

Mr. Abbas Mirza
Acting Chief Regulatory Officer
Pakistan Stock Exchange Limited
Pakistan Stock Exchange Road,
Karachi.

15th November, 2019

Subject: Independent Auditor's Report for the year ended 30 June, 2019

Dear Sir,

We thank you for your time to meet us and present our details for Olympia Mills Limited on 28th October 2019. Unfortunately, due to the auditor's adverse opinion in the audited accounts, it had been proposed by the stock exchange to place our company on the defaulter's segment.

As explained in the meeting, there were various reasons why the auditor had done what they did, and below are our proposed remedial actions to be taken by the company, to ensure that we will not get such an adverse opinion in the next audited accounts.

- A. The equity of the company stood at Rs -389,280,144 as at 30 June 2019. The director's/Sponsors are considering to revise the terms of the Short term loan amounting to approximately Rs 350 million. The proposal was to transfer this loan into equity payable at the discretion of the Company as permissible under TR-32 of ICAP. This move will reduce liability by Rs. 350 million and increase equity by Rs. 350 million.
- B. Second proposal was to write off textile business creditors of around Rs 60-70 million outstanding for more than three years. These creditors are not payable any longer due to them being more than 3 years old. This will reduce our liability by 60-70 million and improve our retained earnings by 60-70 million
- C. Third to revalue Land & Building (if required) for further enhancing financial statement footing and to improve Shareholders Equity through Surplus on Revaluation. If revaluation is carried out, after approval of the board, then the equity will improve significantly.

The company showed a profit figure of 52 million in the accounts at year ended 30th June 2019. The company continues to perform well and would present positive results in the year ended 30th June 2020 as well.

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After the implementation of above steps our negative Equity balance will become positive and liability will reduce significantly. This will enable the Auditor's to not express an adverse opinion on going concern.

On the basis of above, we request you to defer your decision for placement of our Company under defaulter's Counter till the next financial year ended 30th June 2020.

We hope the above clarify our position.

Thanking you,

For and on behalf of Board of Directors
Olympia Mills Limited



Siraj Sadiq Monnoo
Director

