

APEX SPINNING & KNITTING MILLS LIMITED

Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212.

UN-AUDITED FIRST QUARTER (Q1) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2021

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2021

Value in Taka '000'				Value in Taka '000'			
Notes	As at 30.09.2021	As at 30.06.2021	Growth %	Notes	01.07.2021 to 30.09.2021	01.07.2020 to 30.09.2020	Growth %
ASSETS							
Non-Current Assets:							
	312,771	304,916	2.58	REVENUE	29	761,969	871,898 (12.61)
Property, Plant and Equipment	4	198,796	197,031	0.90	Cost of Goods Sold	30	(714,278) (792,742) (9.90)
Investment	5	29,953	22,675	32.10	GROSS PROFIT		79,156 (39.75)
Investment in Financial Assets	6	72,779	72,779	-	Other Operating Income/(Loss)	31	1,433 (687) (308.59)
Right-of-Use Assets	7	1,187	2,374	(50.00)	Administrative & Selling Overhead	32	(32,958) (45,115) (26.95)
Security Deposits	8	10,056	10,056	-	OPERATING PROFIT/(LOSS)		16,166 33,354 (51.53)
Current Assets:							
	1,067,949	1,258,960	(15.17)	Finance & Other Income	33	558	1,056 (47.16)
Inventories	9	347,006	338,467	2.52	Financial Expenses	34	(4,968) (23,453) (78.82)
Trade Receivables	10	179,454	486,618	(63.12)	PROFIT BEFORE WPPF		11,756 10,957 7.29
Advances, Deposits & Pre-Payments	11	61,774	51,248	20.54	Workers Profit Participation Fund (WPPF)	35	(320) (256) 25.00
Other Receivables	12	3,472	11,072	(68.64)	PROFIT BEFORE TAX		11,436 10,701 6.87
Margin on Acceptance	13	342,002	213,306	60.33	TAX EXPENSES:		(6,005) (4,748) 26.47
Cash & Cash Equivalents	14	134,241	158,249	(15.17)	Current Tax	36	(7,229) (5,280) 36.91
TOTAL ASSETS		1,380,720	1,563,876	(11.71)	Deferred Tax (Expenses)/Income	37	1,224 532 130.08
EQUITY AND LIABILITIES							
Shareholders' Equity:							
	480,811	468,830	2.56	NET PROFIT AFTER TAX		5,431	5,953 (8.77)
Share Capital	15	84,000	84,000	-	OTHER COMPREHENSIVE INCOME:		6,550 518 1,164.48
Share Premium	16	15,000	15,000	-	Fair Valuation Surplus / (Deficit) of Investment	38	7,278 575 1,165.74
Reserve and Surplus	17	364,342	358,911	1.51	Deferred Tax (Exp.)/Income on share valuation Surplus or Deficit		(728) (57) 1,177.19
Fair Valuation Surplus of Investments	18	17,469	10,919	59.99	TOTAL COMPREHENSIVE INCOME		11,981 6,471 85.15
Non-Current Liabilities:							
	25,800	48,157	(46.43)	Basic Earnings Per Share (EPS)	39	0.65	0.71 (8.77)
Long Term Loan	19	22,301	44,162	(49.50)			
Deferred Tax Liability	20	3,499	3,995	(12.41)			
Current Liabilities:							
	874,109	1,046,889	(16.50)				
Working Capital Loan (Secured)	21	1,262	-	-			
Long Term Loan-Current Maturity	22	89,202	73,964	20.60			
Lease Liability	23	1,679	2,906	(42.22)			
Short Term Loan	24	31,422	49,576	(36.62)			
Trade Payables	25	632,042	793,082	(20.31)			
Other Payables	26	116,605	117,878	(1.08)			
Unclaimed Dividend Account	27	1,897	9,484	(79.99)			
Total Liabilities		899,909	1,095,046	(17.82)			
TOTAL EQUITY AND LIABILITIES		1,380,720	1,563,876	(11.71)			
Net Assets Value (NAV) Per Share	28	57.24	55.81	2.56			

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2021**

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2021	84,000	15,000	129,701	226,458	10,919	2,752	468,830
Net Profit for the three months ended on 30 September, 2021	-	-	-	5,431	-	-	5,431
Dividend paid during the period	-	-	-	-	-	-	-
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	6,550	-	6,550
As at September 30, 2021	84,000	15,000	129,701	231,889	17,469	2,752	480,811

**STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2021**

Note	Value in Taka '000'		
	01.07.2021 to 30.09.2021	01.07.2020 to 30.09.2020	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection From Revenue	1,069,389	877,245	21.90
Finance Income from SND	-	-	-
Other Income from foreign exchange gain/(loss) from operat	(545)	36	(1,613.89)
Received from PF Lapse	-	3,805	(100.00)
Bank Charges & Commission	(5,821)	(4,859)	19.80
Income Tax Paid	(8,375)	(5,062)	65.45
Payment for Costs and Expenses	(1,032,444)	(792,830)	30.22
Net cash generated from/(used in) operating activities (a)	22,204	78,335	(71.66)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment Acquired	(9,095)	(2,487)	265.70
Investment in FDR	-	-	-
Finance Income from FDRs	-	-	-
Net cash generated from/(used in) investing activities	(9,095)	(2,487)	265.70
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	1,262	(20,215)	(106.24)
Term loan received/(repaid)	(6,623)	51,387	(112.89)
Short Term loan received/(repaid)	(18,153)	(20,173)	(10.01)
Dividend Paid during the period	(7,586)	(6)	126,333.33
Payment on Finance Lease for Office Rent	(1,274)	-	-
Interest & other financial charges paid	(4,921)	(23,453)	(79.02)
Net cash generated from/(used in) financing activities (c)	(37,295)	(12,460)	199.32
Net increase/(decrease) in cash and cash equivalents(a+b+c)	(24,185)	63,388	(138.15)
Cash & cash equivalents on opening	158,249	14,596	984.19
Foreign exchange gain/(loss) from translation	177	(85)	(308.24)
Cash & cash equivalents on closing	134,241	77,899	72.33
Net Operating Cash Flows Per Share	40	2.64	9.33 (71.66)

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2020**

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2020	84,000	15,000	129,701	213,396	10,218	2,752	455,067
Prior Year Adjustment (Note-42)	-	-	-	1,026	-	-	1,026
Restated Retained Earnings	84,000	15,000	129,701	214,422	10,218	2,752	456,093
Net Profit for the three months ended on 30 September, 2020	-	-	-	5,953	-	-	5,953
Dividend paid during the period	-	-	-	-	-	-	-
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	518	-	518
As at September 30, 2020	84,000	15,000	129,701	220,375	10,736	2,752	462,564

Note: The details with selective notes of the published first quarterly financial statements can be available in the web-site of the Company . The address of the web-site is www.apexknitting.com

**Please refer to the note # 44 for Reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2021
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1. The company and its operation:

1.01 Legal Form of the Enterprise:

The Apex Spinning & Knitting Mills Limited is a Public Limited Company registered under the Companies Act, 1913 (repealed in 1994). The Company was incorporated in Bangladesh vide RJSC Registration no. C-20149 dated on 25.11.1990. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd in Bangladesh.

1.02 Address of Registered Office and Factory:

The Registered Office of the Company is located at Rupayan Golden Age, 5th & 6th Floor, 99 Gulshan Avenue, Gulshan, Dhaka-1212 and the Factory is located at Chandora, P.O. Chandora, P.S. Kaliakoir, Dist. Gazipur, Bangladesh.

1.03 Nature of Business Activities:

The Company owns and operates a 100% export oriented vertically integrated knitting, dyeing & finishing and garment factory.

2. Basis of the preparation of the Interim Financial Statements:

2.01 Accounting Convention and Basis:

These Interim Financial Statements have been prepared under the Historical Cost Convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) which does not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 1987 and other laws and rules applicable in Bangladesh.

2.02 Application of International Accounting Standards (IASs) and International Financial Reporting Standards(IFRSs):

We have complied the following IASs & IFRSs as applicable for the financial statements for the period under review:

IAS-1 Presentation of financial statements	Complied With
IAS-2 Inventories	Complied With
IAS-7 Statement of Cash Flows	Complied With
IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors	Complied With
IAS-10 Events after the Reporting Period	Complied With
IAS-12 Income Taxes	Complied With
IAS-16 Property, Plant and Equipment	Complied With
IAS-21 The Effects of Changes in Foreign Exchange Rates	Complied With
IAS-23 Borrowing Cost	Complied With

IAS-24 Related Party Disclosures	Complied With
IAS-33 Earnings Per Share	Complied With
IAS-34 Interim Financial Reporting	Complied With
IAS-36 Impairment of Assets	Complied With
IAS-37 Provisions, Contingent Liabilities and Contingent Assets	Complied With
IFRS-07 Financial Instruments: Disclosures	Complied With
IFRS-09 Financial Instruments	Complied With
IFRS-15 Revenue from Contracts with Customers	Complied With
IFRS-16 Leases	Complied With

2.03 Compliance with Local Laws:

The Interim Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities & Exchange Rules, 1987, The Income Tax Ordinance, 1984, The Income Tax Rules 1984, The VAT & Supplementary Duty Act 2012, The VAT & Supplementary Duty Rules, 2016 and other relevant local laws and rules.

3. Other General Notes:

(a) No interim dividend paid during the interim period ended on September 30, 2021. (b) No diluted EPS is required to be calculated as there was no dilution during this period. (c) Last year's 1st quarter figures have been re-arranged where considered necessary to confirm to current 1st quarter presentation. (d) Figures were rounded-off to the nearest thousand Taka. (e) Reporting Period: These interim financial statements cover the period from July 01, 2021 to September 30, 2021. (f) Reporting Currency: These interim financial statements are prepared in Bangladeshi Taka. & (g) Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2020-2021 for income statement and financial position with June 30, 2021.

4. Property, Plant and Equipment (WDV):

Details of property, plant & equipment and depreciation as at September 30, 2021 are as follows:

	Value in Taka '000'	
	As at 30.09.2021	As at 30.06.2021
Fixed assets at cost:		
Opening Balance	1,402,345	1,390,443
Addition during the period	9,095	14,394
Disposal during the period	-	(2,492)
Closing Balance (cost)	1,411,440	1,402,345
Accumulated Depreciation:		
Opening Balance	1,205,314	1,174,288
Charged during the period	7,330	33,422
Disposal during the period	-	(2,396)
Closing Balance (Depreciation)	1,212,644	1,205,314
Written Down Value (WDV)	198,796	197,031

Depreciation has been charged (reducing balance method) on additions made during the period from the month in which that assets are ready to use as per IAS 16.

5. Investment:

During the period, investment has been changed due to convert the share at fair value.

6. Investment in Financial Assets:

FDR's were purchased from EBL for more than one year (i.e. 380 days).

7. Right of Use Assets:

Right of use assets has been created due to comply with IFRS 16 "Lease" against long term agreement for Office Rent.

8. Security Deposits:

Security deposits are made to statutory bodies and hence secured.

9. Inventories:

Finished Goods (T, Polo, sweat Shirt)	46,916	46,371
Raw Materials (Yam & Dyes Chemical)	155,061	159,038
WIP (Dyed,Knitted Fabric & Garments)	119,928	119,279
Accessories	25,101	13,779
	347,006	338,467

10. Trade Receivables:

Trade receivables have been decreased due to realize as per schedule.

11. Advances, Deposits & Pre-payments:

	Value in Taka '000'	
	As at 30.09.2021	As at 30.06.2021
Advance Income Tax	53,920	45,544
Deposits to Multi Securities & Services Ltd	1	1
Advance against expenses	7,853	5,703
	61,774	51,248

The Increase of 20.54% due to increase of advance income tax mainly.

12. Other Receivables:

Cash Incentive Receivable	-	8,168
FDRs Interest Receivable	1,243	685
PF Lapse receivable (employer Portion)	1,411	1,411
Receivable against interest on stimulus package loan	817	808
	3,471	11,072

The decrease of 68.65% in other receivables mainly for cash incentive receivable realised. Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

13. Margin on Acceptance:

Margin on acceptance-EBL has converted in BDT at closing rate @ 84.55 per USD as on 30.09.2021 & as compare to BDT @ 83.95 per USD as on 30.06.2021 which has retained for BTB liability settlement.

14. Cash & Cash Equivalent:

	Value in Taka '000'	
	As at 30.09.2021	As at 30.06.2021
Cash in hand	20	20
Cash at Bank:		
CD Account with SCB,Dhaka	190	190
CD Account with Mutual Trust Bank Ltd, Chandora	1,205	1,036
CD Account with DBBL, Dhaka	2,197	5,594
CD Account with HSBC-Dividend, Dhaka	686	688
OD Account with Eastern Bank Ltd., Dhaka	109,823	126,619
OD Account with HSBC, Dhaka	-	531
Foreign Currency Account with EBL, Dhaka-USD	19,356	22,806
Foreign Currency Account with HSBC, Dhaka-USD	12	13
SND Account with SCB,Dhaka	734	734
SND Account with EBL, Principal Branch, Dhaka	17	17
SND Account with HSBC , Dhaka	1	1
	134,221	158,229
	134,241	158,249

Foreign Currency Account balances has converted in BDT at closing rate @ 84.55 per USD as on 30.09.2021 & as compare to BDT @ 83.95 per USD as on 30.06.2021.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

	Value in Taka '000'			
	As at 30.09.2021	As at 30.06.2021		
15. Share Capital :				
Authorized Capital:				
30,000,000 Ordinary Shares of Tk. 10/= each.	<u>300,000</u>	<u>300,000</u>		
Issued, Subscribed & Paid up Capital:				
8,400,000 Ordinary Shares of Tk. 10/= each fully paid	<u>84,000</u>	<u>84,000</u>		
There was no preference share issued by the Company				
15.a Composition of Shareholdings :				
	No. of Share	%	No. of Share	%
Sponsors & Directors	4,603,751	54.81	4,603,751	54.81
Institutions	1,820,714	21.68	2,093,528	24.92
Public - Local	1,954,855	23.26	1,670,960	19.89
Foreign Shareholders	20,680	0.25	31,761	0.38
	<u>8,400,000</u>	<u>100</u>	<u>8,400,000</u>	<u>100</u>
16. Share Premium:	<u>15,000</u>	<u>15,000</u>		
This is as per previous financial statement and represents premium of Tk. 50/= per Share of 300,000 Ordinary Shares of Tk. 100 each.				
17. Reserve & Surplus :				
Reserve for Re-Investment	129,701	129,701		
Retained Earnings	231,889	226,458		
Capital Gain	2,752	2,752		
	<u>364,342</u>	<u>358,911</u>		
18. Fair valuation surplus of Investments (Net of Tax):				
Opening Balance	10,919	10,218		
Fair valuation surplus/(deficit) during the period (net of tax)	6,550	701		
	<u>17,469</u>	<u>10,919</u>		
Fair valuation surplus/(deficit) of investments represents the difference of market value of the listed Company's share on the closing date and the last Balance Sheet price.				
19. Long Term Loan (Stimulus Package):	<u>22,301</u>	<u>44,162</u>		
Company has availed the above loan from EBL to meet up salaries & wages expenses as per Government declaration of stimulus fund under BRPD Circular no. 07 dated 2 nd April 2020 and subsequent Circular in this regard. During the period, we have already paid three installments out of 18 equal monthly installments.				
20. Deferred Tax Liabilities:				
a Book Value of Depreciable Assets				
Tax Base of Depreciable Assets	198,796	197,031		
Net Taxable Temporary Difference	194,499	191,983		
Effective Tax Rate	4,297	5,048		
	12.00%	12.00%		
Closing Deferred tax (Assets)/Liabilities arising from assets	516	606		
Opening Deferred Tax Balance	606	1,147		
Deferred Tax Income/(Expense)	90	541		
b Unrealised Interest on FDRs				
Effective Tax Rate	1,243	685		
	22.50%	22.50%		
Closing Deferred tax (Assets)/Liabilities arising from				
Unrealised FDRs Interest	280	154		
Opening Deferred Tax Balance	154	358		
Deferred Tax Income/(Expense)	(125)	204		
c Unrealised Foreign Exchange Gain/(Loss) from translation				
Effective Tax Rate	1,978	3,944		
	22.50%	22.50%		
Closing Deferred tax (Assets)/Liabilities arising from Exchange Gain/(Loss) from translation	445	887		
Opening Deferred Tax Balance	887	(157)		
Deferred Tax Income/(Expense)	442	(1,044)		
d Dividend Receivable				
Effective Tax Rate	-	-		
	20.00%	20.00%		
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	-	-		
Opening Deferred Tax Balance	-	-		
Deferred Tax Income/(Expense)	-	-		
e PF Lapse Receivable				
Effective Tax Rate	1,411	1,411		
	22.50%	22.50%		
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	317	317		
Opening Deferred Tax Balance	317	1,249		
Deferred Tax Income/(Expense)	-	932		
f) Cash Incentive Receivable				
Effective Tax Rate	-	-		
	10.00%	10.00%		
Closing Def. tax (Asst./Liab. arising from cash incentive Receiv.	-	817		
Opening Deferred Tax Balance	817	79		
Deferred Tax Income/(Expense)	817	(738)		
Total Deferred Tax Income/(Expense) from (a+b+c+d+e+f)	<u>1,224</u>	<u>(106)</u>		
g Deferred Tax (Assets)/Liabilities arising from Other				
Comprehensive Income- surplus from fair value of share :				
Tax for (Loss)/gain on available for sale investments @ 10%	1,941	1,213		
Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments	1,941	1,213		
Opening Deferred Tax Balance	1,213	1,135		
Deferred Tax Income/(Expense)	(728)	(78)		
Deferred Tax Closing Liability (a+b+c+d+e+f+g)	<u>3,499</u>	<u>3,995</u>		

	Value in Taka '000'	
	As at 30.09.2021	As at 30.06.2021
21. Working Capital Loan (secured):		
HSBC, Dhaka	1,262	-
	<u>1,262</u>	<u>-</u>
The working capital loan increased due to utilization of working capital for salary & wages and regular payment .		
22. Long Term Loan-Current Maturity:	<u>89,202</u>	<u>73,964</u>
This represents the part of stimulus package loan which will pay in next 12 months.		
23. Lease Liability:	<u>1,679</u>	<u>2,906</u>
Lease Liability has been created due to comply with IFRS 16 "Lease" against long term agreement for Office Rent.		
24. Short Term Loan :		
Time loan-EBL	19,949	15,492
Import loan-EBL	11,473	34,083
	<u>31,422</u>	<u>49,575</u>
The decrease of short term loan due to repayment of loans as per schedule date.		
25. Trade Payables:	<u>632,042</u>	<u>793,082</u>
The decrease of trade Payables due to pay of BTB liability as per schedule .		
26. Other Payables:		
Clearing & Forwarding	15,158	14,001
Insurance Premium	701	195
Power, Fuel and Water	10,739	10,801
Telephone, Telex & Fax	77	46
Salary, Wages and Overtime	43,635	55,733
Audit Fees Payable	403	403
Income Tax Payable	37,303	30,074
Provident Fund Payable	2,288	2,429
Payable for Corporate Expenses	1,547	1,308
Payable for other expenses	1,084	675
Payable for Tax Deducted at Sources	3,578	2,138
Payable for VAT at Source	93	76
	<u>116,606</u>	<u>117,878</u>
The decrease of 1.08% in other payables mainly for payable against salaries, wages & other allowances in which some allowances were provisioned as on 30.06.2021 and it has paid during the period.		
27. Unclaimed Dividend Account:	<u>1,897</u>	<u>9,484</u>
According to the Directive of Bangladesh Securities and Exchange Commission (BSEC) dated 14th January, 2021 para 3 (vii) regarding the details information of unpaid or unclaimed dividend shall report in the statement of financial position as separate line item, so we have reported in the statement of financial position as a separate line item "Unclaimed Dividend Account". Breakup as		
	Years of Dividend	
	1994-1995 to 2016-2017 **	-
	2017-2018	1,179
	2018-2019	436
	2019-2020	282
	Unclaimed Dividend 2017-2018 to 2019-2020	<u>1,897</u>
		<u>7,585</u>
		<u>1,179</u>
		<u>436</u>
		<u>284</u>
		<u>9,484</u>
		<u>22nd September, 2021.</u>
28. Net Assets value (NAV) Per Share:		
Equity Attributable to the Owners of the Company	480,811	468,830
Number of Ordinary Shares	8,400	8,400
Net Assets value (NAV) Per Share	<u>57.24</u>	<u>55.81</u>
	July'21 to	July'20 to
	September' 2021	September' 2020
	<u>761,969</u>	<u>871,898</u>
29. Revenue:		
Revenue has been decreased by 12.61% as compared to the revenue of same period of July 2020 to September 2020 due to decrease of quantity sold during the quarter.		
30. Cost of Goods Sold:		
Opening Stock of Finished Goods	46,371	37,472
Add: Cost of Production (note # 30.a)	714,823	798,938
Less: Closing Stock of Finished Goods	(46,916)	(43,668)
	<u>714,278</u>	<u>792,742</u>
30.a. Cost of Production:		
Opening Raw Materials & WIP	292,096	294,635
Add: Raw Materials purchase during the period	360,873	322,232
Add: Factory Overhead (Note # 30.a.a)	361,944	346,625
Less: Closing Raw Materials, WIP & Accessories	(300,090)	(164,554)
	<u>714,823</u>	<u>798,938</u>
30.a.a Factory Overhead:		
Carriage inward	2,274	2,386
Electricity	189	384
Gas, Fuel & Lubricant	30,164	22,590
Insurance Premium	3,353	3,440
Repairs & Maintenance	28,608	26,627
Telephone Charges	14	5
Wages, Salaries & Allowance	282,374	272,673
Bank Charges & Commission	2,862	3,477
Depreciation	6,994	7,828
Fire Fighting Exp.	-	8
Travelling & Conveyance	1,443	1,599
Testing Bill	2,714	4,442
Uniform & Liveries	92	195
Chemical for Effluent Treatment Plant	455	595
Entertainment	258	217
UD & UP Expenses	150	160
	<u>361,944</u>	<u>346,625</u>
The increase of factory overhead mainly for wages, salaries & allowance and gas bill.		

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

	Value in Taka '000'	
	July 21-September 2021	July 20-September 2020
31. Other Operating Income/(loss):		
Foreign exchange gain/(loss) from operations	(545)	36
Foreign exchange gain/(loss) from translation	1,978	(723)
	<u>1,433</u>	<u>(687)</u>
32. Administrative & Selling Overhead:		
AGM Expenses	-	-
Audit Fee (Including VAT)	-	-
Bank Charges & Commission	2,960	1,382
Board Meeting Fees (Including VAT)	2	2
Depreciation	336	320
Depreciation on Right of Use Assets	1,187	-
Directors Remuneration	900	900
Entertainment	229	122
Export Processing & Handling Expenses	781	893
Clearing & Forwarding Expenses	5,878	9,822
Insurance Premium	42	966
Legal & Professional Fees	77	74
Medical Expense	32	30
Newspapers & Periodicals	2	2
Postage & Stamp	17	8
Power & Fuel	204	52
Printing Expense	482	342
Stationery Expenses	654	689
Publicity & Advertisement	7	6
Renewal & Fees	1,714	2,047
Rent & Rates	-	1,235
Vat on Office Rent	185	185
Repairs & Maintenance	873	2,224
Salaries & Allowances	11,617	19,889
Sales Promotional Expenses	717	165
Travelling & Conveyance	1,225	1,206
Telephone, Fax and Radio Link	150	196
Transportation Expenses	2,688	2,358
	<u>32,958</u>	<u>45,115</u>
33. Finance & Other Income:		
Dividend Income	-	-
Interest on FDRs	58	1,056
	<u>58</u>	<u>1,056</u>
The decrease of 47.16% is mainly for decrease interest rate of time deposits.		
34. Financial Expenses:		
Interest on Term Loan-Stimulus	234	399
Interest on Time Loan	279	-
Supplier Finance Program Charges(SFP)	4,393	-
Interest on Overdraft	8	145
Interest on Finance Lease for Office Rent	47	-
F.C. Charges	7	22,909
	<u>4,968</u>	<u>23,453</u>
Financial expenses has been decreased due to reduce of FC Charges by applying supplier finance program charges (SFP) for early realization of export proceeds		
35. Workers Profit Participation Fund (WPPF)	<u>320</u>	<u>256</u>
We are 100% export oriented Readymade Garment Industry, and as per Bangladesh Labor Rule 2015, Chapter XV, section 212-226 provided the rules regarding formation of Central Fund and also provision made in rule 214(1)(Ka) for realization of 0.03% from every letter of credit / work order of 100% export oriented industries and the company is making payment accordingly through bank to the said Central Fund for participation of workers in the profit of company. Therefore the company is performing its lawful duty regarding profit participatory fund and there is no further requirement to maintain the fund separately as required under section 234 of the labor Act 2006.		
36. Current Tax:	<u>7,229</u>	<u>5,280</u>
Current tax consists of tax provision made on business income means higher of below a,b,c i.e. Tax on operating profit basis, Minimum Tax U/S -82c(2) & Minimum Tax U/S -82c(4) and realized amount of finance & other income for the period from 1st July 21 to 30th Sep 21.		
Calculation of Current tax:	Applicable	
a) Tax on Operating profit Basis	Tax Rate %	
Profit before tax	11,436	10,701
Other Operating Income/Loss	(1,433)	687
Finance & Other Income	(558)	(1,056)
Net Operating profit/(Loss)	<u>9,445</u>	<u>10,332</u>
Tax on Operation Profit	12.00	<u>1,133</u>
b) Minimum Tax U/S -82c(2)		
TDS on export proceeds	0.50	5,334
TDS on Cash Incentive (realized amount)	10.00	2,018
		<u>7,352</u>
c) Minimum Tax U/S -82c(4)		
Realized from Revenue = (0.60%/22.5%*12%)	0.320	3,422
Realized from other operating Income	0.600	(3)
Realized from Cash Incentive	0.600	121
Realized from Dividend Income	0.600	-
Realized from finance & Other Income	0.600	-
		<u>3,540</u>
So, Current tax		<u>5,280</u>
Business tax- Higher of a,b & c **	above b	7,352
Tax on Dividend Income (Realised)	20.00	-
Tax on Finance Income (Realised)	22.50	-
Tax on other operating Income (Realised)	22.50	(123)
Tax on PF Lapse received	22.50	-
		<u>951</u>
		<u>7,229</u>
Effective Tax Rate =(Tax Expenses/Profit Before Tax)	<u>52.51%</u>	<u>44.37%</u>

	Value in Taka '000'	
	July 21-September 2021	July 20-September 2020
** Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 7,352/- is higher than tax on operating profit basis Tk. 1,133/- and minimum tax on gross receipts Tk. 3,540/-, so higher is provided as current tax liability from business for the period ended September 30, 2021.		
37. Deferred Tax (Expenses)/Income:	<u>1,224</u>	<u>532</u>
The provision for deferred tax (expense)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable, PF Lapse receivable, Foreign exchange translation gain/(loss) & WDV of fixed assets. (Please see the details in note # 20 for total deferred tax income/(expense) from above mentioned temporary differences).		
38. Fair Valuation Surplus/(deficit) of Investment (net of tax):	<u>6,550</u>	<u>518</u>
Fair valuation surplus/(deficit) of investments represents the difference of market value of the listed Company's share on the closing date and the last audited Balance Sheet price.		
39. Basic Earning Per Share (EPS):		
Earnings after tax Attributable to the Owners of the Company	5,431	5,953
Number of Ordinary Shares	8,400	8,400
Basic Earning Per Share (EPS)	<u>0.65</u>	<u>0.71</u>
40. Net Operating Cash Flows (NOCF) Per Share:		
Net cash generated from/(used in) operating activities	22,204	78,335
Number of Ordinary Shares	8,400	8,400
Net Operating Cash Flows (NOCF) Per Share	<u>2.64</u>	<u>9.33</u>
Net operating cash flows was Tk. 2.64 per share for the 1st quarter ended on September 30, 2021 but it was Tk. 9.33 for the same period of last year, this is mainly increase of more payment for cost & expenses as compare to increase of collection from revenue.		
41. Disclosure Regarding Rearrangement:		
Received from PF Lapse was shown in investing activities at the same quarter of 2020-2021 & this has been rearranged in the 1st quarter of 2021-2022 due to nature of transaction.		
42. Prior Year Adjustment:		
a) As per Financial Reporting Council (FRC) notification no. 179/FRC/FRM/notification/2020/2 dated 7th July 2020 regarding lapse amount of employer's subscription to provident fund have to return to company from 2016 to June 30, 2020 & retained earnings as at July 01, 2019 has been adjusted accordingly by Tk. 1,025,940/- (net of tax).		
43. Related Party Transactions:		
(a) Intercompany Transactions:		
Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited, Apex Textile printing Mills Limited, Apex Lingerie Limited, Apex Fashion Wear Limited and Matex Bangladesh Limited. These transactions are considered as related party transactions as per IAS 24 "Related Party Disclosures". The transactions are occurred during the period with an arms length price as per normal business policy for buying & selling of dyes & chemical and yarn dyeing.		
(b) Key management personnel compensation:		
i) Refer to Note # 32; we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.		
ii) The Company is paying Remuneration to the Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them. The Company operates a contributory provident fund which is administrates by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management (Senior Employees) to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management (Senior Employees) and the Company has no further liability. In addition to that there is nothing paid to them except salaries and allowances.		
44. Reconciliation of Net Profit with Cash Flows from Operating Activities: **		
Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/ CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.		
CASH FLOWS FROM OPERATING ACTIVITIES:	<u>July 21 to September 2021</u>	<u>July 20 to September 2020</u>
Profit After Tax	5,431	5,953
Adjustment for non-cash & non operating items:		
Add: Depreciation During the period	8,517	8,149
Add/(Less): Unadjusted Foreign Exchange (Gain)/Loss from Translation	(177)	85
Less: Finance Income adjustment	(558)	(1,056)
Add: Interest & Other Financial Charges adjustment	4,968	23,453
Add: Tax Expenses	6,006	4,748
Increases & Decreases:		
(Increase)/Decrease in Inventories	(8,539)	123,885
(Increase)/Decrease in Trade Receivables	307,164	5,954
(Increase)/Decrease in other Receivables	8,159	1,465
(Increase)/Decrease in Advances, Deposits & Prepayments	(2,150)	272
(Increase)/Paid) Income tax during the period	(8,375)	(5,062)
Increase/(Decrease) in Trade Payables	(289,738)	(59,754)
Increase/(Decrease) in Other Payables	(8,502)	(29,757)
Net cash generated from/(used in) operating activities	<u>22,204</u>	<u>78,335</u>
RECONCILIATION		
Net cash generated from/(used in) operating activities-Indirect Method	22,204	78,335
Net cash generated from/(used in) operating activities-Direct Method	22,204	78,335
Differences	<u>0.00</u>	<u>0.00</u>
45. Contingent Liability:		
There is Tk. 17.07 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" & Reliance Insurance Com. Ltd for which the Company is contingently liable as at September 30, 2021.		
46. Events after Reporting Period:		
a) Proposed Dividend:		
The Board of Directors has recommended cash Dividend of Tk. 2.00/- per Share for the year 2020-2021 at the Board meeting held on October 28, 2021. The total amount of Dividend is Tk. 16,800,000/-		
b) Other Significant Events:		
There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.		

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed Phd
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary