

**APOLLO TEXTILE MILLS LIMITED**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2020**

# APOLLO TEXTILE MILLS LTD.

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

## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### CHIEF EXECUTIVE

Mr. Abdul Rehman Zahur

#### DIRECTORS

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

#### AUDITORS

M/s. Clarkson Hyde Saud Ansari & Co.  
Chartered Accountants  
Office No. 1013, 10<sup>th</sup> Floor, Caesar's Tower  
Plot No. ST-10, Shahra-e-Faisal,  
Karachi-75350  
Pakistan.

#### 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  
Muzaaffar;earh

# APOLLO TEXTILE MILLS LTD.

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

## DIRECTORS REPORT

The financial statements (un-audited) of the Company for the 3<sup>rd</sup> Quarter ended on March 31, 2020 are being presented to you.

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

On and behalf of the Board of Directors

  
Chief Executive Officer

  
Director

Karachi.

Dated: March 24, 2022

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

AT MARCH 31, 2020

	Note	Mar. 31, 2020 Unaudited	June 30, 2019 Audited
Rupees			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	3	592,564,376	629,808,497
Long Term Deposits		67,167,249	67,167,249
		<u>659,731,625</u>	<u>696,975,746</u>
<b>CURRENT ASSETS</b>			
Stores, Spares and Loose Tools	4	96,476,808	96,476,808
Inventories	5	1,283,600,559	1,283,600,559
Trade Debts		1,128,581	1,128,581
Trade Deposits		46,120,390	46,120,390
Advance Income Tax		14,113,837	14,113,837
Sales Tax Refundable		26,716,843	26,716,843
Other Receivables		1,950,409	1,950,409
Cash and Bank Balances	6	980,224	1,004,517
		1,471,087,651	1,471,111,944
		<u>2,130,819,276</u>	<u>2,168,087,690</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Share Capital		82,847,000	82,847,000
<i>Capital Reserve</i>			
Revaluation Surplus		175,663,474	184,348,684
<i>Revenue Reserve</i>			
General Reserve		142,000,000	142,000,000
Accumulated Loss		(225,446,426)	(196,863,222)
		(83,446,426)	(54,863,222)
		<u>175,064,048</u>	<u>212,332,462</u>
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings - Secured	7	392,915,253	392,915,253
Long Term Lease Liabilities		5,545,043	5,545,043
Deferred Liabilities	8	47,281,463	47,281,463
		445,741,759	445,741,759
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	38,757,235	38,757,235
Accrued Mark Up		239,712,219	239,712,219
Current Portion of Long Term Borrowings		63,936,000	63,936,000
Current Portion of Long Term Lease Liabilities		13,719,441	13,719,441
Short Term Borrowings - Secured	10	1,153,888,574	1,153,888,574
		1,510,013,469	1,510,013,469
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		
		<u>2,130,819,276</u>	<u>2,168,087,690</u>

The annexed notes form an integral part of these financial statements

  
 DIRECTOR

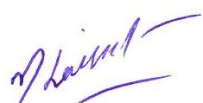
  
 CHIEF EXECUTIVE

**APOLLO TEXTILE MILLS LIMITED**

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

	Nine Months ended Mar. 31		Quarter ended Mar. 31	
	2020	2019	2020	2019
	Rupees		Rupees	
<b>SALES</b>	-	-	-	-
<b>Less: COST OF SALES</b>	37,080,747	44,239,463	12,358,249	14,237,721
<b>GROSS LOSS</b>	(37,080,747)	(44,239,463)	(12,358,249)	(14,237,721)
Less: Administrative Expenses	169,374	197,484	56,458	65,828
<b>OPERATING LOSS</b>	(37,250,121)	(44,436,947)	(12,414,707)	(14,303,549)
Less: Financial Expenses	18,293	80	18,293	-
<b>PROFIT BEFORE TAXATION</b>	(37,268,414)	(44,437,027)	(12,433,000)	(14,303,549)
<b>TAXATION</b>	-	-	-	-
<b>NET LOSS FOR THE PERIOD</b>	(37,268,414)	(44,437,027)	(12,433,000)	(14,303,549)
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	(37,268,414)	(44,437,027)	(12,433,000)	(14,303,549)
<b>LOSS PER SHARE</b>	(4.50)	(5.36)	(1.50)	(1.73)

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



DIRECTOR




CHIEF EXECUTIVE


**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2020**

SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVE		Total
		General Reserve	Accumulated Loss	

----- Rupees -----

Balance as at July 1, 2018	82,847,000	193,963,568	142,000,000	(144,582,832)	274,227,736
Total Comprehensive Loss for the Nine Months	-	-	-	(44,437,027)	(44,437,027)
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment	-	(7,211,163)	-	7,211,163	-
Balance as at March 31, 2019	<u>82,847,000</u>	<u>186,752,405</u>	<u>142,000,000</u>	<u>(181,808,696)</u>	<u>229,790,709</u>
Balance as at July 1, 2019	82,847,000	184,348,684	142,000,000	(196,863,222)	212,332,462
Total Comprehensive Loss for the Nine Months	-	-	-	(37,268,414)	(37,268,414)
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment	-	(8,685,210)	-	8,685,210	-
Balance as at March 31, 2020	<u>82,847,000</u>	<u>175,663,474</u>	<u>142,000,000</u>	<u>(225,446,426)</u>	<u>175,064,048</u>

  
 DIRECTOR

  
 CHIEF EXECUTIVE

**APOLLO TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2020**

	Nine Months ended Mar. 31	
	2020	2019
	Rupees	
<b>CASH FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	(37,268,414)	(44,437,027)
Adjustments for:		
Depreciation	37,244,121	40,660,647
Financial Expenses	18,293	80
Operating profit before working capital changes	(6,000)	(3,776,300)
(Increase)/Decrease in Operating Assets	-	-
	(6,000)	(3,776,300)
Increase/(Decrease) in Operating Liabilities		
Trade and Other Payables	-	-
Cash generated from/(used in) operations	(6,000)	(3,776,300)
Financial Expenses	(18,293)	(80)
Tax deducted at source/Paid	-	(4,529)
<b>Net Cash from/(used in) Operating Activities</b>	(24,293)	(3,780,909)
<b>CASH FROM INVESTING ACTIVITIES</b>	-	-
<b>Net Cash from/(used in) Investing Activities</b>	-	-
<b>CASH FROM FINANCING ACTIVITIES</b>		
Loan from Related Party		3,775,000
<b>Net Cash from/(used in) Financing Activities</b>	-	3,775,000
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(24,293)	(5,909)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	1,004,517	1,004,626
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	980,224	998,717

  
 DIRECTOR

  
 CHIEF EXECUTIVE



## **APOLLO TEXTILE MILLS LIMITED**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2020**

#### **1 CORPORATE AND GENERAL INFORMATION**

The company was incorporated in Pakistan on August 9, 1973, as a public company limited by shares under the Companies Act 1913 (now the Companies Act, 2017) and commenced production on November 16, 1976. The Company has principally been engaged in the manufacturing and sale of cotton yarn. The Company is listed on Pakistan Stock Exchange.

The Company had faced financial difficulties due to various factors and due to adverse financial conditions production was stopped in the past. The Company has been unable to meet its financial obligations towards the creditors and financing facilities availed from banks. Various creditors had proceeded with legal action against the Company by filing criminal complaints and recovery suits. With a view to consider the settlement of liabilities, the Company and its creditors had detailed discussions and meetings and as a consequence the Company and its creditors have agreed upon an arrangement for the complete settlement of the liabilities of the Company, thus a Scheme of Arrangement under Section 279 to 283 of the Companies Act, 2017, has been filed with the Court for its sanction, whereby the liabilities will be settled by sale of all fixed assets of the Company as per agreed terms.

The geographical locations and addresses of Company's premises are as under:

- The Registered office is located at C-1, Ground Floor, 16th Commercial Street, Phase - II Extension, DHA, Karachi.
- The Manufacturing Facility is Jasilwahin, Jhang Road, Muzaffargarh, Punjab.

#### **2 BASIS OF PRESENTATION**

##### **2.1 Purpose of Issuance**

These condensed interim financial statements have been issued to the shareholders to comply with Section 237 of the Companies Act, 2017 are un-audited but subject to limited scope review by the external auditors as required by the Companies Act, 2017 and Code of Corporate Governance.

##### **2.2 Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – “Interim Financial Reporting” and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2019. These condensed interim financial statements are unaudited.

The disclosures made in these condensed interim financial statements have been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Company for the year ended June 30, 2019.

##### **2.3 Comparative Financial Information**

The comparative statement of financial position is presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative condensed interim profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, of are extracted from the unaudited condensed interim financial statements for the nine months ended March 31, 2019.

##### **2.4 Accounting Convention**

This condensed interim financial information has been prepared under the historical cost convention except for certain items of property, plant and equipment and defined benefit plan - staff gratuity, which are carried as per revalued amounts, less depreciation and actuarial valuation, respectively.

##### **2.5 Accounting Policies**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019.



## 2.6 Accounting Estimates and Judgements

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2019.

## 2.7 Accounting Estimates and Judgements

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2019.

## 2.8 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupees, which is the company's functional and presentation currency.

Mar. 31, 2020	June 30, 2019
----- Rupees -----	

## 3 PROPERTY, PLANT AND EQUIPMENT

Book Value - Opening	629,808,497	684,022,691
Addition / (Deletion during the period)	-	-
	629,808,497	684,022,691
Depreciation for the Period ( Note No. 3.1 )	37,244,121	54,214,194
Adjustment on Disposal	-	-
	37,244,121	54,214,194
	592,564,376	629,808,497

3.1 Depreciation has been calculated by apportioning the annual depreciation to be charged for the year ending June 30, 2020.

## 4 STORES, SPARES AND LOOSE TOOLS

Stores	16,130,764	16,130,764
Spares	80,256,801	80,256,801
Loose Tools	89,243	89,243
	96,476,808	96,476,808

## 5 INVENTORIES

Raw Material	298,517,457	298,517,457
Finished Goods	985,083,102	985,083,102
	1,283,600,559	1,283,600,559

5.1 The inventories include 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 (2018: Rs.250,877,333 and Rs.989,382,159) respectively. Misappropriated stock is valued as per policy adopted for valuation of inventories.

5.2 The Company has filed suits for the recovery of misappropriated stock, against The Bank of Punjab before the Honorable High Court of Punjab, Lahore, and against Standard Chartered Bank (Pakistan) Limited and Soneri Bank Limited before the Honorable High Court of Sindh, Karachi.

## 6 CASH AND BANK BALANCES

Cash in Hand	974,558	992,558
Cash at Bank	5,666	11,959
	980,224	1,004,517

Mar. 31, 2020

June 30, 2019

----- Rupees -----

**7 LONG TERM BORROWINGS - SECURED***From Banks*

Term Loans	48,839,289	48,839,289
Demand Loans	391,859,378	391,859,378
	<u>440,698,667</u>	<u>440,698,667</u>

*From Related Party*

Director's and Others' Loans	16,152,586	16,152,586
	<u>456,851,253</u>	<u>456,851,253</u>
Less: Current Portion shown under Current Liabilities	(63,936,000)	(63,936,000)
	<u>392,915,253</u>	<u>392,915,253</u>

**8 DEFERRED LIABILITIES**

Employees' Retiring Benefits - Gratuity	12,270,666	12,270,666
Deferred Taxation	35,010,797	35,010,797
	<u>47,281,463</u>	<u>47,281,463</u>

**9 TRADE AND OTHER PAYABLES**

Due to Related Party - CEO	7,475,000	7,475,000
Payable to Others	31,282,235	31,282,235
	<u>38,757,235</u>	<u>38,757,235</u>

**10 SHORT TERM BORROWINGS - SECURED**

Running Finance	<u>1,153,888,574</u>	<u>1,153,888,574</u>
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**11 CONTINGENCIES AND COMMITMENTS**

Contingencies reported in the annual audited financial statements for the year ended June 30, 2018 remain-unchanged.

**12 FIGURES**

Figures in these financial statements have been rounded off to the nearest rupee/

**13 DATE OF AUTHORISATION**

These financial statements were authorised for issue on 24/3/22 by the Board of Directors of the Company.

  
\_\_\_\_\_  
DIRECTOR

  
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CHIEF EXECUTIVE