

**APOLLO TEXTILE MILLS LIMITED**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

# APOLLO TEXTILE MILLS LTD.

## 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. 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

Sonari 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

# 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 2<sup>nd</sup> Quarter ended on December 31, 2018 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



**Clarkson Hyde Saud Ansari**  
**Chartered Accountants**

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Pakistan representative of **Clarkson Hyde Global**  
Global Association of Auditors, Accountants,  
Tax Specialists and Business Advisors

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the Members of : APOLLO TEXTILE MILLS LIMITED**

### **Report on Review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **APOLLO TEXTILE MILLS LIMITED** (the Company) as at December 31, 2018, the related condensed interim statement of profit or loss and statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Basis for Adverse Conclusion**

1. We have been unable to obtain appropriate evidence as to assets, liabilities and expenses.
2. The Company has stopped its operations since the closure of the financial year 2014 and since then has been sustaining losses. 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 realise 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 the management's use of going concern assumption is inappropriate.
3. The Company has not charged finance cost on long and short term borrowings as well as on finance lease obligations. The current maturity of long term borrowings has also not been properly shown in the financial statements,
4. The Company has been following revaluation model to present land and buildings and plant and machinery as per requirements of IAS 16. However, the Company has not carried out revaluation since May 31, 2005. Further, forced sales value of assets subject to revaluation has also not been disclosed as per Fourth Schedule to the Companies Act, 2017.

5. The Company has been operating an unfunded gratuity scheme and has been following actuarial valuation to calculate provision as per requirements of IAS 19. However, the company has not carried out actuarial valuation since June 30, 2009.


#### **Adverse Conclusion**

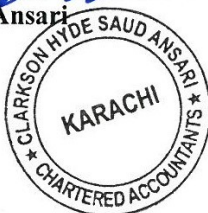
Our review indicates, *because of the matters described in the preceding paragraph, these condensed interim financial statements are not prepared*, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### **Other Matter**

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2017 and 2018 have not been reviewed as we were required to review only the cumulative figures for the half year ended December 31, 2018.

The engagement partner on the review resulting in this independent auditor's review report is **SAUD ANSARI**.

  
Clarkson Hyde Saud Ansari  
Chartered Accountants  
Karachi.  
Dated: April 16, 2022



**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

AS AT DECEMBER 31, 2018

	Note	Dec. 31, 2018 Unaudited	June 30, 2018 Audited
		Rupees	
NON CURRENT ASSETS			
Property, Plant and Equipment	3	656,915,593	684,022,691
Long Term Deposits		67,167,249	67,167,249
		724,082,842	751,189,940
CURRENT ASSETS			
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	14,109,308
Sales Tax Refundable		26,716,843	26,716,843
Other Receivables		1,950,409	1,950,409
Cash and Bank Balances	6	998,717	1,004,626
		1,471,106,144	1,471,107,524
		2,195,188,986	2,222,297,464
SHARE CAPITAL AND RESERVES			
Share Capital		82,847,000	82,847,000
Capital Reserve			
Revaluation Surplus		189,156,126	193,963,568
Revenue Reserve			
General Reserve		142,000,000	142,000,000
Accumulated Loss		(169,908,868)	(144,582,832)
		(27,908,868)	(2,582,832)
		244,094,258	274,227,736
NON CURRENT LIABILITIES			
Long Term Borrowings - Secured	7	392,915,253	392,915,253
Liabilities againjst assets subject to Finance Lease		5,545,043	5,545,043
Deferred Liabilities	8	47,281,463	47,281,463
		445,741,759	445,741,759
CURRENT LIABILITIES			
Trade and Other Payables	9	34,096,735	31,071,735
Accrued Mark Up		239,712,219	239,712,219
Current Portion of Long Term Borrowings		63,936,000	63,936,000
Current Portion of Liabilities against subject to Finance Lease		13,719,441	13,719,441
Short Term Borrowings - Secured	10	1,153,888,574	1,153,888,574
		1,505,352,969	1,502,327,969
CONTINGENCIES AND COMMITMENTS			
	11		
		2,195,188,986	2,222,297,464

The annexed notes form an integral part of these financial statements

CHSA

  
DIRECTOR

  
CHIEF EXECUTIVE


**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half Year ended Dec. 31		Quarter ended Dec. 31	
	2018	2017	2018	2017
	Rupees		Rupees	
<b>SALES</b>	-	-	-	-
<b>Less: COST OF SALES</b>	30,001,742	38,262,762	14,237,721	19,030,881
<b>GROSS LOSS</b>	(30,001,742)	(38,262,762)	(14,237,721)	(19,030,881)
Less: Administrative Expenses	131,656	6,245,364	65,828	1,867,409
<b>OPERATING LOSS</b>	(30,133,398)	(44,508,126)	(14,303,549)	(20,898,290)
Less: Financial Expenses	80	55,654	-	14,486
<b>PROFIT BEFORE TAXATION</b>	(30,133,478)	(44,563,780)	(14,303,549)	(20,912,776)
<b>TAXATION</b>	-	-	-	-
<b>NET LOSS FOR THE PERIOD</b>	(30,133,478)	(44,563,780)	(14,303,549)	(20,912,776)
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	(30,133,478)	(44,563,780)	(14,303,549)	(20,912,776)
<b>LOSS PER SHARE</b>	(3.64)	(5.38)	(1.73)	(2.52)

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



DIRECTOR



CHIEF EXECUTIVE

CHSA

**APOLLO TEXTILE MILLS LIMITED**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

SHARE CAPITAL Issued, Subscribed & Paid Up Capital	CAPITAL RESERVE Revaluation Surplus	REVENUE RESERVE		Total
		General Reserve	Accumulated Loss	

Rupees

Balance as at July 1, 2017	82,847,000	205,508,496	142,000,000	(77,396,374)	352,959,122
Total Comprehensive Loss for the Half Year	-	-	-	(44,563,780)	(44,563,780)
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment	-	(7,009,420)	-	7,009,420	-
Balance as at December 31, 2017	<u>82,847,000</u>	<u>198,499,076</u>	<u>142,000,000</u>	<u>(114,950,734)</u>	<u>308,395,342</u>
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 Half Year	-	-	-	(30,133,478)	(30,133,478)
Transfer due to Incremental Depreciation on Revaluation of Property, Plant and Equipment	-	(4,807,442)	-	4,807,442	-
Balance as at December 31, 2018	<u>82,847,000</u>	<u>189,156,126</u>	<u>142,000,000</u>	<u>(169,908,868)</u>	<u>244,094,258</u>

CHSA

*[Signature]*

DIRECTOR CHIEF EXECUTIVE

**APOLLO TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half Year ended Dec. 31	
	2018	2017
	Rupees	
<b>CASH FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	(30,133,478)	(44,563,780)
Adjustments for:		
Depreciation	27,107,098	32,319,760
Financial Expenses	80	55,654
Operating profit before working capital changes	(3,026,300)	(12,188,366)
(Increase)/Decrease in Operating Assets		
Trade and Other Receivables	-	5,331,051
Loans and Advances	-	(5,590)
Trade Deposits	-	2,443,572
Sales Tax Refundable	-	5,799,844
	(3,026,300)	1,380,511
Increase/(Decrease) in Operating Liabilities		
Trade and Other Payables	-	(316,062)
Cash generated from/(used in) operations	(3,026,300)	1,064,449
Financial Expenses	(80)	(55,654)
Tax deducted at source/Paid	(4,529)	-
<b>Net Cash from/(used in) Operating Activities</b>	(3,030,909)	1,008,795
<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	3,025,000	-
<b>Net Cash from/(used in) Financing Activities</b>	3,025,000	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,909)	1,008,795
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	1,004,626	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	998,717	1,008,795

CHSA

  
DIRECTOR

  
CHIEF EXECUTIVE

## **APOLLO TEXTILE MILLS LIMITED**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

#### **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, 2018. 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, 2018.

##### **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 half year ended December 31, 2017.

##### **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, 2018.

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## 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, 2018.

## 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, 2018.

## 2.8 Functional and Presentation Currency

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

Dec. 31, 2018

June 30, 2018

----- Rupees -----

## 3 PROPERTY, PLANT AND EQUIPMENT

Book Value - Opening	684,022,691	743,216,860
Addition / (Deletion during the period)	-	-
	684,022,691	743,216,860
Depreciation for the Period ( Note No. 3.1 )	27,107,098	59,194,169
Adjustment on Disposal	-	-
	27,107,098	59,194,169
	656,915,593	684,022,691

3.1 Depreciation has been calculated by apportioning the annual depreciation to be charged for the year ending June 30, 2019.

## 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	992,558	1,000,000
Cash at Bank	6,159	4,626
	998,717	1,004,626

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Dec. 31, 2018

June 30, 2018

----- 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	3,025,000	-
Payable to Others	31,071,735	31,071,735
	<u>34,096,735</u>	<u>31,071,735</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 24/3/2022 by the Board of Directors of the Company.

CHSA

  
DIRECTOR

  
CHIEF EXECUTIVE