

**APOLLO TEXTILE MILLS LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2018**

## 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. Mazars M.F. & Co.  
Chartered Accountants  
44-C, 3rd Floor, Badar  
Commercial Street 10, Phase  
V – Ext, DHA, Karachi-  
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  
Muzaffargarh

# APOLLO TEXTILE MILLS LTD

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



## APOLLO TEXTILE MILLS LTD

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the Shareholders of Apollo Textile Mills Limited will be held on 27<sup>th</sup> October 2018 at 08:00a.m. at 14th Floor, BRR Tower, I. I. Chundrigar Road, Karachi to transact the following business:

1. To receive consider and adopt the audited accounts of the company for the year ended 30<sup>th</sup> June 2018 together with the Auditors and Directors Report thereon.
2. To appoint auditors for the year 2018-2019 and fix their remuneration.
3. Any other matter with the permission of the chair.

For and on behalf of the Board

  
Chief Executive



Karachi: 6<sup>th</sup> October 2018

Notes:

1. The Share Transfer Book of the company will remain closed from 21<sup>st</sup> October 2018 to 27<sup>th</sup> October 2018 (both days inclusive)
2. A member entitled to attend and vote at this meeting may appoint proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Any individual entitled to attend and vote at this meeting must bring his/her original CNIC or Passport in original to prove his/her identity. In case of Proxy, must enclose additionally an attested copy of his/her CNIC or Passport. Representative of corporate member should bring the usual documents required for such purpose.
4. Shareholders are requested to notify the change of address, if any, immediately.



# APOLLO TEXTILE MILLS LTD

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

## DIRECTOR'S REPORT TO THE SHAREHOLDER

IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE BENEVOLENT, THE MOST MERCIFUL

The director of Apollo Textile Mills Limited feel great pleasure in presenting audit report with audited financial statement of the Company at the Annual General Meeting of the Company for the financial year ended June 30, 2018.

### OPERATING FINANCIAL RESULTS

During the year under review the company remained closed, due to the prevailing crisis in the textile sector.

The financial results for the year ended June 30, 2018 are summarized below:

	2018 Rupees	2017 Rupees
Loss before taxation	(78,731,385)	(79,080,601)
Provision for taxation	-	-
Net loss	<u>(78,731,385)</u>	<u>(79,080,601)</u>
Other Comprehensive Income	(4,947,826)	(5,579,902)
Transfer from surplus on revaluation of fixed assets		
Assets an account of incremental depreciation for the period Net off defferd tax	<u>11,544,928</u>	<u>17,999,684</u>
Un-appropriated (Loss)	<u>(67,186,457)</u>	<u>(66,660,820)</u>

### Auditors

The auditors, M/s Mazars M.F. & Co., Chartered Accountants, the auditors of the company retire and are eligible for re-appointment. The Board of Directors, based the recommendation of the audit committee, would recommend the appointment of M/s Mazars M.F. & Co, Chartered Accountants, for the year ended June 30, 2019.

### Future Outlook

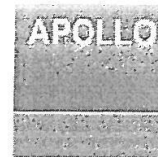
The management is striving hard to achieve better results.

### Code of Corporate Governance

The directors of your company are aware of their responsibilities under the code of corporate governance of the Listing Regulations of the Stock Exchange in the country under instruction from Securities & Exchange Commission of Pakistan. We are taking all necessary steps to ensure good Corporate Governance in your Company as required by the code.

### STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

- a. The financial Statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. Company has maintained proper books of accounts.
- c. Appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgment.
- d. In preparation of the financial statements international accounting standards, as applicable in Pakistan, have been followed and departure, if any has been adequately disclosed.
- e. Internal auditor is continuously reviewing the existing system of internal control and other procedures. The process of review will continue and any weakness in control will have immediate attention of the management.
- f. There are no significant doubts upon the Company's ability as going concern.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulation.



# APOLLO TEXTILE MILLS LTD

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

h During the year under review, three meetings of the boards of the director were held and attend as follows.

Name of director	No of meeting attended
Mr. Ikram Zahur	3
Mr. Abdul Rehman Zahur	3
Mr. Muhammad Tahir Khan	2
Mr. Muhammad Farooq	2
Mr. Shabbir Ahmed	3
Mr. Riaz Hussain	3
Mr. Muhammad Liaquat	2

Leave of absence was granted to directors who could not attend the meeting.

i The statement of pattern of the share holding of the Company as at June 30, 2018 is annexed. This statement is prepared in accordance with the Code of Corporate Governance.

j. During the year under review the trading in shares of the Company by the Directors, CEO and theirsouses as follows:

	Opening balances as on 01/07/2017	Purchase	Sale	Closing Balances as on 30/06/2018
Mr. Ikram Zahur	777,490	-	-	777,490
Mr. Abdul Rehman Zahur	733,990	-	-	733,990

## AUDIT COMMITTEE

The board of directors in compliance to the Code of Corporate governance has established an Audit Committee comprising of the following directors:

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

Chairman  
Member  
Member

## ACKNOWLEDGEMENT

The board of Directors would like to place on record thanks to customers, suppliers, shareholder and agents, and employees for the services rendered by them with the hope that they will continue to display the same spirit with all zeal and devotion in the time ahead.

Karachi: 08th October 2018

For and behalf of the Board of Directors

Chief Executive





**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017**

To the members of Apollo Textile Mills Limited

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Apollo Textile Mills Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, we are unable to express any comments that the Company's records reflect the Company's compliances in all material respects with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

A handwritten signature in black ink, appearing to read 'Mazhar Ullah', written over the printed name 'Mazhar Ullah'.

**Chartered Accountants**

Place: Karachi

Date: **08 OCT 2018**

44-C, 3RD FLOOR, BADAR COMMERCIAL STREET 10,  
PHASE V-EXT, DHA, KARACHI-PAKISTAN  
TEL: +92 21 3534 2801-806 (6 LINES)  
[www.mazars.pk](http://www.mazars.pk)

MAZARS M. F. & Co.  
CHARTERED ACCOUNTANTS

The logo for Praxity, featuring the word 'Praxity' in a stylized font with a circular graphic element to the right.



## INDEPENDENT AUDITORS' REPORT

To the Members of Apollo Textile Mills Limited

### Report on the Audit of the Financial Statements

#### Opinion

We were engaged to audit the annexed financial statements of **Apollo Textile Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### Basis for Disclaimer of Opinion

1. The company has stopped its operations since the closing of financial year 2014 and during the year ended June 30, 2018 the company sustained after tax loss of Rs. 78.731 million and its accumulated losses stood at Rs. 144.582 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.
2. As disclosed in note 15.1 and 15.2 of the financial statements where it has been mentioned that the stocks of raw cotton and cotton yarn was misappropriated by the banks and their muqaddams amounting to Rs 298,517,457 and Rs 985,083,102 respectively which were 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 12.1.1 to 12.1.8 which describes the matters relating to the stocks and the pending suits filed by and against the company.
3. We have sent various confirmations to banks/financial institutions and legal advisors for the confirmation of long term finances, margin on bank guarantees, liabilities against assets subject to finance lease, short term finances, bank balances and contingencies and commitments reported in the financial statements. However we did not receive any replies from them.
4. 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.

A handwritten signature in black ink, appearing to be "Munir".

44 C, 3RD FLOOR, BADAR COMMERCIAL STREET 10,  
PHASE V EXT, DHA, KARACHI-PAKISTAN  
TEL: +92 21 3534 2801 806 (6 LINES)  
[www.mazars.pk](http://www.mazars.pk)

MAZARS M. F. & Co.  
CHARTERED ACCOUNTANTS

**Praxity**  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS



5. 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.
6. 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.
7. We were unable to obtain appropriate evidence as to the most of the assets and liabilities.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

*Elm*



 M A Z A R S

accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

Because of the significance of the matters discussed above in *Basis for disclaimer of Opinion* paragraph, we are unable to form an opinion as to whether:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

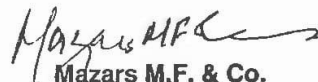
#### **Other Matter(s)**

The financial statements of the Company for the year ended June 30, 2017 were audited by another firm of chartered accountants; whose report dated October 08, 2017 disclaimed opinion on those financial statements.

The engagement partner on the audit resulting in this independent auditors' report is Hussaini Fakhruddin.

Place: Karachi

Date: 08 OCT 2018

  
Mazars M.F. & Co.  
Chartered Accountants

**APOLLO TEXTILE MILLS LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2018**

	2018	Restated 2017
Note	----- (Rupees) -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorised Capital 20,000,000 (2017: 20,000,000) ordinary shares of Rs. 10 each	<b>200,000,000</b>	200,000,000
Issued, subscribed & paid-up capital	4 <b>82,847,000</b>	82,847,000
General reserve	<b>142,000,000</b>	142,000,000
Accumulated loss	<b>(144,582,831)</b>	(77,396,374)
Surplus on revaluation	<b>193,963,568</b>	205,508,496
	<b>274,227,737</b>	352,959,122
<b>Non-current liabilities</b>		
Long term finances - secured	6 <b>392,915,253</b>	392,915,253
Liabilities against assets subject to finance lease	7 <b>5,545,043</b>	5,545,043
Deferred liabilities	8 <b>47,281,463</b>	47,281,463
	<b>445,741,759</b>	445,741,759
<b>Current Liabilities</b>		
Trade and other payables	9 <b>31,071,735</b>	26,387,798
Accrued mark-up	10 <b>239,712,219</b>	239,712,219
Short term bank finances - secured	11 <b>1,153,888,574</b>	1,153,888,574
Current portion of long term finances	6 <b>63,936,000</b>	63,936,000
Current portion of liabilities against assets subject to finance lease	7 <b>13,719,441</b>	13,719,441
Provision for taxation	-	-
	<b>1,502,327,969</b>	1,497,644,032
<b>Contingencies and Commitments</b>		
	12 -	-
<b>Total Equity and Liabilities</b>	<b>2,222,297,465</b>	2,296,344,912
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	13 <b>684,022,692</b>	743,216,860
Long term deposits	<b>67,167,249</b>	67,167,249
	<b>751,189,941</b>	810,384,109
<b>Current Assets</b>		
Stores, spares and loose tools	14 <b>96,476,808</b>	96,476,808
Stock-in-trade	15 <b>1,283,600,559</b>	1,283,600,559
Trade debtors - unsecured, considered good	<b>1,128,581</b>	6,459,631
Loans and advances - considered good	16 <b>14,109,308</b>	14,100,748
Trade deposits	17 <b>46,120,390</b>	50,855,962
Sales tax refundable from government	<b>26,716,843</b>	32,516,687
Other receivables	18 <b>1,950,409</b>	1,950,409
Cash and bank balances	19 <b>1,004,626</b>	-
	<b>1,471,107,524</b>	1,485,960,804
<b>Total Assets</b>	<b>2,222,297,465</b>	2,296,344,912

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

  
**CHIEF EXECUTIVE**

  
**CHIEF FINANCIAL OFFICER**


  
**DIRECTOR**

**APOLLO TEXTILE MILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 ------(Rupees)-----	2017
Net sales	20	-	-
Cost of sales	21	<b>(66,128,637)</b>	(69,853,891)
Gross profit		<b>(66,128,637)</b>	(69,853,891)
Administrative and general expenses	22	<b>(12,544,041)</b>	(9,195,861)
Operating loss		<b>(78,672,678)</b>	(79,049,752)
Finance costs	23	<b>(58,708)</b>	(30,849)
Loss before taxation		<b>(78,731,385)</b>	(79,080,601)
Taxation	24	-	-
Loss after taxation		<b>(78,731,385)</b>	(79,080,601)
Loss per share - basic and diluted	25	<b>(9.50)</b>	(9.54)

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

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 CHIEF EXECUTIVE

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**APOLLO TEXTILE MILLS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>2018</b>	<b>2017</b>
	-----( <i>Rupees</i> )-----	
Loss for the year	<b>(78,731,385)</b>	(79,080,601)
Other Comprehensive Income:		
Incremental depreciation arising from revaluation of property, plant and equipment	<b>16,492,754</b>	17,999,684
Deferred tax relating to component of comprehensive loss	<b>(4,947,826)</b>	(5,579,902)
Other comprehensive income - net of tax	<b>11,544,928</b>	12,419,782
Total comprehensive loss for the year	<b><u>(67,186,457)</u></b>	<u>(66,660,820)</u>

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


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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

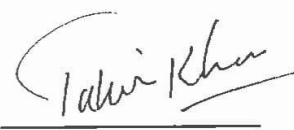
**APOLLO TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
Note	----- (Rupees) -----	
<b>Cash Generated from Operations</b>		
Loss before taxation	(78,731,385)	(79,080,601)
Adjustments for:		
Depreciation	13.2 <b>59,194,169</b>	64,639,517
Finance costs	24 <b>58,708</b>	30,849
	<u>59,252,876</u>	<u>64,670,366</u>
Loss before working capital changes (Increase)/Decrease in Current Assets	<b>(19,478,509)</b>	(14,410,235)
Stock-in-trade	<b>-</b>	-
Trade debtors - unsecured, considered good	<b>5,331,050</b>	9,646,171
Trade deposits	<b>4,735,572</b>	-
Sales tax refundable from government	<b>5,799,844</b>	-
	<u>15,866,466</u>	<u>9,646,171</u>
Increase/(Decrease) in Current liabilities Trade and other payables	<b>4,683,937</b>	4,799,999
Cash generated from operations	<u><b>1,071,894</b></u>	<u>35,935</u>
Payments for:		
Finance costs	25 <b>(58,707)</b>	(30,849)
Taxes	<b>(8,560)</b>	(5,086)
Net cash from operating activities ( A )	<u><b>1,004,626</b></u>	<u>-</u>
<b>Cash Flow From Investing Activities</b>		
Net cash (used) in investing activities ( B )	<u>-</u>	<u>-</u>
<b>Cash Flow From Financing Activities</b>		
Short term borrowings	-	1,153,888,574
Net cash (used) in financing activities ( C )	<u>-</u>	<u>1,153,888,574</u>
Net increase/(decrease) in cash and cash equivalents ( A+B+C )	<b>1,004,626</b>	1,153,888,574
Cash and cash equivalents at the beginning of the year	<b>1,153,888,573</b>	-
Cash and cash equivalents at the end of the year	<u><b>1,154,893,200</b></u>	<u>1,153,888,573</u>
<b>Cash and Cash Equivalents</b>		
Book overdraft	<b>1,153,888,574</b>	1,153,888,573
Cash and bank balances	<b>1,004,626</b>	-
	<u><b>1,154,893,200</b></u>	<u>1,153,888,573</u>

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

  
 CHIEF EXECUTIVE

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR


**APOLLO TEXTILE MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Share Capital	General Reserve	Accumulated loss	Surplus on revaluation of fixed assets - Note 5	Total
Balance as at July 01, 2016	82,847,000	142,000,000	(7,765,607)	-	217,081,393
Effect of change in accounting policy				214,958,330	214,958,330
Balance as at July 01, 2016 - restated	82,847,000	142,000,000	(7,765,607)	214,958,330	432,039,723
Loss for the year ended June 30, 2017	-	-	(79,080,601)	-	(79,080,601)
Other comprehensive income for the year	-	-	9,449,834	(9,449,834)	-
Total comprehensive loss	-	-	(69,630,767)	(9,449,834)	(79,080,601)
<b>Balance as at June 30, 2017</b>	<b>82,847,000</b>	<b>142,000,000</b>	<b>(77,396,374)</b>	<b>205,508,496</b>	<b>352,959,122</b>
Loss for the year ended June 30, 2018	-	-	(78,731,385)	-	(78,731,385)
Other comprehensive income for the year	-	-	11,544,928	(11,544,928)	-
Total comprehensive loss	-	-	(67,186,457)	(11,544,928)	(78,731,385)
<b>Balance as at June 30, 2018</b>	<b>82,847,000</b>	<b>142,000,000</b>	<b>(144,582,831)</b>	<b>193,963,568</b>	<b>274,227,737</b>

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

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

  
 \_\_\_\_\_  
**CHIEF EXECUTIVE**

  
 \_\_\_\_\_  
**DIRECTOR**

**APOLLO TEXTILE MILLS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 Act, 2017) 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 Pakistan Stock Exchange. 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.

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of or directives of the Companies Act, 2017 shall prevail.

**2.2 Accounting Convention**

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies herein below.

**2.3 Initial application of standards, amendments or an interpretation to existing standards**

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

**2.3.1 Amendments to published standards effective in current year**

The following standards, amendments and interpretations are effective for the year ended June 30, 2018. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Amendments / Interpretation**

**Effective date  
(accounting periods  
beginning on or after)**

IAS 7 Statement of Cash Flows - Disclosure Initiative

July 01, 2017

IAS 12 Income Taxes

July 01, 2017



### 2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards / Amendments / Interpretation	Effective date (accounting periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' - Clarification on the classification and measurement of financial assets and liabilities.	July 1, 2018
Amendments to IFRS 15 'Revenue From Contracts with Customers' - Recognition and measurement of revenue from contracts.	July 1, 2018
Amendments to IFRS 16 'Lease' - Recognition of leases on balance sheet.	January 1, 2019
Amendments to IFRIC 22 'Foreign Currency Transactions' - Clarification on the date of foreign currency transactions.	January 1, 2018
Amendments to IFRS 2 'Share Based Payments' - Classification and Measurement of Share Based Payment Transactions	January 1, 2018
Amendments to IFRS 9 'Prepayment Features with Negative Compensation'	January 1, 2018
Amendments to IFRS 10 'Consolidated Financial Statements and IAS 24 Investment in Associates and Joint Ventures: Sale or Combination of Assets between Investor and its Associate or Joint Venture	Not yet finalized

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Staff Benefits

#### 3.1.1 Defined benefit plan - Gratuity Scheme

The Company operates an unfunded gratuity scheme for all its employees. These benefits are payable to employees on completion of prescribed qualifying period of service under the scheme.

Liability in respect of gratuity payable to employees has been fully provided for in these accounts on the basis of actuarial valuation and is charged to profit and loss account.

Actuarial gain and losses are recognised as per the recommendation in actuarial valuation report. The most recent valuation was carried out as of June 30, 2009.



### 3.2 Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as liabilities against assets subject to finance lease. The liabilities are classified as current and long-term depending upon the timing of payment. Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company.

### 3.3 Trade And Other Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received whether billed to the Company or not.

### 3.4 Taxation

#### 3.4.1 Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum taxation at the rate of one percent of the turnover whichever is higher. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

#### 3.4.2 Deferred

Deferred tax is recognized using the balance sheet liability method, providing for all the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release-27 of Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are recognized for all temporary differences. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax asset are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefits will be realized.

### 3.5 Property, Plant And Equipment

#### 3.5.1 Owned

These are stated at cost / revalued amounts less accumulated depreciation. Depreciation is charged to profit and loss account applying the reducing balance method at the rates specified in fixed assets except for land, building and plant and machinery, which are stated at revalued amount. An amount equal to the incremental depreciation charged during the year net of deferred tax on revalued assets is transferred from the surplus on revaluation of fixed assets to unappropriated profit.

Depreciation is charged from the date the asset is put into operation and discontinued from the date the asset it is retired.

Gains or losses on disposal of items of property, plant and equipment are dealt through the profit and loss account. Normal repair and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, are retired.

#### 3.5.2 Capital work in progress

Capital work-in-progress is stated at cost. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

#### 3.5.3 Leased

Leased assets are depreciated over their expected useful lives on the same basis as owned assets.

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**3.5.4 Impairment of asset**

The carrying amount of the company's assets are reviewed at each balance sheet date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

**3.6 Stores and spares**

Stores and spares are valued at lower of cost and net realizable value less allowance for the obsolete and slow moving items. Cost is determined using moving average method.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability.

Items in transit/bond are valued at cost comprising invoice value plus other charges incurred thereon upto the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to be incurred to make the sale.

**3.7 Stock in trade.**

Stock in trade is valued at the lower of cost and net realizable value

Cost incurred in bringing each product to its present location and condition are accounted for as follows.

Raw and packing material except in transit/bond	at purchase cost on weighted average basis.
Finished goods and work in process	average production cost which includes cost of :

- Direct material
- Direct expense
- Overheads

Waste stock value is determined by net realizable value.

Items in transit/bond are valued at cost comprising invoice value plus other charges incurred thereon upto the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred to make the sale.

**3.8 Trade Debts**

Trade debts are recognized at fair value of consideration receivable. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

**3.9 Foreign Currencies Translations**

Pakistan rupee (PKR) is the functional currency of the Company. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date except for those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rate of exchange prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Exchange gain and loss on translation are taken to profit and loss account.

**3.10 Cash and Cash Equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with bank. The fair value of cash and cash equivalents approximates their carrying amount.

**3.11 Revenue Recognition**

Revenue is recognized to the extent that is probable that the future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

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Sales are recorded as revenue when the title of the goods is transferred to the customer which normally corresponds with the dispatch of goods to customers.

**3.12 Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

**3.13 Borrowing Costs**

Borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the asset.

**3.14 Related Party Transactions**

Transaction with related parties are carried out on commercial terms and conditions.

**3.15 Other Financial Assets And Liabilities**

All other financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognition of the financial assets and financial liabilities are included in the profit and loss account of the current year. All financial assets and financial liabilities, other than disclosed above, are carried at amortized cost. The fair value of these approximate their carrying amount.

**3.16 Offsetting Of Financial Assets And Financial Liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously and the same is required or permitted by IAS / IFRS or interpretations thereof.

**3.17 Proposed Dividends And Transfer Between Reserves**

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which dividends are approved.

Transfer between reserves made subsequent to the balance sheet date is considered as non-adjusting event and is recognized in the financial statement in the period in which such transfer are made.

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## APOLLO TEXTILE MILLS LIMITED

**2018**                      **2017**  
-----*(Rupees)*-----

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

Ordinary shares of Rs. 10 each

Issued for cash	74,397,000	74,397,000
Issued as bonus shares	8,450,000	8,450,000
	<b>82,847,000</b>	<b>82,847,000</b>

- 4.1 There were no movements during the reporting year.
- 4.2 The Company has one class of ordinary shares which carry no right to fixed income.
- 4.3 6,555,020 shares representing 79.12% (2017: 6,555,020 shares 79.12%) are held by the Consolidated Overseas Investment & Finance Establishment.
- 4.4 The company has no reserved shares under options and sales contract.

**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.

**2018**                      **2017**  
-----*(Rupees)*-----

Balance at the beginning of the year	231,620,140	249,619,823
Surplus arises during the year	-	-
Less: Adjustment for incremental depreciation	(16,492,754)	(17,999,684)
	215,127,386	231,620,140

**Related deferred tax**

Liability for revaluation at the beginning of the year	26,111,644	34,661,493
Increase in deferred tax liability on revaluation	-	-
Transfer to retained earnings in respect of incremental depreciation during the year	(4,947,826)	(8,549,850)
	21,163,818	26,111,644
	193,963,568	205,508,496

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

- Term finances	48,839,289	48,839,289
- Demand finances	391,859,378	391,859,378

**From related party**

- Director's and others' loan	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)
	392,915,253	392,915,253

- 6.1 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% (2017: 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.

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6.2 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% (2017: 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.

6.3 This represents mark up free loans from directors repayable in more than one year.

## 7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2018 (Rupees)		2017 (Rupees)	
	Minimum lease payments	Present Value	Minimum lease payments	Present Value
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)
	5,545,043	5,545,043	5,545,043	5,545,043

7.1 These finances have been obtained by the company from a leasing company which carries effective interest rate of 13.83% (2017: 13.83%). These finances are secured against demand promissory note and personal guarantee of one sponsoring director.

## 8 DEFERRED LIABILITIES

	2018 (Rupees)	2017 (Rupees)
Gratuity	12,270,666	12,270,666
Deferred taxation	35,010,797	35,010,797
	47,281,463	47,281,463

### 8.1 Gratuity

#### Movement in net liability recognized

	2018 (Rupees)	2017 (Rupees)
Opening net liability	12,270,666	12,270,666
Expense for the year	-	-
Closing net liability	12,270,666	12,270,666

#### 8.1.1 Historical information

	2017	2016	2015	2014	2013	2012
	(Rupees)					
Present value of defined benefit obligation	12,270,666	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	12,270,666	12,394,667	9,543,060
Unrecognised actuarial gain / (loss)	-	-	-	-	-	-
(Asset) / liability in balance sheet	12,270,666	12,270,666	12,270,666	12,270,666	12,394,667	9,543,060

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Experience adjustment arising on plan assets gains / (losses)

	-	-	-	-	-	-
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## APOLLO TEXTILE MILLS LIMITED

**2018**                      **2017**  
*Note*                      -----(*Rupees*)-----

**8.2 Deferred Taxation****This comprises the following:-****Deferred tax liabilities on taxable temporary differences arising in respect of:**

Owned assets	4,439,976	4,439,976
Surplus on revaluation of fixed assets	34,661,493	34,661,493
	<u>39,101,469</u>	<u>39,101,469</u>

**Deferred tax asset on deductible temporary differences: arising in respect of:**

Provision for gratuity	(3,803,906)	(3,803,906)
Leased liability net of assets	(286,767)	(286,767)
Tax losses and minimum tax	-	-
	<u>(4,090,673)</u>	<u>(4,090,673)</u>
	<u>35,010,796</u>	<u>35,010,796</u>

Since the company is not in operations and unused tax losses are not expected to be realized, therefore, deferred tax asset amounting Rs. 30.465 million on such losses have not been recognized.

**9 TRADE AND OTHER PAYABLES**

Creditors	13,500,819	13,540,448
Accrued liabilities	4,975,000	4,975,000
Unclaimed dividend	9.1 2,331,670	2,331,670
Excise duty	35,014	35,014
Others	10,229,232	5,505,666
	<u>31,071,735</u>	<u>26,387,798</u>

9.1 This represents dividend payable to Consolidated Overseas Investment & Finance Establishment. This amount is unpaid on the instruction of the said company and dividend declared in 2010 and unpaid due to the orders of Honourable High Court of Sindh.

**2018**                      **2017**  
*Note*                      -----(*Rupees*)-----

**10 ACCRUED MARK-UP**

From banking companies		
Long term finances	111,002,851	111,002,851
Short term bank finances	128,709,368	128,709,368
	<u>239,712,219</u>	<u>239,712,219</u>

**11 SHORT TERM BANK FINANCES - SECURED**

Running finance	11.1 <u>1,153,888,574</u>	<u>1,153,888,574</u>
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11.1 These represent finances obtained from financial institutions which carries markup ranging from 5.30% to 15.86% (2017: 5.30% to 15.86%) per annum payable on quarterly basis. These finances are secured against first pari passu charge over current assets of the Company, pledge of raw cotton yarn, first pari passu hypothecation charge over charge stock of the Company, lien on export acceptance LC and secured by personal guarantee of sponsoring directors.

## APOLLO TEXTILE MILLS LIMITED

**2018**                      **2017**  
-----*(Rupees)*-----

**12 CONTINGENCIES AND COMMITMENTS****12.1 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	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 Summit Bank Limited	4,626,542,007	4,626,542,007
Claim on National Bank Limited	13,261,641,097	13,261,641,097

12.1.1 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 demges 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.

12.1.2 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.

12.1.3 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.

12.1.4 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.

12.1.5 M/s Summit 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 to the tune of Rs 4,626,542,007/- in the Honorable High Court Sindh, Karachi.

12.1.6 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.

12.1.7 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.

12.1.8 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.

**12.2 Commitments**

12.2.1 There are no Commitments as on June 30, 2018. (2017:NIL)

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**2018**                      **2017**  
Note -----*(Rupees)*-----

**13 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	13.1	<u>745,744,586</u>	<u>743,216,855</u>
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13.1 OPERATING FIXED ASSETS

Description	Owned							Leased		Total		
	Freehold Land	Factory building on leasehold land	Non factory building on free hold land	Plant & machinery	Electric installation	Office equipment	Furniture and fixture	Computers	Air conditioners		Vehicles	Plant & machinery
<b>COST</b>												
Balance as at 01 July, 2016	31,543,750	218,773,416	41,337,086	1,590,026,737	6,649,648	4,976,399	1,105,577	4,923,772	3,363,243	13,570,879	26,565,032	1,942,835,539
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 June, 2017</b>	<b>31,543,750</b>	<b>218,773,416</b>	<b>41,337,086</b>	<b>1,590,026,737</b>	<b>6,649,648</b>	<b>4,976,399</b>	<b>1,105,577</b>	<b>4,923,772</b>	<b>3,363,243</b>	<b>13,570,879</b>	<b>26,565,032</b>	<b>1,942,835,539</b>
Balance as at 01 July, 2017	31,543,750	218,773,416	41,337,086	1,590,026,737	6,649,648	4,976,399	1,105,577	4,923,772	3,363,243	13,570,879	26,565,032	1,942,835,539
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 June, 2018</b>	<b>31,543,750</b>	<b>218,773,416</b>	<b>41,337,086</b>	<b>1,590,026,737</b>	<b>6,649,648</b>	<b>4,976,399</b>	<b>1,105,577</b>	<b>4,923,772</b>	<b>3,363,243</b>	<b>13,570,879</b>	<b>26,565,032</b>	<b>1,942,835,539</b>
<b>DEPRECIATION</b>												
Balance as at 01 July, 2016	-	145,857,635	17,922,517	921,168,895	5,848,473	4,351,310	969,093	4,841,336	2,902,044	12,889,225	19,228,644	1,134,979,162
Charge for the year	-	7,291,578.06	1,170,728.46	54,980,115.41	80,117.55	62,508.87	13,648.41	24,730.86	46,119.87	136,330.88	833,638.77	64,639,517
On disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 June, 2017</b>	<b>-</b>	<b>153,149,213</b>	<b>19,093,245</b>	<b>976,149,001</b>	<b>5,928,590</b>	<b>4,413,819</b>	<b>982,741</b>	<b>4,866,067</b>	<b>2,948,164</b>	<b>13,025,555</b>	<b>19,062,283</b>	<b>1,199,618,679</b>
Balance as at 01 July, 2017	-	153,149,213	19,093,245	976,149,001	5,928,590	4,413,819	982,741	4,866,067	2,948,164	13,025,555	19,062,283	1,199,618,679
Charge for the year	-	6,562,420	1,112,192	50,460,750	72,106	56,258	12,284	17,312	41,508	109,065	750,275	59,194,169
On disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 June, 2018</b>	<b>-</b>	<b>159,711,634</b>	<b>20,205,437</b>	<b>1,026,609,751</b>	<b>6,000,696</b>	<b>4,470,077</b>	<b>995,025</b>	<b>4,883,378</b>	<b>2,989,672</b>	<b>13,134,620</b>	<b>19,812,558</b>	<b>1,258,812,848</b>
<b>CARRYING AMOUNT - 2018</b>	<b>31,543,750</b>	<b>59,061,782</b>	<b>21,131,649</b>	<b>563,416,986</b>	<b>648,952</b>	<b>506,322</b>	<b>110,552</b>	<b>40,394</b>	<b>373,571</b>	<b>436,259</b>	<b>6,752,474</b>	<b>684,022,692</b>
<b>CARRYING AMOUNT - 2017</b>	<b>31,543,750</b>	<b>65,624,203</b>	<b>22,243,841</b>	<b>613,877,736</b>	<b>721,058</b>	<b>562,580</b>	<b>122,836</b>	<b>57,705</b>	<b>415,079</b>	<b>545,324</b>	<b>7,502,749</b>	<b>743,216,860</b>
<b>RATE OF DEPRECIATION (%)</b>	10%	5%	5%	8.22%	10%	10%	10%	30%	10%	20%	10%	

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## APOLLO TEXTILE MILLS LIMITED

Note **2018** **2017**  
------(Rupees)-----

**13.2 Depreciation has been charged to:**

Cost of sales	58,885,637	64,276,061
Administrative and general expenses	308,532	363,456
	<u>59,194,169</u>	<u>64,639,517</u>

Had there been no revaluation, the related figures of lease hold land, buildings and plant and machinery as at June 30, 2016 would have been as follows:

	June 30, 2018			June 30, 2017		
	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	125,714,285	42,448,289	168,162,573	125,714,285	42,448,289
Non factory building on free hold land	8,232,634	6,097,810	2,134,824	8,232,634	6,097,810	2,134,824
Plant and machinery	1,663,172,183	1,162,482,577	500,689,606	1,663,172,183	1,162,482,577	500,689,606
	<u>1,841,326,466</u>	<u>1,294,294,671</u>	<u>547,031,795</u>	<u>1,841,326,466</u>	<u>1,294,294,671</u>	<u>547,031,795</u>

The revaluation of land, buildings and plant & machinery was carried out on May 31, 2005 by M/s. Iqbal A. Nanjee & Co. an independent surveyor and revaluer on the basis of market value or depreciated replacement values as applicable.

**2018** **2017**  
------(Rupees)-----

**14 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
	<u>96,476,808</u>	<u>96,476,808</u>

**15 STOCK IN TRADE**

Raw material	298,517,457	298,517,457
Finished goods	985,083,102	985,083,102
	<u>1,283,600,559</u>	<u>1,283,600,559</u>

15.1 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. (2017: 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 pledged with various banks.

15.2 For the recovery of value of misappropriated stock, the company has filed suits against The Bank of Punjab before the Honorable High Court of Punjab, Lahore and against Standard Chartered Bank and Soneri Bank Limited before the Honorable High Court of Sindh, Karachi.

## APOLLO TEXTILE MILLS LIMITED

	2018	2017
<i>Note</i>	-----( <i>Rupees</i> )-----	
<b>16 LOANS AND ADVANCES -CONSIDERED GOOD</b>		
Advance income tax	14,109,308	14,100,748
	<u>14,109,308</u>	<u>14,100,748</u>
<b>17 TRADE DEPOSITS</b>		
Margin against bank guarantees	11,175,800	11,175,800
Others	34,944,590	39,680,162
	<u>46,120,390</u>	<u>50,855,962</u>
<b>18 OTHER RECEIVABLES</b>		
Central excise duty	1,253,889	1,253,889
Excise duty drawback	656,828	656,828
Others	39,692	39,692
	<u>1,950,409</u>	<u>1,950,409</u>

**18.1** This represents central excise duty on loans. The matter was decided in Sindh High Court in favour of the company. However, Federation of Pakistan has filed an appeal before the Supreme Court of Pakistan against the said order of Sindh High Court.

	2018	2017
<i>Note</i>	-----( <i>Rupees</i> )-----	
<b>19 CASH AND BANK BALANCES</b>		
In hand	1,000,000	-
At banks in current accounts	4,626	-
	<u>1,004,626</u>	<u>-</u>

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## APOLLO TEXTILE MILLS LIMITED

	2018	2017
Note	----- (Rupees) -----	
<b>20 NET SALES</b>		
Yarn	-	-
Local	-	-
	<u>-</u>	<u>-</u>
<b>21 COST OF SALES</b>		
Raw material consumed	21.1 -	-
Salaries, wages and benefits	21.2 -	-
Fuel and power	-	6,360
Depreciation	13.2 58,885,637	64,276,061
Security expense	7,243,000	5,570,000
Others	-	1,470
	<u>66,128,637</u>	<u>69,853,891</u>
Opening inventory of finished goods	985,083,102	985,083,102
Closing inventory of finished goods	<u>(985,083,102)</u>	<u>(985,083,102)</u>
	<u>66,128,637</u>	<u>69,853,891</u>
<b>21.1 Raw Material Consumed</b>		
Opening stock	298,517,457	298,517,457
Purchases	-	-
	<u>298,517,457</u>	<u>298,517,457</u>
Closing stock	<u>(298,517,457)</u>	<u>(298,517,457)</u>
	<u>-</u>	<u>-</u>
21.2 This includes Rs. Nil (2017: Nil) in respect of retirement benefits.		
<b>22 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Directors' remuneration	4,800,000	4,800,000
Salaries and other benefits	22.1 2,571,185	1,490,220
Rent, rates and taxes	506,840	72,000
Postage, telegram and telephone	47,122	23,376
Printing and stationery	17,498	31,840
Traveling & conveyance	235,500	153,350
Legal and professional	3,183,465	800,750
Fees and subscription	68,225	48,600
Repair and maintenance	127,900	82,800
Vehicles running and maintenance	-	200,000
Auditors' remuneration	22.2 210,500	200,000
Depreciation	13.2 308,532	363,456
Others	467,274	929,469
	<u>12,544,041</u>	<u>9,195,861</u>

22.1 This includes Rs. Nil (2017: Nil) in respect of retirement benefits

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## APOLLO TEXTILE MILLS LIMITED

	2018	2017
Note	----- (Rupees) -----	
<b>22.2 Auditors' remuneration</b>		
Annual audit fee	210,500	200,000
Half yearly review fee	-	-
Out of pocket expense	-	-
	<u>210,500</u>	<u>200,000</u>
<b>23 FINANCE COSTS</b>		
Bank charges and commission	58,708	30,849
	<u>58,708</u>	<u>30,849</u>
<b>24 TAXATION</b>		
Current	25.1 -	-
Deferred	-	-
	<u>-</u>	<u>-</u>

24.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as the major income of the company falls under final tax regime and hence tax has been provided under section 154 and 169 of the Income Tax Ordinance, 2001

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

Profit after taxation	(78,731,385)	(79,080,601)
Number of ordinary shares	8,284,700	8,284,700
Basic earnings per shares	(9.50)	(9.54)

25.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2017 and June 30, 2016 which would have any effect on the earnings per share if the option to convert is exercised.

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**26 EMOLUMENTS OF CHIEF EXECUTIVE AND EXECUTIVES**

The aggregate amount charged in these financial statements for the remuneration of the chief executive and executives were as under:

	2018				2017			
	Chief Executive	Executive Director	Executives	Total	Chief Executive	Executive Director	Executives	Total
Remuneration	4,800,000	-	-	-	4,800,000	-	-	4,800,000
House rent allowance	-	-	-	-	-	-	-	-
Other allowances	-	-	-	-	-	-	-	-
	<u>4,800,000</u>	-	-	-	<u>4,800,000</u>	-	-	<u>4,800,000</u>
<b>No of persons</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>

26.1 Chief executive, executive director and some senior executives are provided with free use of cars owned and maintained by the

**27 CAPACITY AND PRODUCTION**

	UNIT	2018		2017	
		CAPACITY	ACTUAL	CAPACITY	ACTUAL
Spindle installed	No.	88320	0	88320	66240
Frames	No.	184	0	184	138

27.1 The company is not operational, therefore, capacity can not be determined accurately.

**28 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****Financial risk management**

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risk from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**28 CREDIT RISK****Exposure to credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2018	2017
	----- (Rupees) -----	
Trade debtors - unsecured, considered good	16,105,802	16,105,802
Trade deposits	50,855,962	50,855,962
Other receivables	1,950,409	1,950,409
Cash and bank balances	-	-

28.1.1 The maximum exposure to credit risk for trade debts amounting to Rs. 16.10 million (2017: Rs. 57.3 million), at the balance sheet

Domestic	8,601,269	8,601,269
Export	48,740,527	48,740,527
	<u>57,341,796</u>	<u>57,341,796</u>

28.1.2 Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due upto one year do not require any impairment and no impairment allowance is necessary in respect of remaining portion of past due over one year.

**28.2 Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. In addition, the Company has obtained various financing facilities from financial institutions and banks. Based on the above, management believes that Company is not presently exposed to liquidity risk.

The details of company's interest/markup and non-interest markup bearing liabilities are as follows:

	Interest Bearing			Non-Interest Bearing			June 2018	June 2017
	Less than one	One to five	Sub total (a)	Less than	One to	Sub total	Total	Total
<b>Financial Liabilities</b>								
Long term finances-secured	63,936,000	392,915,253	456,851,253	-	-	-	456,851,253	456,851,253
Liabilities against assets subject to finance lease	13,719,441	5,545,043	19,264,484	-	-	-	19,264,484	19,264,484
Trade and other payables				21,587,799		21,587,799		
Short term bank finances-secured	1,153,888,574	-	1,153,888,574	-	-	-	1,153,888,574	1,153,888,574
Accrued markup								
	1,231,544,015	398,460,296	1,630,004,311	21,587,799		21,587,799	1,630,004,311	1,630,004,311

**28.3 Market Risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is not exposed to any market risk.

**32.3.1 Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments. The Company has adopted appropriate policies to minimize its exposure to this risk.

**32.3.2 Foreign Exchange Risk**

Foreign exchange risk is the risk of loss through change in foreign exchange rates. The Company is exposed to foreign exchange due to transactions denominated in foreign currencies.

**28.4 Fair Value Of Financial Assets And Liabilities**

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. However, the company does not hold any quoted financial instrument.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IAS 39 'Financial Instruments: Recognition and Measurement'.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

**28.5 Capital Risk Management**

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefit for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustment to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / new shares.

## 29 ACCOUNTING ESTIMATES & JUDGEMENTS

The company makes estimates and assumptions that effect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 29.1 Trade Debtors

The Company reviews its receivables against provision required there on an ongoing basis. The provision is made taking into consideration expected recoveries, if any.

### 29.2 Income Taxes

In making the estimates for income taxes currently payable by the Company the management considers the current income tax law and decision of appellate authorities on certain issues in the past.

### 29.3 Defined retirement benefit

The Company operates an unfunded gratuity scheme for all its permanent employees. Estimates of liability in respect of staff retirement gratuity ( note 3.1.1 ).

### 29.4 Provision for obsolete stock

The management continuously reviews its inventory for existence of any items which may have become obsolete. These estimates are based on historical experience and are continuously reviewed.

### 29.5 Impairment of assets

In accordance with the accounting policy, the management carries out the annual assessment to ascertain whether any of the Company's assets are impaired. This assessment may change due to technological development.

### 29.6 Depreciable amount and useful life of fixed

In accordance with the accounting policy, the management carries out the annual assessment of depreciable amount and useful life of fixed assets. The Company seek advice from the technical department in this regard.

## 30 CORRESPONDING FIGURES

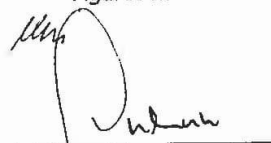
Certain corresponding figures have been reclassified / rearranged for the purpose of better presentation. However, no significant re-arrangements have been made.

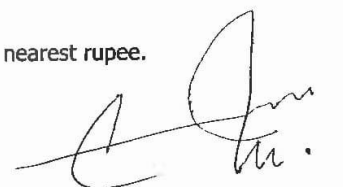
## 31 Authorisation Of Financial Statements And Appropriations

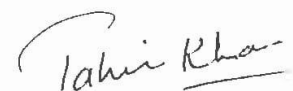
These financial statements were authorised for issue on 08 OCT 2018 by the Board of Directors.

## 32 General

Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR