equipment acquired out of the proceeds of such borrowings. All other mark up, interest and other charges are charged to profit and loss account.

3.17 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognized in the profit and loss account. All non - monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

3.18 Transactions with related party

Transactions with related parties are priced at comparable uncontrolled market price. All transactions involving related parties arising in the normal course business are conducted at arm's length using valuation modes, as admissible. Parties are said to be related when they meet the definition as provided in the Companies Act 2017.

4.1 Surplus on revaluation of fixed assets

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's policy for surplus on revaluation of land and building stands amended as follows:

Increases in the carrying amounts arising on revaluation are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the Revaluation surplus to retained earnings.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of change in accounting policy is summarized below:

| | Surplus on Revaluation |
|---|------------------------|
| 2016 | |
| As at reported on 30 June 2016-Original | 621,900,373 |
| As at reported on 30 June 2016-Restated (decrease) | |
| 2017 | |
| As at reported on 30 June 2017-Original | 525,238,688 |
| As at reported on 30 June 2017-Restated (decrease) | |
| 2016 | |
| As at reported on 30 June 2016-Original | |
| As at reported on 30 June 2016-Restated (increase by Revaluation Surplus balance) | 621,900,373 |
| 2017 | |
| As at reported on 30 June 2017-Original | |
| As at reported on 30 June 2017-Restated (increase by Revaluation Surplus balance) | 525,920,777 |
| 2017 | |
| As at reported on 30 June 2017-Original | |
| As at reported on 30 June 2017-Restated (increase) | 93,103,090 |

There was no cash flow impact as a result of the retrospective application of change in accounting policy.

4.2 Investment Property

With the change in Principal line of business the company has decided to apply IAS-40 Investment Property from October 2017. The Company's business model i.e. the Company's intentions regarding the use of a property is the primary criterion for classification as an investment property. Investment Property, comprising land or a building or part thereof, held to earn rentals or for capital appreciation or both are classified as investment property.

Investment properties are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a written down value method to allocate the depreciable amounts over the estimated useful lives. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date.

The transfer from owner occupied property to investment property is made when and only when, there is a change in use, evidenced by the end of owner occupation. However when an owner occupied property becomes an investment property because its use has changed, the transfer to the investment property is at its book value. On the date of such transfer, surplus on account of revaluation of property, plant and equipment's remains intact & no transfers from revaluation surplus shall be made to retained earning. Upon disposal, any surplus will directly transferred to retained earnings. However any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the profit and loss account.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalized and the carrying amounts of the replaced components are recognized in profit or loss. The cost of maintenance, repairs and minor improvements is recognized in profit or loss when incurred. Rental income from investment property is recognized on straight line basis over the period of tenancy.

| Note | June 30, 2018 RUPIES | June 30, 2017 RUPIES |
|---|-------------------------|-------------------------|
| 5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | | |
| 2,200,000 (2017: 2,200,000) Ordinary shares of Rs.10 each allotted for consideration paid in cash | 22,000,000 | 22,000,000 |
| 200,000 (2017: 200,000) Ordinary shares of Rs.10 each allotted as bonus shares | 2,000,000 | 2,000,000 |
| 9,600,000 (2017: 9,600,000) Ordinary shares of Rs. 10 each issued as right shares | 96,000,000 | 96,000,000 |
| | 120,000,000 | 120,000,000 |
| 6 RESERVES | | |
| Revenue reserve | 3,580,053 | 3,580,053 |
| Accumulated loss | (1,089,053,790) | (1,223,353,960) |
| Surplus on revaluation of fixed assets | 6.1 525,238,488 | 525,920,777 |
| | (560,235,199) | (493,853,130) |

7 SURPLUS ON REVALUATION OF FIXED ASSETS

| | | |
|---|--------------------|--------------------|
| Balance as at June 30, 2017 | 525,920,777 | 621,800,373 |
| Reversal of Revaluation Surplus on Land & Building | - | (93,303,690) |
| Transfer to equity on account of incremental depreciation | (682,289) | (2,876,546) |
| Balance as at June 30, 2018 | 525,238,488 | 525,920,777 |

7.1 The company revalued its Land & Building on market value basis in year December 2016 conducted by K.G.Traders, an independent value which result in downward valuation of Rs 93,103 million which was off set against the previous surplus.
In the previous year the company revalued its Plant & Machinery on the basis of taking average value of three valuations conducted by Al-Hadi Financial, K.G.Traders and Sadruddin Associates, independent Values on September 3,2015, September 8,2015 and August 25,2015 respectively on the request of Banks which result in downward valuation of Rs 243.180 million on FSV basis, out of which Rs 65.798 million off set the previous surplus.

7.2 The company revalued its Land, Factory Building and Plant and Machinery on market value basis by an independent value M/S Consultancy Support & Services, Management Consultant on 21st February 2012. The revaluation resulted in a cumulative surplus of Rs. 45.306 (M).The company revalued its Land, Factory building & plant & machinery in 2009 which resulted in surplus of 223.989(M), 50.941(M) & 49.515(M) respectively. The revaluation was carried out under market value basis by an independent value Messer Consultancy Support & Service Management Consultants. The company revalued its leasehold land in 2008 & in 2005 by Messer Intran Associate & Messer Consultancy Support & Service Management Consultants respectively which resulted in net surplus of 252.122(M) & 151.635(M) respectively. The company has further revalued its factory building in the year 2006 by Consultancy Support & Services, Management Consultants, which resulted increase in net surplus of Rs. 377.681 (M).

8 LONG TERM

From banking companies - secured

Term Finance

| | | | |
|-------------------|-----|--------------------|--------------------|
| United Bank Ltd. | 8.1 | 32,583,983 | 36,883,983 |
| Aiskari Bank Ltd. | 8.2 | 165,983,000 | 175,983,000 |
| Bank Alfalah Ltd. | 8.3 | 104,000,000 | 151,000,000 |
| Sereni Bank Ltd. | 8.4 | - | 210,908,875 |
| | | 302,566,983 | 574,771,858 |

Frozen Markup

| | | | |
|-------------------|-----|--------------------|--------------------|
| United Bank Ltd. | 8.1 | 222,272,000 | 222,277,000 |
| Aiskari Bank Ltd. | 8.2 | 119,888,598 | 119,888,598 |
| Sereni Bank Ltd. | 8.4 | - | 46,158,000 |
| | | 342,160,598 | 388,318,598 |

Deferred Markup

| | | | |
|-------------------|--|-------------------|----------------|
| United Bank Ltd. | | 2,666,198 | 905,367 |
| Aiskari Bank Ltd. | | 11,743,541 | - |
| | | 14,409,739 | 905,367 |

Current maturity of long term financing

| | | |
|--|----------------------|---------------------|
| | (134,100,002) | (78,300,000) |
| | (134,100,002) | (78,300,000) |
| | 525,037,318 | 585,695,818 |

8

8.1 United Bank Limited (Loans)

On March 17, 2017, bank has restructured the balance amount of Rs 39.8 million into a four year long term loan payable in 24 installments with markup accruing at cost of the bank. The cost of fund so accrued shall be paid in two installments i.e. on December 25, 2020 and March 25, 2021. Upon receipt of full amount, the recoverable markup of Rs 222.272 million will be waived off. The term loan is secured by Memorandum of deposit of titled deeds of 90 million.

8.2 Askari Bank Ltd. (Term Finance)

During the period the bank restructure the balance amount into a five year term loan payable in 28 installments starting from January 2018 and ending on December 2022. The markup will be accrued at cost of fund of the bank and shall be payable after the payment of principal in four equal installments in year 2023. All the frozen markup of Rs 119.888 million up to 30th June 2015 will be waived off if the company pay the entire principal amount within time. The loan is secured by first pari passu charge by way of mortgage of Rs 150m over company land and building, ranking charge of Rs 40 m over receivables and personal guarantee of three directors.

8.3 Bank Alfalah Ltd. (Term Finance)

During the period, under an arrangement with Bank Alfalah, the whole loan amount will be settled at Rs 115 million payable in six monthly installments starting from February 2018 till July 2018. The balance amount of Rs 35 million will be waived off by bank upon payment of full settlement amount by the company. The 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.

8.4 Soneri Bank Ltd. (Term Finance)

During the period the entire loan was settled at Rs 173.75 million with complete waiver of markup of Rs 46.158 million. The gain on extinguishment of debt is Rs 83.312 million including markup. The Bank on receipt of settlement amount has issued NOC for release of all the charges registered with SECP.

9 DEFERRED LIABILITIES

Staff retirement benefit-gratuity
Deferred tax

Note

June 30, 2018

June 30, 2017

9.1

202,368

67,733

9.2

-

-

202,368

67,733

9.1 Movement in the net liability recognized in the balance sheet

(a) Opening net liability
Expense for the year
Remeasurement on obligation

67,733

23,421

126,988

41,922

7,645

2,390

202,368

67,733

Contribution paid

-

-

Closing net liability

202,368

67,733

(b) Expense recognized in the profit and loss account excluding actuarial loss

Current service cost
Interest cost

120,957

39,857

6,031

2,065

126,988

41,922

(c) General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial technique of Projected Unit Credit Method.

(d) Principal actuarial assumption

Following are a few important actuarial assumptions used in the valuation.

Discount rate

%

%

8

8

Expected rate of increase in salary

5

5

(e) Historical information

2018

2017

2016

2015

2014

RUPEES

RUPEES

RUPEES

RUPEES

RUPEES

Present value of the defined obligation

126,988

41,922

23,421

260,009

78,603

(f) The expected gratuity expense for the year ending June 30, 2019 works out to 150,000/-

9.2 The company has provided for the current tax based on normal provisions of the income tax ordinance 2001. However, the Company has not provided for deferred tax since the Company's management expects that in consonance with the past trends, future tax liabilities would continue to be finalized under the final tax Regime, taxed as Separate block of income and no tax liability due to gross losses the temporary differences are not likely to be reversible in future. The amount of deferred tax on taxable and deductible temporary difference is Rs. 24,650 million (2017: Rs. 36,919 million) and Rs. 117,546 million (2017: Rs. 115,825 million) respectively. Therefore, any timing differences arising during the year are not expected to reverse in future periods. Deferred Tax asset not recognized in the accounts amounting to Rs. 92,895 million (2017: Rs. 78,906 million) as it is not probable that future economic benefits will be available to recover Deferred tax assets.

10 TRADE AND OTHER PAYABLES

| Note | June 30, 2018 RUPIES | June 30, 2017 RUPIES |
|--------------------------------------|-------------------------|-------------------------|
| Trade creditors | 139,866,832 | 187,157,906 |
| Trade creditors from related parties | 10.1 111,111,579 | 162,106,229 |
| Rest Deposit | 10.2 17,288,500 | 7,456,750 |
| Advance From Customers | 3,125,702 | 6,832,633 |
| Withholding tax payable | 827,491 | 797,260 |
| Accrued expenses | 2,662,904 | 2,162,447 |
| Regulatory Duty Payable | 12.1 24,089,788 | 24,089,788 |
| Worker's profit participation fund | 10.3 8,908,243 | 8,096,195 |
| Infrastructure Cess Payable | 10.4 9,643,838 | 9,643,838 |
| Sales Tax Payable | - | 1,044,654 |
| | 317,324,857 | 409,187,699 |

10.1 Trade creditors include amount due to related parties as follows:

| | | |
|------------------------------------|--------------------|--------------------|
| Olympia Power Generation (Pvt) Ltd | 10.1.1 111,111,579 | 125,859,277 |
| Olympia Paper Industries (Pvt) Ltd | - | 36,246,952 |
| | 111,111,579 | 162,106,229 |

10.1.1 This includes Rs.111,112 million/- (2017: Rs.125,859 million) payable to Olympia Power Generation (Pvt) Ltd payable on demand. The terms & conditions for conversion into loan is not decided yet.

10.2 These deposits are under the term of tenancy agreement and integral part of company's principal line of business.

10.3 Worker's profit participation fund

| | | |
|--------------------------------------|------------------|------------------|
| Balance at the beginning of the year | 8,096,195 | 7,432,103 |
| Interest cost | 832,048 | 664,092 |
| Allocation for the year | - | - |
| | 8,908,243 | 8,096,195 |
| Less: Payments During the year | - | - |
| Balance at the end of the year | 8,908,243 | 8,096,195 |

10.4 Infrastructure Cess

| | | |
|---------------------------|---------------------|------------------|
| Infrastructure payable | 21,665,371 | 21,665,371 |
| Infrastructure receivable | 10.4.1 (12,021,533) | (12,021,533) |
| | 9,643,838 | 9,643,838 |

| | Note | June 30, 2018 RUPEES | June 30, 2017 RUPEES |
|---|------|-------------------------|-------------------------|
| <p>10.4.1 As a matter of prudence, the company has recognized a provision of estimated infrastructure cross liability in light of supreme court judgement. The demand from ETD remain unreconciled since 2011 as ETD fails to provide breakup of demand. Also company's claim of Rs. 12.021 in currency entitlement by ETD which related to cross declare illegal by supreme court from 1994 to 2006.</p> | | | |
| <p>11 SHORT TERM BORROWINGS</p> | | | |
| Loan from Director/Sponsors | 11.1 | 303,566,871 | 85,211,041 |
| | | <u>303,566,871</u> | <u>85,211,041</u> |
| <p>11.1 The Loan from Directors / Sponsors is unsecured and interest free and payable on demand. The terms of repayment are not decided yet.</p> | | | |
| <p>12 CONTINGENCIES AND COMMITMENTS</p> | | | |
| <p>Contingencies</p> | | | |
| <p>12.1 The Company with many other exporters filed a petition against the imposition of regulatory duty on its export of yarn. The court has granted interim stay order in favor of the company and allowed export of yarn without regulatory duty against post dated cheques. The unpaid amount of regulatory duty was Rs. 24 million.</p> | | | |
| <p>12.2 The company has filed a suit in High Court of Sindh and obtained Stay Order against settlement of cross currency swap contracts of Rs. 801.5 million 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 million has been made in the financial statements, as the legal opinion is favorable.</p> | | | |
| <p>12.3 The company has paid Rs 900,810 as ground rent against the demand of CDGC of Rs. 3,629 m. The company has filed a case in Sindh high court. As per legal opinion, there is a fair chance of favourable outcome.</p> | | | |
| <p>12.4 Cross corporate Guarantee issued in favor of subsidiary / associated company amounts to Rs. 52.5 million.</p> | | | |
| <p>12.5 Guarantee issued to Excise and Taxation Officer & SSCC by bank on behalf of the company amounting to Rs. 25,796 million.</p> | | | |
| <p>13 PROPERTY, PLANT AND EQUIPMENT</p> | | | |
| Operating Assets | 13.1 | <u>70,290,020</u> | <u>76,021,704</u> |

Signature

13.1 PROPERTY PLANT AND EQUIPMENTS

| PARTICULARS | COST REVALUATION (RUEP) | | | | | RATE | DEPRECIATION (RUEP) | | | | W.D.V. | |
|--|-------------------------|------------------|-------------|--------------------|----------------------|------|---------------------|-------------------|---------------------|--------------------|---------------------|---------------------|
| | AS AT 30/06/2017 | ADDITION | REVALUATION | DELETION | TRANSFER | | AS AT 30/06/2017 | FOR THE YEAR | TRANSFER | DELETION | AS AT 30/06/2018 | AS AT 30/06/2019 |
| OWNED | | | | | | | | | | | | |
| LAND | 505,000,000 | - | - | - | (505,000,000) | - | - | - | - | - | - | - |
| FACTORY BUILDING | 195,420,862 | - | - | - | (195,420,862) | 10% | 3,176,731 | 4,821,368 | (8,367,893) | - | - | - |
| PAPER PLANT & MACHINERY WITH RELATED EQUIPMENT | 63,422,862 | - | - | - | (63,422,862) | 10% | 3,136,988 | 1,512,302 | (4,358,559) | - | - | - |
| OFFICE EQUIPMENT | 33,140,092 | - | - | - | - | 10% | 7,121,908 | 301,415 | - | - | 7,423,323 | 2,712,214 |
| FACTORY TOOLS & EQUIPMENT | 6,678,843 | - | - | - | - | 10% | 3,388,179 | 284,759 | - | - | 3,672,939 | 2,362,514 |
| FURNITURE & FIXTURES | 6,195,732 | - | - | - | - | 10% | 8,612,619 | 156,211 | - | - | 4,399,633 | 1,465,010 |
| MOVING VEHICLE | 31,438,207 | 2,308,790 | - | (3,282,128) | (2,364,128) | 20% | 4,414,043 | 886,487 | (215,986) | (2,537,602) | 5,251,945 | 3,068,621 |
| ARMED & AMMUNITION | 42,351 | - | - | - | - | 10% | 44,148 | 3,313 | - | - | 46,959 | 29,619 |
| TOTAL RUEP-OWNED | 796,276,186 | 2,308,790 | - | (3,282,128) | (766,671,130) | | 29,212,491 | 7,559,586 | (15,727,589) | (2,537,602) | 21,166,937 | 9,612,719 |
| OPERATING LEASE-LEASE | | | | | | | | | | | | |
| PAPER PLANT & MACHINERY | - | 2,065,000 | - | - | 63,422,862 | 10% | 4,442,336 | 4,528,889 | - | - | 8,371,625 | 56,127,012 |
| MOVING TRUCK | - | 2,000,000 | - | - | 2,561,248 | 20% | 515,027 | 271,906 | - | - | 802,983 | 4,564,265 |
| TOTAL RUEP-LEASED | - | 4,065,000 | - | - | 65,984,110 | | - | 5,833,393 | 5,340,416 | - | 18,177,609 | 60,677,912 |
| TOTAL RUEP (JUNE - 2018 OWNED & LEASED) | 796,276,186 | 7,673,790 | - | (3,282,128) | (700,687,020) | | 29,212,491 | 12,902,969 | (10,387,173) | (2,537,602) | 31,348,746 | 76,290,231 |

13.1.1 Depreciation has been allocated as under:

| | JUNE -2018 | JUNE -2017 |
|-------------------------|-------------------|-------------------|
| Cost of Sales | 6,638,645 | 13,215,487 |
| Administrative Expenses | 1,786,427 | 918,698 |
| Operating Lease | 5,615,763 | - |
| | <u>12,940,835</u> | <u>14,134,185</u> |

13.1.2 DISPOSAL OF FIXED ASSETS

| 2017-18 | | | | | | | |
|------------------------|-------------|------------------|--------------------------|----------------|------------------|-----------------|------------------|
| S.NO. | Particulars | COST | Accumulated Depreciation | Book Value | Sale Price | Carried Forward | Mode of Disposal |
| Motor vehicles: | | | | | | | |
| 1 | ADOQ 580 | 1,136,200 | 293,495 | 902,717 | 870,000 | 107,263 | Negotiation |
| 2 | ADO 470 | 1,063,960 | 795,343 | 268,617 | 180,000 | 90,263 | Negotiation |
| 3 | ADO 470 | 150,000 | 284,763 | 149,237 | 280,000 | 16,263 | Negotiation |
| 4 | CT 860 | 692,000 | 488,485 | 193,515 | 400,000 | 258,485 | Negotiation |
| Total Rupees | | 3,042,160 | 2,872,086 | 966,882 | 1,670,000 | 456,453 | |


13.1.3 Had there been no revaluation the net book value of land and factory building & Plant & Machinery at June 30, 2018 would have been as follows:

| | | |
|--|--------------------|--------------------|
| Land | 218,500 | 218,500 |
| Factory building on lease (total land) | 302,678,221 | 727,760,368 |
| As at 30th June 2018 | <u>302,896,721</u> | <u>946,260,868</u> |
| As at 30th June 2017 | <u>337,366,678</u> | <u>337,366,678</u> |

Rev

| PARTICULARS | COST REVALUATION DEPRECIATION | | | | | | RATE % | DEPRECIATION DEPRECIATION | | | | | B.D.V. | |
|---------------------------|-------------------------------|------------|---------------|-------------|--------------|------------------|--------|---------------------------|--------------|--------------|-------------|------------------|------------------|------------------|
| | AS AT 01.07.2016 | ADDITION | REVALUATION | DELETION | TRANSFER | AS AT 30.06.2017 | | AS AT 01.07.2016 | FOR THE YEAR | REVALUATION | DELETION | AS AT 30.06.2017 | AS AT 01.07.2016 | AS AT 30.06.2017 |
| OWNED: | | | | | | | | | | | | | | |
| LAND | 515,444.291 | - | (50,444,291) | - | - | 505,000.000 | - | - | - | - | - | - | - | 505,000.000 |
| FACTORY BUILDING | 379,247.981 | - | (175,682,630) | - | 51,869,849 | 195,435,000 | 4% | 51,961,871 | 9,209,860 | (97,063,527) | - | 3,755,725 | 190,679,275 | 190,679,275 |
| PLANT & MACHINERY | 19,779,796 | 50,542,412 | - | (2,800,000) | (1,079,396) | 63,422,862 | 6% | 473,756 | 3,187,082 | - | (133,943) | 3,416,098 | 63,006,856 | 63,006,856 |
| OFFICE EQUIPMENT | 10,141,057 | - | - | - | - | 10,141,057 | 10% | 6,796,447 | 339,461 | - | - | 7,221,908 | 3,079,141 | 3,079,141 |
| FACTORY TOOLS & EQUIPMENT | 6,035,863 | - | - | - | - | 6,035,863 | 10% | 3,082,950 | 296,389 | - | - | 3,380,139 | 2,687,704 | 2,687,704 |
| FURNITURE & FICTURE | 6,195,732 | - | - | - | - | 6,195,732 | 10% | 4,460,081 | 173,568 | - | - | 6,633,619 | 1,562,113 | 1,562,113 |
| MOTOR VEHICLE | 11,187,969 | 2,563,248 | - | (1,779,000) | - | 11,972,217 | 20% | 7,812,975 | 407,099 | - | (1,327,236) | 6,992,636 | 5,983,681 | 5,983,681 |
| ARMS & AMMUNITION | 67,375 | - | - | - | - | 67,375 | 30% | 41,878 | 2,870 | - | - | 44,246 | 23,129 | 23,129 |
| ELECTRIC & PIPE FITTING | 50,869,849 | - | - | - | (51,869,849) | (1) | 10% | 39,071,136 | 636,382 | - | - | - | - | - |
| TOTAL UP TO JUNE - 2017 | 839,009,993 | 53,105,670 | 196,337,220 | (4,374,000) | (1,639,360) | 798,374,196 | - | 113,661,822 | 14,257,813 | (97,063,527) | (1,461,176) | 29,252,462 | 769,811,768 | 769,811,768 |

| | Note | June 30, 2008 RUPEES | June 30, 2017 RUPEES | |
|--------|---|-------------------------|-------------------------|-------------|
| 13.1.5 | The Company enters into an operating lease arrangement for Paper Plant and related items with M/s Perfect paper Mills for initial period of 10 Years. The arrangement can be terminated by either party by giving three months notice. The company will charge lease charges on the basis of Rs.2.5 per kg. on monthly production. In addition to this, Olympia Power Generation (Pvt.) Ltd. will supply power to lessee on same terms as it provided to company. | | | |
| 14 | INVESTMENT PROPERTY | | | |
| | Investment Property | 14.1 | 677,872,707 | |
| | | | | |
| | | Land | Building | Total |
| 14.1 | Cost transfer from fixed assets | 505,000,000 | 195,435,000 | 700,435,000 |
| | Accumulated Depreciation transfer from fixed assets | - | 8,587,093 | 8,587,093 |
| | Written down Value as at 01-10-2017 | 505,000,000 | 186,847,907 | 691,847,907 |
| | Depreciation charge | - | 13,975,200 | 13,975,200 |
| | Written down Value Factory Building | 505,000,000 | 172,872,707 | 677,872,707 |
| 14.2 | Investment Property comprises Land measuring around 14 acres & building situated at Landhi Industrial area. The fair value of the investment property according to most recent valuation based on market values of surrounding properties are as follows: | | | |
| | | Assessed value | FSV | |
| | Land | 505,000,000 | 404,000,000 | |
| | Building | 195,435,000 | 156,348,000 | |
| | Total | 700,435,000 | 560,348,000 | |
| 15 | LONG TERM DEPOSITS | | | |
| | K.E.S.C. | 1,829,694 | 1,829,694 | |
| | Other deposits | 1,765,468 | 1,715,468 | |
| | | 3,595,162 | 3,545,162 | |
| 16 | STOCK IN TRADE | | | |
| | Raw material | - | 2,777,605 | |
| | Finished goods | - | 5,186,343 | |
| | Coal | - | 1,394,287 | |
| | | - | 9,358,230 | |
| 17 | TRADE DEBTS | | | |
| | Unsecured-Considered good | | | |
| | Trade debts | 12,953,190 | 24,281,131 | |
| | | 12,953,190 | 24,281,131 | |
| 18 | OTHER FINANCIAL ASSETS | | | |
| | Term Deposits Cross Currency Swap | 18.1 & 22.1 | 8,300,000 | 8,300,000 |
| | Term Deposits - ETO & SSGC | 18.2 | 25,796,000 | 25,796,000 |
| | | | 34,096,000 | 34,096,000 |
| 18.1 | The above deposit had been held by bank as collateral security against Cross currency swap contract. This carries markup at the average rate 5.50% (2017 :5.50 % p.a.). During the year, the bank write off TDR against its disputed liability as disclose in Note 12.2 against which a suit is pending in Sindh High Court. | | | |
| 18.2 | These represents TDR held by banks, under lien as security margins for guarantees issued to ETO & SSGC. These TDR's carries markup at the rate ranging from 5.75 % to 8 % approx. per annum (2017: 5.5 % to 6.0 %). | | | |
| 19 | LOANS AND ADVANCES | | | |
| | Unsecured-considered good | | | |
| | To Employees | | | |
| | Advance to Employees | | 170,317 | 246,137 |
| | | | 170,317 | 246,137 |
| | To suppliers | | | |
| | Considered Good | | 340,777 | 1,637,474 |
| | | | 511,094 | 1,883,626 |

| | Note | June 30, 2018 RUPEES | June 30, 2017 RUPEES |
|--|------|-------------------------|-------------------------|
| 20 INCOME TAX AND SALES TAX REFUNDABLE | | | |
| Sales tax refundable-net | | 784,779 | |
| Income tax refundable | | | |
| Opening Balance | | 9,494,410 | 10,178,392 |
| Withholding Tax deducted during the year | | 9,204,952 | 8,966,759 |
| Refund during the year | | - | (1,841,433) |
| Less: Provision For Taxation | | (9,819,862) | (7,808,878) |
| | | 8,879,100 | 9,494,410 |
| | | 9,663,879 | 9,494,410 |
| 21 OTHER RECEIVABLES | | | |
| Receivables-Others | | 436,205 | 794,051 |
| Claims receivables | 21.1 | 29,185,850 | 29,185,850 |
| Less - Provision for doubtful claim receivable | 21.2 | (5,241,519) | (5,241,519) |
| | | 24,380,536 | 24,738,382 |
| 21.1 These represent claims lodged by the company against suppliers for cancellation of raw material contracts. | | | |
| 21.2 Provision for doubtful claim receivable | | | |
| Balance at the beginning of the year | | 5,241,519 | 1,434,877 |
| Provision made during the year | | - | 5,241,519 |
| Balance at the end of the year | | 5,241,519 | 5,241,519 |
| 22 CASH AND BANK BALANCES | | | |
| Cash in hand | | 23,392 | 162,187 |
| Cash at bank-SCB Disputed | 22.1 | 6,519,183 | 6,057,898 |
| Cash at bank in current accounts | | 91,150 | 2,243,445 |
| | | 6,633,725 | 8,463,475 |
| 22.1 This bank account is maintained with Standard Chartered Bank. The bank debited its disputed claim as disclosed in Contingent liability note and periodically credit interest on TDR held. During the year Standard Chartered wrote off the whole of its claims against the company against securities held despite the fact that a litigation is pending in Sindh High Court to date. The amount of Rs.6,519 in represents interest earned on TDR's held illegally by bank. | | | |
| 23 Direct operating Expenses | | | |
| Insurance | | 370,799 | - |
| Taxes & Fee | | 362,063 | - |
| Repair & Maintenance | | 1,606,246 | - |
| Utilities Charges (Electricity, Water & Gas)-Net | 23.1 | 506,020 | - |
| Salaries & Benefit | | 3,376,601 | - |
| Depreciation expenses-Leased Assets | | 5,033,393 | - |
| Depreciation expenses-Investment Property | 14.1 | 13,975,209 | - |
| | | 25,230,922 | - |
| 23.1 This amount represent proportionate utilities charged to investment property based on appropriate allocation on determine by management which is net off with Rs. 3,424 m charged to tenants on account of utilities. | | | |
| 24 SALES | | | |
| Flating Paper | | 53,399,174 | 77,782,303 |
|  | | - | - |
| | | 53,399,174 | 77,782,303 |

| | Note | June 30, 2018 RUPEES | June 30, 2017 RUPEES |
|---------------------------------------|--------|-------------------------|-------------------------|
| 25 COST OF SALES | | | |
| Raw material consumed | 25.1 | 19,542,162 | 32,487,870 |
| Stores and spare parts consumed | 25.2 | 1,099,797 | 2,587,437 |
| Salaries, wages and benefits | 25.3 | 2,260,233 | 5,991,659 |
| Utilities Charges (Water & Sewer gas) | 25.4 | 1,068,995 | 3,782,095 |
| Power Charges | 25.5 | 11,148,342 | 29,968,473 |
| Steam consumption | | 6,934,832 | 7,687,990 |
| Vehicle running and maintenance | | 93,190 | 188,480 |
| Repairs and maintenance | | 184,500 | 265,648 |
| Insurance | | - | 349,344 |
| Miscellaneous Expenses | | 123,161 | 5,580 |
| Depreciation | 13.1.1 | 6,608,640 | 13,227,467 |
| Cost of goods manufactured | | 49,065,832 | 96,527,073 |
| Finished goods | | | |
| Opening | | 5,186,343 | - |
| Closing | | - | (5,186,343) |
| | | 5,186,343 | (5,186,343) |
| Cost of sales | | 54,252,175 | 91,335,680 |

25.1 RAW MATERIAL CONSUMED

| | | |
|-----------------------------|-------------------|-------------------|
| Opening stock | 2,777,645 | - |
| Purchases | 16,815,036 | 35,265,465 |
| | 19,592,681 | 35,265,465 |
| Transfer to trading account | (50,519) | - |
| Closing stock | - | (2,777,645) |
| | 19,542,162 | 32,487,820 |

25.2 STORES AND SPARES CONSUMED

| | | |
|---------------|------------------|------------------|
| Opening stock | - | - |
| Purchases | 1,099,797 | 2,587,437 |
| Available | 1,099,797 | 2,587,437 |
| Consumed | 1,099,797 | 2,587,432 |

25.3 It includes Rs.120,957/- (June 2017: Rs. 39,857/-) in respect of staff retirement benefits.

25.4 This amount represent proportionate utilities charged to Administrative expenses based on appropriate allocation as determine by management.

25.5 Power units charged to administrative expenses amounts to Rs Nil (2017:2.4 million based on appropriate allocation as determine by management).

26 ADMINISTRATIVE & GENERAL EXPENSES

| | | | |
|---------------------------------|--------|-------------------|-------------------|
| Salaries and other benefits | 26.1 | 9,871,516 | 2,602,157 |
| Rent, rates and taxes | | 375,989 | 658,055 |
| Electric, gas and water charges | 26.2 | 3,379,540 | 3,488,188 |
| Postage, telephone and telex | | 335,592 | 431,572 |
| Printing and stationery | | 151,678 | 10,782 |
| Repairs and maintenance | | 667,501 | - |
| Advertisement and publicity | | 74,800 | 79,700 |
| Vehicle running expenses | | 787,342 | 311,761 |
| Entertainment | | 660,908 | 105,751 |
| Auditor's remuneration | 26.3 | 632,880 | 632,880 |
| Miscellaneous | | 448,346 | 430,904 |
| Insurance Expense | | 674,125 | 1,537,079 |
| Depreciation | 13.1.1 | 1,350,927 | 918,698 |
| | | 19,442,144 | 11,206,008 |

26.1 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | 2018 Executives | 2017 Executives |
|--|--------------------|--------------------|
| Managerial Remuneration and other Allowances | 4,257,500 | - |
| Number of Persons | 2 | - |

Signature

| | Note | June 30, 2018 RUPEES | June 30, 2017 RUPEES |
|---|------|-------------------------|-------------------------|
| 6a) The Chief Executive and Directors of the company have waived off their remuneration and meeting fee. | | | |
| 6b) The Chief Executive and directors of the company are provided with free use of company maintained car and Electricity & telephone at their residences. | | | |
| 26.2 This amount represent proportionate utilities charged to Administrative expenses based on appropriate allocation on determine by management. | | | |
| 26.3 AUDITOR'S REMUNERATION | | | |
| Audit fee | | 500,000 | 500,000 |
| Half yearly review fee | | 132,880 | 132,880 |
| | | 632,880 | 632,880 |
| 27 OTHER OPERATING INCOME | | | |
| Income From Financial Assets | | | |
| Return on Bank Term Deposits | | 1,796,848 | 1,779,798 |
| Trading Income | 27.1 | 470,387 | - |
| Others | 27.2 | 31,800,000 | 25,438,234.00 |
| Gain on disposal of Fixed Assets | | 905,434 | - |
| Liabilities No Longer Payable-Creditors-Gainers | | 21,297,072 | 88,620,999 |
| Liabilities No Longer Payable-Creditors-Others | | 911,206 | - |
| | | 57,180,947 | 115,838,521 |
| 27.1 Trading Income | | | |
| Sales | | 14,003,174 | - |
| Cost of Sales | | 13,532,787 | - |
| Gain | | 470,387 | - |
| 27.2 The receipt is utilized for making payment of investment under SRO 1065(I)/2013 and Clause 86-a(ii) of Part IV of Second Schedule in Paper Plant & Machinery and related items to the creditors. | | | |
| 28 Gain on Extinction of debt-Sonari Bank Ltd | | | |
| Principal | | 37,154,875 | - |
| Markup | | 46,158,000 | - |
| | 8.4 | 83,312,875 | - |
| 29 OTHER OPERATING EXPENSES | | | |
| Provision for doubtful claim receivable | | - | 5,241,520 |
| Provision for disallowed sale tax | | 465,684 | 6,138,470 |
| Loss on disposal of fixed assets | | - | 253,722 |
| Provision for Infrastructure Cess Payable | | - | 21,465,371 |
| | | 465,684 | 33,299,063 |
| 30 FINANCE COST | | | |
| Interest/mark-up on: | | | |
| Long term loans | | 13,504,377 | 905,367 |
| Worker's profit participation fund | | 812,048 | 664,092 |
| | | 14,316,425 | 1,569,454 |
| Machinery Sale short fall paid by Company | | - | 12,435,547 |
| Machinery Sale short fall taken to TF liabilities | | - | 67,084,083 |
| Bank charges and commission | | 22,706 | 120,433 |
| | | 14,339,131 | 81,209,517 |
| 31 TAXATION | | | |
| Current | 31.1 | (11,280,025) | (5,744,477) |
| Prior | | 1,460,163 | (2,064,406) |
| | | (9,819,862) | (7,808,883) |
| 31.1 Current | | | |

The Provision for taxation has been made in these financial statement on the basis of section 15 and 113 of the income tax ordinance 2001

Am

| | Note | June 30, 2018 RUPEES | June 30, 2017 RUPEES |
|---|------|-------------------------|-------------------------|
| 31.2 The numerical reconciliation between the average rate and the applicable tax rate | | | |
| Profit/(loss) before taxation | | 143,372,479 | (3,801,015) |
| Tax at applicable rate of 30% (2017:31%) | | 43,011,744 | (1,178,315) |
| Tax Effect of Rental Income | | (15,130,988) | (6,081,817) |
| Tax Effect of exempt income | | (9,540,000) | (7,885,853) |
| Tax Effect of Other items | | (7,138,731) | 20,893,486 |
| | | 11,205,025 | 5,744,471 |
| Average Rate of tax | | 7.82% | -151% |
| 32 LOSS PER SHARE - BASIC & DILUTED | | | |
| There is no dilutive effect on the basic earnings per share of the company | | | |
| Loss for the year in rupees | | 133,552,617 | (11,609,844) |
| Total number of ordinary shares | | 12,000,000 | 12,000,000 |
| Loss per share in rupees- Basic and diluted | | 11.129 | (0.967) |
| 33 CASH GENERATED FROM OPERATIONS | | | |
| Profit/(Loss) before taxation | | 143,372,479 | (3,801,015) |
| Adjustment for non cash changes and other items | | | |
| Depreciation | | 26,968,160 | 14,136,166 |
| Finance cost | | 14,338,131 | 68,773,910 |
| Liabilities no longer payable-creditors | | (21,297,072) | (88,620,989) |
| Liabilities No Longer Payable-Creditors-Others | | (911,206) | - |
| Loss/(Gain) on disposal of fixed assets | | (905,436) | 253,772 |
| Gain on Extinguishment of debt | | (83,312,875) | - |
| Disallowed Sales tax | | - | 6,211,430 |
| Provision for doubtful claims | | - | 5,741,500 |
| Provision for Infrastructure Cess Payable | | - | 21,665,371 |
| Provision for gratuity | | 126,988 | 41,927 |
| | | (64,992,308) | 27,703,112 |
| Operating profit before working capital changes | | 78,380,170 | 23,902,097 |
| (Increase)/decrease in current assets | | | |
| Stock, Store & spare parts | | 9,358,230 | (9,358,230.00) |
| Trade debts | | 10,220,674 | (23,173,868) |
| Loans and advances | | 1,372,532 | 11,656,368 |
| Sales Tax | | (784,779) | (390,446) |
| Other receivables | | 1,465,113 | 101,100 |
| | | 21,631,770 | (21,165,076) |
| Increase/(decrease) in current liabilities | | | |
| Trade and other payables | | (33,607,607.58) | 14,167,276 |
| | | 66,404,332 | 16,904,716 |

34 TRANSACTION WITH RELATED PARTIES

The related parties and associated undertakings comprise, local associated companies, directors and key management personnel.Transaction with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of their employment are as follows:

| | | |
|---|------|------------|
| Purchase of electricity | 34.1 | 12,870,111 |
| Rent Income | 34.2 | 883,368 |
| Net Payment to Olympia Power Generation(Pvt.) Ltd for amount due for power purchases & rent | 34.3 | 14,747,693 |
| Net Payment to Olympia Paper Industries (Pvt.) Ltd for Paper Plant purchase last year | 34.3 | 36,222,907 |

34.1 This amount represents the purchase of electric power from Olympia Power Generation (Private) Limited

34.2 This amount represents the rental income from Olympia Power Generation (Private) Limited

34.3 Transactions with associated undertaking/subsidiary are carried out on at arms length price.

34.5 NAME OF RELATED PARTY

NATURE OF RELATIONSHIP

(i) Olympia Power Generation (Pvt) Ltd

Associated Company by nature of common directorship

(ii) Olympia Paper Industries (Pvt) Ltd

Associated Company by nature of common directorship

[Signature]

35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

35.1 Credit risk

35.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and short term prepayments and cash and bank balances. Out of total financial assets of Rs.82,178 million (June 30, 2017 : Rs.96,389 million), financial assets which are subject to credit risk aggregate to Rs. 81,635 million (June 30, 2017 : Rs. 94,346 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

| | | |
|---|-------------------|-------------------|
| Long term deposits | 3,593,162 | 3,345,162 |
| Trade debts | 12,953,190 | 23,173,864 |
| Loans and advances | 311,094 | 1,893,626 |
| Trade deposits and short term prepayments | 34,096,000 | 34,096,000 |
| Other Receivables | 24,386,536 | 25,843,649 |
| Bank balances | 6,610,333 | 8,300,292 |
| | 82,146,315 | 86,845,593 |

35.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by geographical region is as follows.

| | | |
|----------|-------------------|-------------------|
| Domestic | 12,953,190 | 24,281,131 |
| | 12,953,190 | 24,281,131 |

35.1.3 The aging of trade debtors at the balance sheet is as follows.

| | | |
|--|-------------------|-------------------|
| Not past due | | |
| Past due 0 - 30 days | 12,953,190 | 23,173,864 |
| Past due 31 - 90 days | - | - |
| Past due 90 days - 1 year | - | - |
| More than one year | - | - |
| | 12,953,190 | 23,173,864 |
| Impairment | - | - |
| | 12,953,190 | 23,173,864 |
| Particulars of Provision for doubtful receivables | | |
| Provision for bad debts at the beginning of year | - | - |
| Bad debts provision provided during the year | - | - |
| Bad debts written off during the year | - | - |
| Provision for bad debts at the end of year | - | - |

35.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

| Carrying Amount | Contractual Cash flows | Six months or less | 2018 | | |
|----------------------|------------------------|--------------------|----------------------|--------------------|----------------------|
| | | | Six to twelve months | Two to five years | More than five years |
| | | | Rupees | | |
| 659,137,320 | 659,137,320 | 115,600,002 | 134,100,002 | 409,437,316 | - |
| 274,055,497 | 274,055,497 | 231,613,828 | 42,641,869 | - | - |
| - | - | - | - | - | - |
| 303,566,971 | 303,566,971 | 303,566,971 | - | - | - |
| 1,236,759,788 | 1,236,759,788 | 650,580,601 | 176,741,871 | 409,437,316 | - |

| Carrying Amount | Contractual Cash flows | Six months or less | 2017 | | |
|----------------------|------------------------|--------------------|----------------------|--------------------|----------------------|
| | | | Six to twelve months | Two to five years | More than five years |
| | | | Rupees | | |
| 963,995,818 | 963,995,818 | 51,800,000 | 26,700,000 | 885,695,818 | - |
| 409,387,700 | 409,387,700 | 367,557,829 | 41,829,821 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,373,383,517 | 1,373,383,517 | 429,157,879 | 68,529,821 | 885,695,818 | - |

Per

35.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2018. The rates of mark up have been disclosed in relevant notes to these financial statements.

35.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

35.3.1 Currency risk

Exposure to currency risk

The company is exposed to currency risk on trade debts and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar. The company's exposure to foreign currency risk is as follows.

| | | | | | |
|---|---------------|------|----------------------|-----------|--------|
| | | | | US Dollar | Rupers |
| Trade debts 2018 | | | | - | - |
| Trade debts 2017 | | | | - | - |
| The following significant exchange rates applied during the year. | | | | | |
| | Average rates | | Reporting date rates | | |
| | 2018 | 2017 | 2018 | 2017 | |
| US Dollar to Rupee | - | - | - | - | |

Sensitivity analysis

3% strengthening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity and profit and loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 3% weakening of Pak Rupee against the above currencies at periods end would have had the equal but opposite effect on the above currencies to the amount shown below, on the basis

| | |
|-----------|---|
| US Dollar | - |
|-----------|---|

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

35.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits with banks. At reporting date the interest rate profile of the company's interest bearing financial instrument is as follows.

| | | |
|----------------------------------|-------------|-------------|
| Fixed rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | - | - |
| Variable rate instruments | | |
| Financial assets | 34,096,000 | 34,096,000 |
| Financial liabilities | 302,366,983 | 274,771,808 |

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2018.

| | 100 bps increase | 100 bps decrease |
|--|------------------|------------------|
| | Rupers | |
| Cash flow sensitivity - variable rate instruments 2018 | 2,684,710 | (2,684,710) |
| Cash flow sensitivity - variable rate instruments 2017 | 5,406,799 | (5,406,799) |

Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Off balance sheet items

| | | |
|---|------------|------------|
| Bank guarantees issued in ordinary course of business | 25,795,700 | 25,795,700 |
| Letters of credit for raw material & Machinery | - | - |

The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

36 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing and others short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

for

| | | | |
|------------------------|------------|---------------|---------------|
| Borrowings | Rupees | 982,704,291 | 1,044,208,839 |
| Equity | Rupees | (440,235,199) | (373,780,170) |
| Total capital employed | Rupees | 522,469,092 | 670,428,669 |
| Gearing ratio | Percentage | 184.26 | 220.69 |

37 MEASUREMENT OF FAIR VALUES:

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or repriced periodically. International Financial Reporting Standard 13, 'Fair Value Measurements' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

Certain categories of operating fixed assets (land and buildings) are carried at revalued amounts (level 2 measurement) determined by a professional valuer based on their assessment of the market values.

38 Plant capacity and Production

| | 2018 | 2017 |
|-----------------------------------|---------------------|---------------------|
| Fluting paper Production capacity | 14.04 m kg per Year | 14.08 m kg per Year |
| Fluting paper Production -Actual | 1.62 m kg | 3.090 m kg per Year |

The actual production depends on various factors including usage of Plant, production time, supply and demand, availability of raw material and competitive market rates of finished product.

39 NUMBER OF EMPLOYEES

| | 2018 | 2017 |
|--|------|------|
| Total number of employees of the Company at year end | 34 | 35 |
| Average number of employees during the year | 46 | 38 |
| Total number of factory employees of the Company at year end | | |
| Average number of factory employees during the year | 25 | 48 |
| | 32 | 32 |

40 DISCLOSURE REQUIREMENTS FOR ALL SHARE ISLAMIC INDEX

The company did not avail or have any type of Islamic banking products.

41 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date the company has requested Bank AlFalah for extension of time for payment of balance settlement amount of Rs. 49 million. The bank has approved the request of the company on August 29, 2018. Under the revised terms Rs 11.5 million will be payable on August 31, 2018 and Rs 37.5 million will be payable on or before November 30, 2018 along with cost of fund @ 5% w.e.f August 1, 2018. The cost of fund so accrued will be paid along with last installment.

42 GENERAL

Corresponding figures have been rearranged and reclassified, whenever necessary, for better presentation and disclosure.

| | Reclassification from | To (for better classification) | 2017 |
|---|-----------------------|--|------------|
| 1 | Other Income | Profit & Loss | |
| | Rental Income | Rental Income from Investment Property | 19,628,443 |
| 2 | Other Receivable | Trade Debts | |
| | Rent Receivable | Rent Receivable | 1,207,267 |

43 DATE OF AUTHORISATION FOR ISSUE

The Board of directors of the company authorized these financial statements for issue on _____.

[Signature]

[Signature]
CHIEF EXECUTIVE

[Signature]
MANAGING DIRECTOR

[Signature]
CHIEF FINANCIAL OFFICER

PROXY FORM

I/We _____ of _____
(full address)

being member (s) of Olympia Mills Limited hereby appoint

Mr./Mrs. _____ of _____
(full address) or failing him / her

Mr./Mrs. _____ of _____
(full address)

(being members of the Company) as my / our Proxy to attend, act and votes for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 25 October, 2018 at Registered Office at H-23/3, Landhi Industrial Area and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____, 2018.

In presence of _____

Signature and address of witness

Please affix Correct Revenue Stamp

Signature of Member(s)

Share holder's Folio No. _____ Number of Shares held _____

A member entitled to attend, speak and vote at a General Meeting is entitled to appoint a proxy to attend speak and vote instead of him / her.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of this / her attorney duly authorized in writing, if the appointer is a Corporation, under its common seal or the hand of an officer or attorney duly authorized. A proxy must be a member of the Company.

The instrument appointing a proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office of the company not less than 48 hours before the time of holding the Meeting.



پرائکسی فارم

of

ہیں /

(مکمل پتہ)

اوپر لکھا مٹر لمیٹڈ کے رکن (زبانوں) ہونے کی وجہ سے اس طرح سے تقرر

Mr/Mrs. of

یا اس میں ناکامی / اس (مکمل ایڈریس)

Mr/Mrs. of

(مکمل پتہ)

میرے / ہمارے پرائکسی کے طور پر (کمپنی کا رکن ہونے) میں شرکت ME / ہمارے لیے اور میں اپنے / اپنی جانب سے کام کرتے ہیں اور ووٹ کمپنی کی سالانہ جنرل میٹنگ 23/3-2018، لاٹھی انٹرنیشنل ایریا میں اور اس کے کسی بھی اثوا میں رجسٹرڈ دفتر میں 25 اکتوبر، 2018 کو منعقد ہوگی۔

میرے / ہمارے ہاتھ / میر 2018 day of this گواہ کے طور پر،

موجودگی of

نسلخت اور گواہ کا پتہ

مستطوع ریونیو سٹیپٹ ٹیلی میریٹی

(رکن کے نسلخت)

Number کے شہر پوسٹر فولیو نمبر

شرکت ہوتے ہیں اور ایک عام اجلاس میں ووٹ ڈالنے کا حق دار کسی رکن سے بات شرکت کی اور / کی بجائے اس کا ووٹ اس کے پاس ایک پرائکسی مفروضہ کرنے کا حقدار ہے۔

اپنے کی ایک پرائکسی تقرری appointer کی یا اس کے ہاتھ کے ساتھ مضمون میں ہوں گے / اس وکیل ونوت، تحریری اجازت appointer اس کے نام کی میر یا ایک ایمر یا وکیل مجاز کے ہاتھ کے تحت، ایک کارپوریشن ہے۔ ایک پرائکسی کمپنی کا ممبر ہونا ضروری ہے۔

ساز، اتارنی کی طاقت کے ساتھ ایک پرائکسی کی تقرری کوئی ہے تو ایک ساتھ مل کر، جس کے تحت اس پر نسلخت ہونے یا ایک notarially مستند کاہی کی طرف، نہیں 48 گھنٹے سے بھی کم میٹنگ کے بعد کا وقت سے پہلے کمپنی کے رجسٹرڈ دفتر میں جمع کیا جانا چاہیے۔

