

**APOLLO TEXTILE MILLS LTD**

The logo consists of a solid black rectangle. The word "APOLLO" is written in white, uppercase, sans-serif font in the upper portion of the rectangle. A thin white horizontal line separates the word "APOLLO" from the lower portion of the rectangle, which is empty.

**APOLLO**

**APOLLO TEXTILE MILLS LIMITED**

**QUARTERLY ACCOUNTS  
FOR THE PERIOD ENDED  
SEPTEMBER 30<sup>TH</sup> 2017**

## 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

Jasilwahn, Jhang Road  
Muzaffargarh

# APOLLO TEXTILE MILLS LTD

14<sup>th</sup> Floor, BRR Tower, I.I. Chundrigar Road, Karachi

**APOLLO**

## DIRECTOR REPORT

The financial statements (un-audited) of the company for the 1<sup>st</sup> Quarter ended on 30<sup>th</sup> September, 2017 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

  
Chief Executive

Karachi

Dated: 27<sup>th</sup> Nov 2017

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

Un-Audited  
September 30,  
2017  
Audited  
June 30, 2017  
------(Rupees)-----

Note

**EQUITY AND LIABILITIES**

**Share Capital and Reserves**

Authorised Capital

20,000,000 (2015: 20,000,000) ordinary shares of Rs. 10 each

**200,000,000**

**200,000,000**

Issued, subscribed & paid-up capital

**82,847,000**

82,847,000

General reserve

**142,000,000**

142,000,000

Unappropriated profit

**(150,507,091)**

(77,396,374)

**74,339,909**

147,450,626

Surplus on revaluation of fixed assets

5

**161,326,830**

205,508,496

**Non-current liabilities**

Long term finances - secured

**392,915,253**

392,915,253

Liabilities against assets subject to finance lease

**5,545,043**

5,545,043

Deferred liabilities

**140,922,842**

47,281,463

**539,383,138**

445,741,759

**Current Liabilities**

Trade and other payables

**(16,928,265)**

26,387,798

Accrued mark-up

**239,712,218**

239,712,219

Short term bank finances - secured

**1,153,888,574**

1,153,888,574

Current portion of long term finances

**63,936,000**

63,936,000

Current portion of liabilities against assets subject to finance lease

**13,719,441**

13,719,441

Provision for taxation

**-**

-

**1,454,327,968**

1,497,644,032

**Contingencies and Commitments**

4

-

-

**Total Equity and Liabilities**

**2,229,377,844**

2,296,344,912

**ASSETS**

**Non-Current Assets**

Property, plant and equipment

**727,056,979**

743,216,860

Long term deposits

**67,167,249**

67,167,249

**794,224,228**

810,384,109

**Current Assets**

Stores, spares and loose tools

**96,476,808**

96,476,808

Stock-in-trade

**1,283,600,559**

1,283,600,559

Trade debtors - unsecured, considered good

**884,650**

6,459,631

Loans and advances - considered good

**14,104,428**

14,100,748

Trade deposits

**10,412,390**

50,855,962

Sales tax refundable from government

**26,716,843**

32,516,687

Other receivables

**1,950,409**

1,950,409

Cash and bank balances

**1,007,530**

-

**1,435,153,617**

1,485,960,804

**Total Assets**

**2,229,377,844**

2,296,344,912

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

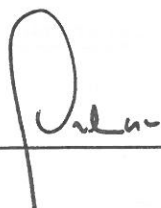
CHIEF EXECUTIVE

DIRECTOR

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	30 September 2017	30 September 2016
	----- (Rupees) -----	
Net sales	-	-
Cost of sales	(19,231,881)	(17,325,375)
Gross profit	(19,231,881)	(17,325,375)
Administrative and general expenses	(4,377,955)	(1,000,729)
Operating loss	(23,609,836)	(18,326,104)
Finance costs	(41,168)	(8,124)
Loss before taxation	(23,651,004)	(18,334,228)
Taxation	(53,273,663)	-
Loss after taxation	(76,924,667)	(18,334,228)
Loss per share - basic and diluted	7 (9.29)	(2.21)

CHIEF EXECUTIVE



DIRECTOR



**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

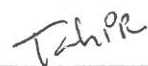
	30 September 2017	30 September 2016
	----- (Rupees) -----	
Loss for the year	(76,924,667)	(18,334,228)
Other Comprehensive Income:		
Incremental depreciation arising from revaluation of property, plant and equipment	4,123,189	4,499,921
Deferred tax relating to component of comprehensive loss	(309,239)	(1,394,975)
Other comprehensive income - net of tax	3,813,949	3,104,945
Total comprehensive loss for the year	<u>(73,110,718)</u>	<u>(15,229,282)</u>

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

CHIEF EXECUTIVE



DIRECTOR

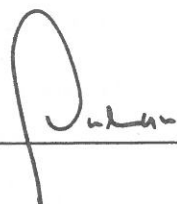


**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	September 30, 2017	September 30, 2016
Note	------(Rupees)-----	
<b>Cash Generated from Operations</b>		
Loss before taxation	(76,924,667)	(18,334,228)
Adjustments for:		
Depreciation	16,159,881	16,159,879
Finance costs	41,168	8,124
	16,201,049	16,168,003
Loss before working capital changes	(60,723,618)	(2,166,225)
(Increase)/Decrease in Current Assets		
Stock-in-trade	-	-
Trade debtors - unsecured, considered good	5,574,981	2,180,599
Loans and advances - considered good	(3,680)	(669)
Trade deposits	40,443,572	-
Sales tax refundable from government	5,799,844	-
	51,814,717	2,179,930
Increase/(Decrease) in Current liabilities		
Trade and other payables	(43,316,063)	-
Cash generated from operations	(52,224,965)	13,705
Payments for:		
Finance costs	(41,168)	(8,124)
Taxes	-	-
Net cash from operating activities ( A )	(52,266,133)	5,582
<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 )	(52,266,133)	5,582
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	(52,266,133)	5,582
<b>Cash and Cash Equivalents</b>		
Cash and bank balances	1,007,530	5,583
	1,007,530	5,583

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

CHIEF EXECUTIVE



DIRECTOR

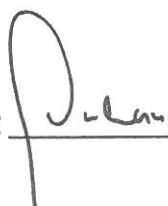


**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	Share Capital	General Reserve	Unappropriated Profit	Total
	------(Rupees)-----			
Balance as at July 01, 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)
Balance as at September 30, 2016	82,847,000	142,000,000	(22,994,889)	201,852,111
Loss for the remaining period	-	-	(60,746,373)	(60,746,373)
Other comprehensive income for the remaining period	-	-	6,344,889	6,344,889
Total comprehensive loss	-	-	(54,401,485)	(54,401,485)
Balance as at June 30, 2017	82,847,000	142,000,000	(77,396,374)	147,450,626
Loss for the period ended September 30, 2017	-	-	(76,924,667)	(76,924,667)
Other comprehensive income for the period ended September 30, 2017	-	-	3,813,949	3,813,949
Total comprehensive loss	-	-	(73,110,718)	(73,110,718)
<b>Balance as at September 30, 2017</b>	<b>82,847,000</b>	<b>142,000,000</b>	<b>(150,507,092)</b>	<b>74,339,908</b>

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

CHIEF EXECUTIVE



DIRECTOR





**APOLLO TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

**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 C 1, Ground Floor, 16th Commercial Street, Phase II Ext., D.H.A, Karachi in the province of Sindh and the manufacturing facility is located at Jasilwahin, 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, 2017.

**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.

2016 2015

----- (Rupees) -----

**5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

Ordinary shares of Rs. 10 each

2016	2015			
7,439,700	7,439,700	Issued for cash	74,397,000	74,397,000
845,000	845,000	Issued as bonus shares	8,450,000	8,450,000
<b>8,284,700</b>	<b>8,284,700</b>		<b>82,847,000</b>	<b>82,847,000</b>

- 5.1 There were no movements during the reporting year.  
 5.2 The Company has one class of ordinary shares which carry no right to fixed income.  
 5.3 6,555,020 shares representing 79.12% (2015: 6,555,020 shares 79.12%) are held by the Consolidated Overseas Investment & Finance Establishment.  
 5.4 The company has no reserved shares under options and sales contract.

**6 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX**

This represents surplus over book value resulting from the revaluation of fixed assets carried out in the year 2005 adjusted by incremental depreciation arising out of revaluation and deferred taxation.

	Note	2016	2015
		----- (Rupees) -----	
Balance at the beginning of the year		269,266,906	290,617,672
Surplus arises during the year		-	-
Less: Adjustment for incremental depreciation		(17,999,684)	(21,350,766)
		251,267,222	269,266,906
<b>Related deferred tax</b>			
Liability for revaluation at the beginning of the year		40,752,089	44,384,281
Increase in deferred tax liability on revaluation		-	-
Transfer to retained earnings in respect of incremental depreciation during the year		(5,579,902)	(3,632,192)
		35,172,187	40,752,089
		<b>216,095,035</b>	<b>228,514,817</b>

**7 LONG TERM FINANCES - SECURED****From banking company**

- |                   |     |             |             |
|-------------------|-----|-------------|-------------|
| - Term finances   | 7.1 | 48,839,289  | 48,839,289  |
| - Demand finances | 7.2 | 391,859,378 | 391,859,378 |

**From related party**

- |                               |     |             |             |
|-------------------------------|-----|-------------|-------------|
| - Director's and others' loan | 7.3 | 16,152,586  | 16,152,586  |
|                               |     | 456,851,253 | 456,851,253 |

Less: Current portion shown under current liabilities

(63,936,000)	(63,936,000)
<b>392,915,253</b>	<b>392,915,253</b>

- 7.1 These facilities for term finances have been obtained by the company from a financial institution which carries a markup rate of 6 months KIBOR plus 1.5% to 4% (2015: 6 months KIBOR plus 1.5% to 4%) which is repayable in 10 to 73 equal installments on half yearly, quarterly and monthly basis. The facilities are secured against pari passu charge over fixed assets of the company including land, building, plant & machinery.
- 7.2 These facilities for demand finances have been obtained by the company from a financial institution which carries a markup rate of 3 months average KIBOR plus 3.9% to 6 months KIBOR plus 4% (2015: 3 months average KIBOR plus 3.9% to 6 months KIBOR plus 4%) which is repayable in 16 to 20 equal installments on quarterly basis. The facilities are secured against pari passu charge and first mortgage on all present and future assets of the company including land, building, plant & machinery.
- 7.3 This represents mark up free loans from directors repayable in more than one year.

**8 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

	<b>2016</b>		<b>2015</b>	
	<i>----- (Rupees) -----</i>		<i>----- (Rupees) -----</i>	
	<b>Minimum lease payments</b>	<b>Present Value</b>	<b>Minimum lease payments</b>	<b>Present Value</b>
Within one year	24,454,029	13,719,441	24,454,029	13,719,441
After one year but not more than five years	-	5,545,043	-	5,545,043
Total minimum lease payments	24,454,029	19,264,484	24,454,029	19,264,484
Less: Amount representing finance charges	(5,189,545)	-	(5,189,545)	-
Present value of minimum lease payments	19,264,484	19,264,484	19,264,484	19,264,484
Less: Payable within one year	(13,719,441)	(13,719,441)	(13,719,441)	(13,719,441)
	<u>5,545,043</u>	<u>5,545,043</u>	<u>5,545,043</u>	<u>5,545,043</u>

8.1 These finances have been obtained by the company from a leasing company which carries effective interest rate of 13.83% (2015: 13.83%). These finances are secured against demand promissory note and personal guarantee of one sponsoring director.

**9 DEFERRED LIABILITIES**

	<i>Note</i>	<b>2016</b>	<b>2015</b>
		<i>----- (Rupees) -----</i>	<i>----- (Rupees) -----</i>
Gratuity	9.1	12,270,666	12,270,666
Deferred taxation	9.1.1	128,652,176	101,954,519
		<u>140,922,842</u>	<u>114,225,185</u>

**9.1 Gratuity****Movement in net liability recognized**

Opening net liability	12,270,666	12,270,666
Expense for the year	-	-
Closing net liability	<u>12,270,666</u>	<u>12,270,666</u>

**9.1.1 Historical information**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<i>----- (Rupees) -----</i>				
Present value of defined benefit obligation	12,270,666	12,270,666	12,270,666	12,394,667	9,543,060
Fair value of plan assets	-	-	-	-	-
Surplus /(Deficit) in the plan	12,270,666	12,270,666	12,270,666	12,394,667	9,543,060
Unrecognised actuarial gain / (loss)	-	-	-	-	-
(Asset) / liability in balance sheet	<u>12,270,666</u>	<u>12,270,666</u>	<u>12,270,666</u>	<u>12,394,667</u>	<u>9,543,060</u>
Experience adjustment arising on plan liabilities (gains) / losses	-	-	-	-	-
Experience adjustment arising on plan assets gains / (losses)	-	-	-	-	-

**4 CONTINGENCIES AND COMMITMENTS****4.1 Contingencies:**

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

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 damages 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. 06 against the company for Rs. 495,321,000/- in The Honorable Lahore High Court Lahore.

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 and 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.

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 & 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.

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.

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.

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.

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.

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.

**4.2 Commitments**

4.2.1 There are no Commitments as on June 30, 2016. (2015:NIL)

	Un-Audited September 30, 2017	Audited June 30, 2017
Note	------(Rupees)-----	

**5 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX**

This represents surplus over book value resulting from the revaluation of fixed assets carried out in the year 2005 adjusted by incremental depreciation arising out of revaluation and deferred taxation.

Balance at the beginning of the year	234,590,087	252,589,771
Surplus arises during the year	(4,123,189)	(17,999,684)
Less: Adjustment for incremental depreciation	230,466,899	234,590,087

**Related deferred tax**

Liability for revaluation at the beginning of the year	29,081,591	34,661,493
Increase in deferred tax liability on revaluation	40,367,717	-
Transfer to retained earnings in respect of incremental depreciation during the year	(309,239)	(5,579,902)
	69,140,069	29,081,591
	<u>161,326,830</u>	<u>205,508,496</u>

**6 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	5.1	<u>727,056,979</u>	<u>743,216,860</u>
6.1 Movement in operating fixed assets:			
Opening - at net book value		743,216,860	807,856,377
Add: Additions during the period		-	-
		743,216,860	807,856,377
Less: Depreciation charged during the period		(16,159,881)	(64,639,517)
Less: Disposals during the period - at net book value		-	-
		(16,159,881)	(64,639,517)
Closing - at net book value		<u>727,056,979</u>	<u>743,216,860</u>

**7 Earnings Per Share - Basic & Diluted**

Profit after taxation	(76,924,667)	(18,334,228)
Number of ordinary shares	8,284,700	8,284,700
Basic earnings per shares	(9.29)	(2.21)

**8 CORRESPONDING FIGURES**

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

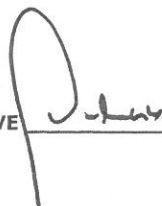
**9 Authorization**

This condensed interim financial information was authorised for issue on 27<sup>th</sup> Nov 2017 by the Board of Directors.

**10 General**

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE



DIRECTOR

