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COMPANY INFORMATION

BOARD OF DIRECTORS		
CHAIRMAN AND CHIEF EXECUTIVE	:	**M. WAQAR MONNOO**
DIRECTORS	:	MRS. GHAZALA WAQAR
	:	MR. SIRAJ SADIQ MONNOO
	:	MR. SYED EJAZUDDIN
	:	MR. IMRAN MONNOO
	:	MR. SYED AYAZUDDIN
	:	MR. MUHAMMAD ANWAR SAIGAL
AUDIT COMMITTEE MEMBERS	:	
CHAIRMAN (NON-EXECUTIVE)	:	MR. SYED EJAZUDDIN
MEMBER (NON-EXECUTIVE)	:	MR IMRAN MONNOO
MEMBER (NON-EXECUTIVE)	:	MRS.GHAZALA WAQAR
HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE	:	
CHAIRMAN (NON-EXECUTIVE)	:	MR IMRAN MONNOO
MEMBER (NON-EXECUTIVE)	:	MRS.GHAZALA WAQAR
MEMBER (NON-EXECUTIVE)	:	MR. SYED EJAZUDDIN
CHIEF FINANCIAL OFFICER	:	MR. ASIM JAFFERY
COMPANY SECRETARY	:	MR. MUHAMMAD ANWAR SAIGAL
LEGAL ADVISOR	:	M/S. A.K. BROHI & CO. ADVOCATE
AUDITORS	:	MUSHTAQ & COMPANY CHARTERED ACCOUNTANTS 407-408, COMMERCE CENTRE, HASRAT MOHANI ROAD, KARACHI.
BANKERS	:	UNITED BANK LTD
	:	ASKARI BANK LTD
	:	SONERI BANK LTD
	:	HABIB BANK LTD
	:	ALLIED BANK OF PAKISTAN
	:	BANK AL-FALAH LTD.
PRINCIPAL/REGISTERED OFFICE	:	E/3, FARZANA BUILDING, 1ST FLOOR, BLOCK 7 & 8, K.C.H.S. UNION LTD., SHAHEED-E-MILLAT ROAD, KARACHI-75350
MILLS AT	:	PLOT NO. H/23/3, LANDHI INDUSTRIAL AREA, LANDHI, KARACHI.

VISION STATEMENT

We aim to offer high quality yarn both in Pakistan and abroad by continuously improving our products quality by keeping the most technologically advanced production machinery.

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, 2013 for your consideration and approval.

OPERATING REVIEW:

The operating results of the period under review has resulted in net loss before taxation of Rs.85,706,102/- with net sales of Rs.2,634,362,916/- as compared to the last year's sale of Rs. 2,278,470,158/- which shows a increase of 15.61% over last year's sale.

	For Year ended June 30, 2013 Rupees	For Year ended June 30, 2012 Rupees
Appropriation of profit is as under:		
Net Profit/(loss) before taxation	(85,706,102)	(87,526,353)
Taxation:	(21,917,080)	(21,937,726)
Net Profit/ (loss) for the year after taxation	(107,623,182)	(109,464,080)
Unappropriated (loss) brought forward	(863,980,592)	(757,932,303)
Remeasurements adjustment of Post Retirement obligation	(9,026,824)	(7,250,371)
Net Effect of surplus on revaluation of fixed assets Transferred to accumulated profit	11,899,994	10,666,161
Accumulated (loss) carried forward	(968,730,606)	(863,980,592)
EPS	(8.97)	(9.12)

FINANCIAL RESULTS:

The financial results for the year ended June 30, 2013 have shown net loss after tax of Rs.107,623,182\=.The operating profit has been decreased from Rs 74,841,420 to Rs 62,970,517 as compared to last year. Gross profit percentage has been increased from 6.11% to 7.34% as compared with the previous corresponding period. The main reason of loss is the unavailability of working capital which results in higher purchase cost. The other reasons of loss includes, continuous rising prices of energy, increasing dollar rate and double digit general inflation which increases cost of other inputs.

The comparison between spinning mills making profit and those having losses reveals that availability of adequate working capital is the main cause for lose making spinning units. The shortage of working capital restrains us to stock cheap cotton at peak cotton season where cotton prices are at their minimum level. The spinning mill like us with acute working capital shortage have no choice but to procure expensive cotton throughout the year which makes a heavy dent in our profitability. Also the heavy burden of debt in form of markup and principal payments dried out nearly all of our liquidity. The company during the year made several request to its bankers for opening lines for working capital but banks seems not reluctant to offer us any working capital lines. This situation creates very tough time for managing our business efficiently.

The company is facing weekly gas load shedding of one/two days which drastically reduced our production. On top of this, regular low gas pressure reduces our daily production drastically. The combined production loss from weekly gas load shedding and low gas pressure comes approximately to 30%-40% of total production. This loss of production has directly increased our overhead cost which is already high. It is expected that the problem of low gas pressure will be solved in current year due to our continuous efforts and negotiations with SSGC for delivering us normal gas pressure.

In year 2011, the company started exercise to identify impairment of its receivables, as a result of which the company provided provision for all the identified receivables, advances and claims during the year as disclose in note 28.3.Further the company restricted its sales and production during the period to avoid further losses due to wide fluctuations in raw cotton and yarn prices to the extent of available orders. The board of directors in their meeting recommended to record gift back of shares to the directors of Olympia Power Generation (Pvt.) Limited on 29th March, 2013 with approval in AGM. During the year the corporate guarantee has been released by the bank. Previously SECP in their order had restrained the company from relinquishes company's control in OPGL till such time the guarantee given to the Bank is outstanding.

During the period, the company successfully entered into a restructuring agreement with Bank Alfalah as disclose in note 7.11 which is settled amicably through a consent decree. Further subsequent to the balance sheet date as disclose in note 40, the UBL also restructured its long term loans by offering deferment of markup for two and a half years with reduced markup rate. Similarly our negotiation with Askari Bank Limited for deferment of markup is under process. The above steps will create some liquidity for working capital management.

The auditors repeat their last year remarks in their review report regarding financial stability of the company. We are very hopeful that we will get out of the financial crises as discussed in note 1.2.

FUTURE PROSPECTS:

Pakistan's spinning sector is again goes in recession due to unpredictable price pattern of cotton and yarn in International market. The sharp increase in the cotton rates, markup rates and continued escalations in the cost of energy is creating an extremely demanding environment for all spinners. In addition the yarn market is dominated by a bearish sentiment, while the spinning industry is facing stiff competition from heavily subsidized overseas competitors.

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. Due to very higher financial constrains, the company did not deliver any significant social activity.

CORPORATE GOVERNANCE:

The Directors of the Company are aware of their responsibilities under the Code of Corporate Governance, incorporated in the Listing Regulations of the Stock Exchange in the country under instructions from Security & Exchange Commission of Pakistan. We are taking all the necessary steps to ensure Good Corporate Governance in the Company as required by the Code.

As a part of the compliance of the Code, we confirm the following:

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 Ordinance, 1984.

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 disclose 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	4
Mrs. Ghazala Waqar	5
Mr. Siraj Sadiq Monnoo	6
Mr. Syed Ayazuddin	6
Mr. Muhammad Anwar Saigal	6
Mr. Imran Monnoo	5
Mr. Syed Ejazuddin	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.

AUDITORS:

You are requested to appoint auditors for the year 2013-2014 and fix their remuneration. The present auditors M/s. Mushtaq & Co., Charted Accountants retires and offers themselves 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

Karachi: 7th October, 2013

M .WAQAR MONNOO
(Chief Executive/Director)

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

(Rupees in Million)

YEAR ENDED JUNE 30,	2013	2012	2011	2010	2009	2008

OPERATING RESULTS

Sales net	2,634.36	2,278.47	4,298.25	2,729.55	2,352.99	4,742.48
Gross profit.	193.55	139.30	365.08	139.28	(216.54)	220.34
Operating expenses	155.08	71.80	96.50	80.77	84.94	82.59
Operating profit	62.97	74.84	273.76	62.47	(297.28)	141.35
Finance cost	148.68	162.37	193.38	188.85	172.93	141.57
Profit/(Loss) before tax	(85.71)	(87.53)	80.38	(126.38)	(470.22)	(0.23)
Taxation	21.92	21.94	37.35	27.19	14.09	14.80
Profit /(Loss) after tax	(107.62)	(109.46)	43.03	(153.58)	(484.31)	(15.03)

FINANCIAL POSITION

Paid-up Capital	120.00	120.00	120.00	120.00	120.00	120.00
Retained earnings/(loss)	(965.15)	(815.73)	(709.69)	(637.89)	(499.34)	(49.04)
Total equity	(845.15)	(695.73)	(589.69)	(517.89)	(379.34)	70.96
Long term finances	1,220.62	1,131.16	1,161.30	564.54	265.63	306.42
Deferred liability	9.39	5.07	4.54	3.53	2.93	4.22
Current liabilities	1,086.39	1,117.51	1,057.60	1,558.99	1,802.08	1,079.33
Total assets	2,514.99	2,637.49	2,693.42	2,616.73	2,777.58	2,451.69
Fixed assets (Gross)	2,110.52	2,092.21	2,138.60	2,112.19	2,105.88	2,218.75
Accumulated depreciation	156.88	96.72	213.39	160.44	105.88	544.40
Fixed assets (Net)	1,953.63	1,995.50	1,925.21	1,951.76	1,999.99	1,674.35
Long term deposits	3.41	5.06	6.37	8.61	21.59	21.50
Long Term Investment	-	44.67	44.67	44.67	44.67	44.67
Current assets	555.36	592.27	697.75	611.70	711.33	705.21

RATIOS

Gross pofit to sales % (Excluding Depreciation)	9.58	8.61	9.76	7.26	(6.62)	10.10
Gross pofit to sales % (Including Depreciation)	7.35	6.11	8.49	5.10	(9.20)	8.03
Cost of sales to sales %	(92.65)	(93.89)	(91.51)	(94.90)	(109.20)	(91.97)
Net profit to sales %	(3.25)	(3.84)	1.87	(4.63)	(19.98)	(0.01)
Earning/(loss) per shares in Rs.	(8.97)	(9.12)	3.59	(12.80)	(40.36)	(1.25)
Earning/(loss) to equity %	10.14	12.58	(13.63)	19.95	96.98	(0.17)
Adamin expenses to net sales %	5.89	3.15	2.25	1.49	1.43	1.33
Return on fixed assets before tax %	(4.39)	(4.39)	4.17	(6.48)	(23.51)	(0.01)
Return on total assets before tax %	(3.41)	(3.32)	2.98	(4.83)	(16.93)	(0.01)
Debt equity ratio %	83.75	76.67	74.15	65.36	60.66	44.87
Current ratio	0.51	0.53	0.66	0.39	0.39	0.65
Quick ratio	0.22	0.31	0.44	0.25	0.16	0.26
Turn over to fixed assets times	1.35	1.14	2.23	1.36	1.18	1.64
Turn over to total assets times	1.05	0.86	1.60	1.04	0.85	1.12

FORM - A

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2013

No. of Share Holders	Shareholding					Total Shares Held
153	Holding	from	001	to	100	8,626
114	---do---		101	to	500	29,374
25	---do---		501	to	1,000	24,401
65	---do---		1,001	to	5,000	196,187
22	---do---		5,001	to	10,000	165,412
3	---do---		10,001	to	15,000	40,000
1	---do---		15,001	to	20,000	17,500
5	---do---		20,001	to	25,000	108,500
1	---do---		25,001	to	30,000	30,000
2	---do---		30,001	to	35,000	65,000
3	---do---		35,001	to	40,000	111,000
1	---do---		40,001	to	45,000	44,000
1	---do---		50,001	to	55,000	51,000
1	---do---		60,001	to	65,000	65,000
1	---do---		85,001	to	90,000	90,000
2	---do---		95,001	to	100,000	195,000
1	---do---		100,001	to	105,000	100,500
1	---do---		105,001	to	110,000	108,000
1	---do---		155,001	to	160,000	158,500
1	---do---		1,150,001	to	1,155,000	1,151,655
1	---do---		1,875,001	to	1,880,000	1,878,570
1	---do---		2,300,001	to	2,305,000	2,300,025
1	---do---		5,060,001	to	5,065,000	5,061,750
407						**12,000,000**

Categories Shareholders	No. of Shareholders	Shares Held	Percentage
Individuals	396	11,866,620	98.89%
Financial Institutions	1	25	0.0002%
Joint Stock Companies	6	128,650	1.07%
Other Companies	4	4,705	0.04%
	407	**12,000,000**	**100%**

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2013

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 Childern (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	5,061,750	42.18
(5) Mr. Syed Ayazuddin	Director	5,000	0.04
(6) Mr. Muhammad Anwar Saigal	Director	5,000	0.04
(7) Mr. Syed Ejazuddin	Director	5,000	0.04
(8) Mr. Imran Monnoo	Director	500	0.0042
Executives		None	None
Public Sector, Joint Stock Companies and Corporations			
(1) National Bank Of Pakistan		25	0.0002
(2) Fateh Textile Mills Ltd.		50	0.0004
(3) Highlink Capital (Pvt) Limited		4,000	0.0333
(4) Darson Securities (Pvt) Limited		100	0.0008
(5) Salim Sozer Securities (Pvt.) Limited		90,000	0.75
(6) SNM Securities (Pvt) Ltd		33,500	0.28
(7) Fikree's (SMC-PVT) Limited		1,000	0.01
(8) Investment Corporation of Pakistan		450	0.0038
Abandoned properties & Other Companies.			
(1) Abandoned Properties Organisation.		200	0.0017
Shareholders holding 10% or more voting interest in the Listed Companies			
(1) Muhammad Waqar Monnoo.		1,878,570	15.65
(2) Mr. Siraj Sadiq Monnoo.		2,300,025	19.17
(3) Mrs. Hina Siraj Sadiq		5,061,750	42.18

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE PERIOD ENDED 30TH JUNE, 2013

This statement is being presented to comply with the Code of Corporate Governance contained in listing Regulation of the Karachi Stock Exchange (Guarantee) Ltd for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Board comprises seven directors including CEO. The Company encourages representation of independent non-executive directors on its Board. At present the board includes three non-executive directors. The condition of clause 1(b) of the CCG in relation to independent director will be applicable after next election of board of directors.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancies occurred on the Board during the year ended June 30, 2013.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.

6. The Management has developed a vision, mission statement and significant policies of the Company and the same is in the process of approval by the Board. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The corporate strategy of the Company is reviewed and approved by the Board along with the annual plan.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.

8. All he meetings of the Board were presided over by the Chairman and, in the absence, by the director elected by the Board for this Purpose. The Board met Six times during the year ended June 30, 2013 including once in every quarter to approve the financial statements of the Company. Written notices of the Board meetings along with the agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranged in house orientation courses for its directors during the year to apprise them of their duties and responsibilities and to brief them regarding amendments in the Companies Ordinance / Corporate Laws.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for this year ended June 30, 2013 has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The related party transactions have been placed before the audit committee and approved by the board of directors with necessary justifications for non arm's length transactions only if such terms can be substantiated.

16. The Board has formed an audit committee. It comprises three non-executive members. The requirement of chairman to be and independent director shall be applicable after next election of directors. It requires that at least one members of the Audit Committee must be financially literate.

17. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been framed and advised to the committee for compliance.

18. The Board has set-up an effective internal audit function.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants 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 Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The Management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with the best practices.

22. We confirm that all other material principles contained in the Code have been complied with.

23. The board formed Human Resource and Remuneration Committee (HR&R) in Compliance with clause XXV of Code of Corporate Governance.

24. Majority of directors on the board are having more than 14 years of education and more than 15 years of experience therefore they are exempted from the mandatory Director's training program as prescribed by the Code of Corporate Governance.

FOR AND BEHALF OF THE BOARD OF DIRECTORS

Karachi: 07th October,2013

M. WAQAR MONNOO
CHIEF EXECUTIVE

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of the members of Olympia Spinning & Weaving Mills Limited will be held at 05:00 p.m.on Thursday, October 31, 2013 at the registered office of the company at E-3 Farzana Building 1st Floor Block 7 & 8, K.C.H.S. Shaheed-e-Millat Road Karachi to transact the following business:

Ordinary Business:

1 To confirm minutes of the last AnnualGeneral Meeting held on October 30, 2012

2 To receive, consider and adopt Audited Accounts for the year ended 30th June, 2013 together with Auditor's and Director's Report thereon.

3 To appoint Auditors for the year ending 30th June, 2014 and to fix their remuneration.

4 To transact any other business as may be placed before the meeting with the permission of the Chairman.

Special Business:

5 To record gift back of Gifted 9,000 ordinary shares valuing Rs. 44,665,822 from Company to Directors of Olympia Power Generation (Private) Limited. The following resolution to be approved:

"Resolved that the Company be and hereby approves to pass post approval of the gifted back of 9,000 ordinary shares valuing Rs. 44,665,822 to the Directors of Olympia Power Generation (Private) Limited".

A statement under section 160(1) (b) of the Ordinance pertaining to the Special Business referred to above is annexed to this Notice of Meeting.

By Order of the Board

Karachi: 10th October, 2013

Mr. Muhammad Anwar Saigal

Company Secretary

Notes:

(i) The Register of Members of the Company will remain closed from 23 October 2013 to 31 October 2013 (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.

(iv) 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.

STATEMENT UNDER SECTION 160(1)(b) OF THE ORDINANCE.

Other information as required under notification no SRO 865(1)/ 2000 Dated December 06, 2000 issued by Securities and Exchange Commission of Pakistan is given here under

In year 2008, the three directors (Mr M.Waqar Monnoo, Mrs Ghazala Waqar and Mr Siraj Sadiq Monnoo) of Olympia Power Generation (Pvt) Limited gifted their 60% shareholding to the company for the sole purpose of fulfilling the legal requirement of provision of cross corporate gurantee thus enabling the company to become the holding company of Olympia Power Generation (Pvt) Limited. Since cross corporate gurantee was released from Bank Alfalah during the year, the directors decided to get approval of gifted back of shares in AGM. The above three directors are interested in the special business due to their common directorship in both companies.

Member of

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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

Branch Office: 20-B, Block-G, Gulberg-III, Lahore. Tel: 35884926 Fax: 35843360

Email Address: mushtaq_vohra@hotmail.com

Illinois, USA

REVIEW REPORT TO THE MEMBERS

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

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2013 prepared by the Board of Directors of **Olympia Spinning and Weaving Mills Limited** to comply with the Listing Regulations No. 35 of the Karachi Stock Exchange Limited, where the company is listed.

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. 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 the financial statements we are required to obtain an understanding of the accounting and internal control system 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 controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (x) of Listing Regulation No. 35 of Karachi Stock Exchange Limited require the Company to place before the Board of Directors for their consideration and approval, 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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 company's compliance, in all material respect, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2013.

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Mushtaq Ahmed Vohra
F.C.A

KARACHI:
Date: ___________

Member of

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **Olympia Spinning and Weaving Mills Limited** as at June 30, 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

(a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984; and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.

(b) In our opinion;

 (i) the Balance Sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

 (ii) the expenditure incurred during the year was for the purpose of the company's business; and

 (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2013 and of the loss, comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

(e) Without qualifying our opinion, we draw attention to note 1.2 in the financial statements which indicates that the company incurred a net loss of Rupees 107.623 million during the year ended June 30, 2013 and, as of that date, the company's current liabilities exceeds its current assets by 531.024 million. These conditions, along with other matters as set forth in note 1.2 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Mushtaq Ahmed Vohra
F.C.A

KARACHI:
Date: ___________

OLYMPIA SPINNING & WEAVING MILLS LIMITED
BALANCE SHEET
AS AT JUNE 30, 2013

	NOTES	JUNE 30, 2013 RUPEES	JUNE 30, 2012 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
13,000,000 (2012: 13,000,000) Ordinary shares of Rs.10 each.		130,000,000	130,000,000
Issued, subscribed and paid up capital	4	120,000,000	120,000,000
Reserves	5	(965,150,553)	(815,734,718)
		(845,150,553)	(695,734,718)
Surplus on revaluation of property, plant and equipment	6	1,119,973,462	1,131,873,456
NON CURRENT LIABILITIES			
Long term financing	7	1,144,389,474	1,076,768,387
Liability against assets subject to finance lease	8	-	1,996,828
Deferred liabilities	9	9,390,368	5,068,896
CURRENT LIABILITIES			
Trade and other payables	10	750,380,531	718,753,941
Accrued Markup	11	63,828,657	44,481,756
Short-term borrowings	12	193,953,347	290,776,301
Current portion of			
- long term financing		76,229,662	54,389,443
- liabilities against asset subject to finance lease		1,994,349	9,112,339
		1,086,386,546	1,117,513,779
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITY		**2,514,989,297**	**2,637,486,628**
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	14	1,956,218,462	1,995,496,847
Long term deposit	15	3,408,482	5,058,182
Long term investment	16	-	44,665,822
CURRENT ASSETS			
Stores, spare parts and loose tools	17	65,003,407	18,608,270
Stock in trade	18	253,966,406	231,616,695
Trade debts	19	59,911,512	71,023,203
Other financial assets	20	8,300,000	18,788,312
Loans and advances	21	55,303,239	86,595,424
Income tax and Sales tax Refundable	22	69,757,152	54,051,272
Other receivables	23	37,831,795	104,229,218
Cash and bank balances	24	5,288,842	7,353,383
		555,362,353	592,265,778
TOTAL ASSETS		**2,514,989,297**	**2,637,486,628**

The annexed notes from 1 to 42 form an integral part of these financial statements

CHIEF EXECUTIVE **DIRECTOR**

Karachi
Dated:______________

OLYMPIA SPINNING & WEAVING MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

	NOTE	For the year ended June 30, 2013 RUPEES	For the year ended June 30, RUPEES
Sales (net)	25	2,634,362,916	2,278,470,158
Cost of Sales	26	(2,440,814,137)	(2,139,174,388)
Gross Profit		**193,548,779**	**139,295,769**
Distribution Cost	27	(32,268,859)	(22,285,821)
Administrative Expenses	28	(122,808,334)	(49,514,544)
Other Income	29	25,594,815	8,292,979
Other Expenses	30	(1,095,884)	(946,963)
		(130,578,262)	(64,454,349)
Operating Profit		**62,970,517**	**74,841,420**
Finance Cost	31	(148,676,620)	(162,367,773)
(Loss) before taxation		**(85,706,102)**	**(87,526,353)**
Taxation	32	(21,917,080)	(21,937,726)
(Loss) for the year after taxation		**(107,623,182)**	**(109,464,080)**
(Loss) per share - Basic and diluted	33	**(8.97)**	**(9.12)**

The annexed notes from 1 to 42 form an integral part of these financial statements

CHIEF EXECUTIVE **DIRECTOR**

Karachi
Dated:______________

OLYMPIA SPINNING & WEAVING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013

	NOTE	For the year ended June 30, 2013 RUPEES	For the year ended June 30, 2012 RUPEES
(Loss) for the year ended after taxation		(107,623,182)	(109,464,080)
Other Comprehensive Loss:			
Remeasurement of post retirement benefit obligation		(9,026,824)	(7,250,371)
Total comprehensive (Loss) for the year		**(116,650,006)**	**(116,714,451)**

The annexed notes from 1 to 42 form an integral part of these financial statements

CHIEF EXECUTIVE **DIRECTOR**

Karachi
Dated:_______________

OLYMPIA SPINNING & WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2013

	Note	PAID UP CAPITAL	REVENUE RESERVE	CAPITAL RESERVE	ACCUMULATED LOSS	TOTAL
		RUPEES				
Balance as at 01-07-2011		120,000,000	3,580,053	44,665,822	(757,932,303)	(589,686,428)
Total comprehensive loss for the year ended June 30, 2012		-	-	-	(116,714,451)	(116,714,451)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation		-	-	-	10,121,783	10,121,783
Realisation of Surplus on revaluation of property, plant & equipment on disposal		-	-	-	544,378	544,378
Balance as at 30-06-2012		**120,000,000**	**3,580,053**	**44,665,822**	**(863,980,593)**	**(695,734,718)**
Total comprehensive loss for the year ended June 30, 2013		-	-	-	(116,650,006)	(116,650,006)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation		-	-	-	11,434,357	11,434,357
Realisation of Surplus on revaluation of property, plant & equipment on disposal		-	-	-	465,637	465,637
Reserve reversed on account of gift back of shares	16.1	-	-	(44,665,822)	-	(44,665,822)
Balance as at 30-06-2013		**120,000,000**	**3,580,053**	**-**	**(968,730,606)**	**(845,150,553)**

The annexed notes from 1 to 42 form an integral part of these financial statements

CHIEF EXECUTIVE **DIRECTOR**

Karachi
Dated:______________

OLYMPIA SPINNING AND WEAVING MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	For the year ended June 30, 2013 RUPEES	For the year ended June 30, 2012 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	34	202,754,357	264,171,005
Taxes paid		(29,760,313)	(17,189,708)
Finance cost paid		(129,329,720)	(151,969,559)
Gratuity paid		(7,766,050)	(8,147,150)
Long term deposits		1,649,700	1,315,190
Net cash from operating activities		37,547,975	88,179,778
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		4,886,500	2,600,000
Fixed capital expenditure		(28,022,550)	(68,805,558)
Net cash used in investing activities		(23,136,050)	(66,205,559)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance		89,461,306	(30,138,710)
Short term borrowings		(96,822,954)	36,559,320
Repayment of lease liabilities		(9,114,818)	(29,038,224)
Net cash used in financing activities		(16,476,466)	(22,617,614)
Net increase in cash and cash equivalents		(2,064,541)	(643,394)
Cash and cash equivalents at the beginning of the year		7,353,383	7,996,777
Cash and cash equivalents at the end of the year.		**5,288,842**	**7,353,383**

The annexed notes from 1 to 42 form an integral part of these financial statements

CHIEF EXECUTIVE **DIRECTOR**

Karachi
Dated:_______________

1 The Company and its Operations

1.1 THE COMPANY AND ITS OPERATIONS:

The company was incorporated in Pakistan as a public limited company on October 28, 1960, and its shares are quoted on the Karachi Stock Exchange. The main business of the company is manufacturing and sale of yarn. The registered office of the company is situated at E-3 Farzana Building, 1st floor, Block 7 & 8, Shaheed-e-Millat Road Karachi.

1.2 The company has incurred a loss for the year ended June 30, 2013 of Rupees 107.623 million (June 30, 2012: Loss Rupees 109.464 million) and as of that date, reported accumulated losses of Rupees 968.730 million (June 30, 2012: Rupees 863.981 million). The current liabilities exceeded its current assets by Rupees 531.024 million (June 30, 2012: Rupees 525.248 million) as of that date. These conditions along with adverse key financial ratios and legal cases against the company as mentioned in note 13 (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. On the basis of five year projection and increase in sales volume and profitability, management is confident that with better manufacturing facilities and continuous support from directors and banks, they would improve the financial position and restore its profitability. During the year, company has made expansion to Building ,Plant & machinery amounting to Rs. 22.305 m to increase profitability. Banking facilities with Bank alfalah for rescheduling / restructuring has been signed during the year. Banking facilities have been renewed and bank loan installments are being paid. Directors of the company have committed that in case, the decision of the high court and banking court is against the company they will provide finance from their own resources to meet the obligation. Accordingly, these financial statements have been prepared on going concern assumption.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These financial statements have been prepared on the historical cost basis except as otherwise stated.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

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.

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

During the year, the following standards, amendments to standards and interpretations including amendments to interpretations became effective, however, the application of these amendments and interpretations did not have material impact on the financial statements of the Company:

IAS 1 - (Amendments), "Presentation of financial statements – Presentation of Items of Other Comprehensive
The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application. The amendment is effective for annual periods beginning on or after July 01, 2012.

2.5.2 Approved accounting standards, interpretations and amendments thereto issued but not effective as at the reporting date:

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date.

IAS 16 - (Amendments), "Property, Plant and Equipment – Classification of servicing equipment"
This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. The standard is effective for annual periods beginning on or after January 01, 2013.

IAS 19 - (Amendments), "Employee Benefits"
The amendments eliminate the corridor approach and therefore require an entity to recognize changes in defined benefit plans obligations and plan assets when they occur. All actuarial gains or losses arising during the year are recognized immediately through other comprehensive income. The amendments also require additional disclosures and retrospective application with certain exceptions. The application of the amendments to IAS 19 would result in the recognition of cumulative unrecognized actuarial loss in other comprehensive income in the period of initial application. The standard is effective for annual periods beginning on or after January 01, 2013.

IAS 32 - (Amendments), "Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction"

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The standard is effective for annual periods beginning on or after January 01, 2013.

IAS 32 - (Amendments), "Financial Instruments: Presentation - Offsetting financial assets and financial liabilities"
These amendments clarify the meaning of "currently has a legally enforceable right to set-off". It will be necessary to assess the impact to the entity by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have to be renegotiated. The requirement that the right of set-off be available for all counterparties to the netting agreement may prove to be a challenge for contracts where only one party has the right to offset in the event of default. The standard is effective for annual periods beginning on or after January 01, 2014.

IAS 34 - (Amendments), " Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities"
The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures. The standard is effective for annual periods beginning on or after January 01, 2013.

IFRS 7 - (Amendments) "Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities"

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The amendment is effective for annual periods beginning on or after January 01, 2013.

IFRIC 20 - "Stripping Costs in the Production Phase of a Surface Mine"
This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The amendment is effective for annual periods beginning on or after January 01, 2013.

2.5.3 Securities and Exchange Commission of Pakistan through SRO 182(I)/2013 dated 4th March 2013 has amended the requirements of 4th Schedule of the Companies Ordinance 1984. The amendments require some additional disclosure and modification of existing disclosure.

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, 2013 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.

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 Cost.
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. Interest income is recognized on accrual basis.

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 derivate 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 Ordinance 1984.

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
4	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**			
	2,200,000 (2012: 2,200,000) Ordinary shares of Rs.10 each alloted for consideration paid in cash		22,000,000	22,000,000
	200,000 (2012: 200,000) Ordinary shares of Rs.10 each alloted as bonus shares		2,000,000	2,000,000
	9,600,000 (2012: 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**
5	**RESERVES**			
	Revenue reserve		3,580,053	3,580,053
	Capital Reserve	16.1	-	44,665,822
	Accumulated loss		(968,730,606)	(863,980,593)
			(965,150,553)	**(815,734,718)**
6	**SURPLUS ON REVALUATION OF FIXED ASSETS**			
	Balance as at June 30, 2012		1,131,873,456	1,097,233,425
	Realisation on disposal of fixed asset during the year		(465,637)	(544,378)
	Transfer to equity on account of incremental depreciation for the year		(11,434,357)	(10,121,783)
	Surplus asrising on revaluation during the year		-	45,306,192
	Balance as at June 30, 2013		**1,119,973,462**	**1,131,873,456**

6.1 The company revalued its Land, Factory Building and Plant and Machinery on market value basis by an independent valuer M/S Consultancy Support & Services, Management Consultant on 21st February 2012. The revaluation resulted in a cummulative 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 Imran 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. 122.681 (M).

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
7	**LONG TERM FINANCING**			
	From banking companies - secured			
	Loan 1. UBL TF (Term Finance)	7.1	54,500,000	61,000,000
	Loan 2. UBL NIDF-1 (LC & Usuance/Sight)	7.2	259,824,590	261,824,590
	Loan 3. UBL NIDF-II (NICF-HYPO)	7.3	50,500,000	56,000,000
	Loan 4. UBL NIDF-III (Finance Against Trust Receipts)	7.4	34,358,893	36,358,893
	Loan 5. UBL NIDF-IV (Liability Against Forward Contracts)	7.5	33,545,500	34,545,500
	Loan 6.UBL NIDF-V (Cross Currency SWAP)	7.6	52,320,000	53,320,000
	Loan 7.UBL NIDF-VI (Recoverable Markup)	7.7	157,672,000	157,672,000
	Loan 8 . Askari Bank Ltd. (Term Finance)	7.8	317,373,141	337,659,226
	Loan 9 . Askari Bank Ltd. Swapped TF	7.9	-	832,332
	Loan 10 . Askari Bank Ltd. (Frozen Markup)	7.10	39,825,520	45,514,880
	Loan 11. Summit Bank Ltd. (Formerly My Bank Ltd.)	7.11	20,000,000	30,000,000
	Loan 12. Bank AlFalah Ltd. (Term Finance)	7.12	177,000,000	-
			1,196,919,644	1,074,727,421
	From related party - unsecured			
	Directors / Sponsors loan	7.13	23,699,492	56,430,409
			23,699,492	56,430,409
	Current maturity of long term financing		(76,229,662)	(54,389,443)
			1,144,389,474	**1,076,768,387**

	LOAN	Description	Markup Rate	Repayment Period
7.1	UBL TF (Term Finance)	This restructured long term loan is now repayable in 44 quarterly installments commencing from January 31,2011 and ending on December 31,2020.	3 months KIBOR+1% with floor of 11% and cap at 13%	10 years
7.2	UBL NIDF-1 (LC & Usuance/Sight)	This loan was created by converting previous outstanding L/C liabilities into a long term loan repayable in 44 quarterly installments commencing from January 31,2011 and ending on December 31,2020.The down payment of Rs 10 m is to be paid at the time of execution of this agreement.	3 months KIBOR+1% with floor of 11% and cap at 13%	10 years
7.3	UBL NIDF-II (NICF-HYPO)	The previous hypo facility was converted into long term loan repayable in 44 quarterly installments commencing from January 31,2011 and ending on December 31,2020.	3 months KIBOR+1% with floor of 11% and cap at 13%	10 years
7.4	UBL NIDF-III (Finance Against Trust Receipts)	The previous FATR facility was converted into long term loan repayable in 44 quarterly installments commencing from January 31,2011 and ending on December 31,2020.	3 months KIBOR+1% with floor of 11% and cap at 13%	10 years
7.5	UBL NIDF-IV (Liability Against Forward Contracts)	The previous outstanding liability of forward contract was converted into long term loan repayable in 44 quarterly installments commencing from January 31,2011 and ending on December 31,2020.	3 months KIBOR+1% with floor of 11% and cap at 13%	10 years
7.6	UBL NIDF-V (Cross Currency SWAP)	The previous outstanding liability of cross currency contract wass converted into long term loan repayable in 41 quarterly installments commencing from December 31,2012 and ending on December 31,2022.	None	10 years
7.7	UBL NIDF-VI (Recoverable Markup)	The previous outstanding liability of markup was converted into long term loan repayable in 8 quarterly installments commencing from March 31,2021 and ending on December 31,2022.	None	10 years
	Security (UBL):- All the UBL loans are secured by memorandum of deposit of titled of Land amounting to Rs 575.396m, hypothecation of plant & Machinery amounting to Rs. 239.505m and floating charge on all present and futrue current asset of the company up to Rs 802.459m. These loans are restructured through a consent decree of the Court.			
7.8	Askari Bank Ltd. (Term Finance)	The term loan of Rs 379.130 m was created by transferring all the outstanding amounts except for running finance of Rs 25.467m, LTF-EOP of Rs 5 m and frozen markup of Rs 61.893 m into a new term loan payable in 40 quarterly installments commencing from 31 March 2010 through a consent court decree. The bank will claim SBP plus 3% markup rate subsidy of Rs 1,807,000/- on behalf of company which will be adjusted against this loan.	Mark-up is chargeable @ 3 months Kibor + 1% bps payable quarterly.	10 years

7.9	Askari Bank Ltd. Swapped TF	This restructured LTF-EOP loan with Askari Bank Limited for Rs. 5 million is for three years. Repayments are in 10 equal quarterly installments of Rs.0.416 million ending in December 2012.	Mark up is SBP refinance rate plus 2% payable quarterly.	3 years
7.10	Askari Bank Ltd. (Frozen Markup)	This loan is part of Askari Bank Limited restructured package by transferring all the outstanding markup of Rs 61.893m into a new loan payable in 40 equal quarterly installments without any further markup charge.		10 years
	Security (Askari Bank Limited):-The loan is secured by first pari passu charge by way of mortgage of Rs 150m over company land and building, specific charge of Rs. 200 million by way of hypothecation over the machinery imported and purchased locally, first pari passu by way of hypothrcation charge of Rs. 310 million over plant and machinery, ranking charge of Rs 40 m over receviables and personal guarantee of three directors.			
7.11	Summit Bank Ltd. (Formerly My Bank Ltd.)	The outstanding liability of demand finance is rescheduled having two years grace period repayable in 9 half yearly installments commencing from January 31,2011 and ending on January 31,2015.	mark-up at the rate of 6 months kibor plus 4% payable quarterly.	5 years
	Security (Mybank Ltd):-The loan is secured by Mortgage charge over fixed assets and hypothecation charge over current assets of the company to extent of Rs. 40 (M) each respectively.			
7.12	Bank AlFalah Ltd. (Term Finance)	During the current period the company had signed a restructuring agreement with Bank Alfalah Limited on 13th November 2012 through consent decree. The company will pay principal liability of Rs 192 million in 40 quarterly installments starting from 31st December 2012.	The company will pay markup of Rs 83.005 million in six equal quarterly installments starting from 31 December 2020.	10 years
	Security (Bank Alfalah Ltd):-This term 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.			

7.13 The Loan from Directors / Sponsors is unsecured and interest free and is not repayable in the next twelve months. This loan has been sub-ordinated to bank loan facilities to the extent of Rs. 35 million.

		June 30, 2013 RUPEES	June 30, 2012 RUPEES
8	**LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**		
	Minimum lease payments		
	Up to one year	1,998,141	9,513,240
	More than one year but less than five years	-	2,001,352
		1,998,141	11,514,592
	Less: Finance cost		
	Up to one year	3,792	400,901
	More than one year but less than five years	-	4,524
		3,792	405,425
	Present value of minimum lease payments		
	Up to one year	1,994,349	9,112,339
	More than one year but less than five years	-	1,996,828
		1,994,349	**11,109,167**

8.1 The company has entered into lease agreements with various leasing companies. The lease agreement contains bargain purchase option. Taxes, repairs and maintenance, insurance and other costs relating to the leased assets are to be borne by the company. The rate of finance charges applied vary from 13.01 % to 15.52 % (June 2012 15.01 % to 17.19 %) per annum.The above liabilities are secured by lien on leased assets, security deposits and personal guarantee of Directors.

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
9	**DEFERRED LIABILITIES**			
	Staff retirement benefit-gratuity	9.1	9,390,368	5,068,896
	Deferred tax	9.2	-	-
			9,390,368	**5,068,896**

9.1 Movement in the net liability recognized in the balance sheet

(a)	Opening net liability	5,068,896	4,535,754
	Expense for the year	3,060,698	1,429,921
	Remeasurement on obligation	9,026,824	7,250,371
		17,156,418	13,216,046
	Contribution paid	(7,766,050)	(8,147,150)
	Closing net liability	9,390,368	5,068,896

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

Current service cost	2,364,418	920,464
Interest cost	696,280	509,457
	3,060,698	1,429,921

(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	11	14
Expected rate of increase in salary	5	5

(e)

Historical information	**2013**	**2012**	**2011**	**2010**	**2009**
	RUPEES	**RUPEES**	**RUPEES**	**RUPEES**	**RUPEES**
Present value of the defined obligation	9,390,368	5,068,896	4,535,754	3,534,537	2,931,817

(f) The expected gratuity expense for the year ending June 30, 2014 works out to Rs. 3,366,960/-

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. Therefore, any timing differences arising during the year are not expected to reverse in future periods.Deferred Tax asset not recognised in the accounts amounting to Rs.67,976,779/-.

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
10	**TRADE AND OTHER PAYABLES**			
	Trade creditors		487,060,142	275,840,391
	Advance From Customers - Export		26,581,553	146,072,692
	Withholding tax payable		738,736	67,497
	Bills payable		209,904,644	270,274,810
	Accrued expenses		20,742,367	21,675,948
	Worker's profit participation fund	10.1	5,353,089	4,822,602
			750,380,531	**718,753,941**
10.1	**Worker's profit participation fund**			
	Balance at the beginning of the year		4,822,602	4,230,353
	Interest cost		530,486	592,249
			5,353,089	4,822,602
	Less: Payments During the year		-	-
	Balance at the end of the year		5,353,089	4,822,602

		June 30, 2013 RUPEES	June 30, 2012 RUPEES
11 ACCRUED MARK-UP			
Long term financing		53,196,732	38,110,640
Short term running finance		10,631,925	6,371,116
		63,828,657	**44,481,756**
12 SHORT TERM BORROWINGS			
Secured-banking companies	12.1	**193,953,347**	**290,776,301**

12.1 The facilities for running finance available from various banks amounted to Rs.787.662(m) (June 2012:Rs 784.886 (m) and carries mark-up ranging from 11.38 % to 14.06% (June 2012:12.92% to 14.84%) per annum payable quarterly. The above facilities are secured by first pari passu charge over company's fixed assets amouting to Rs. 147(m), ranking charge over all current and fixed assets for Rs. 294 (m), legal mortguage of Rs. 0.1 (m) over resided property of directors, pledge of raw cotton (if any) and hypothecation charge on stock and book debts and personal guarantee of directors.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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.

13.2 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.

13.3 Cross corporate Guarantee issued in favor of subsidiary / associated company amounts to Rs. 52.5 million.

13.4 Guarantee issued to Excise and Taxation Officer by bank on behalf of the company amounting to Rs.24.57 million.

		June 30, 2013	June 30, 2012
Commitments			
Letter of credit - Import of Raw Material		9,453,886	39,915,292
Letter of credit - Import Machinery		6,697,101	12,755,692
		16,150,987	52,670,984
14 PROPERTY, PLANT AND EQUIPMENT			
Operating Assets	14.1	1,953,634,926	1,995,496,847
Capital Work In Progress	14.2	2,583,536	-
		1,956,218,462	**1,995,496,847**

14.1 PROPERTY PLANT AND EQUIPMENTS

PARTICULARS	COST / REVALUATION (RUPEES)					RATE %	DEPRECIATION (RUPEES)					W.D.V.
	AS AT 01.07.2012	ADDITION	DELETION	TRANSFER	AS AT 30.06.2013		AS AT 01.07.2012	FOR THE YEAR	DELETION	TRANSFER	AS AT 30.06.2013	AS AT 30.06.2013
OWNED:												
LEASE HOLD LAND	900,689,031	-	-	-	900,689,031		-	-			-	900,689,031
FACTORY BUILDING	369,186,099	2,038,796	-	-	371,224,896	4%	5,379,035	14,601,495	-	-	19,980,530	351,244,367
PLANT & MACHINERY	704,661,082	22,305,556	(6,248,797)	22,500,000	743,217,841	6%	25,348,582	41,566,233	(495,716)	14,288,080	80,707,178	662,510,662
OFFICE EQUIPMENT	9,138,271	669,336	-	-	9,807,607	10%	5,124,629	426,199	-	-	5,550,828	4,256,779
FACTORY TOOLS & EQUIPMENT	5,977,893	-	-	-	5,977,893	10%	1,558,569	441,932	-	-	2,000,501	3,977,392
FURNITURE & FIXTURE	6,125,332	70,400	-	-	6,195,732	10%	3,551,384	263,441	-	-	3,814,825	2,380,907
MOTOR VEHICLE	14,716,142	344,925	(887,000)	-	14,174,067	20%	5,662,726	1,807,360	(657,697)	-	6,812,389	7,361,678
ARMS & AMMUNITION.	36,500	10,000	-	-	46,500	10%	31,939	798	-	-	32,738	13,763
ELECTRIC & PIPE FITTING	51,869,849	-	-	-	51,869,849	10%	32,362,589	1,950,726	-	-	34,313,315	17,556,534
	2,062,400,200	25,439,013	(7,135,797)	22,500,000	2,103,203,417		79,019,453	61,058,185	(1,153,413)	14,288,080	153,212,305	1,949,991,112
LEASED:												
PLANT & MACHINERY	29,812,865	-	-	(22,500,000)	7,312,865	6%	17,696,767	260,364	-	(14,288,080)	3,669,051	3,643,814
	29,812,865	-	-	(22,500,000)	7,312,865		17,696,767	260,364	-	(14,288,080)	3,669,051	3,643,814
TOTAL RUPEES June - 2013	**2,092,213,065**	**25,439,013**	**(7,135,797)**	**-**	**2,110,516,282**		**96,716,220**	**61,318,549**	**(1,153,413)**	**-**	**156,881,356**	**1,953,634,926**

14.1.1 Adjustment of leased machinery represents transfer to owned assets on completion of term of lease.

14.1.2 Depreciation has been allocated as under:

	June -2013 RUPEES	June -2012 RUPEES
Manufacturig (Cost of Sales)	58,820,750	56,909,922
Administrative Expenses	2,497,799	2,789,874
	61,318,549	**59,699,796**

14.1.3 Had there been no revaluation the net book value of land and factory building & Plant & Machinery at June 30, 2013 would have been as follows.

	Cost	Book Value
Lease hold land	383,000	383,000
Factory building on lease hold land	190,879,701	183,244,513
Plant & Machinery	506,120,879	475,753,626
As at 30th June 2013	**697,383,580**	**659,381,139**
As at 30th June 2012	**753,936,249**	**713,069,588**

14.1.4 DISPOSAL OF FIXED ASSETS BY COMPANY POLICY

Particulars	Original Cost / Revalued Amount	Accumulated Depreciation	Book Value	Sales Proceed	Gain/(Loss)	Mode of Sale	Purchaser
VEHICLES							
JS -070 SOHRAB (KBC-9681)	41,000	34,571	6,429	6,500	71	Negotiations	Ameen Ali, House # A-546 Natha Khan Goth Shah Faisal Colony Karachi.
HONDA CITY I-DSI MT 1300 CC (ALT-825)	846,000	623,126	222,874	225,000	2,126	Negotiations	Syed Inam uddin Ahmed, D-35 2nd Floor Anarkali Plaza Sector 5-K North Karachi.
PLANT & MACHINERY							
MULTIMIXER M8X (FINETEX TAIWAN)	728,438	28,105	700,332	700,000	(332)	Negotiations	A.A Cotton Mills Ltd., BR 1/61, 1& 2 Soorti Mansion New Neham Road Karachi.
C-1 BEATER (FINETEX TAIWAN)	481,809	18,590	463,220	465,000	1,780	Negotiations	A.A Cotton Mills Ltd., BR 1/61, 1& 2 Soorti Mansion New Neham Road Karachi.
CARDING MACHINE DK 740 (TRUTZSCHLER GERMANY)	3,850,312	148,557	3,701,755	2,925,000	(776,755)	Negotiations	A.A Cotton Mills Ltd., BR 1/61, 1& 2 Soorti Mansion New Neham Road Karachi.
C-1 BEATER (FINETEX TAIWAN)	481,809	20,915	460,894	465,000	4,106	Negotiations	A.A Cotton Mills Ltd., BR 1/61, 1& 2 Soorti Mansion New Neham Road Karachi.
KOHLER SKID MMOUNTED GENERATOR	706,429	279,549	426,880	100,000	(326,880)	Negotiations	Dr. Munnawar Hussain, House # ST-1/H, Hilal Ahmer House, Block-7, Clifton, Karachi.
Total Rupees	**7,135,797**	**1,153,412**	**5,982,385**	**4,886,500**			

14.1.5 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / REVALUATION (RUPEES)						RATE	DEPRECIATION (RUPEES)						W.D.V. AS AT 30-06-2012
	AS AT 01-07-2011	ADDITION	DELETION	REVALUATION	TRANSFER	AS AT 30-06-2012	%	AS AT 01-07-2011	FOR THE YEAR	REVALUATION	DELETION	TRANSFER	AS AT 30-06-2012	
OWNED:														
LEASE HOLD LAND	900,689,031	-	-	-	-	900,689,031		-	-				-	900,689,031
FACTORY BUILDING	386,536,028	28,485,760	-	(45,835,688)	-	369,186,100	4%	33,628,829	14,506,279	(42,756,073)	-	-	5,379,035	363,807,065
PLANT & MACHINERY	683,995,829	52,411,261	(3,496,500)	(84,885,742)	56,636,234	704,661,082	6%	104,007,154	37,742,584	(133,271,550)	(9,771)	16,880,165	25,348,582	679,312,500
OFFICE EQUIPMENT	8,815,691	322,580	-	-	-	9,138,271	10%	4,692,594	432,035		-	-	5,124,629	4,013,642
FACTORY TOOLS & EQUIPMENT	2,695,896	3,281,997	-	-	-	5,977,893	10%	1,263,597	294,972		-	-	1,558,569	4,419,325
FURNITURE & FIXTURE	5,994,752	130,580	-	-	-	6,125,332	10%	3,274,650	276,734		-	-	3,551,384	2,573,948
MOTOR VEHICLE	12,989,717	2,122,425	(396,000)	-	-	14,716,142	20%	3,917,894	2,080,599		(335,766)	-	5,662,726	9,053,416
ARMS & AMMUNITION.	36,500	-	-	-	-	36,500	10%	31,432	507		-	-	31,939	4,561
ELECTRIC & PIPE FITTING	50,393,050	1,476,799	-	-	-	51,869,849	10%	30,293,253	2,069,336		-	-	32,362,589	19,507,261
	2,052,146,495	88,231,402	(3,892,500)	(130,721,430)	56,636,234	2,062,400,200		181,109,402	57,403,045	(176,027,623)	(345,537)	16,880,165	79,019,452	1,983,380,749
LEASED:														
PLANT & MACHINERY	86,449,099	-	-	-	(56,636,234)	29,812,865	6%	32,280,182	2,296,750	-	-	(16,880,165)	17,696,767	12,116,098
	86,449,099	-	-	-	(56,636,234)	29,812,865		32,280,182	2,296,750	-	-	(16,880,165)	17,696,767	12,116,098
TOTAL RUPEES June - 2012	**2,138,595,594**	**88,231,402**	**(3,892,500)**	**(130,721,430)**	**-**	**2,092,213,065**		**213,389,583**	**59,699,796**	**(176,027,623)**	**(345,537)**	**-**	**96,716,219**	**1,995,496,847**

			June 30, 2013 RUPEES	June 30, 2012 RUPEES
14.2	**CAPITAL WORK IN PROGRESS**		**Plant & Machinery**	**Civil Works**
	Opening Balance		-	19,425,844
	Addition		15,698,472	9,059,916
	Transfer to property plant and equipments		(13,114,935)	(28,485,760)
	Closing Balance		**2,583,536**	**-**
15	**LONG TERM DEPOSITS**			
	Lease security deposits		-	1,649,700
	K.E.S.C.		1,829,694	1,829,694
	Other deposits		1,578,788	1,578,788
			3,408,482	**5,058,182**
16	**LONG TERM INVESTMENT**			
	Long term investment in subsidiary-unquoted			
	Olympia Power Generation (Pvt) Ltd			
	9,000 ordinary shares of Rs. 10 each.			
	Break-up value Rs 10,094 per share total Rs. 151,403,466		-	44,665,822
	(June, 2012 Rs. 9,759.3 per share total Rs. 87,833,988)		**-**	**44,665,822**

16.1 The board of directors in their meeting recommended to record gift back of shares to the directors of Olympia Power Generation (Pvt.) Limited on 29th March, 2013 with approval in AGM. On February 09, 2008 the Directors of Olympia Power Generation (Pvt) Ltd gifted 9,000 ordinary shares of Rs.10 each which were recorded in the books of the company at a break- up value of Rs. 4,962.869 per shares and credited to capital reserve which has been reversed.

17	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores and spares part		9,776,763	10,088,807
	Packing material		7,492,182	8,519,463
	Stores held for sale	17.1	47,734,462	-
			65,003,407	**18,608,270**

17.1 These are held for sales to Olympia Power Generation (Pvt.) Limited subsequently.

18	**STOCK IN TRADE**			
	Raw material	18.1	189,038,675	170,635,883
	Work in process		30,345,558	35,692,308
	Finished goods		26,675,622	22,875,167
	Waste		7,906,551	2,413,337
			253,966,406	**231,616,695**

18.1 The carrying amount of Stock pledged with bank at the balance sheet date amounts to Rs 163,619,537 (2012: Rs 90,254,714)

19	**TRADE DEBTS**			
	Considered good			
	Export - secured		38,368,927	40,438,808
	Local - unsecured		21,542,585	30,584,395
			59,911,512	71,023,203
	Considered Doubtful - Export		13,338,789	13,216,205
	Considered Doubtful - Local		4,170,129	-
	Less - Provision for Doubtful Debts		(17,508,918)	(13,216,205)
			59,911,512	**71,023,203**
20	**OTHER FINANCIAL ASSETS**			
	Term Deposits	20.1	8,300,000	18,788,312
			8,300,000	**18,788,312**

20.1 The above deposit had been held by bank as collateral security against L/C & Cross currency swap contract. This carries markup at the rate from 11.40 % to 11.67% p.a. (2012 : 9.5 % to 11.40 % p.a.)

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
21	**LOANS AND ADVANCES**			
	Unsecured-considered good			
	Advances			
	To employees			
	Staff		576,778	858,591
	Workers		2,532,487	1,733,482
			3,109,265	2,592,073
	To suppliers		38,427,613	34,928,236
	To contractors		3,972,771	4,257,989
	Less - Provision for Advance to contractors		(3,972,771)	-
	Short term deposits and bank guarantee margin		1,649,700	32,639,056
	Letter of Credit		95,128	156,536
	Freight subsidy receivable		5,656,659	5,656,659
	Provision For Doubtful Freight subsidy receivable		(5,656,659)	(5,656,659)
			-	-
	Infrastructure Cess Receivable	21.1	12,021,533	12,021,533
			55,303,239	**86,595,424**

21.1 In the light of recent Supreme Court decision and on advice of company's lawyer, the company claim Infrastructure Cess from 1994 to 2006 from Excise & Taxation Department.

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
22	**INCOME TAX AND SALES REFUNDABLE**			
	Sales tax refundable		48,468,097	40,605,450
	Income tax refundable			
	Opening Balance		13,445,822	18,193,840
	Withholding Tax during the year		31,297,423	24,041,483
	Refund during the year		-	(6,851,776)
	Less: Provision For Taxation		(23,454,189)	(21,937,726)
			21,289,056	13,445,822
			69,757,152	**54,051,272**
23	**OTHER RECEIVABLES**			
	Others		1,031,931	764,800
	Claims receivables	23.1	113,929,701	103,464,418
	Less - Provision for doubtful claim receivable		(77,129,837)	-
			37,831,795	**104,229,218**

23.1 These represent claims lodged by the company against suppliers for cancellation of raw material contracts.

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
24	**CASH AND BANK BALANCES**			
	Cash in hand		1,115,144	3,640,824
	Cash at bank in current accounts		4,127,376	3,712,559
	Cash at bank in saving accounts	24.1	46,322	-
			5,288,842	**7,353,383**

24.1 The above deposit carries markup at the rate of 6 % per annum.

		June 30, 2013 RUPEES	June 30, 2012 RUPEES
25	**SALES**		
	Local		
	Yarn	553,081,786	854,276,590
	Raw Material	8,559,500	-
	Waste	60,954,013	49,043,159
		622,595,299	903,319,749
	Export		
	Yarn	1,942,429,123	1,411,691,475
	Export Claim Received	119,276,760	-
		2,061,705,883	1,411,691,475
		2,684,301,182	2,315,011,224
	Brokerage and commission	(49,938,266)	(36,541,067)
		2,634,362,916	**2,278,470,158**

25.1 The Foreign exchange gain of Rs. 16,227,939/- (2012: Rs.18,601,260/-) is included in Export Sales.
25.2 Sales tax on local sales and indirect export sales is Rs. 7,528,460/-

		Note	June 30, 2013 RUPEES	June 30, 2012 RUPEES
26	**COST OF SALES**			
	Raw material consumed	26.1	1,869,002,497	1,644,059,517
	Packing material consumed	26.2	38,109,160	34,101,272
	Stores and spare parts consumed	26.3	39,604,818	31,561,189
	Salaries, wages and benefits	26.4	125,617,838	102,689,789
	Power and fuel		291,716,220	253,438,698
	Vehicle running and maintenance		1,837,539	1,450,237
	Traveling and conveyance		95,670	50,381
	Repairs and maintenance		3,732,058	3,588,361
	Insurance		6,957,361	5,603,763
	Miscellaneous overheads		806,547	737,863
	Depreciation	14.1.2	58,820,750	56,909,922
			2,436,300,458	2,134,190,990
	Work in process			
	Opening		35,692,308	14,018,594
	Closing		(30,345,558)	(35,692,308)
			5,346,750	(21,673,714)
	Cost of goods manufactured		2,441,647,208	2,112,517,276
	Cost of Material Sold		8,460,598	-
	Cotton Yarn purchase		-	13,288,500
	Finished goods and waste			
	Opening		25,288,504	38,657,116
	Closing		(34,582,173)	(25,288,504)
			(9,293,669)	13,368,612
	Cost of sales		**2,440,814,137**	**2,139,174,388**

26.1	**RAW MATERIAL CONSUMED**		
	Opening stock	170,635,883	155,417,247
	Purchases	1,895,865,887	1,659,278,153
		2,066,501,771	1,814,695,400
	Cost of Material Sold	(8,460,598)	-
	Closing stock	(189,038,675)	(170,635,883)
		1,869,002,497	1,644,059,517
26.2	**PACKING MATERIAL CONSUMED**		
	Opening stock	8,519,463	6,234,595
	Purchases	37,081,879	36,386,141
		45,601,342	42,620,736
	Closing stock	(7,492,182)	(8,519,463)
		38,109,160	34,101,272
26.3	**STORES AND SPARES CONSUMED**		
	Opening stock	10,088,807	15,130,684
	Purchases	39,292,773	26,519,312
		49,381,581	41,649,996
	Closing stock	(9,776,763)	(10,088,807)
		39,604,818	31,561,189

26.4 It includes Rs. 3,060,698/- (June 2012: Rs. 1,429,921/-) in respect of staff retirement benefits.

27	**DISTRIBUTION COST**		
	Freight and cartage	27,486,680	18,987,886
	Export Development Surcharge	4,782,179	3,297,935
		32,268,859	**22,285,821**

			June 30, 2013 RUPEES	June 30, 2012 RUPEES
28	**ADMINISTRATIVE EXPENSES**			
	Salaries and other benefits	28.1	19,900,979	17,314,885
	Rent, rates and taxes		3,860,930	3,182,232
	Electric gas and water		1,328,061	1,183,823
	Postage, telephone and telex		923,025	1,046,375
	Printing and stationery		523,777	548,405
	Traveling and conveyance		131,541	204,620
	Legal and professional		2,986,483	5,238,815
	Newspapers and periodicals		14,274	12,499
	Repairs and maintenance		367,460	536,279
	Charity and donation	28.2	-	21,800
	Advertisement and publicity		62,667	84,275
	Motor vehicle expenses		1,573,607	1,475,313
	Entertainment		1,060,274	885,655
	Auditor's remuneration:			
	Audit fee		665,500	605,000
	Half yearly review fee		120,800	109,800
			786,300	714,800
	Miscellaneous		877,814	472,112
	Insurance Expense		518,022	586,577
	Provision for doubtful debts	28.3	4,292,713	13,216,205
	Provision for doubtful advances	28.3	3,972,771	-
	Provision for doubtful claims	28.3	77,129,837	-
	Depreciation	14.1.2	2,497,799	2,789,874
			122,808,334	**49,514,544**

28.1 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	EXECUTIVES	
	2013 (Rupees)	**2012 (Rupees)**
Managerial Remuneration and other Allowances	8,760,755	6,647,820
Number of Persons	9	7

(a) The Chief Executive and Directors of the company have waived their remuneration and meeting fee.

(b) The Chief Executive and two directors of the company are provided with free use of company maintained car and telephone at their residences.

28.2 Directors and their spouse have no interest in the donees.

28.3 In year 2011 the company started vigorous exercise for indentification of advances & debts which are impaired. The company has provided provision for all impaired advances, claims and debts. In current year the company has started recovery derives wherever possible.

29	**OTHER INCOME**		
	Income From Financial Assets		
	Return on Bank Term Deposits	1,068,198	975,869
	Others		
	Scrap Sales	1,868,012	2,713,490
	Other receipts	433,713	334,547
	Lease of Land, Building & Machinery	13,660,165	4,269,073
	Liabilities No Longer Payable	8,564,727	-
		25,594,815	**8,292,979**
30	**OTHER EXPENSES**		
	Loss on disposal of fixed assets	(1,095,884)	(946,963)
		(1,095,884)	**(946,963)**

		June 30, 2013 RUPEES	June 30, 2012 RUPEES
31	**FINANCE COST**		
	Interest/mark-up on		
	Long term loans	90,248,573	113,463,184
	Bank running finance	24,723,347	19,884,801
	Worker's profit participation fund	530,486	592,249
	Finance charges on lease	375,817	2,382,618
		115,878,224	136,322,852
	Markup on local documents	21,299,926	17,698,714
	LC discounting and Bank charges	11,498,470	8,346,207
		148,676,620	**162,367,773**

32	**TAXATION**			
	Current	**32.1**	23,454,189	21,937,726
	Prior		(1,537,109)	
			21,917,080	**21,937,726**

32.1 Current

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

32.2 The numerical reconciliation between the average rate and the applicable tax rate has not been presented in these financial statements as the total income is liable to tax under section 113 of income tax ordinance, 2001.

33 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	(107,623,182)	(109,464,080)
Total number of ordinary shares	12,000,000	12,000,000
Loss per share in rupees- Basic and diluted	(8.97)	(9.12)

34	**CASH GENERATED FROM OPERATIONS**		
	(Loss) before taxation	(85,706,102)	(87,526,353)
	Adjustment for non cash charges and other items		
	Depreciation	61,318,549	59,699,796
	Finance cost	148,676,620	162,367,773
	Loss on disposal of fixed assets	1,095,884	946,963
	Provision for gratuity	3,060,698	1,429,921
		214,151,750	224,444,453
	Operating profit before working capital changes	128,445,648	136,918,099
	(Increase)/decrease in current assets		
	Stock, Store & spare parts	(68,744,847)	(20,766,729)
	Trade debts	11,111,692	40,888,979
	Short Term Investments	10,488,312	(10,428,089)
	Loans and advances	31,292,185	27,331,509
	Refund due from Government	(7,862,647)	(28,464,325)
	Other receivables	66,397,423	162,679,960
		42,682,118	171,241,304
	Increase/(decrease) in current liabilities		
	Trade and other payables	31,626,591	(43,988,398)
		202,754,357	**264,171,005**

35 TRANSACTION WITH SUBSIDIARY/ASSOCIATED UNDERTAKING

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	**35.1**	267,439,825

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

35.2 Transactions with associated undertakings/subsidiary are carried out on at arms length price.

36 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.

36.1 Credit risk

36.1.1 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. 170.043 million (June 30, 2012 : Rs.337.713 million), financial assets which are subject to credit risk aggregate to Rs. 168.928 million (June 30, 2012 : Rs. 334.072 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:

	2013 Rupees	2012 Rupees
Long term Investments	-	44,665,822
Long term deposits	3,408,482	5,058,182
Trade debts	59,911,512	71,023,203
Loans and advances	55,303,239	86,595,424
Trade deposits and short term prepayments	8,300,000	18,788,312
Other Receivables	37,831,795	104,229,218
Bank balances	4,173,698	3,712,559
	168,928,726	334,072,721

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

	2013 Rupees	2012 Rupees
Domestic	21,542,585	30,584,395
Export	38,368,927	40,438,808
	59,911,512	71,023,203

36.1.3 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows.

	2013 Rupees	2012 Rupees
Yarn	52,719,085	59,044,904
Waste	5,837,231	9,306,951
Raw Material	1,355,196	2,671,348
	59,911,512	71,023,203

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

	2013 Rupees	2012 Rupees
Not past due	58,439,029	42,582,601
Past due 0 - 30 days	1,472,483	15,625,105
Past due 31 - 90 days	-	8,522,784
Past due 90 days - 1 year	-	-
More than one year	17,508,918	17,508,918
	77,420,430	84,239,408
Impairment	(17,508,918)	(13,216,205)
	59,911,512	71,023,203
Particulars of Provision for doubtful receivables		
Provision for bad debts at the beginning of year	13,216,205	
Bad debts provision provided during the year	4,292,713	13,216,205
Bad debts recovered during the year		-
Provision for bad debts at the end of year	17,508,918	13,216,205

36.2 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.

	2013					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative Financial liabilities						
Long term financing	1,220,619,136	1,220,619,136	32,759,356	43,470,306	429,005,511	715,383,963
Finance lease	1,994,349	1,994,349	1,994,349	-	-	-
Trade and other payables	750,380,531	750,380,531	750,380,531	-	-	-
Accrued mark up and interest	63,828,657	63,828,657	63,828,657	-	-	-
Short term borrowings	193,953,347	193,953,347	-	193,953,347	-	-
	2,230,776,020	2,230,776,020	848,962,893	237,423,653	429,005,511	715,383,963

	2012					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative						
Financial liabilities						
Long term financing	1,131,157,830	1,131,157,830	27,297,560	27,091,883	301,815,573	774,952,814
Finance lease	11,109,167	11,109,167	7,105,429	2,006,910	1,996,828	-
Trade and other payables	718,753,941	718,753,941	718,753,941	-	-	-
Accrued mark up / interest	44,481,756	44,481,756	44,481,756	-	-	-
Short term borrowings	290,776,301	290,776,302	-	186,614,018	104,162,284	-
	2,196,278,994	2,196,278,996	797,638,686	215,712,811	407,974,685	774,952,814

36.2.1 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. The rates of mark up have been disclosed in relevant notes to these financial statements.

36.3 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.

36.3.1 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	Rupees
Trade debts 2013	394,641	38,368,927
Trade debts 2012	444,138	40,438,808

The following significant exchange rates applied during the year.

	Average rates		Reporting date rates	
	2013	2012	2013	2012
US Dollar to Rupee	97.23	91.05	98.40	96.05

Sensitivity analysis

5% 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. 5% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

	2013 Rupees	2012 Rupees
US Dollar	(1,941,631)	(2,132,975)

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

36.3.2 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.

	2013 Rupees	2012 Rupees
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Variable rate instruments		
Financial assets	8,300,000	18,788,312
Financial liabilities	1,195,369,820	1,173,426,009

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, 2013.

	Profit and loss	
	100 bps increase	100 bps decrease
	Rupees	
Cash flow sensitivity - variable rate instruments 2013	11,953,698	(11,953,698)
Cash flow sensitivity - variable rate instruments 2012	11,734,260	(11,734,260)

36.4 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.

	2013 Rupees	2012 Rupees
36.5 Off balance sheet items		
Bank guarantees issued in ordinary course of business	24,570,000	23,570,000
Letters of credit for raw material & Machinery	16,150,987	52,670,984

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

37 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. n 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, long term financing from directors and others and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

		2013	2012
Borrowings	Rupees	1,340,337,170	1,378,653,855
Total	Rupees	(845,150,553)	(695,734,718)
Total capital employed	Rupees	495,186,617	682,919,137
Gearing ratio	Percentage	270.67	201.88

38 PLANT CAPACITY AND PRODUCTION:

The Plant Capacity converted to 20/1 count based on three shift per day 15,104,644 Kilograms. Actual Prodution converted into 20/1 count was 8,587,966 Kilograms (2012 : 9,464,969 Kilograms)

It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors. Such as count of yarn spun, spindle speed, twist per inch and raw material used etc. It would also vary according to the pattern of production adopted in a particular year. The capacity of the plant is utilized to the extent of order received.

39 NUMBER OF EMPLOYEES

The number of employees including contractual employees of the Company as at 30 June 2013 were 698 and weighted average number of employees were 689.

40 EVENTS OCCURING AFTER THE BALANCE SHEET DATE

United Bank Limited has rescheduled all the markup bearing loans on September 14, 2013 at the request of the company with effect from January 01, 2013. All principal accounts (NIDF, NIDF-I to NIDF-IV shall be merged into single account. Markup for 2.5 years starting from January 01, 2013 to June 30, 2015 shall be defferred and to be paid after full adjustment of principal liability for June 2020 onwards. During deferment period of markup, the existing quarterly principal installments shall be increased by 50 %. The quarterly markup accrued form July 01,2015 onwards shall be bifurcated into 80:20. The 80 % payment of accrued quarterly markup shall be diverted towards adjustment of principal and remaining 20 % payment shall be taken to markup expense. The existing markup rate i.e. 3mk+1% shall be revised to 3mk, w.e.f. January 01,2013. After full adjustment of principal liability the deferred markup along with frozen markup (NIDF V & NIDF VI) shall be paid in 11 quarterly installments commencing from June 30,2023. The above modification shall also be incorporated in the consent decree by filling a joint application in the court.

41 GENERAL

Corresponding figures have been rearranged and reclassified, whenever necessary, for better presentation and disclosure. Quality claim receivable amouting to Rs. 68.775 milllion has been relassified from Trade Creditors to Other Receivables for better presentation.

42 DATE OF AUTHORISATION FOR ISSUE

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

CHIEF EXECUTIVE **DIRECTOR**

Karachi
Dated:______________

PROXY FORM

I/We____of____

(full address)

being member (s) of Olympia Spinning & Weaving 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 52nd Annual General Meeting of the Company to be held on Thursday, 31th October, 2013 at Registered Office at E/3, Farzana Building, Block 7& 8, K.C.H.S. Union Limited, Shaheed-e-Millat Road, Karachi-75350 and at any adjournment thereof.

As witness my / our hand / seal this__________________day of______________________________2013.

____

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 authorised 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.