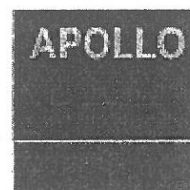


# APOLLO TEXTILE MILLS LTD



**INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2016**

APOLLO

# APOLLO TEXTILE MILLS LTD

## DIRECTORS REPORT

The financial statements (un-audited) of the company for the 3<sup>rd</sup> Quarter ended on 31<sup>st</sup> March 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



Chief Executive

Karachi

Dated: 28<sup>th</sup> April 2016

## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### Chief Executive

Mr. Ikram Zahur

#### Directors

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

### AUDITORS

M/s. Nazir Chaudhri & Co.  
Chartered Accountants  
4-Karachi Chambers, Hasrat  
Mohani Road. P.O. Box 5061  
Karachi - 74000

### AUDIT COMMITTEE

#### Chairman Members

Mr. Muhammad Tahir Khan  
Mr. Abdul Rehman Zahur  
Mr. Riaz Hussain

### HUMAN RESOURCES &

### REMUNERATION COMMITTEE

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

### BANKERS

Soneri Bank  
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

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

### MILLS

Jasilwahin, Jhang Road  
Muzaffargarh

**APOLLO TEXTILE MILLS LIMITED**  
**INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2016**

	Un-audited 31, March 2016 Rupees	Audited 30, June 2015 Rupees
Note		
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorized Capital	200,000,000	200,000,000
20,000,000 ( June 30, 2015: 20,000,000) ordinary shares of Rs. 10/- each		
Issued, subscribed and paid-up capital	82,847,000	82,847,000
General Reserve	142,000,000	142,000,000
Unappropriated (loss) / profit	(44,876,559)	6,014,815
	179,970,441	230,861,815
Surplus on revaluation of fixed assets - Net of tax	217,496,214	228,514,817
<b>Non-current liabilities</b>		
Long Term Financing - Secured	392,915,253	392,915,253
Liability against assets subject to finance lease	5,545,043	5,545,043
Deferred Liabilities	114,377,412	114,225,185
	512,837,708	512,685,481
<b>Current Liabilities</b>		
Trade and other payables	14,104,186	51,357,393
Accrued mark-up	239,712,219	239,712,219
Short term bank finances - secured	1,153,888,574	1,153,888,574
Current portion of long term finances - secured	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	-	3,732
	1,485,360,420	1,522,617,359
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,395,664,784</b>	<b>2,494,679,473</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	825,514,017	878,451,611
Long term deposits	67,167,249	67,167,249
	892,681,266	945,618,860
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	96,476,808	96,476,808
Stock in trade	1,283,600,559	1,283,600,559
Trade debts	16,105,802	57,341,796
Loans and advances - considered good	14,095,660	14,087,755
Trade deposits	50,855,962	50,855,962
Sales tax refundable from government	39,894,672	39,943,683
Other receivables	1,950,409	1,950,409
Cash and bank balances	3,647	4,803,641
	1,502,983,518	1,549,060,614
<b>TOTAL ASSETS</b>	<b>2,395,664,784</b>	<b>2,494,679,473</b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

CHIEF EXECUTIVE

- *nd* -

DIRECTOR

- *nd* -

**APOLLO TEXTILE MILLS LIMITED**  
**INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)**

	Note	Nine Month period ended		Three month period ended	
		31, March 2016 Rupees	31, March 2015 Rupees	31, March 2016 Rupees	31, March 2015 Rupees
Sales		-	373,158	-	-
Cost of sales	7	(58,062,542)	(72,393,579)	(19,268,080)	(22,546,807)
Gross loss		(58,062,542)	(72,020,421)	(19,268,080)	(22,546,807)
Administrative expenses		(3,692,898)	(8,235,576)	(566,798)	(1,711,971)
Loss from operation		(3,692,898)	(8,235,576)	(566,798)	(1,711,971)
Operating loss		(61,755,439)	(80,255,997)	(19,834,878)	(24,258,778)
Finance cost		(2,311)	(14,536)	(841)	(13,215)
Loss before taxation		(61,757,750)	(80,270,533)	(19,835,719)	(24,271,993)
Taxation		-	(3,732)	-	(3,732)
Current		(152,228)	2,980,650	(152,228)	2,980,650
Deferred		(61,909,978)	(77,293,615)	(19,987,947)	(21,295,075)
Loss after taxation					
Earning / Loss per share	8	(7.47)	(9.33)	(2.41)	(2.57)

The annexed notes from 1 to 12 form an integral part of these financial statements.

CHIEF EXECUTIVE                     

DIRECTOR

**APOLLO TEXTILE MILLS LIMITED**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)**

	Nine month period ended		Three month period ended	
	31, March	31, March	31, March	31, March
	2016	2015	2016	2014
	Rupees	Rupees	Rupees	Rupees
Loss for the period	(61,909,978)	(77,293,615)	(19,987,947)	(21,295,075)
Other Comprehensive Income:				
Incremental depreciation arising from revaluation of property, plant and equipment	14,675,059	13,289,184	14,675,059	13,289,184
Deferred tax relating to component of comprehensive income	(3,656,456)	(2,723,891)	(3,656,456)	(2,723,891)
Other comprehensive income - net of tax	11,018,603	10,565,293	11,018,603	10,565,293
Total comprehensive loss for the period	(50,891,375)	(66,728,322)	(8,969,344)	(10,729,782)

The annexed notes from 1 to 12 form an integral part of these financial statements.

CHIEF EXECUTIVE

-sd-

DIRECTOR

-sd-

**APOLLO TEXTILE MILLS LIMITED**  
**INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)**

	31, March 2016	31, March 2015
Note	Rupees	Rupees
<b>Cash Generated from Operations</b>		
Loss before taxation	(61,757,750)	(80,270,533)
Adjustments for:		
Depreciation	52,937,594	57,833,312
Finance cost	2,311	14,536
	52,939,905	57,847,848
Loss before working capital changes	(8,817,845)	(22,422,685)
(Increase) / Decrease in current assets		
Stock-in-trade	-	(81,434)
Trade debtors - unsecured, considered good	41,235,994	25,765,355
Loans and advances - considered good	-	12,088,919
Trade deposits	-	2,000,000
Sales tax refundable from government	49,011	(969,106)
	41,285,005	38,803,734
Increase/(Decrease) in current liabilities		
Trade and other payables	(37,253,207)	(6,420,371)
Cash generated from operations	(4,786,046)	9,960,680
Payments for:		
Finance costs	(2,311)	(14,536)
Taxes	(11,637)	(12,088,918)
Net cash (outflow) from operating activities	(4,799,994)	(2,142,777)
<b>Cash Flow From Investing Activities</b>		
Net cash inflow / (outflow) from investing activities	-	-
<b>Cash Flow From Financing Activities</b>		
Net cash inflow / (outflow) from financing activities	-	-
Net decrease in cash and cash equivalents	(4,799,994)	(2,142,777)
Cash and cash equivalents at the beginning of the year	4,803,641	7,907,265
Cash and cash equivalents at the end of the period	3,647	5,764,488
<b>Cash and Cash Equivalents</b>		
Cash and bank balances	3,647	5,764,488
	3,647	5,764,488

The annexed notes from 1 to 12 form an integral part of these financial statements.

CHIEF EXECUTIVE sd-

DIRECTOR sd-

**APOLLO TEXTILE MILLS LIMITED**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)**

	Share Capital	General Reserve	Unappropriated Profit	Total
	Rupees			
Balance as at July 01, 2014	82,847,000	142,000,000	85,994,017	310,841,017
Profit for the year ended June 30, 2015	-	-	(97,697,776)	(97,697,776)
Other comprehensive income for the year	-	-	17,718,574	17,718,574
Total comprehensive loss	-	-	(79,979,202)	(79,979,202)
Balance as at July 01, 2015	82,847,000	142,000,000	6,014,815	230,861,815
Loss for the year ended March 31, 2016	-	-	(61,909,978)	(61,909,978)
Other comprehensive income for the period	-	-	11,018,603	11,018,603
Total comprehensive loss	-	-	(50,891,375)	(50,891,375)
Balance as at March 31, 2016	82,847,000	142,000,000	(44,876,559)	179,970,440

The annexed notes from 1 to 12 form an integral part of these financial statements.

CHIEF EXECUTIVE sd

DIRECTOR sd



**APOLLO TEXTILE MILLS LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)**

**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, BRR Tower, I.I Chundigar Road, Karachi in the province of Sindh and the manufacturing facility is located at Jasilwahin, Jhang Road, Muzaffargarh in the province of Punjab.

The operation of the company has been temporarily discontinued due to crises in the textile sector.

**2 Basis of Preparation**

**a) Statement of Compliance**

This interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This interim financial information of the Company for the period ended 31 March 2016 has been prepared in accordance with the requirements of 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 interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the yearended 30 June 2015.

**b) Accounting Convention**

Same accounting policies and methods of computation are adopted for the preparation of this interim financial information as those applied in the preparation of financial statements for the year ended June 30, 2015.

**3 Contingencies and Commitments**

**Contingencies**

The status of contingencies, as reported in the annual report for the year ended June 30, 2015.

**Commitments**

There are no Commitments as on March 31, 2016. (June 30, 2015 :NIL).

**APOLLO TEXTILE MILLS LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)**

Note	Un-audited 31, March 2016 Rupees	Audited 30, June 2015 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	2,421,186,069	2,421,186,069
Claim on Standard Chartered Bank	12,093,523,802	12,093,523,802
Claim on NIB Bank Limited	3,244,043,924	3,244,043,924
Claim on Soneri Bank Limited	3,145,128,891	3,145,128,891
Claim on My Bank Limited	4,626,542,007	4,626,542,007
Claim on National Bank Limited	<u>13,261,641,097</u>	<u>13,261,641,097</u>
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. 05 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 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 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-151/2009 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.		
<b>4.2 Commitments :</b>		
4.2.1 There are no Commitments as on March 31, 2016. (June 30, 2015 :NIL)		

5 PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2016	Audited 30 June 2015
Note	Rupees	Rupees
51	₹29,314,617	₹29,451,611

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**APOLLO TEXTILE MILLS LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)**

- 5.2 Depreciation has been charged to:  
 Cost of sales  
 Administrative and general expenses

Un-audited 31, March 2016	Audited 30, June 2015
Rupees	Rupees
52,623,457	76,597,726
314,137	513,357
52,937,594	77,111,083

Had there been no revaluation, the related figures of lease hold land, buildings and plant and machinery as at March 31, 2016 would have been as follows:

	Un-audited March 31, 2016			Audited June 30, 2015		
	Cost	Accumulated Depreciation	Carrying value	Cost	Accumulated Depreciation	Carrying value
	Rupees					
Free hold land	1,759,076	-	1,759,076	1,759,076	-	1,759,076
Factor building on free hold land	168,162,573	124,535,165	43,627,408	168,162,573	120,997,808	47,164,765
Non factory building on free hold	8,232,634	6,069,720	2,162,914	8,232,634	5,985,451	2,247,183
Plant and machinery	1,663,172,183	1,151,271,886	511,900,297	1,663,172,183	1,117,639,816	545,532,367
	1,841,326,466	1,281,876,772	559,449,694	1,841,326,466	1,244,623,075	596,703,391

The revaluation of land and buildings was carried out on October 28, 1987 by Joseph Lobo Surveyors and Valuers. Revaluation of land, buildings and plant & machinery was again carried out on May 31, 2005 by M/s. Iqbal A. Nanjee & Co. an independent surveyor and valuator on the basis of market value or depreciated replacement values as applicable.

- 6 Stock in trade
- |                |               |               |
|----------------|---------------|---------------|
| Raw material   | 298,517,457   | 298,517,457   |
| Finished goods | 985,083,102   | 985,083,102   |
|                | 1,283,600,559 | 1,283,600,559 |
- 6.1 The Stock in trade includes stocks of raw cotton and cotton yarn misappropriated by the banks and their muqaddams amounting to Rs. 250,877,333 and Rs. 989,382,159 respectively. ( June 30, 2015: Rs 250,877,333 and Rs. 989,382,159). Misappropriated stock is valued as per policy adopted for valuation of Stock in trade and represents misappropriation of raw material and finished goods placed with various banks.
- 6.2 For the recovery of value of misappropriated stock, the company has filed suits against The Bank of Punjab before the Honorable High Court and against Standard Chartered Bank before the Honorable High Court of Sindh, Karachi and against Soneri Bank Limited in the Honorable High Court of Sindh, Karachi.

**7 COST OF SALE**

	Period Ended		Quarterly ended	
	Un-audited 31, March 2016	Un-audited 31, March 2015	Un-audited 31, March 2016	Un-audited 31, March 2015
Mills staff salaries	621,000	-	207,000	-
Security expense	4,410,000	4,410,000	1,470,000	1,470,000
Fuel and power	408,085	1,981,628	49,928	1,105,380
Depreciation	52,623,457	57,448,114	17,541,152	19,149,431
Repairs and maintenance	-	88,101	-	88,101
Insurance	-	6,837,685	-	-
Others	-	1,315,051	-	420,825
	58,062,542	72,080,579	19,268,080	22,233,807
Opening inventory of finished goods	985,083,102	985,396,102	985,083,102	985,396,102
Closing inventory of finished goods	(985,083,102)	(985,083,102)	(985,083,102)	(985,083,102)
	58,062,542	72,393,579	19,268,080	22,546,807

**8 EARNING / LOSS PER SHARE**

Loss after taxation	(61,909,978)	(77,293,615)	(19,987,947)	(21,295,075)
Number of ordinary shares	8,284,700	8,284,700	8,284,700	8,284,700
Basic loss per shares	(7.47)	(9.33)	(2.41)	(2.57)

**9 Financial Risk Management**

The Company Financial risk management objectives and policies are consistent with the disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2015

**10 Corresponding Figures**

Corresponding figures have been rearranged and reclassified where necessary for the purposes of comparison. However, no significant re-arrangements have been made.

**11 Date of Authorization For Issue**

These financial statements were authorized for issue on 28th April 2016 by the Board of Directors.

**12 General**

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR