

**APOLLO TEXTILE MILLS LIMITED
CONDENSED INTERIM FINANCIAL
INFORMATION
FOR THE HALF YEAR ENDED
DECEMBER 31, 2016**

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **APOLLO TEXTILE MILLS LIMITED** as at **December 31, 2016** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof (here-in-after referred to as the "interim financial information"), for the half year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our review. Management is responsible for the preparation for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for the interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended September 30, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with the International Standard. These standards require that we plan and perform the review to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements.

Basis for adverse conclusion

We believe that our review provides a reasonable basis for our opinion and, after due verification, we report that –

- i. The company has stopped its operations since the closing of financial year 2014 and during the half year ended December 31, 2016 the company sustained after tax loss of Rs. 36.636 million and its accumulated losses stood at Rs. 38.102 million. These events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared on going concern basis but, in our opinion, management's use of going concern assumption in the financial statements is inappropriate.
- ii. The stocks of raw cotton and cotton yarn was misappropriated by the banks and their muqaddams amounting to Rs. 128,360,0559 which was pledged with various financial

institutions. The company has filed suits against them in the Honorable High courts for the recovery of value of misappropriated stocks as disclosed in the aforesaid note. We would also like to draw your attention towards note 4.1.1 to 4.1.8 which describes the matters relating to the stocks and the pending suits filed by and against the company.

- iii. As disclosed in note 4.1.1 to 4.1.8 of the financial statements where it has been mentioned that there are suits filed against the company.
- iv. The company has not charged finance cost on long term finances, short term finances and finance lease obtained from banks / financial institution and also the current maturity of long term finances has not been made in the financial statements by the company.
- v. The company is following revaluation model to value land & buildings and plant and machinery as per the requirements of IAS 16. However, the company has not carried out any revaluation since May 31, 2005. Further, the recoverable amount of surplus on revaluation of fixed assets is dependent upon continued operation of the Company.
- vi. The company is operating an unfunded gratuity scheme and is following actuarial valuation to calculate provision as per requirement of IAS- 19. However, the company has not carried out actuarial valuation since June 30, 2009.
- vii. We were unable to obtain appropriate evidence as to the assets and liabilities.
- viii. The company has recognized deferred tax asset amounting to Rs. 60,853,128. Because of unavailability of future profits, this amount may not be recoverable in future

Conclusion

Our review indicates that, because of the significance of the matters discussed in paragraphs i - viii above, this interim financial information does not give a true and fair view of the financial position of the company as at December 31, 2016, and of its financial performance and its cash flows for the half year then ended, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Moochhala Gangat & Co.
Chartered Accountants

Engagement partner: Hussaini Fakhruddin
Karachi

Date: 09 MAR 2017

APOLLO TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
FOR THE PERIOD ENDED DECEMBER 31, 2016

	Un-Audited December 31, 2016	Audited June 30, 2016
Note	------(Rupees)-----	
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorised Capital 20,000,000 (June 30, 2016: 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	(38,102,249)	(7,765,607)
	186,744,751	217,081,393
Surplus on revaluation of fixed assets	208,658,441	214,958,330
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	47,281,463	47,281,463
	445,741,759	445,741,759
Current Liabilities		
Trade and other payables	21,587,799	21,587,798
Accrued mark-up	239,712,219	239,712,219
Short term bank finances - secured	1,153,888,574	1,153,888,573
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	-	-
	1,492,844,033	1,492,844,031
Contingencies and Commitments		
	-	-
Total Equity and Liabilities	2,333,988,982	2,370,625,513
ASSETS		
Non-Current Assets		
Property, plant and equipment	775,536,617	807,856,377
Long term deposits	67,167,249	67,167,249
	842,703,866	875,023,626
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	11,786,405	16,044,703
Loans and advances - considered good	14,097,259	14,095,660
Trade deposits	50,855,962	50,855,962
Sales tax refundable from government	32,516,687	32,516,687
Other receivables	1,950,409	1,950,409
Cash and bank balances	1,027	61,099
	1,491,285,116	1,495,601,887
Total Assets	2,333,988,982	2,370,625,513

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

CHIEF EXECUTIVE

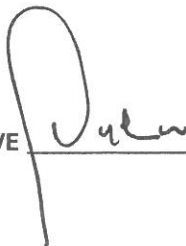
DIRECTOR

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

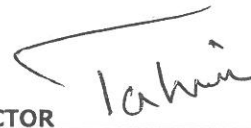
	Half yearly ended (un-audited)		Quarterly ended (un-audited)	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
Note	------(Rupees)-----		------(Rupees)-----	
Net sales	-	-	-	-
Cost of sales	(34,802,590)	(38,794,461)	(1,226,470)	(19,326,611)
Gross profit	(34,802,590)	(38,794,461)	(1,226,470)	(19,326,611)
Administrative and general expenses	(1,818,214)	(3,126,100)	(908,349)	(1,638,301)
Operating loss	(36,620,804)	(41,920,562)	(2,134,819)	(20,964,912)
Finance costs	(15,728)	(1,470)	(7,605)	(1,238)
Loss before taxation	(36,636,532)	(41,922,032)	(2,142,424)	(20,966,150)
Taxation	-	(138,832)	-	(138,832)
Loss after taxation	(36,636,532)	(42,060,864)	(2,142,424)	(21,104,982)
Loss per share - basic and diluted	6 (4.42)	(5.08)	(0.26)	(2.55)

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

CHIEF EXECUTIVE



DIRECTOR



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

	Half yearly ended (un-audited)		Quarterly ended (un-audited)	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- (Rupees) -----		----- (Rupees) -----	
Loss for the Period	(36,636,532)	(42,060,864)	(2,142,424)	(21,104,982)
Other Comprehensive Income:				
Incremental depreciation arising from revaluation of property, plant and equipment	8,999,842	9,783,375	--	9,783,375
Deferred tax relating to component of comprehensive loss	(2,699,953)	(2,849,275)	-	(2,849,275)
Other comprehensive income - net of tax	6,299,889	6,934,100	-	6,934,100
Total comprehensive loss for the year	<u>(30,336,642)</u>	<u>(35,126,764)</u>	<u>(2,142,424)</u>	<u>(14,170,882)</u>

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

CHIEF EXECUTIVE



DIRECTOR

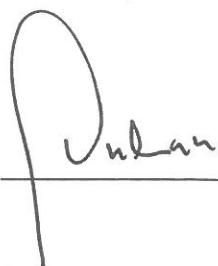


APOLLO TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2016

	31 December 2016	31 December 2015
Note	----- (Rupees) -----	
Cash Generated from Operations		
Loss before taxation	(36,636,532)	(41,922,032)
Adjustments for:		
Depreciation	32,319,760	35,297,618
Finance costs	15,728	1,470
	32,335,488	35,299,088
Loss before working capital changes	(4,301,043)	(6,622,944)
(Increase)/Decrease in Current Assets		
Stock-in-trade	-	-
Trade debtors - unsecured, considered good	4,258,298	26,409,299
Loans and advances - considered good	(1,599)	-
Trade deposits	-	-
Sales tax refundable from government	-	49,011
	4,256,699	26,458,310
Increase/(Decrease) in Current liabilities		
Trade and other payables	-	(19,867,948)
Cash generated from operations	(44,345)	(32,581)
Payments for:		
Finance costs	(15,728)	(1,470)
Taxes	-	(11,637)
Net cash from operating activities (A)	(60,072)	(45,688)
Cash Flow From Investing Activities		
Net cash (used) in investing activities (B)	-	-
Cash Flow From Financing Activities		
Net cash (used) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(60,072)	(45,688)
Cash and cash equivalents at the beginning of the year	61,099	4,803,641
Cash and cash equivalents at the end of the year	1,027	4,757,953
Cash and Cash Equivalents		
Cash and bank balances	1,027	4,757,953
	1,027	4,757,953

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 DECEMBER 31, 2016

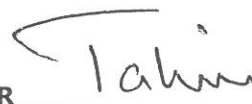
	Share Capital	General Reserve	Unappropriated Profit	Total
	------(Rupees)-----			
Balance as at July 01, 2016	82,847,000	142,000,000	6,014,815	230,861,815
Loss for the period ended December 30, 2016	-	-	(27,336,909)	(27,336,909)
Other comprehensive income for the period ended December 30, 2015	-	-	13,556,487	13,556,487
Total comprehensive loss	-	-	(13,780,422)	(13,780,422)
Balance as at December 30, 2016	82,847,000	142,000,000	(7,765,607)	217,081,393
Loss for the period ended December 30, 2016	-	-	(36,636,532)	(36,636,532)
Other comprehensive income for the period ended December 30, 2016	-	-	6,299,889	6,299,889
Total comprehensive loss	-	-	(30,336,642)	(30,336,642)
Balance as at December 30, 2016	82,847,000	142,000,000	(38,102,249)	186,744,751

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 DECEMBER 31, 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 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, 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 December 31, 2016	Audited June 30, 2015
	Note	------(Rupees)-----	
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
<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 demages 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 & 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>			

4.2 Commitments

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

	Un-Audited December 31, 2016	Audited June 30, 2016
Note	------(Rupees)-----	

5 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

5.1 775,536,617 807,856,377

5.1 Movement in operating fixed assets:

Opening - at net book value

Add: Additions during the period

807,856,377	878,451,611
-	-
807,856,377	878,451,611

Less: Depreciation charged during the period

Less: Disposals during the period - at net book value

(32,319,760)	(70,595,235)
-	-
(32,319,760)	(70,595,235)

Closing - at net book value

775,536,617 807,856,376

Un-Audited December 31, 2016	Un-Audited December 31, 2015
------(Rupees)-----	

6 Earnings Per Share - Basic & Diluted

Profit after taxation

Number of ordinary shares

Basic earnings per shares

(36,636,532)	(42,060,864)
8,284,700	8,284,700
(4.42)	(5.08)

7 CORRESPONDING FIGURES

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

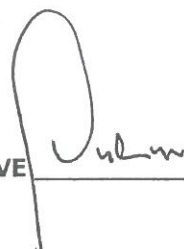
8 Authorization

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

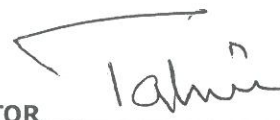
9 General

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE



DIRECTOR



09 MAR 2017