



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

**Half Yearly
Accounts
(Reveiwed)
December 31, 2014**

COMPANY INFORMATION

BOARD OF DIRECTORS

- | | | |
|-----------------|---|------------------------------------|
| CHIEF EXECUTIVE | 1 | MR. M. WAQAR MONNOO (Executive) |
| CHAIRMAN | 1 | MRS. GHAZALA WAQAR (Non-Executive) |

DIRECTORS

- | | |
|---|--|
| 1 | MR. SIRAJ SADIQ MONNOO (Executive) |
| 1 | MRS. GHAZALA WAQAR (Non-Executive) |
| 1 | MR. SYED AYAZUDDIN (Non-Executive) |
| 1 | MR. SYED INAMUDDIN AHMED (Non-Executive) |
| 1 | MR. MUHAMMAD ANWAR SAIGAL (Executive) |
| 1 | MR. UMAR ILYAS SHAFI (Independent) |

AUDIT COMMITTEE MEMBERS

- | | | |
|------------------------|---|--------------------------|
| CHAIRMAN (INDEPENDENT) | 1 | MR. UMAR ILYAS SHAFI |
| MEMBER (NON-EXECUTIVE) | 1 | MR. SYED AYAZUDDIN |
| MEMBER (NON-EXECUTIVE) | 1 | MR. SYED INAMUDDIN AHMED |

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

- | | | |
|--------------------------|---|--------------------------|
| CHAIRMAN (NON-EXECUTIVE) | 1 | MR. SYED INAMUDDIN AHMED |
| MEMBER (NON-EXECUTIVE) | 1 | MRS. GHAZALA WAQAR |
| MEMBER (INDEPENDENT) | | MR. UMAR ILYAS SHAFI |

COMPANY SECRETARY

- | | |
|---|---------------------------|
| 1 | MR. MUHAMMAD ANWAR SAIGAL |
|---|---------------------------|

LEGAL ADVISOR

- | | |
|---|--------------------------------|
| 1 | M/S. A.K. BROHI & CO. ADVOCATE |
|---|--------------------------------|

AUDITORS

- | | |
|---|------------------------------|
| 1 | MUSHTAQ & COMPANY |
| 1 | CHARTERED ACCOUNTANTS |
| 1 | 407-408, COMMERCE CENTRE, |
| 1 | HASRAT MOHANI ROAD, KARACHI. |

BANKERS

- | | |
|---|-------------------------|
| 1 | UNITED BANK LTD |
| 1 | ASKARI BANK LTD |
| 1 | SONERI BANK LTD |
| 1 | ALLIED BANK OF PAKISTAN |
| 1 | BANK AL-FALAH LTD. |

REGISTERED OFFICE

- | | |
|---|-----------------------------------|
| 1 | EO, FARZANA BUILDING, 1ST FLOOR, |
| 1 | BLOCK 7 & 8, K.C.H.S. UNION LTD., |
| 1 | SHAHEED-E-MILLAT ROAD, |
| 1 | KARACHI-75300 |

MILLS AT

- | | |
|---|---|
| 1 | PLOT NO. H23/3, LANDHI INDUSTRIAL AREA, |
| 1 | LANDHI, KARACHI. |

OLYMPIA SPINNING & WEAVING MILLS LIMITED

DIRECTORS REPORT

The Directors have pleasure in presenting their un-audited accounts of the Company for half year ended December 31, 2014. During the period under review the amount of sales (net) was Ru.211 as compared to previous corresponding period sales of Ru.1,302,302,406/-

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	RUPEES	RUPEES	Rupees	Rupees
Sales	-	1,302,302,406	-	707,490,854
Cost of sales	(42,471,306)	(1,302,206,501)	(23,207,846)	(791,628,401)
Gross profit / (loss)	(42,471,306)	95,906	(23,207,846)	44,135,749
Distribution Cost	-	(14,342,804)	-	(8,530,344)
Administrative expenses	(4,783,099)	(20,014,854)	(1,603,800)	(13,359,283)
Other operating income	3,362,848	17,016,872	181,167	8,950,727
	(3,422,250)	(17,140,786)	(1,422,633)	(9,938,900)
Operating Loss	(48,893,556)	(17,044,880)	(24,629,739)	(54,074,654)
Finance cost	(59,281,274)	(62,979,319)	(26,703,794)	(31,935,883)
Loss before taxation	(108,274,830)	(80,023,999)	(51,333,443)	(86,010,539)
Taxation:				
Current	-	(33,452,185)	-	(7,454,069)
Loss after taxation	(108,274,830)	(113,476,184)	(51,333,443)	(93,464,608)
Loss per share-Basic and diluted (Rupees)	(8.77)	(7.79)	(4.53)	(7.79)

FINANCIAL RESULTS

The financial results for six months period ended December 31, 2014 have resulted in net loss after tax of Ru. 108,274,830/- Due to repair & maintenance, non availability of cheap cotton and restructuring of our finances with bank which is in process, the factory is closed since May 2014. The majority of expenditures comprises of fixed cost and some nominal overheads. The closure of factory greatly helps us to curtail our losses further. The company is continuously engaged with its bankers for restructuring of its liabilities on much softer terms and conditions. The auditors report their last year remarks in their review report regarding financial stability of the company which we already briefly explained in Annual Report 2014. We are very hopeful that we will get out of the financial crisis as discussed in note 1.2.

FUTURE PROSPECTS

The directors are very actively working on different plans to work out the best possible solution and to smoothly sail the company out of financial crisis.

I would like to place on record the Co-operation shown by our Bankers for their support and without their co-operation, the present results could not have been achieved. The loyalty and devotion of the Staff members and the workers towards the Company is also one of the major factors for achieving the present results.

For and on behalf of the Board


M. Waqar Moinoo
CHIEF EXECUTIVE

Kaschi:

Dated: February 26, 2015

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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

Branch Office: 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626

Email Address: mushtaq_vohra@hotmail.com

Member of



Illinois, USA

Auditor's Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Olympia Spinning & Weaving Mills Limited as at December 31, 2014, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

The following observations come to our knowledge during our review of interim financial statements:

- 1) The company has ceased the production since May 21, 2014 and incurred a loss for the half year period ended 31st December, 2014 Rupees 105,274 million (June 30, 2014: Loss Rupees 361,635 million) and as of that date, reported accumulated losses of Rupees 1440.104 million (June 30, 2014: Rupees 1,336.230 million). The company's current liabilities exceeded its current assets by Rupees 972.243 million (June 30, 2014: Rupees 886.549 million) as December 31, 2014. These conditions along with adverse key financial ratios, company's inability to comply with loan agreements and pay debts on due dates, discontinuance of operation and retirement of key employees indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Further the company has not been able to obtain enough finance to revive production. 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. These interim financial information do not include any adjustments relating to recoverability and classification of recorded assets and classification of liabilities in accordance with applicable International Financial Reporting

MUSHTAQ & CO.**CHARTERED ACCOUNTANTS**

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 Email Address: mushtaq_vohra@hotmail.com



Illinois, USA

Standards should the company be unable to continue as a going concern. The management has prepared interim financial statements on going concern basis, but in our judgment, management's use of going concern assumption in these interim financial information is inappropriate.

- 2) Long term Loan balance with the Askari Bank Ltd amounting to RS. 306.458 million, stated in note 5 and balance amounting to Rs 36,980 million, stated in note 5 and balance with Bank Al-Falah amounting to Rs.164.00 million remained 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.
- 3) The company has not carried out a revaluation of property, plant and equipment on December 31, 2014 under International Accounting Standard (IAS) 16 "Property, Plant and Equipment". In the absence of revaluation figures, it is not possible to perform impairment test as suggested in the International Accounting Standards (IAS) 36 "Impairment of assets". Hence impact of the same on assets, revaluation surplus and on profit and loss account of the company cannot presently be determined.
- 4) Claim filed against M/s Jecot for cancellation of raw material contract amounting to Rs.7,614 million, has not been acknowledged by the party. Confirmation was sent to party, no confirmation received. This is a doubtful claim as the M/s Jecot became Bankrupt. No provision for doubtful debt has been made.
- 5) Claim against Mittatex amounting to Rs.5,241 million against cancellation of raw material contract has not been acknowledged by the party. The recovery case has been filed in the Indian High Court. Confirmation letter was sent to party, no confirmation has been received from party. No provision for doubtful debt has been made.

Had the provision for Doubtful Debt been made for (4) and (5) as mentioned above, the loss for the half year period ended December 31, 2014 would have been increased from Rs. 105,274 Million to Rs. 118,129 Million and accumulated loss would have increased from Rs. 1,440,104 Million to Rs. 1,452,939 Million.

Conclusion

Based on our review, because of the matters referred in the preceding paragraph (1) to (5) and its effect on the interim financial information we believe that the accompanying interim financial information do not give a true and fair view of the state of company's affairs as at December 31, 2014 and of the loss, comprehensive loss, its cash flows and changes in equity for the half year ended December 31, 2014.

KARACHI:

Date: **28 FEB 2015****MUSHTAQ & COMPANY**

Chartered Accountants

Engagement Partner:

Mushtaq Ahmed Vohra

F.C.A.

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014

NOTES		
	Un-Audited	Audited
	DECEMBER 31, 2014 RUPEES	JUNE 30, 2014 RUPEES
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
<i>Authorised capital</i>		
13,000,000 (2014: 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
General reserve	3,580,053	3,580,053
Unappropriated loss	(1,440,104,681)	(1,339,810,903)
	(1,356,524,628)	(1,236,230,848)
Surplus on revaluation of property, plant and equipment	1,098,328,520	1,183,309,569
NON CURRENT LIABILITIES		
Long term financing	5 1,069,342,991	1,074,912,485
Deferred liabilities	100,040	78,603
CURRENT LIABILITIES		
Trade and other payables	556,070,860	587,024,967
Accrued Markup	6 111,864,159	73,679,637
Short-term borrowings	357,220,631	353,132,362
Current portion of - long term financing	177,954,292	148,416,494
	1,205,009,942	1,162,253,660
CONTINGENCIES AND COMMITMENTS		
7	-	-
	2,054,256,865	2,124,333,465
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	8 1,820,082,432	1,845,320,791
Long term deposit	3,408,482	3,408,482
CURRENT ASSETS		
Stores, spare parts and loose tools	7,750,485	9,080,843
Stock in trade	103,088,974	107,921,879
Trade debts	588,243	27,546,364
Other financial assets	8,300,000	8,300,000
Loans and advances	14,161,531	14,074,597
Income tax and sales tax refundable	58,055,888	67,924,072
Other receivables	35,824,443	36,078,443
Cash and bank balances	4,996,420	4,780,035
	232,740,981	275,704,231
	2,086,256,865	2,124,333,465

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

CHIEF EXECUTIVE

DIRECTOR

Karachi
 Dated: February 28, 2015

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	RUPEES	RUPEES	Rupees	Rupees
Sales	-	1,302,302,436	-	707,490,854
Cost of sales	(42,471,306)	(1,302,306,501)	(23,207,046)	(731,626,601)
Gross profit / (loss)	(42,471,306)	95,806	(23,207,046)	(46,135,747)
Distribution Cost	-	(14,142,804)	-	(8,530,344)
Administrative expenses	(4,785,098)	(20,014,854)	(1,603,800)	(10,339,290)
Other operating income	1,562,848	17,036,872	181,107	8,950,727
	(3,422,250)	(17,140,786)	(1,422,693)	(9,938,910)
Operating Loss	(45,893,556)	(17,044,880)	(24,629,739)	(54,074,656)
Finance cost	(59,383,274)	(62,979,019)	(29,703,704)	(31,935,883)
Loss before taxation	(105,276,830)	(80,023,899)	(54,333,443)	(86,010,539)
Taxation:				
Current	-	(13,402,183)	-	(7,454,069)
Loss after taxation	(105,276,830)	(93,426,084)	(54,333,443)	(93,464,609)
Loss per share-Basic and diluted (Rupees)	(8.77)	(7.79)	(4.53)	(7.79)

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

CHIEF EXECUTIVE

DIRECTOR

Kaushik:

Dated: February 26, 2015

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	RUPEES	RUPEES	Rupees	Rupees
Loss for the period after taxation	(305,274,830)	(93,426,084)	(54,333,443)	(93,464,609)
Other comprehensive income for the half year period ended December 31, 2014	-	-	-	-
Total comprehensive loss for the period for the half year period ended December 31, 2014	(185,274,830)	(93,426,084)	(54,333,443)	(93,464,609)

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


CHIEF EXECUTIVE


DIRECTOR

Kinchi
Dated: February 28, 2015

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Share Capital	Revenue Reserve	Capital Reserve	Accumulated (Loss)	Total
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Balance as at July 01, 2013	120,000,000	3,580,853	-	(968,736,696)	(845,155,843)
Total comprehensive loss for the half year ended 31 December 2013	-	-	-	(93,426,094)	(93,426,094)
Transfer from surplus on revaluation of property, plant and equipment for the half year ended 31 December 2013	-	-	-	5,421,805	5,421,805
Realisation of surplus on revaluation of property, plant and equipment on disposal	-	-	-	2,277,242	2,277,242
Balance as at December 31, 2013	120,000,000	3,580,853	-	(1,054,434,649)	(930,853,796)
Total comprehensive loss for the period from January 01, 2014 to June 30, 2014	-	-	-	(294,318,194)	(294,318,194)
Transfer from surplus on revaluation of property, plant and equipment for the period January 01, 2014 to June 30, 2014 on account of incremental depreciation	-	-	-	5,421,805	5,421,805
Realisation of Surplus on revaluation of property, plant and equipment on disposal	-	-	-	3,543,041	3,543,041
Balance as at June 30, 2014	120,000,000	3,580,853	-	(1,339,830,900)	(1,216,249,046)
Total comprehensive loss for the half year ended 31 December, 2014	-	-	-	(105,274,830)	(105,274,830)
Transfer from surplus on revaluation of property, plant and equipment for the half year ended 31 December, 2014 on account of incremental depreciation	-	-	-	4,981,049	4,981,049
Balance as at December 31, 2014	120,000,000	3,580,853	-	(1,445,104,681)	(1,315,523,828)

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


CHIEF EXECUTIVE


DIRECTOR

Karachi
 Dated: February 26, 2015

OLYMPIA SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	December-2014 RUPEES	December-2013 RUPEES
CASH GENERATED FROM OPERATION		
Loss before taxation	(165,274,808)	(80,823,899)
Adjustment for non cash charges and other items:		
Depreciation	25,138,347	27,458,997
Finance cost	59,385,274	62,979,619
(Gain)/loss on disposal of fixed assets	-	(1,824,893)
Provision for Gratuity	21,437	1,530,349
	84,541,058	90,143,473
Operating Profit before working capital changes	(20,733,772)	18,139,574
(Increase)/decrease in current assets:		
Stocks, stores and spares	6,163,263	640,063
Trade debts	26,998,122	14,280,796
Loan and advances	(86,934)	(3,442,821)
Sales tax	11,721,742	(1,660,993)
Other receivables	252,000	(397,758)
	43,008,193	9,419,287
Increase/(Decrease) in current liabilities:		
Trade and other payables	(28,954,104)	(136,906,830)
Cash generated from operations	(4,679,682)	(137,367,868)
Taxes paid	(1,833,538)	(34,048,617)
Finance cost paid	(21,256,752)	(94,136,906)
Gratuity-net	-	(3,358,556)
	(23,518,312)	(161,553,479)
Net cash generated from operating activities	(27,789,890)	(218,881,483)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	64,000,000
Fixed capital expenditure	-	(38,092,716)
Net cash generated from / (used in) investing activities	-	25,907,283
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	23,918,339	(5,862,241)
Short term finance	4,088,269	203,295,730
Repayment of lease liabilities	-	(1,994,349)
Net cash generated from financing activities	28,006,607	195,439,139
Net increase in cash and cash equivalents	216,717	2,444,981
Cash and cash equivalents at the beginning of the period	6,760,035	5,288,942
Cash and cash equivalents at the end of the period	6,976,752	7,733,923

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

CHIEF EXECUTIVE

DIRECTOR

Kashli
 Dated: February 26, 2015

OLYMPIA SPINNING & WEAVING MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2014 (UN-AUDITED)

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 Ordinance, 1984), and its shares are quoted on the Karachi Stock Exchange. The main business of the company is manufacturing and sale of yarn. The registered office of the company is situated at E-3 Fazzara Building, 1st floor, Block 7 & 8, Shaheed-e-Millat Road Karachi.
- 1.2 The company has incurred a loss for the period ended December 31, 2014 of Rupees 105,274 million (June 30, 2014: Loss Rupees 361,635 million) and as of that date, reported accumulated losses of Rupees 1440,104 million (June 30, 2014: Rupees 1336,230 million). The current liabilities exceeded its current assets by Rupees 972,243 million (June 30, 2014: Rupees 886,549 million) as of that date. The operations of the company remain suspended from May 2014 due to repair & maintenance, non availability of cotton and on going restructuring negotiations with banks. These conditions along with adverse key financial ratios and legal cases against the company as mentioned in note 7 (contingencies and commitment) indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The company is continuously engaged with its bankers for restructuring of its liabilities on much softer terms and conditions. The directors of the company are also considering different options and solutions to the financial crisis and are very hopeful that the company will survive. Directors of the company have committed that if in case any additional funds are required for running the business of the company, will be provided by the sponsors and directors. Accordingly, these financial statements have been prepared on going concern assumption.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard "IAS" 34 'Interim Financial Reporting' as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2014.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial information comprise of condensed interim Balance Sheet, condensed interim Profit & Loss Account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the half year ended December 31, 2014 which have been subjected to a review but not audited. This condensed interim financial information also include the condensed interim profit & loss account for the quarter ended December 31, 2014.

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 2014.

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements for the year ended 30 June, 2014.
- 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 2014.

5 LONG TERM FINANCING

From banking companies - secured

	December 2014	June 2014
Loan 1. UBL TF (Term Finance)	409,728,983	409,728,983
Loan 2. UBL NIDF-V (Cross Currency SWAP)	50,320,000	50,320,000
Loan 3. UBL NIDF-VI (Recoverable Markup)	157,672,000	157,672,000
Loan 4. UBL Deferred Markup	82,094,040	61,857,095
Loan 5. Askari Bank Ltd. (Term Finance)	306,458,465	306,458,465
Loan 6. Askari Bank Ltd. (Frozen Markup)	36,980,840	36,980,840
Loan 8. Summit Bank Ltd. (Formerly My Bank Ltd.)	9,500,000	12,000,000
Loan 8. Bank Alfalah Ltd. (Term Finance)	164,000,000	164,000,000
	1,216,754,328	1,198,217,383

From related party - unsecured

Directors / Sponsors loan

30,562,956	29,121,792
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Current maturity of long term financing

Current maturity Amount

97,217,191	124,238,043
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Overdue amount

80,697,101	24,178,651
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177,914,292	148,416,694
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1,869,342,991	1,074,922,481
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6 ACCRUED MARKUP

This includes the overdue markup of Rs. 92,289,515/- (June 30, 2014: Rs. 53,357,500)

7 CONTINGENCIES AND COMMITMENTS

7.1 CONTINGENCIES

- 7.1.1 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.

- 7.1.2 The company has filed a suit in High Court of Sindh and obtained Stay Order against settlement of cross currency swap contracts of Rs. 830.5(M) entered into by the company with Standard Chartered bank. The company mainly contests on provision of unwinding cost calculation, mismatched dates of settlement with its long term loans repayments and other procedural non compliance of foreign bank. No provision of unwinding cost of cross currency swap contract of Rs 293.35 (M) has been made in the financial statements, as the legal opinion is favorable.
- 7.1.3 A foreign customer has filed a suit for \$ 1.734 m against the company for non delivery of goods against advance payment and requested the court to windup the company for recovery of the amount. The company contested the allegation in the High Court by filing a counter claim against the foreign buyer for \$ 1.734 (M) due to non performance on part of customer for non opening of L/Cs and other non compliances. The matter is pending in the High Court of Sindh.
- 7.1.4 Cross corporate Guarantee issued in favor of subsidiary / associated company amounts to Rs. 52.5 million.
- 7.1.5 Guarantee issued to Excise and Taxation Officer by bank on behalf of the company amounting to Rs.25,370 million.
- 7.1.6 There is no change in contingencies and commitments during the half year period ended December 31, 2014.

7.2 COMMITMENTS

Nil

Nil

8 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	(UN-AUDITED)		(AUDITED)	
	December 31, 2014		June 30, 2014	
	Acquisition	Disposal	Acquisition	Disposal
	Rupees		Rupees	
Plant and machinery	-	-	11,323,737	97,976,747
Office equipment	-	-	333,450	-
Factory tools & equipment	-	-	57,950	-
Motor vehicles	-	-	450,000	3,436,098
Electric & pipe fitting	-	-	20,875	-
Total	-	-	12,186,012	101,412,845

9 STOCK IN TRADE

The carrying value of pledge stock amounts to Rs.102,680,138/- (2014: Rs.126,762,975) The raw material is valued at Net Realizable Value as at December 31, 2014. The carrying value of stock will be increased by RS.4,832,905/- if they are carried at cost.

	(UN-AUDITED) December-2014 RUPEES	(UN-AUDITED) December-2013 RUPEES
10 TRANSACTIONS WITH ASSOCIATED UNDERTAKING		
Electricity purchased	7,213,614	200,885,927
Stores & spares sold	-	50,108,292
	<u>7,213,614</u>	<u>250,994,129</u>

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

11 EVENT AFTER THE BALANCE SHEET DATE:

There were no significant event since the balance sheet date.

12 DATE OF AUTHORISATION FOR ISSUE:

These financial information were authorised for issue on February 28, 2015 by the board of directors of the company.

13 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE




DIRECTOR

Karachi:

Dated: February 28, 2015