

# ***OLYMPIA MILLS LIMITED***

***(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)***

**3<sup>rd</sup> Quarter  
Accounts  
(Unaudited)  
March 31, 2018**



## COMPANY INFORMATION

### BOARD OF DIRECTORS

CHIEF EXECUTIVE  
CHAIRMAN

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

DIRECTORS

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

### AUDIT COMMITTEE MEMBERS

CHAIRMAN (INDEPENDENT)  
MEMBER (NON-EXECUTIVE)  
MEMBER (NON-EXECUTIVE)

: MR. UMAR ILYAS SHAFI  
: MR. SYED AYAZUDDIN  
: MR. SYED INAMUDDIN AHMED

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

CHAIRMAN (NON-EXECUTIVE)  
MEMBER (NON-EXECUTIVE)  
MEMBER (INDEPENDENT)

: MR. SYED INAMUDDIN AHMED  
: MRS. GHAZALA WAQAR  
: MR. UMAR ILYAS SHAFI

CHIEF FINANCIAL OFFICER

: MR. ASIM JAFFERY

LEGAL ADVISOR

: M/S. MAKHDOOM & CO. BARRISTERS & ADVOCATE

AUDITORS

: MUSHTAQ & COMPANY  
CHARTERED ACCOUNTANTS  
407-408, COMMERCE CENTRE,  
HASRAT MOHANI ROAD, KARACHI.

BANKERS

: UNITED BANK LTD  
: ASKARI BANK LTD  
: SONERI BANK LTD  
: ALLIED BANK LTD  
: BANK AL-FALAH LTD.

REGISTERED OFFICE

: PLOT NO. H-23/3, LANDHI INDUSTRIAL AREA,  
LANDHI, KARACHI.



**OLYMPIA MILLS LIMITED**  
(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)  
DIRECTORS REVIEW REPORT

The Directors have pleasure in presenting their un-audited accounts of the Company for Nine months period ended March 31, 2018. During the period under review the amount of revenue was Rs.89,586,846/- as compared to previous corresponding period revenue of Rs.39,478,683/-.

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	RUPEES	RUPEES	Rupees	Rupees
Revenue	36,187,872	-	12,251,473	-
Rent Income from Investment Property	(3,784,537)	-	(1,892,268)	-
Directly attributable Cost	32,403,135	-	10,359,205	-
Income from Paper Manufacturing Business	-	-	-	30,911,711
Sales of Paper	53,399,174	39,478,683	-	(36,835,098)
Cost of sales	(51,760,813)	(52,517,475)	-	(5,923,348)
	1,638,361	(13,038,792)	10,359,205	(5,923,348)
Gross Profit	34,041,495	(13,038,792)	10,359,205	(5,923,348)
Administrative & Fixed Cost related expenses	(20,294,735)	(5,337,833)	(7,574,410)	(1,695,942)
Other operating income	141,517,139	46,624,022	122,810,454	54,132,845
	121,222,404	41,286,189	115,136,044	52,436,904
Operating Profit	155,263,990	28,247,297	125,495,249	46,513,556
Finance cost	(11,496,511)	(512,452)	(2,856,726)	(197,128)
Profit before taxation	143,765,289	27,734,845	122,638,523	46,316,429
Taxation:				(1,354,176)
Current	(8,554,042)	(2,525,430)	(2,841,816)	
Prior	1,489,978	1,489,978	1,489,978	
Profit after taxation	136,691,224	25,109,415	121,286,685	44,962,253
Profit per share-Basic and diluted (Rupees)	15.38	2.99	19.11	3.75

#### FINANCIAL RESULTS

The financial results for nine months period ended March 31, 2018 have resulted in net profit after tax of Rs.136,601,224/- . 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 implement the new business model and started to earned profits from renting & leasing of company assets. As a result, the company has applied Accounting Standard for Investment Property to streamline our financials with reporting requirements . During the period, the Soneri Bank Ltd term loan was fully paid off with significant waiver of principal and markup. The company has also successfully negotiated settlement/restructuring with Askari Bank Ltd and Bank Alfalah Ltd as disclosed in Note 6. The accounts are prepared in line with Going Concern assumption as disclosed in note 1.2 since the company started revenue generating activities, restructured all of its finances and settled majority of cotton ginners.

#### FUTURE PROSPECTS

The directors of the company are considering different options to diversify into new avenues or starting such profitable businesses that requires small capital investments.

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.

CHIEF EXECUTIVE

DIRECTOR



Karachi-27 April 2018

# اولمپیا ملز لمیٹڈ

(پہلے بنام اولمپیا اسپینڈنگ اینڈ ویونگ ملز لمیٹڈ)

## ڈائریکٹر رپورٹ

ڈائریکٹر کو اپنے غیر آڈٹ اکاؤنٹس جو کہ ادارے کے مہ ماہ کے آخر مارچ ۲۰۱۸، ۳۱ میں پیش کرنے میں خوشی ہو رہی ہے۔ اس مدت کے دوران فروخت کی قیمت روپے 89,586,846 ری جو کہ پچھلے فروخت کے مقابلے میں قیمت 39,478,683 روپے تھی۔

	تین ماہ کی مدت		تین ماہ کی مدت	
	مارچ ۲۰۱۸	مارچ ۲۰۱۷	مارچ ۲۰۱۸	مارچ ۲۰۱۷
آمدنی:				
کروڑ روپے	36,187,672		12,251,473	
لاکھ روپے	(1,724,537)		(1,992,309)	
نفاذ شدہ	34,463,135		10,259,165	
کٹاؤں اور اخراجات:				
کروڑ روپے	53,396,174	39,478,683		30,911,711
لاکھ روپے	(5,746,813)	(52,517,676)		(36,815,696)
نفاذ شدہ	47,649,361	(13,039,000)		(5,923,340)
کٹاؤں اور اخراجات:				
کروڑ روپے	10,041,496	(13,039,000)	10,739,385	(5,923,340)
کٹاؤں اور اخراجات:				
کروڑ روپے	(10,294,759)	(5,333,815)	(7,674,409)	(1,495,952)
لاکھ روپے	140,517,138	40,624,872	122,819,454	34,332,846
نفاذ شدہ	121,222,444	41,298,359	115,145,044	32,836,894
کٹاؤں اور اخراجات:				
کروڑ روپے	189,264,908	28,247,397	128,495,249	46,312,356
کٹاؤں اور اخراجات:				
کروڑ روپے	(11,499,641)	(911,495)	(2,856,736)	(190,325)
لاکھ روپے	143,764,299	27,636,906	122,638,313	46,116,429
کٹاؤں اور اخراجات:				
کروڑ روپے	(10,464,042)	(2,523,430)	(2,849,936)	(1,374,376)
لاکھ روپے	1,489,979		1,489,979	
نفاذ شدہ	136,060,231	25,390,476	121,788,383	44,742,053
کٹاؤں اور اخراجات:				
کروڑ روپے	13,38	3,97	30,11	3,72

## مالیاتی نتائج:

نفاذ کی مدت کا مالی نتائج جس کی معیاد ۳۱ مارچ ۲۰۱۸، تھی، کل منافع ٹیکس منہا کرنے کے بعد 136,601,224 روپے ہے۔ مدت کے دوران ادارے کا نام اولمپیا ملز لمیٹڈ میں تبدیل کر دیا گیا ہے۔ اللہ پاک کے فضل سے آپ کے انتظام چلانے والے لوگوں نے کاروباری نئی سہولتوں کو برابری اور انعاموں کی لیزنگ سے منافع بخش کرنا شروع کر دیا ہے۔ اس کے نتیجے میں ادارے نے مالی کارکردگی کی ضروریات کو پورا کرتے ہوئے چاندی کی سرمایہ کاری کیلئے اکاؤنٹنگ اسپینڈنگ رو کو برابری کر دیا ہے۔ اس مدت کے دوران سویریٹیک لمیٹڈ کے مدت کے تحت عملی طور پر پرنسپل اور مارک اپ کے اہم چھوٹ کے ساتھ ادارہ کر دینے گئے ہیں۔ ادارے نے ملکی وینک اور انعام وینک کے ساتھ کامیابی سے کاروباری سہولتوں کو پورا کرتے ہوئے ملز معاملات بنائے، جو کہ نوٹ نمبر 12 پر ظاہر کیا گیا ہے۔ تمام کھاتہ ترتیب میں جاری رہنے والے اصول کے مطابق تیار کئے جارہے ہیں، جیسا کہ نوٹ نمبر 1.2 میں بتایا گیا ہے۔ ادارے نے منافع کمانے والے کام شروع کر دینے ہیں۔ اپنے تمام مالیات کو لئے ساتھ میں کر دیا ہے اور ہر دو تریس (کاش جنس) کی کمپنوں سے معاہدے کے بعد اس کا کھاتہ ادارہ کر دیا ہے۔

## مستقبل کے امکانات:

کمپنی کے ڈائریکٹرز کے پاس مختلف راستے ہیں جن سے اندازے سے کاروبار کو پھیلانے کیلئے اس طرح کے منافع بخش کاروبار کیلئے چھوٹے سرمایہ کاری کی ضرورت ہے۔ ہم اس بات کو ترجیح دیتے ہیں کہ ہمارے بینکاروں کی حمایت اور ان کے تعاون کے بغیر موجود نتائج حاصل کرنا ممکن نہیں تھا۔ وہ قاعداری اور کمپنی کے لئے سہولت کے ارکان اور کارکنوں کی گن بھی موجود نتائج کے حصول کیلئے اہم عوامل میں سے ایک ہے۔

کیلئے اور پوری کی جانب سے

چیف ایگزیکٹو

ڈائریکٹر



تاریخ: ۱۲ اپریل ۲۰۱۸

**OLYMPIA MILLS LIMITED**  
**(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2018**

	NOTES	MARCH 31, 2018 RUPEES Unaudited	JUNE 30, 2017 RUPEES Audited RESTATED
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
13,000,000 (2017: 13,000,000) Ordinary shares of Rs.10 each.		130,000,000	130,000,000
Issued, subscribed and paid up capital		120,000,000	120,000,000
Surplus on revaluation of property, plant and equipment	5	525,653,794	525,920,777
Unappropriated loss		(1,082,832,740) (437,178,946)	(1,219,700,947) (573,780,170)
<b>NON CURRENT LIABILITIES</b>			
Long term financing	6	527,989,206	885,695,818
Deferred liabilities		102,567	67,733
<b>CURRENT LIABILITIES</b>			
Trade and other payables		317,014,805	409,387,700
Short-term borrowings-Directors/Sponsors		287,659,270	85,211,041
Current portion of long term financing		156,050,002	78,300,000
		760,724,076	572,898,741
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
		851,636,903	884,882,122
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	74,469,089	769,021,704
Investment Property	9	690,962,191	-
Long term deposit		3,595,162	3,545,162
<b>CURRENT ASSETS</b>			
Stock in trade		-	9,358,230
Trade debts		2,421,201	23,173,864
Other financial assets	10	34,096,000	34,096,000
Loans and advances		3,690,616	1,883,626
Income tax and sales tax refundable		10,513,646	9,494,410
Other receivables		24,612,782	25,845,649
Cash and bank balances		7,276,217	8,463,475
		82,610,462	112,315,254
		851,636,903	884,882,122

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

Karachi: 27 April, 2018



**OLYMPIA MILLS LIMITED**  
**(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	RUPEES	RUPEES	Rupees	Rupees
<b>Revenue</b>				
Rent Income from Investment Property	36,187,672	-	12,251,473	-
Directly attributable Cost	(3,784,537)	-	(1,892,269)	-
	32,403,135	-	10,359,205	-
<b>Income from Paper Manufacturing Business</b>				
Sales of Paper	53,399,174	39,478,683	-	30,911,711
Cost of sales	(51,760,813)	(52,517,475)	-	(36,835,059)
	1,638,361	(13,038,792)	-	(5,923,348)
<b>Gross Profit/(Loss)</b>	34,041,496	(13,038,792)	10,359,205	(5,923,348)
<b>Administrative &amp; Fixed Cost related expenses</b>	(20,294,735)	(5,337,833)	(7,674,410)	(1,695,942)
<b>Other operating income</b>	141,517,139	46,624,022	122,810,454	54,132,846
	121,222,404	41,286,189	115,136,044	52,436,904
<b>Operating Profit</b>	155,263,900	28,247,397	125,495,249	46,513,556
<b>Finance cost</b>	(11,498,611)	(612,492)	(2,856,726)	(197,128)
<b>Profit before taxation</b>	143,765,289	27,634,906	122,638,523	46,316,429
<b>Taxation:</b>				
Current	(8,654,042)	(2,525,430)	(2,841,816)	(1,354,176)
Prior	1,489,978	-	1,489,978	-
<b>Profit after taxation</b>	136,601,224	25,109,476	121,286,685	44,962,253
<b>Earning per share-Basic and diluted (Rupees)</b>	11.38	2.09	10.11	3.75

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

Karachi: 27 April, 2018



**OLYMPIA MILLS LIMITED**  
**(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED MARCH 31, 2018**

NINE MONTHS ENDED		QUARTER ENDED	
March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
RUPEES	RUPEES	Rupees	Rupees

Profit for the period after taxation	136,601,224	25,109,476	121,286,685	44,962,253
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Other comprehensive income/(loss) for the nine months ended March 31, 2018

Total comprehensive income for the nine months ended March 31, 2018	136,601,224	25,109,476	121,286,685	44,962,253
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*The annexed notes form an integral part of this condensed interim financial information.*

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

Karachi: 27 April, 2018



**OLYMPIA MILLS LIMITED**  
**(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Paid up Capital RUPEES	Revenue Reserve RUPEES	Capital Reserve RUPEES	Accumulated (Loss) RUPEES	Surplus on revaluation of property, plant and equipment Not 5 RUPEES	Total RUPEES
Balance as at July 1, 2016	120,000,000	3,580,053	-	(1,214,545,313)	621,900,373	(469,064,888)
Capital Reserved			12,038,234			12,038,234
Total comprehensive profit for the nine months ended March 31, 2017				25,109,476		25,109,476
Reversal of Revaluation Surplus					(77,024,012)	(77,024,012)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the nine months ended March 31, 2017.				2,682,503	(2,682,503)	-
<b>Balance as at March 31, 2017</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>12,038,234</b>	<b>(1,186,753,334)</b>	<b>542,180,858</b>	<b>(508,941,189)</b>
Total comprehensive loss for the period from April 01, 2017 to June 30, 2017			12,038,234	(36,721,710)		(48,759,944)
Reversal of Revaluation Surplus					(16,079,038)	(16,079,038)
Transfer from surplus on revaluation of property, plant and equipment for the period April 01, 2017 to June 30, 2017 on account of incremental depreciation				194,043	(194,043)	-
<b>Balance as at June 30, 2017</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>-</b>	<b>(1,223,281,000)</b>	<b>525,920,777</b>	<b>(573,780,170)</b>
Total comprehensive income for the nine months ended 31 March, 2018				136,601,224		136,601,224
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation				266,983	(266,983)	-
<b>Balance as at March 31, 2018</b>	<b>120,000,000</b>	<b>3,580,053</b>	<b>-</b>	<b>(1,086,412,793)</b>	<b>525,653,794</b>	<b>(437,178,946)</b>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Karachi: 27 April, 2018





**OLYMPIA MILLS LIMITED**  
(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	March-2018 RUPEES	March-2017 RUPEES
<b>CASH GENERATED FROM OPERATION</b>		
Loss before taxation	143,765,289	27,634,906
Adjustment for non cash charges and other items:		
Depreciation	9,830,373	11,401,037
Finance cost	11,498,611	612,492
(Gain) on Extinguishment of debt	(83,312,873)	-
(Gain)/loss on disposal of fixed assets	(645,949)	(36,338)
Liabilities no longer payable	(15,909,549)	(84,364,714)
Devaluation of fixed assets	-	49,546,548
Gratuity	34,834	24,187
	<u>(78,504,555)</u>	<u>(22,816,788)</u>
Operating Profit before working capital changes	<b>65,260,734</b>	<b>4,818,117</b>
(Increase)/decrease in current assets:		
Stocks, stores and spares	9,358,230	(5,719,589)
Trade debts	20,752,663	(15,259,950)
Loan and advances	(1,806,990)	(9,281,304)
Sales tax	(2,042,702)	3,920,128
Long term deposit	(50,000)	-
Other receivables	1,232,867	(3,094,146)
	<u>27,444,068</u>	<u>(30,034,861)</u>
Increase/(Decrease) in current liabilities:		
Trade and other payables	(75,418,695)	60,534,076
	<u>37,286,107</u>	<u>35,317,332</u>
<b>Cash generated from operations</b>		
Taxes paid	(7,185,248)	(2,648,239)
Finance cost paid	(592,346)	(612,492)
	<u>(7,777,994)</u>	<u>(3,260,730)</u>
<b>Net cash generated from operating activities</b>	<b>9,508,513</b>	<b>32,056,601</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1,420,000	484,000
Fixed Capital Investment	(7,014,000)	(43,602,564)
Investment under Capital reserve	-	12,038,234
	<u>(5,594,000)</u>	<u>(33,080,330)</u>
<b>Net cash generated from / (used in) investing activities</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	(207,550,000)	7,305,630
Short term finance	202,448,229	(2,355,517)
	<u>(5,101,771)</u>	<u>4,950,113</u>
<b>Net cash generated from financing activities</b>		
Net increase in cash and cash equivalents	(1,187,258)	3,926,384
Cash and cash equivalents at the beginning of the period	8,463,473	5,851,182
Cash and cash equivalents at the end of the period	<u>7,276,215</u>	<u>9,777,566</u>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

Karachi: 27 April, 2018



**OLYMPIA MILLS LIMITED**  
**(FORMERLY OLYMPIA SPINNING & WEAVING MILLS LIMITED)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018**

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

1.1 The company was incorporated in Pakistan as a public limited company on October 28, 1960 under the Companies Act, 1913 (Now the Companies Act, 2017), and its shares are quoted on the Pakistan Stock Exchange. During the period the principal line of the company has been changed to: *renting/leasing of company's fixed assets as approved by Shareholders in AGM dated 30 October 2017. Accordingly the name of the company has also been changed from Olympia Spinning & Weaving Mills Ltd to Olympia Mills Limited which was approved by SECP in November 2017. The registered office of the company is situated at H-22/3, Landhi Industrial Area, Landhi Karachi.*

1.2 The company has earned a profit for the period ended March 31, 2018 of Rupees 136,621 Million (June 30, 2017: Loss of Rupees 11,629 million) and as of that date, reported accumulated losses of Rupees 1,886,412 million (June 30, 2017: Rupees, 1,223,281 million). The current liabilities exceeded its current assets by Rupees 678,114 million (June 30, 2017: Rupees 466,583 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.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

- (a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- (b) This condensed interim financial statement is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. This condensed interim financial statement does not contain all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the company for year ended 30 June 2017.

**3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2017 except for following changes in accounting policies:
- 3.2 **SURPLUS ON REVALUATION OF FIXED ASSETS**  
 With the promulgation of Companies Act, 2017, the Surplus on revaluation of fixed assets are now disclosed under equity and treatment of revaluation surplus shall be in line with IAS-16. The resulting change is applied as Change in Accounting policy by categorizing Surplus under equity retrospectively under IAS-8.

**3.3 INVESTMENT PROPERTY**

With the change in Principal line of business the company has decided to apply IAS-40 Investment Property from October 2017. 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. 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 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

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 earnings. 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.

#### 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continuously evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements for the year ended 30 June 2017.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 30 June 2017.

		March 2018	June 2017
5	<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>		
	Balance as at July 01, 2017	525,920,777	621,900,373
	Reversal of Surplus of Plant & Machinery		(50,103,090)
	Transfer to equity on account of incremental depreciation up to Sep17	(266,983)	(2,876,546)
	Balance as at March 31, 2018	525,653,794	525,920,777
6	<b>LONG TERM FINANCING</b>		
	From banking companies - secured		
	Term Finance		
	United Bank Ltd.	34,083,983	36,883,983
	Askari Bank Ltd.	168,983,000	175,983,000
	Bank Alfalah Ltd.	127,000,000	151,000,000
	Soneri Bank Ltd.	-	210,904,875
		330,066,983	574,771,858
	Frozen Markup		
	United Bank Ltd.	222,272,000	222,272,000
	Askari Bank Ltd.	119,888,598	119,888,598
	Soneri Bank Ltd.	-	46,158,000
		342,160,598	388,318,598
	Markup Payable -UBL	2,237,306	905,362
	Markup Payable -Askari Bank Ltd	9,574,121	-
		11,811,427	905,362
	<b>Current maturity of long term financing</b>		
	Current maturity Amount	156,050,002	78,300,000
		156,050,002	78,300,000
		527,484,206	885,445,818

#### 6.1 United Bank Limited (Loans)

On March 17, 2017, bank has restructured the balance amount of Rs 70.8 million into a four year long term loan payable in 24 installments with markup accruing at cost of the funds 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.

#### 6.2 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 as over receivables and personal guarantee of three directors.



**6.3 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. The loan is secured by existing first pari passu hypothecation charge over moveable 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.

**6.4 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 SECF.

**7 CONTINGENCIES AND COMMITMENTS**

There are no changes in Contingencies & Commitment since the last balance sheet date.

**8 PROPERTY, PLANT AND EQUIPMENT**

Operating Assets

74,469,089	769,021,704
<u>74,469,089</u>	<u>769,021,704</u>



8 PROPERTY PLANT AND EQUIPMENTS

PARTICULARS	COST/ REVALUATION (RUPEES)					RATE %	DEPRECIATION (RUPEES)					W.D.V.	
	AS AT 01/07/2017	ADDITION	REVALUATION	DELETION	TRANSFER		AS AT 01/07/2017	FOR THE YEAR	TRANSFER	DELETION	AS AT 31/03/2018	AS AT 31/03/2018	
OWNED:													
LAND	505,000,000	-	-	-	(205,000,000)	-	3,793,272	1,932,547	(5,688,272)	-	6,542,105	64,215,955	
FACTORY BUILDING	195,435,000	-	-	-	(195,435,000)	4%	3,410,008	2,954,241	213,906	-	7,347,254	2,751,253	
PAPER PLANT & MACHINERY WITH RELATED EQUIPMENT-LEASED	65,422,862	4,800,000	-	-	2,963,248	0%-20%	3,410,008	2,954,241	213,906	-	7,347,254	2,751,253	
OFFICE EQUIPMENT	10,141,057	-	-	-	-	10%	7,121,908	225,816	-	-	3,386,173	2,469,670	
FACTORY TOOLS & EQUIPMENT	6,035,843	-	-	-	-	10%	2,384,139	186,004	-	-	4,750,456	3,445,276	
FURNITURE & FIXTURE	4,096,732	-	-	-	-	10%	4,623,419	116,807	-	-	5,489,404	3,515,455	
MOTOR VEHICLE	11,976,517	2,214,000	-	(2,621,170)	(2,503,248)	20%	6,892,636	656,631	(211,968)	(1,848,118)	45,075	21,399	
ARMS & AMMUNITION	67,375	-	-	-	-	10%	44,246	1,730	-	-	-	-	
TOTAL RUPEES MAR- 2018	796,274,987	7,014,000	-	(2,621,170)	(706,435,000)		29,352,481	8,865,836	(6,688,272)	(1,848,118)	37,761,827	74,609,888	

Depreciation has been allocated as under:

Manufacturing/fixed cost  
Administrative Expenses

MAR-2018 RUPEES	JUNE-2017 RUPEES
5,844,822	13,317,467
1,801,214	912,696
6,646,036	14,136,163

9 INVESTMENT PROPERTY

PARTICULARS	COST (RUPEES)					RATE %	DEPRECIATION (RUPEES)					W.D.V.	
	AS AT 01/10/2017	ADDITION	REVALUATION	DELETION	TRANSFER		AS AT 31/03/2018	AS AT 01/10/2017	FOR THE YEAR	REVALUATION	DELETION	AS AT 31/03/2018	AS AT 31/03/2018
LAND													
FACTORY BUILDING	505,000,000												
	195,435,000					4%	5,688,272	3,784,537			9,472,809	195,962,141	
							5,688,272	3,784,537			9,472,809	195,962,141	
	700,435,000						700,435,000						
TOTAL RUPEES MAR.-2018	700,435,000	-	-	-	-		5,688,272	3,784,537	-	-	9,472,809	195,962,141	

Depreciation has been allocated as under:

Investment Property

MAR-2018 RUPEES	JUNE-2017 RUPEES
3,784,537	-
3,784,537	-



MAR 31, 2018	MAR 31, 2017
RUPEES	RUPEES

# 9.1 INVESTMENT PROPERTY

Investment Property comprises Land & Building with significant portion rented out to various tenants under rent agreements.

# 10 OTHER FINANCIAL ASSETS

During the period, TDR of Rs 25.79% m held in the name of directors are now transferred in the name of the company.

# 11 OTHER OPERATING INCOME

Return on Bank Term Deposits-Others	1,231,091	832,030
Return on Bank Term Deposits-SCB	-	268,556
	<u>1,231,091</u>	<u>1,100,586</u>
Reduction in value of Plant & machinery takeover by bank	-	(49,546,548)
Gain on disposal of fixed assets	645,949	36,338
Lease income of Land, building & Machinery	8,219,877	-
Rental Income		10,668,932
Gain on Extinguishment of debt-Soneri Bank Ltd	6.4	
Principal	37,154,875	
Markup	46,158,000	
	<u>83,312,875</u>	
Trading Income	397,298	-
Others	11.1	31,800,000
Liabilities No Longer Payable - Creditors	15,909,549	84,364,714
	<u>141,517,139</u>	<u>35,955,090</u>

11.1 The receipt is utilised 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.

# 12 TRANSACTIONS WITH RELATED PARTIES

Purchase of Electricity	12,417,125	17,481,682
Rent Income	662,526	829,650
Purchase of machinery		45,500,000
	<u>13,079,651</u>	<u>63,811,332</u>

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

# 13 EVENT AFTER THE BALANCE SHEET DATE:

There were no significant events occurred after the balance sheet date.

# 14 DATE OF AUTHORISATION FOR ISSUE:

These financial information were authorised for issue on 27 April, 2018 by the board of directors of the company.

# 15 GENERAL

Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

Karachi: 27 April, 2018

