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APOLLO TEXTILE MILLS LTD



**APOLLO TEXTILE MILLS LIMITED**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2016**

## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### CHIEF EXECUTIVE

Mr. Abdul Rehman Zahur

#### DIRECTORS

Mr. Abdul Rehman Zahur  
Mr. Ikram Zahur  
Mr. Muhammad Tahir Khan  
Mr. Muhammad Farooq  
Mr. Riaz Hussain  
Mr. Shabbir Ahmed  
Mr. Muhammad Liaqat

#### AUDITORS

M/s. Moochhala Gangat &  
Co. Chartered Accountants  
F-4/2, Mustafa Avenue,  
Behind "The Forum",  
Block-9, Clifton, Karachi 75600

#### Chairman

#### Members

Mr. Muhammad Tahir Khan  
Mr. Abdul Rehman Zahur

#### HUMAN RESOURCES &

Mr. Riaz Hussain

REMUNERATION COMMITTEE Mr. Abdul Rehman Zahur  
Mr. Muhammad Tahir Khan  
Mr. Shabbir Ahmed

#### BANKERS

Soneri Bank Limited  
Standard Chartered Bank  
Meezan Bank Limited  
United Bank Limited  
Habib Metropolitan Bank Limited  
National Bank of Punjab  
Bank of Punjab  
Silk Bank Limited

#### REGISTERED OFFICE

14th Floor BRR Tower,  
I.I. Chundrigar Road, Karachi.

#### MILLS

Jasilwahin, Jhang Road  
Muzaffargarh

1-C 16th Commercial  
Street Phase V Ext  
DHA Karachi



# APOLLO TEXTILE MILLS LTD.

## DIRECTORS REPORT

The financial statements (un-audited) of the company for the 1<sup>st</sup> Quarter ended on 30 September 2016 are being presented to you.

The Company remains closed due to crises in the textile sector. We are striving hard to restore the operations when the situation improves.

On Behalf of the Board of Directors

A handwritten signature in dark ink, appearing to be "M. A. J." or similar, written over a horizontal line.

Chief Executive

Karachi  
Dated:

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	Un-Audited September 30, 2016	Audited June 30, 2016
Note	------(Rupees)-----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorised Capital 20,000,000 (2015: 20,000,000) ordinary shares of Rs. 10 each	<b>200,000,000</b>	200,000,000
Issued, subscribed & paid-up capital	<b>82,847,000</b>	82,847,000
General reserve	<b>142,000,000</b>	142,000,000
Unappropriated profit	<b>(22,994,888)</b>	(7,765,607)
	<b>201,852,112</b>	217,081,393
Surplus on revaluation of fixed assets	<b>211,853,385</b>	214,958,330
<b>Non-current liabilities</b>		
Long term finances - secured	<b>392,915,253</b>	392,915,253
Liabilities against assets subject to finance lease	<b>5,545,043</b>	5,545,043
Deferred liabilities	<b>47,281,463</b>	47,281,463
	<b>445,741,759</b>	445,741,759
<b>Current Liabilities</b>		
Trade and other payables	<b>21,587,799</b>	21,587,798
Accrued mark-up	<b>239,712,219</b>	239,712,219
Short term bank finances - secured	<b>1,153,888,574</b>	1,153,888,573
Current portion of long term finances	<b>63,936,000</b>	63,936,000
Current portion of liabilities against assets subject to finance lease	<b>13,719,441</b>	13,719,441
Provision for taxation	-	-
	<b>1,492,844,033</b>	1,492,844,031
<b>Contingencies and Commitments</b>	-	-
<b>Total Equity and Liabilities</b>	<b>2,352,291,287</b>	2,370,625,513
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	<b>791,696,498</b>	807,856,377
Long term deposits	<b>67,167,249</b>	67,167,249
	<b>858,863,747</b>	875,023,626
<b>Current Assets</b>		
Stores, spares and loose tools	<b>96,476,808</b>	96,476,808
Stock-in-trade	<b>1,283,600,559</b>	1,283,600,559
Trade debtors - unsecured, considered good	<b>13,925,203</b>	16,105,802
Loans and advances - considered good	<b>14,096,329</b>	14,095,660
Trade deposits	<b>50,855,962</b>	50,855,962
Sales tax refundable from government	<b>32,516,687</b>	32,516,687
Other receivables	<b>1,950,409</b>	1,950,409
Cash and bank balances	<b>5,583</b>	-
	<b>1,493,427,540</b>	1,495,601,887
<b>Total Assets</b>	<b>2,352,291,287</b>	2,370,625,513

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

- Zd -

DIRECTOR

- Zd -

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

		September 30, 2016	September 30, 2015
	Note	------(Rupees)-----	
Net sales		-	-
Cost of sales		(17,325,375)	(19,467,850)
Gross profit		(17,325,375)	(19,467,850)
Administrative and general expenses		(1,000,729)	(1,487,799)
Operating loss		(18,326,104)	(20,955,649)
Finance costs		(8,124)	(232)
Loss before taxation		(18,334,228)	(20,955,881)
Taxation		-	-
Loss after taxation		(18,334,228)	(20,955,881)
Loss per share - basic and diluted	5	(2.21)	(2.53)

CHIEF EXECUTIVE

- 28 -

DIRECTOR

- 28 -

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
	----- (Rupees) -----	
Loss for the year	(18,334,228)	(20,955,881)
Other Comprehensive Income:		
Incremental depreciation arising from revaluation of property, plant and equipment	4,499,921	4,891,688
Deferred tax relating to component of comprehensive loss	(1,394,975)	(1,424,638)
Other comprehensive income - net of tax	3,104,945	3,467,050
Total comprehensive loss for the year	<u>(15,229,282)</u>	<u>(17,488,831)</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE - Zol -

DIRECTOR - Zol -

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
Note	------(Rupees)-----	
<b>Cash Generated from Operations</b>		
Loss before taxation	(18,334,228)	(20,955,881)
Adjustments for:		
Depreciation	16,159,879	17,648,809
Finance costs	8,124	232
	16,168,003	17,649,041
Loss before working capital changes	(2,166,225)	(3,306,840)
(Increase)/Decrease in Current Assets		
Stock-in-trade	-	-
Trade debtors - unsecured, considered good	2,180,599	23,080,322
Loans and advances - considered good	(669)	-
Trade deposits	-	-
Sales tax refundable from government	-	49,011
	2,179,930	23,129,333
Increase/(Decrease) in Current liabilities		
Trade and other payables	-	(19,867,948)
Cash generated from operations	13,705	(45,454)
Payments for:		
Finance costs	(8,124)	(232)
Taxes	-	-
Net cash from operating activities ( A )	5,582	(45,688)
<b>Cash Flow From Investing Activities</b>		
Net cash (used) in investing activities ( B )	-	-
<b>Cash Flow From Financing Activities</b>		
Net cash (used) in financing activities ( C )	-	-
Net increase/(decrease) in cash and cash equivalents ( A+B+C )	5,582	(45,688)
Cash and cash equivalents at the beginning of the year	-	4,803,641
Cash and cash equivalents at the end of the year	5,582	4,757,953
<b>Cash and Cash Equivalents</b>		
Cash and bank balances	5,583	4,757,953
	5,583	4,757,953

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

- 2d -

DIRECTOR

- 2d -

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	Share Capital	General Reserve	Unappropriated Profit	Total
	(Rupees)			
Balance as at July 01, 2015	82,847,000	142,000,000	6,014,815	230,861,815
Loss for the period ended September 30, 2015	-	-	(20,955,881)	(20,955,881)
Other comprehensive income for the period ended September 30, 2015	-	-	3,104,945	3,104,945
Total comprehensive loss	-	-	(17,850,936)	(17,850,936)
Balance as at September 30, 2015	82,847,000	142,000,000	(11,836,121)	213,010,879
Loss for the remaining period	-	-	(6,381,028)	(6,381,028)
Other comprehensive income for the remaining period	-	-	10,451,542	10,451,542
Total comprehensive loss	-	-	4,070,513	4,070,513
Balance as at June 30, 2016	82,847,000	142,000,000	(7,765,607)	217,081,393
Loss for the period ended September 30, 2016	-	-	(18,334,228)	(18,334,228)
Other comprehensive income for the period ended September 30, 2016	-	-	3,104,945	3,104,945
Total comprehensive loss	-	-	(15,229,282)	(15,229,282)
<b>Balance as at September 30, 2016</b>	<b>82,847,000</b>	<b>142,000,000</b>	<b>(22,994,889)</b>	<b>201,852,111</b>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

- Zdl -

DIRECTOR

- Zdl -



**APOLLO TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

**1 STATUS AND NATURE OF BUSINESS**

Apollo Textile Mills Limited (the Company) was incorporated in Pakistan on August 09, 1973 as a public limited company under Companies Act 1913 (now Companies Ordinance 1984) and started commercial production on November 16, 1976. The Company is principally engaged in the manufacturing and sale of cotton yarn. The Company is listed on the Karachi, Lahore and Islamabad's stock exchanges. The registered office of the Company is located at 14th Floor B R R Tower, I. I. Chundrigar Road, Karachi in the province of Sindh and the manufacturing facility is located at Jasilwahn, Jhang Road, Muzaffargarh in the province of Punjab.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2016.

**3 SIGNIFICANT ACCOUNTING**

**3.1 Policies**

Accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2016.

**3.2 Accounting Estimates and Judgements**

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the audited annual financial statements for the year ended June 30, 2016.

**3.3 Initial application of standards, amendments or an interpretation to existing standards**

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning from July 01, 2016 but are not considered to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

		Un-Audited September 30, 2016	Audited June 30, 2015
	Note	------(Rupees)-----	
<b>4 CONTINGENCIES AND COMMITMENTS</b>			
<b>4.1 Contingencies:</b>			
Bank guarantees issued to Collector of Customs against import license fee on machinery		12,900,000	12,900,000
Claim on The Bank of Punjab	4.1.1	2,421,186,069	2,421,186,069
Claim on Standard Chartered Bank	4.1.2	12,093,523,802	12,093,523,802
Claim on NIB Bank Limited	4.1.3	3,244,043,924	3,244,043,924
Claim on Soneri Bank Limited	4.1.4	3,145,128,891	3,145,128,891
Claim on Summit Bank Limited	4.1.5	4,626,542,007	4,626,542,007
Claim on National Bank Limited	4.1.6	13,261,641,097	13,261,641,097
Claim on standard chartered leasing	4.1.7	29,254,378	29,254,378
<p>4.1.1 The company has filed Suit No. 59/2008 against The Bank of Punjab before the Honorable Lahore High Court, to the tune of Rs. 2,421,186,069/- for the recovery of losses and demges occasioned to the Company in view of the unauthorized removal of the pledged goods by the said bank and their muqaddam and for the recovery of money illegally charged and recovered from the accounts of the company and losses occurred due to the unfair practice of the bank. The Bank of Punjab has filed Suit No cos 06 against the company for Rs. 495,321,000/- in The Honorable Lahore High Court Lahore.</p> <p>4.1.2 The Company has filed Suit No. B-91/2008 in The Honorable High Court of Sindh, Karachi against Standard Chartered Bank Limited to the tune of Rs. 4,447,144,670/- and Suit No B-78 for Rs. 7,646,379,132/- in the Honorable High Court of Sindh, for the recovery of loss and damage occasioned to the Company in view of unauthorized removal of the pledged goods by the said bank and their muqaddam and for the recovery of money illegally charged ad recovered from the accounts of the company by the bank. The Standard Chartered Bank Limited has filed suit no B-78/2009 against the company for Rs. 509,286,662/- in the Honorable High Court of Sindh, Karachi.</p> <p>4.1.3 The Company has filed suit No. B-77/2008 in The Honorable High Court of Sindh, Karachi against NIB Bank Limited to the tune of Rs. 3,244,043,924/- as the said bank contravened the Terms &amp; Conditions of the agreement made between the bank and the company and NIB Bank has filed suit No B-59/2008 against the company of Rs. 363,040,038/- in the Honorable High Court of Sindh, Karachi.</p> <p>4.1.4 M/s Soneri Bank has filed suit no B-58/2008 in The Honorable High Court of Sindh, Karachi against the company for the recovery of Rs. 559,534,188. The company has filed applications for leave to defend against Soneri Bank Limited to the tune of Rs. 3,145,128,891/- in the Honorable High Court Sindh, Karachi.</p> <p>4.1.5 M/s Summit Bank Limited (Formerly My Bank Limited) has filed suit # B-55/2008 in the Honorable High Court of Sindh, Karachi against the company for the recovery of Rs. 57,180,625. The company has filed suit No B-118/2009 against M/s Summit Bank Limited (Formerly My Bank Limited) to the tune of Rs 4,626,542,007/- in the Honorable High Court Sindh, Karachi.</p> <p>4.1.6 M/s National Bank of Pakistan has filed Suit # B-115/2008 in the Honorable High Court of Sindh, Karachi against the company for the recovery of Rs. 98,559,238. The company has filed application for leave to defend against National Bank of Pakistan to the tune of Rs. 13,261,641,097/- in the Honorable High Court Sindh, Karachi.</p> <p>4.1.7 M/s Standard Chartered Leasing has filed Suit # B-1511/2009 in the Honorable Banking Court No 1, Karachi against the company for the recovery of Rs. 29,254,378. The company has filed application for leave to defend against Standard Chartered Leasing in the Honorable Banking Court No 1, Karachi.</p> <p>4.1.8 Based on the opinion of company's legal counsel representing the matter in the courts, the chances of company's success in all cases are fair and bright.</p>			
<b>4.2 Commitments</b>			
4.2.1 There are no Commitments as on June 30, 2016. (2015:NIL)			

Un-Audited September 30, 2016	Audited June 30, 2016
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Note -----(Rupees)-----

## 5 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

### 5.1 Movement in operating fixed assets:

Opening - at net book value

Add: Additions during the period

Less: Depreciation charged during the period

Less: Disposals during the period - at net book value

Closing - at net book value

5.1	791,696,498	807,856,377
	807,856,377	878,451,611
	-	-
	807,856,377	878,451,611
	(16,159,879)	(70,595,235)
	-	-
	(16,159,879)	(70,595,235)
	791,696,498	807,856,376

Un-Audited September 30, 2016	Un-Audited September 30, 2015
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----- (Rupees) -----

## 6 Earnings Per Share - Basic & Diluted

Profit after taxation

Number of ordinary shares

Basic earnings per shares

(18,334,228)	(20,955,881)
8,284,700	8,284,700
(2.21)	(2.53)

## 7 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified / rearranged for the purpose of better presentation. However, no significant re-arrangements have been made.

## 8 Authorization

This condensed interim financial information was authorised for issue on \_\_\_\_\_ by the Board of Directors.

## 9 General

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

