



# ***OLYMPIA MILLS LIMITED***

**INTERIM FINANCIAL STATEMENT  
DECEMBER 31, 2019**

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

CHIEF FINANCIAL OFFICER : MR. ASIM JAFFERY

COMPANY SECRETARY : MR MUHAMMAD ASHRAF KHAN

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**  
**DIRECTORS REPORT**

The Directors have pleasure in presenting their un-audited accounts of the Company for six months ended December 30, 2019. Financial results for six months period ended December 31 2019 are as under:

	HALF YEAR ENDED		QUARTER ENDED	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	RUPEES	RUPEES	Rupees	Rupees
Revenue from Rental/ Lease Income	43,821,633	37,397,080	23,157,968	19,786,027
Direct Operating Expenses	(18,082,895)	(14,460,213)	(8,836,300)	(7,573,594)
Profit from principal line of business	25,738,738	22,936,867	14,321,668	12,212,433
Administrative & general expenses	(10,100,026)	(9,112,252)	(5,940,179)	(4,035,307)
Other Income	15,239,716	7,473,330	630,377	7,235,021
	5,139,690	(1,638,922)	(5,309,802)	3,199,714
Operating Profit	30,878,428	21,297,945	9,011,866	15,412,147
Finance Cost	(5,088,189)	(6,908,159)	(2,470,326)	(3,792,511)
Net Profit before taxation	25,790,239	14,389,786	6,541,540	11,619,636
Taxation:				
Current	(6,612,993)	(6,055,886)	(2,884,208)	(2,585,672)
Net Profit after taxation	19,177,246	8,333,900	3,657,332	9,033,964
Earning per share-Basic and diluted	1.60	0.69	0.30	0.75

**FINANCIAL RESULTS:**

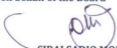
The financial results for six months period ended December 31, 2019 have resulted in net Profit after tax of Rs. 19.177 m. The revenue from business has increased by Rs 6.424 million while Administrative expenses also reduced by Rs 0.987 million . During the period the company has made settlement with some creditors which resulted in other income of Rs 14.021 million. We are very hopeful that the company will continued to earn profit in future. The directors and Sponsors will continue to support the company in future. The Auditors express their concerns over the Company's financial position by expressing an adverse opinion over Going Concern assumption in their report with which the Company do not agree. The company already discloses mitigating factors in accounts for support of use of going concern assumption.

**FUTURE PROSPECTS:**

The directors are very actively concentrating on repayment of all Company's debts after which the company will be in the position to explore new options.

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

# اولمپیا لمز لمیٹڈ

## ڈائریکٹرز رپورٹ

ڈائریکٹرز کو اپنے غیر آڈٹ اکاؤنٹس جو کہ ادارے کے آدھے سال کے آخر دسمبر ۲۰۱۹، ۲۰۱۸، ۲۰۱۷ میں پیش کرنے میں خوشی ہو رہی ہے۔ مالی نتائج برائے چھ ماہ ختم دہجہ ذیل ہیں:-

	آدھا سال ختم		سہ ماہی ختم	
	دسمبر ۲۰۱۹، ۲۰۱۸	دسمبر ۲۰۱۸، ۲۰۱۷	دسمبر ۲۰۱۹، ۲۰۱۸	دسمبر ۲۰۱۸، ۲۰۱۷
کرایہ ریز کی آمدنی	43,821,633	37,397,080	23,157,968	19,786,027
برادر است آپریشننگ اخراجات	(18,082,895)	(14,460,213)	(8,836,300)	(7,573,594)
کاروبار کے پرنسپل لائن سے منفع	25,738,738	22,936,867	14,321,668	12,212,433
انتظامی اور عام اخراجات	(10,100,026)	(9,112,252)	(5,940,179)	(4,035,307)
دیگر آمدنی	15,239,716	7,473,330	630,377	7,235,021
	5,139,690	(1,638,922)	(5,309,802)	3,199,714
مملکتی فائدہ	30,878,428	21,297,945	9,011,866	15,412,147
مالیاتی قیمت	(5,088,189)	(6,908,159)	(2,470,326)	(3,792,511)
ٹیکسیشن سے قبل منفع	25,790,239	14,389,786	6,541,540	11,619,636
ٹیکسیشن				
موجودہ	(6,612,993)	(6,055,886)	(2,884,208)	(2,585,672)
ٹیکسیشن کے بعد منفع	19,177,246	8,333,900	3,657,332	9,033,964
فی شیئر کمائی۔ بنیادی اور ڈائریکٹرز	1.60	0.69	0.30	0.75

چھ ماہ کی مدت کے آخر دسمبر ۲۰۱۹، ۲۰۱۸ میں ٹیکس کے بعد مالیاتی نتائج 19,177 ملین روپے خاص منافع کی صورت میں ہے۔ کاروبار سے آمدنی 6,424 ملین روپے سے اضافہ ہوا ہے۔ جبکہ انتظامی اخراجات میں 0.987 ملین روپے سے کمی ہوئی ہے۔ مدت کے دوران کمائی نے کچھ قرض دہندگان سے تصفیہ کیا ہے جس کے نتیجے میں 14,021 ملین روپے کی اضافی آمدنی ہوئی ہے۔ ہم بہت پر امید ہیں کہ مستقبل میں منافع کمائے کا سلسلہ جاری رہے گا۔ ڈائریکٹرز اور قرض مستقبل میں حمایت جاری رکھیں گے۔ آڈیٹرز اپنی رپورٹ میں کمائی کے بارے میں خوشی کا اظہار کرتے ہوئے کمائی کی مالی حیثیت پر اپنے مثبت رائے کے نشانات کا اظہار کیا ہے جس پر کمائی متفق نہیں ہے۔ کمائی پہلے ہی کاروبار کے جاری رہنے والے سے ثبوت میں کرنے والے عناصر کو اکاؤنٹس میں ظاہر کیا ہے۔

مستقبل کے امکانات:- ڈائریکٹرز بہت ہی سرگرمی سے کمائی کے تمام قرضوں کی ادائیگی پر توجہ دے رہے ہیں جس کے بعد کمائی نے اختیارات دریافت کرنے کی پوزیشن میں ہوگی۔

میں اس بات کو یاد رکھتا ہوں کہ ادارے کے ٹیکسز کے تعاون اور ان کی حمایت کے بغیر موجودہ مقید حاصل کرنا ممکن نہیں تھا۔ کمائی کے منفع کے ممبروں اور کارکنان کی وفاداری اور مقیدت بھی موجودہ نتائج کے حصول کیلئے ایک اہم عامل ہے۔

  
سرانج صاحب منول

  
ایم و قرض منول

موری ۲۵ فروری ۲۰۲۰ء، گجراتی۔

ڈائریکٹر

چیف ایگزیکٹو

برادر است اور جانب سے

### REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

For the period ended Dec 31, 2019

#### Introduction

We have reviewed the accompanying condensed interim balance sheet of **Olympia Mills Limited** as at December 31, 2019, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow 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, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

#### 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 for Adverse Conclusion

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

- a. As described in Note 1.2 to the financial statements, the financial statements have been prepared on going concern basis. The company has ceased the operations of spinning unit since May 21, 2014 the company has earned profit for the period ended December 31, 2019 of Rupees 19.177 million and as of that date, reported accumulated losses of Rupees 1,018.921 million. The company's current liabilities exceeded its current assets by Rupees 615.630 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. These circumstances give rise to

# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 32638521-3

Branch Office: 19-B, Block-G, Gulberg III, Lahore. Tel: 35858624

Email Address: [mushtaqco@hotmail.com](mailto:mushtaqco@hotmail.com)



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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.

### Adverse Conclusion

Based on our review, because of the significance of the matters described in the preceding paragraph, this interim financial information does not give a true and fair view of the financial position of the company as at 31 December, 2019, and of its financial performance and its cash flows for the half year ended December 31, 2019 in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Mushtaq Ahmed Vohra, FCA.

KARACHI:

Date: 25 February, 2020



MUSHTAQ & COMPANY  
Chartered Accountants

**OLYMPIA MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	NOTES	DECEMBER 31, 2019 RUPEES UNAUDITED	JUNE 30, 2019 RUPEES AUDITED
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
13,000,000 (2019: 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
Revaluation surplus on Property, Plant and Equipment		525,238,488	525,238,488
Revenue Reserve		3,580,053	3,580,053
Unappropriated loss		(1,018,921,439)	(1,038,098,685)
		(370,102,898)	(389,280,144)
<b>NON CURRENT LIABILITIES</b>			
Long term financing	5	468,489,881	489,240,588
Deferred liabilities		380,905	315,090
<b>CURRENT LIABILITIES</b>			
Trade and other payables		273,049,803	288,740,865
Short-term borrowings		365,133,803	365,076,577
Current portion of - long term financing		56,250,000	50,250,000
		694,433,606	704,067,442
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		793,201,494	804,342,977
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	57,520,119	60,896,723
Investment Property		652,784,851	660,585,436
Long term deposit		4,093,482	3,793,482
<b>CURRENT ASSETS</b>			
Trade debts		9,169,811	7,238,062
Other financial assets		34,096,000	34,096,000
Loans and advances		177,500	104,000
Income tax and sales tax refundable		4,414,780	6,628,878
Other receivables		24,263,318	24,214,871
Cash and bank balances		6,681,633	6,785,524
		78,803,042	79,067,335
		793,201,494	804,342,977

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**OLYMPIA MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	HALF YEAR ENDED		QUARTER ENDED	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	RUPEES	RUPEES	Rupees	Rupees
Revenue from Rental/ Lease Income	43,821,633	37,397,080	23,157,968	19,786,027
Direct Operating Expenses	(18,082,895)	(14,460,213)	(8,836,300)	(7,573,594)
Profit from principal line of business	<b>25,738,738</b>	<b>22,936,867</b>	<b>14,321,668</b>	<b>12,212,433</b>
Administrative & general expenses	(10,100,026)	(9,112,252)	(5,940,179)	(4,035,307)
Other Income	15,239,716	7,473,330	630,377	7,235,021
	5,139,690	(1,638,922)	(5,309,802)	3,199,714
<b>Operating Profit</b>	<b>30,878,428</b>	<b>21,297,945</b>	<b>9,011,866</b>	<b>15,412,147</b>
Finance Cost	(5,088,189)	(6,908,159)	(2,470,326)	(3,792,511)
<b>Net Profit before taxation</b>	<b>25,790,239</b>	<b>14,389,786</b>	<b>6,541,540</b>	<b>11,619,636</b>
<b>Taxation:</b>				
Current	(6,612,993)	(6,055,886)	(2,884,208)	(2,585,672)
<b>Net Profit after taxation</b>	<b>19,177,246</b>	<b>8,333,900</b>	<b>3,657,332</b>	<b>9,033,964</b>
<b>Earning per share-Basic and diluted</b>	<b>1.60</b>	<b>0.69</b>	<b>0.30</b>	<b>0.75</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**OLYMPIA MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

HALF YEAR ENDED		QUARTER ENDED	
December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
RUPEES	RUPEES	Rupees	Rupees

Profit for the period after taxation	19,177,246	8,333,900	3,657,332	9,033,964
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Total Comprehensive Income	19,177,246	8,333,900	3,657,332	9,033,964
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*The annexed notes form an integral part of this condensed interim financial information.*

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**OLYMPIA MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

PAID UP CAPITAL	RESERVE			SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT	TOTAL	
	REVENUE RESERVE	ACCUMULATED (LOSS)	SUB TOTAL			
	← RUPEES →					
Balance as at 30-06-2018	120,000,000	3,580,053	(1,089,053,740)	(1,085,473,687)	525,238,488	(440,235,198)
Total comprehensive income for the half year ended December 31, 2018	-	-	8,333,900	8,333,900	-	8,333,900
Balance as at 31-12-2018	120,000,000	3,580,053	(1,080,719,840)	(1,077,139,787)	525,238,488	(431,901,299)
Effect of changes in accounting policy due to adoption of IFRS 9			(1,064,432)	(1,064,432)		(1,064,432)
Adjusted Balance as at 31-12-2018	120,000,000	3,580,053	(1,081,784,272)	(1,078,204,219)	525,238,488	(432,965,731)
Total Comprehensive Income for the period from 01-01-2019 to 30-6-2019	-	-	43,685,587	43,685,587	-	43,685,587
Balance as at 30-06-2019	120,000,000	3,580,053	(1,038,098,685)	(1,034,518,631)	525,238,488	(389,280,144)
Total Comprehensive Income for the half year ended December 31, 2019	-	-	19,177,246	19,177,246	-	19,177,246
Balance as at 31-12-2019	120,000,000	3,580,053	(1,018,921,439)	(1,015,341,385)	525,238,488	(370,102,898)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

**OLYMPIA MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	31 December-2019 RUPEES	31 December-2018 RUPEES
<b>CASH GENERATED FROM OPERATION</b>		
Profit before taxation	25,790,239	14,389,786
Adjustment for non cash charges and other items:		
Depreciation	10,871,305	12,574,800
Finance cost	5,088,189	6,908,159
(Gain) on disposal of fixed assets	(19,115)	-
Liabilities no longer payable	(14,021,299)	(6,854,263)
Gratuity	65,815	88,198
	<u>1,984,895</u>	<u>12,716,894</u>
Operating Profit before working capital changes	27,775,134	27,106,680
(Increase)/decrease in current assets:		
Trade debts	(1,931,749)	4,532,723
Loan and advances	(73,500)	(2,600)
Sales tax	97,954	(320,824)
Other receivables	(48,447)	(520,564)
	<u>(1,955,742)</u>	<u>3,688,735</u>
Increase/(Decrease) in current liabilities:		
Trade and other payables	(1,669,763)	6,472,606
<b>Cash generated from operations</b>	<u>24,149,629</u>	<u>37,268,021</u>
Taxes paid	(4,496,849)	(3,216,056)
Finance cost paid	(838,896)	(621,456)
	<u>(5,335,745)</u>	<u>(3,837,512)</u>
<b>Net cash generated from operating activities</b>	<u>18,813,884</u>	<u>33,430,509</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	325,000	-
Long term deposit	(300,000)	-
Net cash generated from / (used in) investing activities	25,000	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	(19,000,000)	(29,633,335)
Short term finance	57,226	(3,603,291)
<b>Net cash used in financing activities</b>	<u>(18,942,774)</u>	<u>(33,236,626)</u>
Net increase in cash and cash equivalents	(103,890)	193,883
Cash and cash equivalents at the beginning of the period	6,785,524	6,633,725
Cash and cash equivalents at the end of the period	<u>6,681,634</u>	<u>6,827,608</u>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**OLYMPIA MILLS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019**

**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. The principal line of business is renting/leasing of company's fixed assets. 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 the period ended December 31, 2019 of Rupees 19,177 million (December 31, 2018: Profit of Rupees 8.33 million) and as of that date, reported accumulated losses of Rupees 1,018,921 million (June 30, 2019: Rupees. 1,038,098 million). The current liabilities exceeded its current assets by Rupees 615,630 million (June 30, 2019: Rupees 625,000 million) as of that date. During the period, Pakistan Stock Exchange Limited has placed the Company name on "Defaulter Segment". 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:
- (i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and
- (ii) 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 2019.

**3 SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The accounting policies and methods of computation adopted for the preparation of the financial statements for the half year ended December 31, 2019 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2019 except for the following:

**3.2 IFRS 16 Leases**

Effectively July 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an arrangement contains a Lease", SIC-15 "Operating Leases-Incentive" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The adoption of IFRS 16 does not have any material impact on the company due to being the lessor.

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

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June, 2019.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2019

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## 5 LONG TERM FINANCING

### From banking companies - secured

#### Term Finance

United Bank Ltd.

5.1

17,583,983

24,083,983

Askari Bank Ltd.

5.2

136,632,998

149,132,998

154,216,981

173,216,981

#### Frozen Markup

United Bank Ltd.

5.1

222,272,000

222,272,000

Askari Bank Ltd.

5.2

119,888,598

119,888,598

342,160,598

342,160,598

#### Deferred Markup

United Bank Ltd.

4,651,468

4,129,997

Askari Bank Ltd.

23,710,834

19,983,012

28,362,302

24,113,009

524,739,881

539,490,588

Less:

Over due installments subsequently paid

(5,250,000)

(4,750,000)

Current maturity of long term financing

(51,000,000)

(45,500,000)

(56,250,000)

(50,250,000)

468,489,881

489,240,588

### 5.1 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 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. The above modifications shall be incorporated in the Consent Decree/Settlement Agreement dated December 29,2010 by the Bank.

### 5.2 Askari Bank Ltd. (Term Finance)

The five year restructured term loan will be 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. The above modifications shall be incorporated in the Consent Decree/Settlement Agreement April 01,2010 by the bank.

## 6 CONTINGENCIES AND COMMITMENTS

There have been no significant change in Contingencies & Commitment since the last Audited financial statements.

## 7 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	December 31, 2019		June 30, 2019	
	Acquisition	Disposal	Acquisition	Disposal
	Rupees		Rupees	
Motor vehicle	-	2,083,660	-	2,563,248
Motor Truck	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,083,660</b>	<b>-</b>	<b>2,563,248</b>

**8 OTHER OPERATING INCOME**

	Dec 31, 2019 RUPEES	Dec 31, 2018 RUPEES
Return on Bank Term Deposits-Others	1,199,302	533,164
Gain on disposal of fixed assets	19,115	-
Trading Income	-	85,903
Liabilities No Longer Payable - Creditors	14,021,299	6,854,263
	<u>15,239,716</u>	<u>7,473,330</u>

**9 TRANSACTIONS WITH RELATED PARTIES**

	Dec 31, 2019 RUPEES	Dec 31, 2018 RUPEES
Purchase of Electricity from Olympia Power Generation(Pvt)Ltd	541,630	307,235
Rent income (Olympia Power Generation(Pvt) Ltd )	441,684	441,684
Utilities charges to Olympia Power Generation (Pvt) Ltd	280,318	461,988
Olympia Power Generation (Pvt) Ltd-repayment net	(642,983)	5,047,518
	<u>620,649</u>	<u>6,258,425</u>

All transactions have been carried out at arm's length.

**10 EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE:**

Subsequently to the Statement of financial position date , the Perfect Paper Mills has terminated the lease agreement of Paper Plant with effect from 31st January, 2020. The Board has approved the new lease agreement with an associated company, Olympia Paper Industries (Pvt) Limited on same terms & conditions.

**11 DATE OF AUTHORIZATION FOR ISSUE:**

These financial statements were authorized for issue on **25 February, 2020** by the board of directors of the company.

**12 GENERAL**

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER