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TRANSMITTAL LETTER

To
The Shareholders,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited.

Subject: **Annual Report for the year ended on June 30, 2019.**

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report of Apex Spinning & Knitting Mills Limited together with the Audited Financial statements comprising of Statement of Financial Position as at June 30, 2019, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on June 30, 2019 along with Notes thereon for your kind information and record.

Yours sincerely,

Sd/-
Masudur Rahman ACA
Company Secretary.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **TWENTY-EIGHTH ANNUAL GENERAL MEETING OF APEX SPINNING & KNITTING MILLS LIMITED** will be held at the “Spectra Convention Centre Limited”, House No. 19, Road No. 07, Gulshan-1, Dhaka -1212, Bangladesh on Thursday, December 12, 2019 at 9.00 A.M. to transact the following businesses:

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended on 30 June 2019 and report of the Auditors' and Directors thereon.
2. To declare Dividend for the year 2018-19.
3. To elect Directors.
4. To approve appointment of Independent Director.
5. To appoint Auditors for the year 2019-20 and fix their remuneration.
6. To appoint professional for the Certification on Corporate Governance Code for the year 2019-20 and fix their remuneration.
7. To transact any other business of the Company, with permission of the Chair.

Date: Dhaka
November 20 , 2019

By order of the Board of Directors

Sd/-
Masudur Rahman ACA
Company Secretary

NOTES:

1. The Shareholders whose name appeared in the Register of Members of the Company or in the Depository on the “Record Date i.e. November 13, 2019” are eligible to attend in the Annual General Meeting and be entitled to the Dividend. Though the Original Record date was November 11, 2019 but due to declaration of DSE with consent of BSEC (dated 07-11-2019) the Record date has shifted to November 13, 2019.
2. A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead as per **para 99** of the Articles of Association of the Company. The “**Proxy Form**” duly filled in, signed and stamped, must be submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
3. Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Notification No.: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018 the Annual Report 2018-19 of the Company shall be sent to the respective e-mail address of the shareholders mentioned in their Beneficiary Owner (BO) Accounts with the depository. In case of non-receipt of Annual Report 2018-19 of the Company through e-mail, Shareholders may collect the same from the Registered Office of the Company and/or from the AGM venue by submitting written request beforehand. The Annual Report also be available at the Company's Website at: <http://www.apexknitting.com> .
4. In pursuance of BSEC's Notification No.: SEC/SRMI/2000-953/1950 dated October 24, 2000 gazette on November 07, 2000, the Company shall hold discussions in the Annual General Meeting strictly in conformity with the provisions of the Companies Act, 1994.
5. Admittance to the meeting venue will be strictly on production of the “**Attendance Slip**” sent with the Notice.

Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/উপহার রুপন/খাবার/ঘাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman	:	Mr. Zafar Ahmed
Managing Director	:	Mr. Zahur Ahmed PhD
Director (Representative of Apex Foods Ltd.)	:	Mr. Shahriar Ahmed
Director (ICB Representative)	:	Mr. Tarek Nizamuddin Ahmed
Independent Director	:	Mr. Kazi Faruq Kader

AUDIT COMMITTEE

Chairman	:	Mr. Kazi Faruq Kader, Independent Director
Member	:	Mr. Zahur Ahmed PhD, Managing Director
Member	:	Mr. Shahriar Ahmed, Director
Member	:	Mr. Tarek Nizamuddin Ahmed, Director

NOMINATION AND REMUNERATION COMMITTEE

Chairman	:	Mr. Kazi Faruq Kader, Independent Director
Member	:	Mr. Zahur Ahmed PhD, Managing Director
Member	:	Mr. Shahriar Ahmed, Director

SENIOR CORPORATE OFFICIALS

Chief Financial Officer	:	Mr. Kamruzzaman FCA
Head of Internal Audit & Compliance	:	Mr. Md. Golam Kibria FCMA
Company Secretary	:	Mr. Masudur Rahman ACA

LEGAL ADVISORS

K. Fazlul Quadir
Abdur Razzaque & Associates
Md. Shahjahan Khan

AUDITORS

Malek Siddiqui Wali
Chartered Accountants

BANKERS

Eastern Bank Limited
Principal Branch
Dilkusha C/A, Dhaka-1000.
&
The Hongkong & Shanghai Banking Corporation.
Dhaka Main Office, Dhaka.

REGISTERED OFFICE

Rupayan Golden Age, 5th & 6th floor
99 Gulshan Avenue, Gulshan, Dhaka-1212
Bangladesh.

FACTORY

Mouza & P.O. Chandora
P.S. Kaliakoir, Dist. Gazipur
Bangladesh.

Five Years Statistics

Figure in Thousand Taka

Particulars	2018-19	2017-18	2016-17	2015-16 (Fifteen months)	2014-15
Results of Operations:					
Revenue	3,537,790	3,633,663	3,205,557	4,319,335	2,989,846
Gross Profit	286,279	289,542	245,333	338,619	243,140
Operating Profit	54,040	62,859	43,166	53,366	31,823
Net Profit before Tax	53,038	62,411	47,270	56,012	35,921
Net Profit after Tax	24,613	24,021	23,163	28,765	23,204
Earnings Per Share (EPS)	2.93	2.86	2.76	3.42	2.76
Dividend Per Share*	2.00	2.00	2.00	2.20	2.00
Financial Positions:					
Total Assets	1,383,635	1,461,944	1,325,340	1,461,496	1,374,272
Property, Plant and Equipment-Gross	1,360,371	1,346,231	1,343,392	1,248,060	1,220,670
Property, Plant and Equipment - Net	224,142	250,992	296,161	250,630	284,236
Gross Working Capital	1,053,870	1,103,917	994,046	1,183,939	1,072,153
Net Working Capital	141,478	107,513	115,834	160,401	120,061
Working Capital Loan	38,524	57,911	16,178	83,790	81,131
Share Capital	84,000	84,000	84,000	84,000	84,000
Share Premium	15,000	15,000	15,000	15,000	15,000
Reserve and Surplus	344,999	337,186	329,964	325,388	313,838
Share Holders Equity	462,671	459,976	443,183	434,056	420,179
Key Financial Ratios:					
Current Ratio	1.16	1.11	1.13	1.16	1.13
Debt to Total Assets (%)	66.56	68.54	66.55	70.30	69.28
Return on Equity (%)	5.35	5.42	5.34	6.85	5.52
Net Asset Value Per Share	55.08	54.76	52.77	51.67	50.02
Dividend Payout Ratio (%)	68.26	69.94	72.46	64.33	72.40
Interest Service Coverage	11.26	11.30	7.34	7.43	6.61
Others:					
Market Price Per Share (30th June)	140.30	173.35	111.93	92.74	69.11
Price Earnings Multiple	47.88	60.62	40.55	27.08	25.02
Number of Employees	5,887	5,824	5,900	5,621	4,948
Capacity Utilization (%)	90.48	92.12	90.90	92.25	87.13

* The Board of Directors recommended Cash Dividend @Tk. 2/- per Share for the year ended on 30th June 2019.

AUDIT COMMITTEE REPORT

The audit committee of APEX SPINNING & KNITTING MILLS LIMITED is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to review the activities of business.

The Audit committee of the company comprises of four Directors, nominated by the Board of Directors of the Company, headed by the Independent Director, Mr. Kazi Faruq Kader. The other members of the committee are, Mr. Zahur Ahmed PhD, Mr. Shahriar Ahmed and Mr. Tarek Nizamuddin Ahmed, ICB nominated Director.

The committee has worked closely with the company's financial term to ensure that the audit processes adopted in connection with the financial statements are deal with best practice. The committee was empowered to examine the matter related to financial and other affairs of the Company. This committee ensures a sound financial reporting system and updated information to the Board of Directors.

The committee normally meets in the next month of every quarter. During the year 2018-19, six Audit Committee meetings were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of the Member	Number of Audit Committee Meeting held	Attended
Mr. Kazi Faruq Kader	6	6
Mr. Zahur Ahmed PhD	6	6
Mr. Shahriar Ahmed	6	6
Mr. Tarek Nizamuddin Ahmed	6	6

During the year the Audit Committee review and carry out the following tasks:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- Oversee hiring and performance of external auditors.
- Hold meeting with the external auditors for review the annual financial statements before submission to the Board for approval.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review the Management's discussions and analysis before disclosing in the Annual Report.
- Review statement of significant related party transactions submitted by the management.
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors
- Compliance of all applicable legal and regulatory rules and regulations.
- Various reports of operational activities and streamlined the operations of the Company.
- The committee reviewed the audit plan for the year 2018-19 and oversees the performance of external auditors.
- Reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.

The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Dated Dhaka the 20th October 2019

On behalf of the Audit Committee

Sd/-
Kazi Faruq Kader
Chairman

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee of **Apex Spinning & Knitting Mills Limited** is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives.

The Board of Directors of Apex Spinning & Knitting Mills Limited has established the Nomination and Remuneration Committee comprises of three members on 27th December, 2018, headed by the Independent Director, Mr. Kazi Faruq Kader. The other members of the committee are, Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed Directors of the company.

During the year 2018-19, one meeting of the Nomination and Remuneration Committee was held on 20th January, 2019, the details of attendance of each member at the NRC meetings are as follows:

Name of the Member	Position	Number of Meeting held	Attended
Mr. Kazi Faruq Kader	Chairman	1	1
Mr. Zahur Ahmed PhD	Member	1	1
Mr. Shahriar Ahmed	Member	1	1

During the year the Nomination and Remuneration Committee oversee the following matters:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.
- The relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Identifying person who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board.
- Formulating the criteria for evaluation of performance of independent directors and the Board.
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria and.
- Developing, recommending and reviewing annually the company's human resources and training policies.

The Nomination and Remuneration Committee overall reviewed the Terms of Reference (ToR) of the NRC of the company. On the other hand, the committee also observe the transparent selection process for recruitment of the potential candidates on the basis of role profile and yearly evaluation process of the company.

Dated: Dhaka the 20th October 2019

On behalf of the Nomination and Remuneration Committee

Sd/-
Kazi Faruq Kader
Chairman

MD & CFO's Declaration to the Board of Directors

Date: October 20, 2019

The Board of Directors
Apex Spinning & Knitting Mills Limited
Rupayan Golden Age (5th & 6th Floor)
99 Gulshan Avenue, Gulshan
Dhaka-1212, Bangladesh.

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Apex Spinning & Knitting Mills Limited for the year ended on June 30, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer (CFO)

[Certificate as per condition No. 1(5)(xxvii)]

**Report to the Shareholders of Apex Spinning & Knitting Mills Limited on
compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Apex Spinning & Knitting Mills Limited for the year ended on June 30, 2019. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange commission.

Such compliance with the corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The company has complied with the conditions of the Corporate Governance Code as stipulated on the above mentioned Corporate Governance Code issued by the commission;
- (b) The company has complied with the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;
- (d) The governance of the Company is highly satisfactory.

Dated: Dhaka
October 20, 2019

Sd/-
Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
Enrolment No: 671

Corporate Governance Code Compliance Status

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.	Board of Directors:		
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors shall not be less than 5 (Five) and more than 20 (Twenty).	Complied	
1.2	Independent Directors:		
1.2 (a)	Independent Directors: At least 1/5 th (We have four Directors and One Independent Director)	Complied	
1.2 (b)i)	Less than 1% Shares	Complied	
1.2 (b)ii)	Not a Sponsor of The Company or is not connected with the Company's any sponsor or Director or Nominated Director or Shareholder.	Complied	
1.2 (b)iii)	Not been an executive of the Company immediate preceding 2 financial years.	Complied	
1.2 (b)iv)	Does not have other relationship	Complied	
1.2 (b)v)	Not a Member or TREC holder, Director or Officer of any Stock Exchange.	Complied	
1.2 (b)vi)	Not a Shareholder, Director excepting independent director or Officer of any member TREC holder of Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (b)vii)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	Complied	
1.2 (b)viii)	Not an Independent Director more than five listed Companies.	Complied	
1.2 (b)ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	Complied	
1.2 (b)x)	Not convicted for a Criminal offence	Complied	
1.2 (c)	Appointment by the Board and approved in AGM.	Complied	
1.2 (d)	Post cannot remain vacant for more than 90 days.	Complied	
1.2 (e)	Tenure of the Independent Director.	Complied	
1.3	Qualification of Independent Director:		
1.3 (a)	Independent Director shall be knowledgeable individual with integrity.	Complied	
1.3 (b)i)	Should be a Business Leader	Complied	
1.3 (b)ii)	Should be a Corporate Leader	Complied	
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body.	Complied	
1.3 (b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	Not Applicable	

1.3 (b)v)	An advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	Not Applicable	
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	Complied	
1.3 (d)	Special cases for relaxation of qualifications.	Not Applicable	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:		
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	Complied	
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	Complied	
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Complied	
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or chief Executive Officer;	Complied	
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson.	Not applicable	
1.5	The Directors' Report to Shareholders		
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	
1.5 (ii)	Segment-wise or product-wise performance	Complied	
1.5 (iii)	Risks and concerns	Complied	
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not applicable	
1.5 (vi)	Discussion and Basis of related party transactions- a statement of all related party transactions.	Complied	
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	Not applicable	There was no such event during the year.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	Not applicable	There was no such event during the year.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied	
1.5 (x)	Statement of Remuneration to directors including independent directors.	Complied	

1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	
1.5 (xii)	Statement of Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	Statement of Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	
1.5 (xiv)	Statement of IAS/IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied	
1.5 (xv)	Statement of system of internal control is sound in design and has been effectively implemented and monitored	Complied	
1.5 (xvi)	Statement of minority shareholders have been protected from abusive actions.	Not applicable	
1.5 (xvii)	Statement of no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	
1.5 (xviii)	An explanation that Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Not applicable	
1.5 (xix)	Statement of Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Not applicable	
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.	Complied	
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each Director.	Complied	
1.5 (xxiii)	A report on the pattern of the shareholding:		
1.5 (xxiii)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxiii)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name wise details);	Complied	
1.5 (xxiii)c)	Executives;	Complied	
1.5 (xxiii)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxiv)a)	A brief resume of the director;	Complied	
1.5 (xxiv)b)	Nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxiv)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	

1.5 (xxv)	Management Discussion and Analysis signed by MD:	
1.5 (xxv)a)	Accounting policies and estimation for preparation of financial statements.	Complied
1.5 (xxv)b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	Complied
1.5(xxv)c)	Comparative analysis (including effects of inflation) of financial performance or result and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	Complied
1.5 (xxv)d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	Complied
1.5 (xxv)e)	Briefly explain the financial and economic scenario of the country and the globe;	Complied
1.5 (xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concern mitigation plan of the company.	Complied
1.5 (xxv)g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	Complied
1.5 (xxvi)	Declaration or certification by the CEO and CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ;	Complied
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	Complied
1.6	Meeting of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	Complied
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Complied

1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	Complied	
2	Governance of Board of Directors of Subsidiary Company:		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable	
2(c)	The minutes of the Board Meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Not Applicable	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	
3	MANAGING DIRECTOR (MD) or CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):		
3.1	Appointment		
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC);	Complied	
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	Complied	
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	Complied	
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Not Applicable	
3.2	Requirement to attend Board of Director' Meetings: The MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board: Provided that CS, CFO and HIAC shall not attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied	

3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)		
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;		
3.3(a)i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	Complied	
3.3(a)ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	Complied	
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	
4	Board of Directors' Committee:-		
4(i)	Audit Committee	Complied	
4(ii)	Nomination and Remuneration Committee	Complied	
5	AUDIT COMMITTEE:		
5.1	Responsibility to the Board of Directors		
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board.	Complied	
5.1(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	Complied	
5.1(c)	The Audit Committee shall be responsible to the Board. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
5.2	Constitution of the Audit Committee		
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members	Complied	
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	Complied	
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	Complied	
5.2(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service.	Not applicable	
5.2(e)	The company secretary shall act as the secretary of the Committee	Complied	

5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	Complied	
5.3	Chairperson of the Audit Committee		
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	Complied	
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Not Applicable	
5.3(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	Was present in the AGM of 2017-18.
5.4	Meeting of the Audit Committee		
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	Complied	
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	Complied	
5.5	Role of Audit Committee		
5.5(a)	Oversee the financial reporting process	Complied	
5.5(b)	Monitor choice of accounting policies and principles.	Complied	
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Complied	
5.5(d)	Oversee hiring and performance of external auditors	Complied	
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	Complied	
5.5(f)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
5.5(h)	Review the adequacy of internal audit function.	Complied	
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	
5.5(j)	Review statement of significant related party transactions submitted by the management	Complied	
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by Statutory auditors.	Not applicable	

5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	Complied	
5.5(m)	Over see whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Not applicable	
5.6	Reporting of the Audit Committee		
5.6(a)	Reporting to the Board of Directors		
5.6.a(i)	The Audit Committee shall report on its activities to the Board.	Complied	
5.6.a(ii)a)	report on conflicts of interests;	Not applicable	There was no such event to report
5.6.a(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	Not applicable	There was no such event to report
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.	Not applicable	There was no such event to report
5.6(b)	Reporting to the Authorities	Not applicable	There was no such event to report
5.7	Reporting to the Shareholders and General Investors.	Not applicable	There was no such event to report
6	Nomination and Remuneration Committee(NRC)		
6.1	Responsibilities to the Board of Directors:		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Complied	
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	
6.1(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	Complied	
6.2	Constitution of the NRC		
6.2(a)	The Committee shall comprise of at least three members including an independent director.	Complied	
6.2(b)	All members of the Committee shall be non-executive directors;	Complied	
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Complied	

6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or or member(s) of staff shall be required or valuable for the Committee;	Complied	
6.2(g)	The company secretary shall act as the secretary of the Committee;	Complied	
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Complied	
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Complied	
6.3	Chairperson of the NRC		
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Complied	
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	N/A	
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	To be Complied	In next AGM
6.4	Meeting of the NRC	Complied	1st Meeting of NRC held on 20 January, 2019.
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not applicable	There was no such event with in the report period
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h);	Complied	
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Complied	
6.5	Role of the NRC		
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	Complied	
6.5(b)i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	Complied	

6.5(b)i)a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	Complied	
6.5(b)i)b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark;	Complied	
6.5(b)i)c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	Complied	
6.5(b)ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	
6.5(b)iii)	Identifying person who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	Complied	
6.5(b)iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	
6.5(b)v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	Complied	
6.5(b)vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Complied	
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Complied	
7	EXTERNAL OR STATUTORY AUDITORS:		
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:		
7.1(i)	Appraisal or valuation services or fairness opinions.	Complied	
7.1(ii)	Financial information systems design and implementation	Complied	
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	Complied	
7.1(iv)	Broker-dealer services	Complied	
7.1(v)	Actuarial services.	Complied	
7.1(vi)	Internal audit services.	Complied	
7.1(vii)	Any service that the Audit Committee determines.	Complied	
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No 9(1); and	Complied	
7.1(ix)	Any other service that creates conflict of interest.	Complied	

7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	Complied	
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	Complied	
8	Maintaining a website by the Company		
8.1	The company shall have an official website linked with the website of the stock exchange.	Complied	
8.2	The company shall keep the website functional from the date of listing.	Complied	
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	Complied	
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:		
9.1	The company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant or Cost & Management Account or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	Complied	
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	Complied	
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	Complied	

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It is an honor and pleasure for me to welcome you all to the Twenty-Eighth Annual General Meeting of your Company and to present the Annual Report for the year ended 30th June 2019.

Global Economy:

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. Global economic growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019. Growth is projected to pick up to 3.4 percent in 2020, reflecting primarily a projected improvement in economic performance in several emerging markets in Latin America, the Middle East, and emerging and developing Europe that is under macroeconomic strain. Momentum in manufacturing activity has weakened substantially, to levels not seen since the global financial crisis.

Yet, with uncertainty about prospects for several of these countries, a projected slowdown in China and the United States, and prominent downside risks, a much more subdued pace of global activity could well materialize. Rising trade and geopolitical tensions have increased uncertainty about the future of the global trading system and international cooperation more generally, taking a toll on business confidence, investment decisions, and global trade.

A notable shift toward increased monetary policy accommodation—through both action and communication—has cushioned the impact of these tensions on financial market sentiment and activity, while a generally resilient service sector has supported employment growth. That said, the outlook remains uncertain.

Bangladesh Economy:

The economic outlook for South Asia is highly divergent across countries. There are some economies, including Bangladesh, Bhutan, and India, where economic conditions are largely positive, with GDP growth projected to remain robust in the near term.

Bangladesh will stand out by growing at record 8% in 2019 and 2020, making it the fastest-growing economy in Asia-Pacific. The growth is happening at a time when the global economic outlook remains challenging, and growth is expected to moderate across most of developing Asia at 5.7% in 2019 and 5.6% in 2020.

Today Bangladesh is seen as a model for growth even in this difficult global economic outlook. Bangladesh economy is also set to continue expanding at a fast pace in the near term, above 7% per year, amid strong fixed investment and accommodative monetary policy. Economic growth is expected to be supported by private consumption and, in some cases, investment demand, even as monetary policy stances tighten. Despite the increase observed for inflation figures throughout 2018 due to the depreciation of domestic currencies, inflation is expected to accelerate only moderately or to remain stable in the near term.

My sincere thanks to all the respectable Shareholders for extending their continuous support and confidence in the Board of Directors of your Company. I also like to put on record my sincere appreciation to the Banks, Financial and Regulatory Agencies, Suppliers, Customers, various people with whom we have interacted in the course of business, management staff and members of the Company at all levels for their cooperation and sincere efforts in the growth of your Company.

Dhaka
October 20, 2019

Sd/-
Zafar Ahmed
Chairman

Managing Director's Statement

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements as per condition no. 1.5(XXV) of Corporate Governance Code dated June 03, 2018:

(a) Accounting policies and estimation for preparation of financial statements;

These 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. The following IASs & IFRSs are applicable for the financial statements for the year under review:

IAS-1	Presentation of financial statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-39	Financial Instruments recognition and measurement
IFRS-07	Financial Instruments: Disclosure
IFRS-15	Revenue from contracts with customers

(b) Changes in accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

(c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons:

"Figure in thousand Taka"

Particulars	2018-19	2017-18	2016-17	2015-16**	2014-15	2013-14
Key Operational and Financial Data:						
Revenue	3,537,790	3,633,663	3,205,557	4,319,335	2,989,846	2,511,696
Gross Profit	286,279	289,542	245,333	338,619	243,140	221,196
Operating Profit/(Loss)	54,040	62,859	43,166	53,366	31,823	36,786
Net Profit before Tax	53,038	62,411	47,270	56,012	35,921	41,597
Net Profit/(Loss) after Tax	24,613	24,021	23,163	28,765	23,204	18,796
Total Assets	1,383,635	1,461,944	1,325,340	1,461,496	1,374,272	1,136,263
Total Liabilities	920,964	1,001,968	882,050	1,027,440	954,093	718,351
Current Assets	1,053,870	1,103,917	994,046	1,183,939	1,072,153	841,181
Current Liabilities	912,392	996,404	878,212	1,023,537	952,091	717,133
Reserve and Surplus	344,999	337,186	329,964	325,388	313,838	307,435
Share Holders Equity	462,671	459,976	443,183	434,056	420,179	417,912
Current Ratio	1.16	1.11	1.13	1.16	1.13	1.17
Net Asset Value per Share (NAV)	55.08	54.76	52.77	51.67	50.02	49.75
Earnings Per Share (EPS)	2.93	2.86	2.76	3.42	2.76	2.24
NOCFPS	10.02	(10.31)	14.23	25.20	(1.79)	2.50

**fifteen (15) months period.

Apex Spinning & Knitting Mills Ltd is continuing its growth from the year 2016-2017 to 2017-2018 but slightly decrease in 2018-19 including its gross profit margin, net profit before & after tax. Management of ASKML has reduced financial expenses as a result it has supported to the figure of net profit before & after tax. There was significant variance in net operating cash flows. The Net Operating Cash Flows per Share are positive/negative and are different in every financial year as this depends on different issues mainly, Collection from revenue and payment for costs and expenses. This scenario is changeable time to time depending on different issues.

- (d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;

“Figure in Million Taka”

Particulars	Apex Spinning & Knitting Mills Ltd 2018-19	Paramount Textile Ltd 2017-18	Rahim Textile Mills Ltd 2017-18
Operational and Financial Data:			
Revenue	3,537.79	4,119.60	995.95
Gross Profit	286.28	692.54	157.20
Net Profit before Tax	53.04	328.73	61.94
Net Profit/(Loss) after Tax	24.61	277.53	50.78
Earnings Per Share (EPS)	2.93	2.15	6.50
NOCFPS	10.02	2.67	11.36

- (e) Briefly explain the financial and economic scenario of the country and the globe:

There are some economies, including Bangladesh, Bhutan, and India, where economic conditions are largely positive, with GDP growth projected to remain robust in the near term. Bangladesh will stand out by growing at record 8% in 2019 and 2020, making it the fastest-growing economy in Asia-Pacific. The growth is happening at a time when the global economic outlook remains challenging, and growth is expected to moderate across most of developing Asia at 5.7% in 2019 and 5.6% in 2020.

Global economic growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019. Growth is projected to pick up to 3.4 percent in 2020, reflecting primarily a projected improvement in economic performance in several emerging markets in Latin America, the Middle East, and emerging and developing Europe that is under macroeconomic strain. Momentum in manufacturing activity has weakened substantially, to levels not seen since the global financial crisis.

- (f) Risk and concerns including internal and external factors and its mitigation plan of the company is stated below:

The RMG Industry in Bangladesh faces challenges to ensure workplace safety for the workers in compliance with the national & international labour standards and rights. As a garment industry, we are facing now huge numbers of risk & concern issue. Among others, price increase of raw materials, price hike of energy, very short lead time to deliver finished goods and mostly labour costs. Otherwise, to meet environmental and compliance requirements has caused a shift in selecting eco-friendly chemicals which are expensive. The company also aware of some financial risk including credit risk, interest rate risk and currency risk. To minimize these exposure, the company has taken extra initiative ie for credit risk, monitored on an ongoing basis and for interest rate risk, the company has not entered into any type of derivative instrument in order to hedge interest rate risk at the reporting date and company is emphasizing on own fund based financing to reduce dependency on interest based borrowed fund.

- (g) Future plan:

Apex Spinning & Knitting Mills Limited is committed towards continuing improvement in infrastructure, capital assets upgradation and modification. We are continuously focusing towards reduction in operating cost and wastage, for this the company introducing energy and water monitoring design and improvement in efficiency of human resources by proper training and establishment a fashion design center. We are always working for the building of company's positive brand image by introducing value added products. We have also taken various steps towards strengthening our human resources capabilities and IT infrastructure.

REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Auditors' Report and Audited Financial Statements of the Company for the year ended June 30, 2019.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's (BSEC) notification no- BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

(i) Industry outlook and possible future developments in the industry:

Uncertainty will remain the single biggest challenge for the apparel industry in 2019-20, ranging from a more volatile global economy, the unpredictable outlook of the U.S.-China trade talks to the various possible scenarios of Brexit. While uncertainty creates new opportunities, it could be challenging for companies seeking a foreseeable market environment to guide their future business plans and investments.

Meanwhile, the increasing digitalization of the apparel supply chain based on big-data tools and artificial intelligence (AI) technologies means a huge opportunity for fashion companies. Indeed, the apparel industry is quickly changing in nature—becoming ever more globalized, supply-chain based, technology-intensive, and data-driven. Hopefully, the advancement of digital technologies and the smarter use of data will enable apparel companies to overcome market uncertainties better and improve many aspects of their businesses, such as speed to market, operational efficiency, and even sustainability.

(ii) Segment-wise or product-wise performance:

As Apex Spinning & Knitting Mills Limited produces only Readymade Garment, there is no scope for Product-wise performance reporting. However, country-wise export details are given in note 26 of the Annual Report.

(iii) Risks and concerns:

Since its foundation, the RMG sector has, traditionally, been regarded by foreign buyers as a valuable source, based on high-volume, low-cost products. The growth of the sector is undeniable. But how do we sustain these levels, and how do we prepare for changes that will arise from Bangladesh's transition from Least Developed Country (LDC) to a developing country—with official developing country status expected by 2024?

One area that should surely be considered is the transition of the RMG sector from the manufacturing of traditional value-oriented, volume-driven products, to the development of more high fashion, higher price items. The benefits of adopting such an approach are obvious: a higher price will generally yield a reasonable profit margin that, in turn, can be used to develop more upscale RMG facilities and for improvements in the general wellbeing and standard of living of the workforce.

(iv) Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

(a) Cost of Goods Sold:

The reporting period's cost of goods sold was Tk. 3,251 million as compared to last year's cost of goods sold of Tk. 3,344 million. This is because there has been decrease in the gross turnover during the reporting period. During the reporting period 2,533,522 dozen of garments were produced as against last year's production of 2,579,502 dozen. The decrease in production quantity is 45,980 dozen over the last year. Production capacity utilized during the reporting period was 90.48%. There was an increase in Wages and Salaries to the tune of Tk. 145.34 million as against last year.

(b) Gross Profit:

The company has achieved an export turnover of Tk. 3,537.79 million during the year ended 30th June 2019. Last year's turnover was Tk. 3,633.66 million. The decrease in turnover is 2.63% over the last year. Gross profit earned during the period was Tk. 286.28 million as against last year's gross profit of Tk. 289.54 million.

(c) Net Profit:

Net profit (after tax) earned during the period was Tk. 24.61 million as compared to last year's Net Profit (after tax) of Tk. 24.02 million. There is no significant difference from last year's net profit.

(v) Extra-Ordinary gain or loss:

During the year there was no realized extra-ordinary gain/(loss) made by the company. An amount of Tk. (5.12) million has been shown as Fair Valuation surplus/(deficit) for Investment in the Statement of Comprehensive Income which represents the difference between the closing price of investment in the Shares of Apex Foods Limited and the price shown in the last Statement of Financial Position. This accounting effect was given in order to comply with the latest requirement of International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS). Details are given in Note 20 of the Annual Report.

(vi) Related party transactions:

Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited and Matex Bangladesh Limited with common director. These transactions are considered as related party transactions as per IAS 24 "Related Party Disclosures". The transactions are occurred during the period with an arm's length price as per normal business policy for buying & selling of dyes & chemical and yarn dyeing. The details are given below:

Name of the Parties	2018-2019			
	Opening Balance	Purchase during the Year	Paid during the Year	Closing Balance
i. Matex Bangladesh Ltd.	-	147,001,009	147,001,009	-
ii. Apex Yarn Dyeing Ltd.	-	72,790,387	72,790,387	-

- KEY MANAGEMENT BENEFITS:**

Refer to the note # 30 of financial statement, we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.

The Company is paying Remuneration to the 03 (three) 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 pays its monthly contribution to the Provident Fund Trust and the company has no further liability. The company also has a Group Insurance Scheme. Group Insurance premium is paid to insurance company once in a year and if there is any claim that will be entertained by the insurance company. In addition to the above there is nothing paid to the key management except salary & allowance.

(vii) Utilization of proceeds from public issues and/ or rights issues:

There was no public issues and/ or right issue offered during the year.

(viii) Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made on February 10, 1994. Since then the company is performing well.

(ix) Variance between Quarterly Financial performance and Annual Financial Statements:

Significant increase in EPS (i.e. up to 3rd Quarter, EPS from operational activities was Tk. 2.16 but annually it has been Tk. 2.93) is mainly due to consistency of turnover in 4th quarter of 2018-19.

(x) Remuneration to directors including independent directors:

The remunerations of Directors including Independent Director are as follows:

Name of the Directors	Director / Independent Director	Yearly Remuneration
Mr. Zahur Ahmed PhD	Director	1,800,000
Mr. Shahriar Ahmed	Director	1,200,000
Mr. Kazi Faruq Kader	Independent Director	600,000

(xi) 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.

(xii) Proper books of account of the company have been maintained.

(xiii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

(xiv) International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

(xv) The system of internal control is sound in design and has been effectively implemented and monitored.

(xvi) There was no such situation raised to protect the interest of minority shareholders.

(xvii) There are no significant doubts upon the company's ability to continue as a going concern.

(xviii) Deviation from the last year's operating results:

During the year turnover has slightly decreased. But no significant deviation in operating result due to increase in wages and salaries.

(xix) Key operating and financial data of at least preceding 5 (five) years:

"Figure in thousand Taka"

Particulars	2018-2019	2017-18	2016-17	2015-16 (Fifteen)	2014-15	2013-14
Operational Data:						
Revenue	3,537,790	3,633,663	3,205,557	4,319,335	2,989,846	2,511,696
Gross Profit	286,279	289,542	245,333	338,619	243,140	221,196
Operating Profit	54,039	62,859	43,166	53,366	31,823	36,786
Net Profit before Tax	53,038	62,411	47,270	56,012	35,921	41,597
Net Profit after Tax	24,613	24,021	23,163	28,765	23,204	18,796
Earnings Per Share (EPS)	2.93	2.86	2.76	3.42	2.76	2.24
Dividend Per Share	2.00	2.00	2.00	2.20	2.00	2.00
Financial Data:						
Total Assets	1,383,635	1,461,944	1,325,340	1,461,496	1,374,272	1,136,263
Property, Plant and Equipment-Gross	1,360,371	1,346,231	1,343,392	1,248,060	1,220,670	1,160,317
Property, Plant and Equipment - Net	224,142	250,992	296,161	250,630	284,236	273,063
Gross Working Capital	1,053,870	1,103,917	994,046	1,183,939	1,072,153	841,181
Net Working Capital	141,478	107,513	115,834	160,401	120,061	124,047
Working Capital Loan	38,524	57,911	16,178	83,790	81,131	3,653
Share Capital	84,000	84,000	84,000	84,000	84,000	84,000
Share Premium	15,000	15,000	15,000	15,000	15,000	15,000
Reserve and Surplus	344,999	337,186	329,964	325,388	313,838	307,435
Share Holders Equity	462,671	459,976	443,183	434,056	420,179	417,912

(xx) Dividend:

Board of Directors has recommended Cash Dividend of Tk. 2.00 per Share of Tk. 10.00 each for the year 2018-19. Upon your approval in this General Meeting, the dividend will be paid to the Shareholders whose names appear in the Share Registers of the Company or in the Depository as on 13th November 2019 at the close of office.

(xxi) Interim Dividend:

No Bonus share or stock dividend has been declared by Board of Directors for interim period.

(xxii) Board meetings:

During the year 8 (Eight) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting attended
Mr. Zafar Ahmed	8
Mr. Zahur Ahmed PhD	8
Mr. Shahriar Ahmed	8
Mr. Tarek Nizamuddin Ahmed	8
Mr. Kazi Faruq Kader	8

(xxiii) The pattern of shareholding:

Name wise details	No. Shares
a) Parent/subsidiary/Associated Companies and other related parties	
Apex Foods Limited	2,263,200
Apex Lingerie Limited	143,000
Apex Yarn Dyeing Limited	136,400
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance:	
Mr. Zafar Ahmed – Director	842,400
Mr. Zahur Ahmed PhD – Director	944,400
Name wise details	No. Shares
Mr. Shahriar Ahmed – Director	47,400
Mr. Tarek Nizamuddin Ahmed - Director	NIL
Mr. Kazi Faruq Kader – Independent Director	NIL
Mr. Kamruzzaman FCA – Chief Financial Officer	NIL
Mr. Md. Golam Kibria FCMA –Head of Internal Audit & Compliance	NIL
Mr. Masudur Rahman ACA – Company Secretary	NIL
c) Senior Corporate Executive	NIL
d) Shareholders holding ten percent (10%) or more voting interest in the Company	
Mr. Zafar Ahmed	842,400
Mr. Zahur Ahmed PhD	944,400
Apex Foods Limited	2,263,200
ICB Unit Fund	927,640

(xxiv) Appointment/re-appointment of directors of the company:

- (i) Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed are retiring from the Board in terms of the Articles of Association of the Company and being eligible, offer ourselves for re-election. The detailed work profiles of Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed are given below:

Mr. Zahur Ahmed PhD

- a. Mr. Zahur Ahmed PhD is a Doctorate in Biophysics from USA and former Associate Professor of the State University of New York at Buffalo, USA. He is one of the Directors of the company and working in this sector since 1991. During his long tenure with the company, Mr. Zahur has gathered vast knowledge about this sector. Mr. Zahur is now the Managing Director of the Company.
- b. He is also holding the Directorship of (i) Apex Foods Limited, (ii) Apex Lingerie Limited, (iii) Apex Yarn Dyeing Limited, (iv) Apex Textile Printing Mills Limited (v) Apex Fashion Wear Limited and (vi) Matex Bangladesh Limited.
- c. He is a member of the Audit Committee & Nomination and Remuneration Committee of the board.

Mr. Shahriar Ahmed

- a) Mr. Shahriar Ahmed obtained his MBA from Johnson & Wales University, USA and after completing of his education, he joined in this Company in 2004. He is working in this sector since 2004. During his long tenure with the company, Mr. Shahriar has gathered vast knowledge about this sector. Mr. Shahriar is now acting as a Director of the Company.
 - b) Since his joining in this sector, he has gathered sufficient knowledge to run the Company.
 - c) He is also holding the Directorship of (i) Apex Foods Limited, (ii) Apex Lingerie Limited, (iii) Apex Yarn Dyeing Limited, (iv) Apex Textile Printing Mills Limited (v) Apex Fashion Wear Limited and (vi) Matex Bangladesh Limited.
 - d) He is a member of the Audit Committee & Nomination and Remuneration Committee of the Board.
- (ii) **Mr. Kazi Faruq Kader** has been appointed as Independent Director as per BSEC Corporate Governance Code. The details work profile of Mr. Kazi Faruq Kader is given below:

Mr. Kazi Faruq Kader

- a. Mr. Kader is a Graduate from Dhaka University. He was a Member of Parliament from 1988 to 1990 and 2008 to 2013 and during the tenure from 1988 to 1990 he was a Member of the Standing Committee for Commerce and also appointed as Director and Chairman of Sonali Bank as well as Sadharan Bima Corporation. During the tenure from 2008 to 2013 he was Member of the Standing Committee for Education.
- b. Mr. Kader is the Independent Director of the Company and has sound knowledge in this sector.
- c. Mr. Kader is also holding the Independent Directorship of Apex Foods Limited.
- d. Presently, Mr. Kader is the Chairman of the Audit Committee and Nomination & Remuneration Committee.

(xxv) Management Discussion & Analysis Signed by MD:

The management discussion and analysis signed by Managing Director representing details analysis of the company's position and operation in attached in the annual report as Managing Director's statement.

(xxvi) Declaration signed by MD & CFO:

Please refer to Annexure-A for declaration signed by MD and CFO.

(xxvii) Corporate Governance Compliance Report:

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, "Corporate Governance Report" is annexed in Annexure B and C.

(xxviii) Auditors:

As per order of the Bangladesh Securities & Exchange Commission, existing Auditors M/s. Malek Siddiqui Wali, Chartered Accountants, retires being the auditors of the Company for three consecutive years. Being eligible, M/s. Hussain Farhad & Co., Chartered Accountants offer themselves for appointment as Auditors of the Company for the year 2019-2020.

(xxix) Professional:

As per order of the Bangladesh Securities & Exchange Commission, M/s. Malek Siddiqui Wali, Chartered Accountants Being eligible offer themselves for appointment as a Professional of the Company for Certification on Compliance of Corporate Governance Code for the year 2019-2020.

Dhaka
October 20, 2019

On behalf of the Board

Sd/-
Zafar Ahmed
Chairman

পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১৯ সালের ৩০ শে জুন তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আনন্দিত।

পরিচালনা পর্ষদের প্রতিবেদন প্রনয়নের ক্ষেত্রে কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ- জুন ৩, ২০১৮ অনুসরণ করা হয়েছে।

১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনাঃ

২০১৯-২০২০ তৈরী পোশাক শিল্পে অনিশ্চয়তা একক বৃহত্তম চ্যালেঞ্জ হিসাবে থাকবে, মার্কিন যুক্তরাষ্ট্র চীনের বানিজ্য আলোচনায় অস্থিতিশীলতা বৈশ্বিক অর্থনীতি এবং ব্রেক্সিটের অপ্রত্যাশিত দৃষ্টিভঙ্গি যথাযথ ভাবে দৃশ্যমান হয়েছে। যদিও অনিশ্চয়তা নতুন সুযোগ সৃষ্টি করে, ভবিষ্যতের ব্যবসায়িক পরিকল্পনা এবং বিনিয়োগের জন্য প্রত্যাশিত বাজার পরিবেশ তৈরী করা কোম্পানীর জন্য চ্যালেঞ্জিং হতে পারে।

এদিকে, বৃহৎ তথ্য ব্যবস্থাপনা এবং কৃত্রিম বুদ্ধিমত্তা প্রযুক্তির উপর নির্ভর করে পোশাক সরবরাহের চেইনের ক্রমবর্ধমান ডিজিটাইজ এর কারণে তৈরিপোশাক কোম্পানী গুলির জন্য বিশাল সুযোগ। প্রকৃতপক্ষে, বাস্তবতায় পোশাক শিল্প দ্রুত পরিবর্তনশীল, তাছাড়া সাপ্লাই চেইন, নিবিড় প্রযুক্তি এবং ডেটা ড্রাইভেন এর ফলে আরও বিশ্বায়ন হয়ে উঠেছে। আশা করা যায়, ডিজিটাল প্রযুক্তির অগ্রগতি এবং তথ্য ব্যবস্থাপনার সঠিক ব্যবহারের ফলে পোশাক কারখানাগুলি বাজারের অনিশ্চয়তাগুলো আরও ভালভাবে কাটিয়ে উঠতে এবং ব্যবসায়ের অনেক দিক উন্নত করতে সক্ষম হবে, যেমন বাজারের গতি, পরিচালনার দক্ষতা এবং এমনকি বাজার স্থিতিশীলতাও আসবে।

২. খাতওয়ারি অথবা পণ্য ভিত্তিক ফলাফলঃ

যেহেতু এপেক্স স্পিনিং এন্ড নিটিং মিলস্ লিমিটেড শুধু মাত্র তৈরী পোশাক উৎপাদনকারী প্রতিষ্ঠান সেহেতু এখানে পণ্য ভিত্তিক ফলাফলের বিবরণ দেওয়ার কোন সুযোগ নেই। যাহোক বার্ষিক প্রতিবেদনের ২৬ নং নোটে প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

৩. ঝুঁকি ও উদ্ভিন্নতা সমূহঃ

শুরু থেকেই তৈরী পোশাক খাতের একটা ঐতিহ্য আছে যে বিদেশী ক্রেতাদের কাছে এটি একটি মূল্যবান উৎস হিসাবে বিবেচিত হয়েছে, যার ভিত্তি হল কম খরচে অধিক উৎপাদন। এই খাতের বৃদ্ধি অনস্বীকার্য। কিন্তু এর মান বজায় রেখে এবং পরিবর্তনের জন্য প্রস্তুত হতে পারি তাহলে বাংলাদেশকে স্বল্পোন্নত দেশ (এলডিসি) থেকে উন্নয়নশীল দেশে রূপান্তরে সহায়ক হবে এবং ২০২৪-এর মধ্যে প্রত্যাশিত উন্নয়নশীল দেশের মর্যাদায় সহায়ক হবে কি ?

একটা দিক অবশ্যই বিবেচনা করা উচিত তা হল প্রথাগত উৎপাদন থেকে তৈরী পোশাক খাতকে মান-ভিত্তিক, ভলিউম ড্রাইভেন, ফ্যাশনাবেল ও উচ্চ মূল্য মানের পণ্যে উপনিত করা। এই জাতীয় সিদ্ধান্ত গ্রহণের ফলে একটি যুক্তি সম্মত মুনাফা অর্জনে সক্ষম হবে যা তৈরী পোশাক খাতকে বিকাশের জন্য এবং কর্মীদের শক্তিশালীকরণ এবং জীবনযাত্রার মান উন্নয়নের জন্য বিশেষ ছমিকা রাখতে পারে।

৪. বিক্রিত পণ্যের ব্যয় বিশ্লেষণ, মোট প্রান্তিক মুনাফা এবং নীট প্রান্তিক মুনাফাঃ

ক) বিক্রিত পণ্যের ব্যয়ঃ

প্রতিবেদন কালিন সময়ে বিক্রিত পণ্যের ব্যয় ছিল ৩,২৫১ মিলিয়ন টাকা, যা গত বৎসর ছিল ৩,৩৪৪ মিলিয়ন টাকা। এর কারণ প্রতিবেদন কালিন সময়ে মোট বিক্রয় কমেছে। প্রতিবেদন কালিন সময়ে ২,৫৩৩,৫২২ ডজন তৈরি পোশাক উৎপাদন হয়েছে যা গত বৎসর ছিল ২,৫৭৯,৫০২ ডজন। গত বৎসরের তুলনায় ৪৫,৯৮০ ডজন উৎপাদন হ্রাস পেয়েছে। প্রতিবেদন কালিন সময়ে কোম্পানীর উৎপাদন ক্ষমতার ৯০.৪৮ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় প্রতিবেদন কালিন সময়ে মজুরী এবং বেতন ১৪৫.৩৪ মিলিয়ন টাকা বৃদ্ধি পেয়েছে।

খ) মোট মুনাফাঃ

৩০ জুন ২০১৯ সমাপ্ত বছরে কোম্পানী মোট বিক্রয় করেছে ৩,৫৩৭.৭৯ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ৩,৬৩৩.৬৬ মিলিয়ন টাকা। গত বৎসরের তুলনায় এ বছর ২.৬৩ শতাংশ বিক্রয় হ্রাস পেয়েছে। এ বছর মোট মুনাফা অর্জিত হয়েছে ২৮৬.২৮ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৮৯.৫৪ মিলিয়ন টাকা।

গ) নীট মুনাফাঃ

প্রতিবেদন কালিন সময়ে নীট মুনাফা (কর পরবর্তী) হয়েছে ২৪.৬১ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৪.০২ মিলিয়ন টাকা। গত বছরের নীট মুনাফার সহিত এ বছর কোন উল্লেখযোগ্য পার্থক্য নেই।

৫. অস্বাভাবিক লাভ বা ক্ষতিঃ

এ বছর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। তবে ৫.১২ মিলিয়ন টাকা বিনিয়োগের সূত্র মূল্যায়নের ফলে ঘাটতি হয়েছে যাহা সমন্বিত আয় বিবরণীতে দেখানো হয়েছে যাহা এপেক্স ফুডস্ লিমিটেড এর শেয়ারে বিনিয়োগের সমাপনী বাজার মূল্য এবং গত বৎসরের আর্থিক অবস্থার বিবরণীতে দেখানো মূল্যের পার্থক্য, এটা আন্তর্জাতিক এ্যাকাউন্টিং স্ট্যান্ডার্ডস্ (আই.এ.এস) / আন্তর্জাতিক ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস্ (আই .এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে। বার্ষিক প্রতিবেদনে ২০নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহঃ

একই পরিচালকের অধিনে এপেক্স স্পিনিং এন্ড নিটিং মিলস্ লিমিটেডের সাথে এপেক্স ইয়ার্ণ ডাইং লিমিটেড এবং ম্যাটেক্স বাংলাদেশ লিমিটেড-এর কিছু লেনদেন আছে। যা আই.এ.এস ২৪ অনুসারে এই লেনদেন গুলোই আন্তঃ সম্পর্কিত কোম্পানী লেনদেন। ব্যবসায়ের স্বাভাবিক নিয়ম নীতি অনুসরণ করে লেনদেন সম্পন্ন হয়েছে যাহা নির্ধারিত হয়েছে আর্ম'স লেঙ্ প্রাইসে। বিস্তারিত নিচে উল্লেখ করা হলঃ

পার্টির নাম	প্রারম্ভিক ব্যালেন্স	এই বৎসর ক্রয়	এই বৎসর পরিশোধ	সমাপনী ব্যালেন্স
ক) ম্যাটেক্স বাংলাদেশ লিমিটেড	-	১৪৭,০০১,০০৯	১৪৭,০০১,০০৯	-
খ) এপেক্স ইয়ার্ণ ডাইং লিমিটেড	-	৭২,৭৯০,৩৮৭	৭২,৭৯০,৩৮৭	-

গুরুত্বপূর্ণ ব্যক্তিদের সুবিধাসমূহঃ

পরিচালকদের সম্মানীভাতা, মিটিং ফি, বেতন ও ভাতা সমূহ আর্থিক বিবরণীর ৩০ নং নোটে উল্লেখ করা হয়েছে। কোম্পানী তিনজন পরিচালককে তাঁদের ফুল টাইম সার্ভিসের জন্য সম্মানী ভাতা প্রদান করা ছাড়া আর কিছুই প্রদান করে না।

কোম্পানী শ্রমিক কর্মচারী ভবিষ্যৎ তহবিল পরিচালনা করে যা ট্রাস্টি বোর্ড কর্তৃক পরিচালিত। কোম্পানী মাসিক চাঁদা ভবিষ্যৎ তহবিলে প্রদান করে এবং এর বাইরে আর কোন দায় নেই। কোম্পানীর একটি গ্রুপ ইন্সুরেন্স স্কীমও আছে, বাৎসরিক একবার ইন্সুরেন্স কোম্পানীকে প্রিমিয়াম প্রদান করে এবং কোন দাবী আসলে তা ইন্সুরেন্স কোম্পানী দ্বারা সম্পূর্ণ পরিশোধের ব্যবস্থা করে। তার বাইরে কোম্পানী গুরুত্বপূর্ণ ব্যক্তিদের বেতন ও ভাতা ছাড়া আর কিছুই পরিশোধ করে না।

৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হইতে প্রাপ্ত তহবিলের ব্যবহারঃ

এ বৎসর কোন পাবলিক ইস্যু অথবা রাইট ইস্যু করা হয় নাই।

৮. ইনিশিয়াল পাবলিক অফারিং (আই.পি.ও), রিপিট পাবলিক অফারিং (আর. পি. ও), রাইট অফার, ডাইরেক্ট লিস্টিং ইত্যাদি থেকে অর্থ বা তহবিল প্রাপ্তির পর কোম্পানীর আর্থিক অবস্থা :

১৯৯৪ সালের ফেব্রুয়ারী মাসের ১০ তারিখে ইনিশিয়াল পাবলিক অফারিং (আই.পি.ও) হয় এর পর থেকে কোম্পানী ধারাবাহিক ভাবে ভালো করে যাচ্ছে।

৯. বার্ষিক আর্থিক বিবরণী এবং ত্রৈমাসিক আর্থিক অবস্থার বিবরণীর মধ্যে পার্থক্যঃ

শেয়ার প্রতি আয় উল্লেখযোগ্য ভাবে বৃদ্ধি পেয়েছে (অর্থাৎ তৃতীয় প্রান্তিক পর্যন্ত পরিচালন কার্যক্রমে শেয়ার প্রতি আয় ছিল ২.১৬ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ২.৯১ টাকা) এটা মূলত ২০১৮-১৯ অর্থ বছরের শেষে ত্রৈমাসিক বিক্রয়ের ধারাবাহিকতা।

১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিকঃ

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্নরূপঃ

পরিচালকদের নাম	পরিচালক/স্বতন্ত্র পরিচালক	বাৎসরিক পারিশ্রমিক
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	১,৮০০,০০০/-
জনাব শাহরিয়ার আহমেদ	পরিচালক	১২,০০,০০০/-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	৬০০,০০০/-

১১. কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর আর্থিক অবস্থা, কার্যক্রমের ফলাফল, নগদ প্রবাহ, মূলধনের পরিবর্তন সঠিক ভাবে উপস্থাপন করা হয়েছে।

১২. কোম্পানীর হিসাব বহি সমূহ যথাযথ ভাবে সংরক্ষণ করা হয়েছে।

১৩. আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এবং হিসাবগত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।

১৪. ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস (আই.এ.এস), ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আই.এফ.আর.এস)/ বাংলাদেশ ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বি.এফ.আর.এস) যাহা বাংলাদেশে প্রযোজ্য তাহা অনুসরণ করে আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং কোথাও কোন ব্যত্যয় থাকলে তাহা যথাযথ ভাবে প্রকাশ করা হয়েছে।

১৫. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত ও কার্যকর ভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।

১৬. সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ রক্ষার জন্য এ ধরনের কোন পরিস্থিতি উত্থাপিত হয়নি।

১৭. কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।

১৮. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধানঃ

চলতি বছর বিক্রয় সমান্য কমেছে। কিন্তু মজুরী ও বেতন বৃদ্ধির ফলেও পরিচালনগত ফলাফলে কোন উল্লেখযোগ্য ব্যবধান নেই।

১৯. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্তঃ

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬ (১৫ মাস)	২০১৪-১৫	২০১৩-১৪
পরিচালন তথ্যঃ						
বিক্রয়	৩,৫৩৭,৭৯০	৩,৬৩৩,৬৬৩	৩,২০৫,৫৫৭	৪,৩১৯,৩৩৫	২,৯৮৯,৮৪৬	২,৫১১,৬৯৬
মোট মুনাফা	২৮৬,২৭৯	২৮৯,৫৪২	২৪৫,৩৩৩	৩৩৮,৬১৯	২৪৩,১৪০	২২১,১৯৬
পারিচালন মুনাফা	৫৪,০৪০	৬২,৮৫৯	৪৩,১৬৬	৫৩,৩৩৬	৩১,৮২৩	৩৬,৭৮৬
করপূর্ব মুনাফা	৫৩,০৩৮	৬২,৪১১	৪৭,২৭০	৫৬,০১২	৩৫,৯২১	৪১,৫৯৭
করপরবর্তী মুনাফা	২৪,৬১৩	২৪,০২১	২৩,১৬৩	২৮,৭৬৫	২৩,২০৪	১৮,৭৯৬
শেয়ার প্রতি আয়	২.৯৩	২.৮৬	২.৭৬	৩.৪২	২.৭৬	২.২৪
প্রতি শেয়ারের জন্য লভ্যাংশ	২.০০	২.০০	২.০০	২.২০	২.০০	২.০০
আর্থিক তথ্যঃ						
মোট সম্পদ	১,৩৮৩,৬৩৫	১,৪৬১,৯৪৪	১,৩২৫,৩৪০	১,৪৬১,৯৯৬	১,৩৭৪,২৭২	১,১৩৬,২৬৩
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	১,৩৬০,৩৭১	১,৩৪৬,২৩১	১,৩৪৩,৩৯২	১,২৪৮,০৬০	১,২২০,৬৭০	১,১৬০,৩১৭
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	২২৪,১৪২	২৫০,৯৯২	২৯৬,১৬১	২৫০,৬৩০	২৮৪,২৩৬	২৭৩,০৬৩
মোট চলতি মূলধন	১,০৫৩,৮৭০	১,১০৩,৯১৭	৯৯৪,০৪৬	১,১৮৩,৯৩৯	১,০৭২,১৫৩	৮৪১,১৮১
নীট চলতি মূলধন	১৪১,৪৭৮	১০৭,৫১৩	১১৫,৮৩৪	১৬০,৪০১	১২০,০৬১	১২৪,০৪৭
চলতি মূলধন ঋণ	৩৮,৫২৪	৫৭,৯১১	১৬,১৭৮	৮৩,৭৯০	৮১,১৩১	৩,৬৫৩
শেয়ার মূলধন	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০
শেয়ার প্রিমিয়াম	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০
সংরক্ষন এবং উদ্ধৃত	৩৪৪,৯৯৯	৩৩৭,১৮৬	৩২৯,৯৬৪	৩২৫,৩৮৮	৩১৩,৮৩৮	৩০৭,৪৩৫
শেয়ার মালিকদের ইকুইটি	৪৬২,৬৭১	৪৫৯,৯৭৬	৪৪৩,১৮৩	৪৩৪,০৫৬	৪২০,১৭৯	৪১৭,৯১২

২০. লভ্যাংশঃ

কোম্পানীর পরিচালকমন্ডলী ২০১৮-১৯ হিসাব বছরে ১০/- (দশ) টাকার শেয়ারের জন্য ২.০০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করছেন। এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে সেই সমস্ত শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করা হবে যাদের নাম কোম্পানীর সদস্য বহিতে অথবা ডিপোজিটরিতে নভেম্বর ১৩, ২০১৯ ইং তারিখে কার্য সমাপ্ত সময়ে অন্তর্ভুক্ত থাকবে।

২১. অন্তর্বর্তীকালীন লভ্যাংশঃ

পরিচালনা পর্ষদ অন্তর্বর্তীকালীন সময়ে কোন বোনাস শেয়ার বা স্টক লভ্যাংশ ঘোষণা করেনি।

২২. বোর্ডের সভাঃ

এ বৎসর বোর্ডের ৮ (আট) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হলঃ

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	৮
জনাব জহুর আহমেদ পিএইচডি	৮

জনাব শাহরিয়ার আহমেদ	৮
জনাব তারেক নিজামউদ্দিন আহমেদ	৮
জনাব কাজী ফারুক কাদের	৮

২৩. শেয়ারহোল্ডিংস সংক্রান্ত বিবরণ:

নাম অনুসারে বিবরণ	শেয়ার সংখ্যা	
ক) প্যারেন্ট/ সাবসিডিয়ারী/ এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টিসমূহ:		
এপেক্স ফুডস্ লিমিটেড	২,২৬৩,২০০	
এপেক্স ল্যানজারী লিমিটেড	১৪৩,০০০	
এপেক্স ইয়ার্ন ডাইং লিমিটেড	১৩৬,৪০০	
খ) পরিচালকবৃন্দ, প্রধান নির্বাহী কর্মকর্তা, কোম্পানী সচিব, প্রধান অর্থ কর্মকর্তা, অভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স প্রধান:		
জনাব জাফর আহমেদ	পরিচালক	৮৪২,৪০০
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	৯৪৪,৪০০
জনাব শাহরিয়ার আহমেদ	পরিচালক	৪৭,৪০০
জনাব তারেক নিজামউদ্দিন আহমেদ	পরিচালক	-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	-
জনাব কামরুজ্জামান এফসিএ	প্রধান অর্থ কর্মকর্তা	-
জনাব মো: গোলাম কিবরিয়া এফসিএমএ	অভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স প্রধান	-
জনাব মাসুদুর রহমান এসিএ	কোম্পানী সচিব	-
গ) উর্ধ্বতন করপোরেট নির্বাহীগণ		-
ঘ) কোম্পানীতে ১০ শতাংশ অথবা তার চেয়ে বেশী ভোটের অধিকারী শেয়ারহোল্ডার:		
জনাব জাফর আহমেদ		৮৪২,৪০০
জনাব জহুর আহমেদ পিএইচডি		৯৪৪,৪০০
এপেক্স ফুডস্ লিমিটেড		২,২৬৩,২০০
আইসিবি ইউনিট ফান্ড		৯২৭,৬৪০

২৪. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগ:

- (১) জনাব জহুর আহমেদ পিএইচডি এবং জনাব শাহরিয়ার আহমেদ কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন। জনাব জহুর আহমেদ পিএইচডি এবং জনাব শাহরিয়ার আহমেদ এর বিস্তারিত বিবরণ নিম্নরূপ:-

জনাব জহুর আহমেদ পিএইচডি:

- ক) জনাব জহুর আহমেদ পিএইচডি, যুক্তরাষ্ট্র থেকে বায়োফিজিক্স-এ ডক্টরেট ডিগ্রি অর্জন করেন এবং যুক্তরাষ্ট্রের বাফেলোয় স্টেট ইউনিভারসিটির সহযোগী অধ্যাপক হিসেবে কর্মরত ছিলেন। তিনি এই কোম্পানীর একজন উদ্যোক্তা পরিচালক এবং তিনি ১৯৯১ সাল থেকে এই শিল্প খাতে কাজ করিতেছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর ব্যবস্থাপনা পরিচালক।

- খ) তিনি ১. এপেক্স ফুডস্ লিমিটেড, ২. এপেক্স ল্যানজারী লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিটিং মিলস্ লিমিটেড ৫. এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও ৬. ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।

- গ) বর্তমানে তিনি অডিট কমিটি এবং নমিনেশন ও রিযুনারেশন কমিটির একজন সদস্য।

জনাব শাহরিয়ার আহমেদঃ

- ক) জনাব শাহরিয়ার আহমেদ, যুক্তরাষ্ট্রের জনসন এন্ড ওয়েলস বিশ্ববিদ্যালয় হইতে এমবিএ ডিগ্রী অর্জন করেন এবং তার শিক্ষা জীবন শেষ করে ২০০৪ সালে তিনি এই কোম্পানীতে যোগদান করেন। তিনি ২০০৪ সাল থেকে এই শিল্প খাতে কাজ করিতেছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর একজন পরিচালক।
- খ) তিনি এ খাতে যোগদানের পর হইতে এই কোম্পানী পরিচালনার জন্য পর্যাপ্ত জ্ঞান অর্জন করেছেন।
- গ) তিনি এই কোম্পানীর পরিচালক ছাড়াও (১) এপেক্স ফুডস্ লিমিটেড, (২) এপেক্স ল্যানজারি লিমিটেড, (৩) এপেক্স ইয়ার্ন ডাইং লিমিটেড, (৪) এপেক্স টেক্সটাইল প্রিটিং মিলস্ লিমিটেড ৫. এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও ৬. ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে তিনি অডিট কমিটি এবং নমিনেশন ও রিমুনারেশন কমিটির একজন সদস্য।

(২) জনাব কাজী ফারুক কাদের: বিএসইসি কর্পোরেট গভর্নেন্স কোড অনুসারে স্বতন্ত্র পরিচালক হিসাবে নিয়োগ প্রাপ্ত হয়েছেন।

জনাব কাজী ফারুক কাদের এর বিস্তারিত বিবরণ নিম্নরূপঃ

- ক) জনাব কাদের, ঢাকা বিশ্ববিদ্যালয় হইতে স্নাতক ডিগ্রী অর্জন করেন। তিনি ১৯৮৮ থেকে ১৯৯০ এবং ২০০৮ থেকে ২০১৩ সন পর্যন্ত সংসদ সদস্য ছিলেন এবং ১৯৮৮ থেকে ১৯৯০ মেয়াদে তিনি বানিজ্য মন্ত্রণালয়ের স্ট্যান্ডিং কমিটির সদস্য ছিলেন এবং তিনি সোনালী ব্যাংক ও সাধারণ বীমা কর্পোরেশনের পরিচালক ও চেয়ারম্যান হিসাবেও নিয়োগ প্রাপ্ত হয়েছিলেন। তিনি ২০০৮ থেকে ২০১৩ মেয়াদে শিক্ষা মন্ত্রণালয়ের স্ট্যান্ডিং কমিটির সদস্য ছিলেন।
- খ) জনাব কাদের এই কোম্পানীর একজন স্বতন্ত্র পরিচালক এবং এই শিল্প খাত সম্পর্কে গভীর জ্ঞানের অধিকারী।
- গ) জনাব কাদের এপেক্স ফুডস্ লিমিটেডের ও স্বতন্ত্র পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে জনাব কাদের অডিট কমিটি এবং নমিনেশন ও রিমুনারেশন কমিটির চেয়ারম্যান।

২৫. ম্যানেজমেন্ট আলোচনা এবং বিশ্লেষণ যাহা ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত:

ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট আলোচনা ও বিশ্লেষণ যা ব্যবস্থাপনা পরিচালকের বিবৃতি হিসাবে বার্ষিক প্রতিবেদনে সংযুক্ত কোম্পানীর অবস্থান, অপারেশন এবং বিশদ বিশ্লেষণের প্রতিনিধিত্ব করে।

২৬. এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি:

এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি অনুগ্রহপূর্বক পরিশিষ্ট এ পড়ুন।

২৭. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদনঃ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের চাহিদা অনুযায়ী কর্পোরেট গভর্নেন্স প্রতিবেদন পরিশিষ্ট বি ও সি সংযুক্ত করা হলো।

২৮. নিরীক্ষকঃ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ অনুযায়ী বর্তমান নিরীক্ষক, মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ পর পর তিন বৎসর নিরীক্ষা কার্য সম্পাদন করেছেন বিধায় অবসর গ্রহণ করছেন। যোগ্য বিধায় ২০১৯-২০২০ হিসাব বৎসরের জন্য মেসার্স হুসাইন ফরহাদ এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ তাহাদেরকে নিরীক্ষক নিয়োগের জন্য প্রস্তাব করেছেন।

২৯. প্রফেশনালঃ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ অনুযায়ী, মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ যোগ্য বিধায় ২০১৯-২০২০ হিসাব বৎসরের কর্পোরেট গভর্নেন্স কমপ্লায়েন্স সনদ প্রদানের জন্য প্রফেশনাল হিসাবে, তাহাদেরকে নিয়োগের জন্য প্রস্তাব করেছেন।

ঢাকা

২০ অক্টোবর, ২০১৯

বোর্ডের পক্ষে

স্বা/-

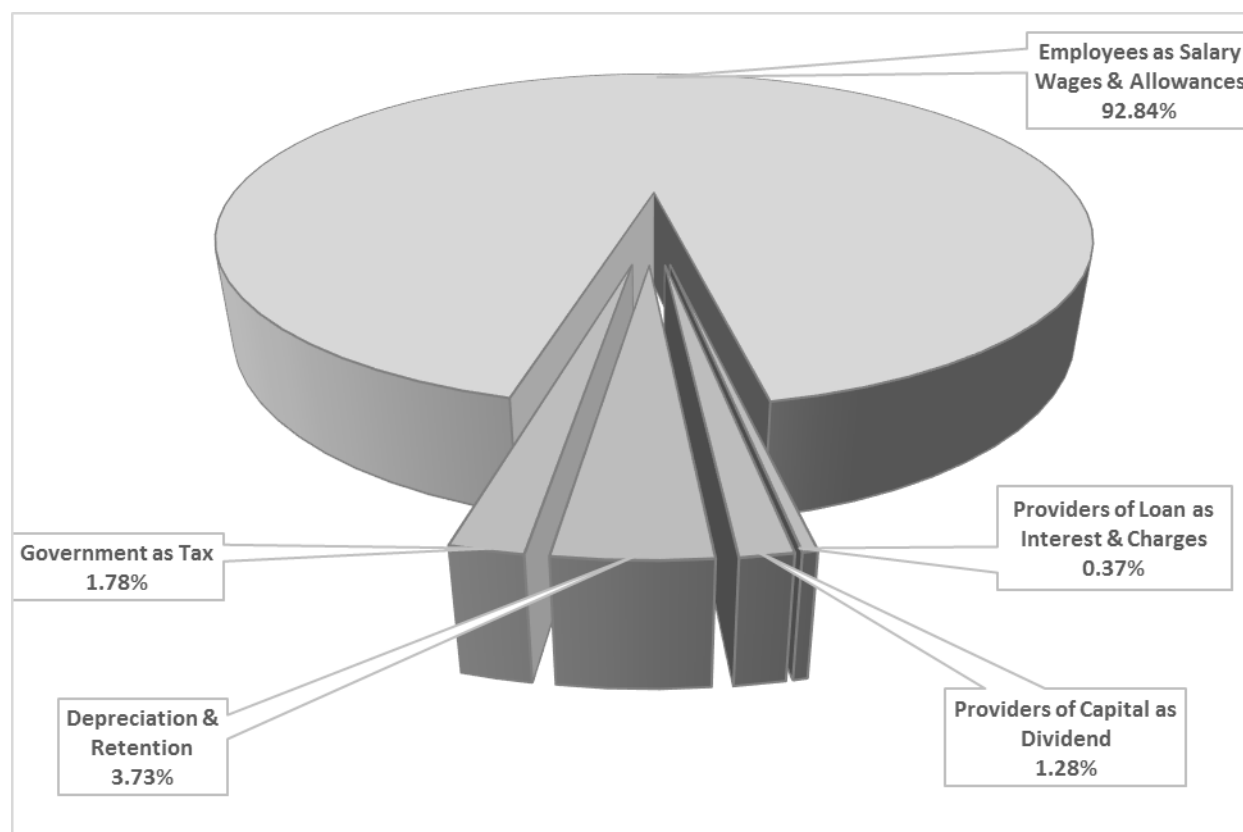
জাফর আহমেদ

সভাপতি

VALUE ADDED STATEMENT

Value in Taka

PARTICULARS	2018-19	%	2017-18	%
VALUE ADDED:				
Revenue	3,537,789,856		3,633,663,481	
Less: Bought in Materials & Services	2,226,231,742		2,453,276,915	
	1,311,558,114		1,180,386,566	
APPLICATIONS:				
Government as Tax	23,305,098	1.78	37,304,742	3.16
Employees as Salary, Wages & Allowances	1,217,705,859	92.84	1,069,713,912	90.63
Providers of Loan as Interest	4,797,892	0.37	5,563,401	0.47
Providers of Capital as Dividend	16,800,000	1.28	16,800,000	1.42
Depreciation & Retention	48,949,265	3.73	51,004,511	4.32
	1,311,558,114	100.00	1,180,386,566	100.00



Independent Auditor's Report
To the Shareholders of Apex Spinning & Knitting Mills Limited
 Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Apex Spinning & Knitting Mills Limited which comprise the financial position as at June 30, 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Company Act 1994, the Security and Exchanges Rules, 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Risk	Our response
<p>Revenue recognition</p> <p>At the year ended, the company's reported total revenue of Tk. 3,537,789,856.00</p> <p>Time of revenue recognition is matter. Considering the other inherent risk of the existence and the accuracy on revenue recognition, the revenue has selected as key audit matter.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Policy of revenue recognition; • Issuance of VAT challan; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
Please see the note 26 in this financial statements.	

Risk	Our response
Valuation of Inventories	
<p>The balance of inventory of the Company at the year-end was Tk. 195,772,567.00 held in the company's warehouse.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • to review the inventory costing procedures and methodology. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
Please see the note 12 in this financial statements.	
Measurement and recognition of Deferred Tax	
<p>The balance of reported deferred tax liability of the company was Tk. 8,572,178.00 as on June 30, 2019.</p> <p>The risk for the financial statements is that these provisions may not be properly measured on all types of temporary difference as per IAS 12: Income Tax.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax.</p> <p>We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.</p> <p>We have also assessed the rate of deferred for each temporary difference.</p> <p>Also, we examined the accounting treatment of deferred tax.</p>
Please see the note 21 in this financial statements.	

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 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, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of 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 auditor's 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 auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred were for the purposes of the Company's business.

Dated, Dhaka
October 20, 2019

Sd/

Md. Waliullah
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2019

	Notes	30.06.2019	Value in Taka 30.06.2018
ASSETS			
Non Current Assets:		329,765,118	358,026,876
Property, Plant and Equipment	8	224,142,218	250,991,726
Investment	9	31,289,750	36,976,550
Investment in Financial Assets	10	64,275,000	60,000,000
Security Deposits	11	10,058,150	10,058,600
Current Assets:		1,053,869,783	1,103,917,016
Inventories	12	195,772,567	196,249,430
Trade Receivables	13	510,122,879	592,919,549
Advances, Deposits & Prepayments	14	61,807,107	51,056,036
Other Receivables	15	49,679,196	18,932,400
Cash & Cash Equivalents	16	236,488,035	244,759,601
TOTAL ASSETS		1,383,634,902	1,461,943,892
EQUITY AND LIABILITIES			
Shareholders' Equity		462,670,726	459,976,108
Share Capital	17	84,000,000	84,000,000
Share Premium	18	15,000,000	15,000,000
Reserve and Surplus	19	344,998,530	337,185,792
Fair Valuation Surplus of Investment	20	18,672,196	23,790,316
Non Current Liability		8,572,178	5,563,348
Deferred Tax Liability	21	8,572,178	5,563,348
Current Liabilities		912,391,998	996,404,437
Working Capital Loan	22	38,523,552	57,911,330
Short Term Loan	23	47,877,364	90,057,782
Trade Payables	24	692,939,448	761,041,964
Other Payables	25	133,051,634	87,393,361
Total Liabilities		920,964,176	1,001,967,785
TOTAL EQUITY AND LIABILITIES		1,383,634,902	1,461,943,892
Net Assets Value (NAV) Per Share	40	55.08	54.76

Annexed notes form an integral part of these Financial Statements.

Sd/
Zahur Ahmed PhD
Managing Director

Sd/
Shahriar Ahmed
Director

Sd/
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20,2019

Sd/
MALEK SIDDIQUI WALI
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2019**

	Notes	2018-2019	Value in Taka 2017-2018
REVENUE	26	3,537,789,856	3,633,663,481
Cost of goods sold	27	(3,251,510,653)	(3,344,121,021)
GROSS PROFIT		286,279,203	289,542,460
OPERATING EXPENSES:		(232,239,286)	(226,683,135)
Other Operating Income/(Loss)	29	(1,474,859)	194,718
Administrative & selling overhead	30	(230,764,427)	(226,877,853)
OPERATING PROFIT		54,039,917	62,859,325
Financial Expenses	31	(4,797,892)	(5,563,401)
Financial Income	32	6,447,937	5,115,392
PROFIT BEFORE PPF & WF		55,689,962	62,411,316
Provision for Contribution to PPF & WF		(2,651,903)	-
PROFIT BEFORE TAX		53,038,059	62,411,316
Tax Expenses:	33	(28,425,321)	(38,390,023)
Current tax		(17,344,052)	(31,452,410)
Under provision of tax		(7,503,759)	(6,382,896)
Deferred tax income/(expenses)		(3,577,510)	(554,717)
NET PROFIT AFTER TAX		24,612,738	24,021,294
Other comprehensive income:			
Fair valuation surplus/(deficit) of investment	20	(5,118,120)	9,572,103
Fair valuation surplus/(deficit) during the year		(5,686,800)	10,635,670
Less: Deferred tax income/(expense)		568,680	(1,063,567)
TOTAL COMPREHENSIVE INCOME		19,494,618	33,593,397
Basic Earnings Per Share (EPS)	39	<u>2.93</u>	<u>2.86</u>

Annexed notes form an integral part of these Financial Statements.

Sd/
Zahur Ahmed PhD
Managing Director

Sd/
Shahriar Ahmed
Director

Sd/
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20, 2019

Sd/-
MALEK SIDDIQUI WALI
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2019

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June'18	84,000,000	15,000,000	129,700,699	204,733,275	2,751,818	23,790,316	459,976,108
Net profit after tax for the year	-	-	-	24,612,738	-	-	24,612,738
Dividend Paid for 2017-18	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(5,118,120)	(5,118,120)
As at 30th June'19	84,000,000	15,000,000	129,700,699	212,546,013	2,751,818	18,672,196	462,670,726

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2018

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June'17	84,000,000	15,000,000	129,700,699	197,618,718	2,751,818	14,218,213	443,289,448
Prior Year adjustment(note -36)	-	-	-	(106,737)	-	-	(106,737)
Restated Opening Balance	84,000,000	15,000,000	129,700,699	197,511,981	2,751,818	14,218,213	443,182,711
Net profit after tax for the year	-	-	-	24,021,294	-	-	24,021,294
Dividend Paid for 2016-17	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	9,572,103	9,572,103
As at 30th June'18	84,000,000	15,000,000	129,700,699	204,733,275	2,751,818	23,790,316	459,976,108

Annexed notes form an integral part of these Financial Statements.

Sd/
Zahur Ahmed PhD
Managing Director

Sd/
Shahriar Ahmed
Director

Sd/
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20, 2019

Sd/
MALEK SIDDIQUI WALI
Chartered Accountants

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2019

	2018-2019	Value in Taka 2017-2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from revenue	3,617,762,240	3,428,220,128
Financial income from SND	7,689	7,689
Other income from operational foreign exchange gain/(loss)	(799,530)	(489,029)
Bank charges & commission	(87,420,702)	(83,281,196)
Income tax paid during the year	(23,074,775)	(31,452,410)
Payment for costs and expenses	(3,422,267,049)	(3,399,596,418)
Net cash generated from/(used in) operating activities (a)	84,207,874	(86,591,236)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(14,139,875)	(2,839,253)
Investment in Financial Assets	(4,275,000)	(60,000,000)
Financial Income from FDRs	4,750,000	1,762,251
Other operating income from dividend	1,766,452	1,766,452
Net cash generated from/(used in) investing activities (b)	(11,898,423)	(59,310,550)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Working capital loan received/(repaid)	(19,387,778)	41,733,388
Short term loan received/(repaid)	(42,180,418)	9,459,798
Dividend paid during the year	(15,676,022)	(15,763,947)
Interest & other financial charges paid	(4,797,892)	(5,563,401)
Net cash generated from/(used in) financing activities (c)	(82,042,110)	29,865,838
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(9,732,659)	(116,035,948)
Cash and cash equivalents on opening	244,759,601	356,748,545
The effect of foreign exchange translation gain	1,461,093	4,047,004
Cash and cash equivalents on closing	236,488,035	244,759,601
Net Operating Cash Flows Per Share	10.02	(10.31)

Annexed notes form an integral part of these Financial Statements.

Sd/
Zahur Ahmed PhD
Managing Director

Sd/
Shahriar Ahmed
Director

Sd/
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20, 2019

Sd/
MALEK SIDDIQUI WALI
Chartered Accountants

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flow per Share is Tk. 10.02 but it was Tk. (10.31) in 2017-18 which is mainly for increasing of collection from revenue as compare to last year. This scenario is changeable time to time depending on different issues.
- Please refer to Annexure-1 for Reconciliation of cash flow from operating activities under direct method and indirect method as per requirement of Bangladesh Securities & Exchange Commission (BSEC).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019 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.

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.

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 Financial Statements:

2.01 Accounting Convention and Basis:

These 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):

To comply with ICAB guideline, we have changed the name BAS & BFRS into IAS & IFRS. The following IASs & IFRSs are applicable for the financial statements for the year under review:

IAS-1	Presentation of financial statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-39	Financial Instruments: Recognition and Measurement
IFRS-07	Financial Instruments: Disclosure
IFRS-15	Revenue from Contracts with Customers

2.03 Compliance with local laws:

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

2.04 Compliance with International Financial Reporting Standards(IFRS):

The Financial Statements have been prepared in compliance with requirements of IFRS's.

3. Significant Accounting Policy:**3.01 Property, Plant and Equipment:**

These are stated at historical cost less accumulated depreciation in accordance with IAS 16 "Property, Plant and Equipment".

3.01(i) Depreciation on Property, Plant and Equipment:

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: "Property, Plant and Equipment". Depreciation is provided for the period in use of the assets. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation has been charged on additions made during the year from the month in which those assets are ready to use. Depreciation is provided on all fixed assets except land at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

The rates of depreciation of each class of assets are as follows:

Factory Building	20 %
Civil Construction	10 %
Plant & Machinery	20 %
Effluent Treatment Plant	20%
Gas Installation	15%
Electric Installation	15%
Boiler	15 %
Generator	15 %
Water Treatment Plant	20%
Factory Equipment	15 %
Other Equipment	15 %
Deep Tube-well & Tanks	15%
Motor Vehicles	20 %
Furniture & Fixtures	10 %
Laboratory Equipment	15%
Office Equipment	15 %
Motor Cycles	20%

3.01(ii) Disposal of Property, Plant and Equipment:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and sales proceeds. There was no disposal of any Property, Plant and Equipment during the period ended 30th June, 2019.

3.02 Inventories:

Inventories in hand as at 30th June, 2019 have been valued at lower of cost and net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow moving items.

The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location & condition.

3.03 Investments:**Basis of fair value measurement:**

As fair value is a market based measurement, when measuring the fair value of an investment we considered the market value on Investments on reporting date.

3.04 Current and Non-current assets and liabilities:

The company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating circle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating circle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement the liability for at least twelve months after the reporting periods

The company classifies all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

3.05 Taxation:

Provision for income tax has been made as per requirements of the Income Tax Ordinance, 1984 and Income Tax Rule, 1984.

3.06 Income Tax:

The company is a Public Limited Company. As per the Income Tax Ordinance, 1984 the rate of income tax is 25.00%. Since the company is a 100% export oriented (Knit Garments) industry, so applicable tax rate will be 12.00% on business profit (as per SRO no. 255-Law/Income Tax/2017 dated 01 August, 2017 & also as per SRO no. 266-Law/Income Tax/2018 dated 05 September, 2018). The tax provision has been made based on the highest of 12% on business profit or tax deducted at sources @ 0.60% (upto 31.12.2018) & 0.25% on export proceeds or tax on gross receipts during the period and provision has been made accordingly. However, the tax provision has been made @ 25.00% on interest income, exchange gain/(loss) and 20.00% on dividend income as per provision of the Income Tax Ordinance, 1984 and Income Tax Rule, 1984.

3.07 Deferred Tax:

Deferred tax assets or deferred tax liabilities have been accounted for in accordance with IAS 12 "Income Taxes". Deferred tax arises due to temporary difference, deductible or taxable for the events or transactions recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financial statements. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax asset/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

3.08 Trade Receivables:

These are considered good and realizable. Export bills receivables are stated at the original invoice value.

3.09 Payables and Accrued Expenses:

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the suppliers.

3.10 Earnings Per Share:

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33 “Earnings Per Share” which has been shown on the face of statement of profit or loss and other comprehensive income and the computation of EPS is stated in Note 39.

3.10(i) Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. There was no preference dividend and minority interest. The net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.10(ii) Weighted Average Number of Ordinary Shares Outstanding during the Year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the period.

3.10(iii) Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.10(iv) Diluted Earnings per Share

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

3.11 Statement of Cash Flows:

Statement of Cash Flows has been prepared in accordance with IAS 7 “Statement of Cash Flows” and the cash flows from the operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions of paragraph 19 of IAS 7 which provides that “Entities are Encouraged to Report Cash Flows from Operating Activities using the Direct Method”. Reconciliation of cash flow from operating activities under direct method and indirect method has been given in Annexure -1.

3.12 Foreign Exchange:

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Statement of Financial Position date in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”. The closing conversion rate was Tk. 83.50 & Tk. 84.50 per US Dollar for monetary items of assets & liabilities respectively.

3.13 Revenue Recognition:

Exports are made against confirmed L/C and firm contracts. The sale proceeds are accounted for upon shipments and after satisfying all the conditions for revenue recognition as provided in IFRS 15 “Revenue from Contracts with Customers”.

3.14 Other Income Recognition:

Other Incomes have been recognized on accrual basis.

3.15 Employee Benefit Obligations:

The Company operates a contributory provident fund and a Group Insurance Scheme for its permanent employees. A Board of Trustee administrates the provident fund.

3.16 Contribution to PPF & WF:

This is being calculated @ 5.00% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labor Law 2006 and Bangladesh Labor Rules 2015 and is payable to Workers' & government as defined in the said Act.

3.17 Central Fund RMG :

We are 100% export oriented Readymade Garment Industry (RMG) and as per Labour Rules 2015, section 214 Gazetted on 15th September 2015, the Government is deducting @ 0.03% on our export proceeds as Central Fund RMG which has deducted for the welfare of workers hence is treated as factory overhead.

3.18 Risk and uncertainties for use of estimates in preparation of financial statements:

Preparation of Financial Statements in conformity with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long term contracts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

4. Financial Risk Management:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

- Credit risk
- Liquidity risk
- Market risk
- Price Risk
- Interest rate risk
- Currency risk

4.01 Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As the Company is 100% export oriented so the major customers of the Company are in Germany, USA, UK, Poland, Belgium, Italy and Spain.

The Trade Receivable are due from foreign customers for export. The balance from foreign customers are secured against firm contracts/letters of credit. Management assesses the credit quality of foreign customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are no past due. Trade Receivable balances and the balance as on 30.06.2019 has subsequently been fully realized. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

4.02 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 managing liquidity (Investment in Financial Assets, cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient Investment in Financial Assets & cash and cash equivalents to meet expected operational expenses, including financial obligation through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing but till to date this was not required as the Company has not faced such a situation.

4.03 Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

4.04 Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does not have any significant financial instrument that expose the price risk.

4.05 Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no such foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

4.06 Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases, which, are entered in a currency other than BDT. The foreign currency transactions are mainly occurred in USD and during the year under review the conversion rate of USD into BDT have not fluctuate materially.

5. Capital risk Management:

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments 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 shareholders or issue new shares.

6. Operating segments:

- These financial statements have been prepared on the basis of single reportable segment.
- All non-current assets of the Company as at 30th June 2019 are located in Bangladesh.

7. Others:

7.01 Comparative information

Comparative information have been disclosed in respect to the year 2017-18 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current periods financial statements.

Last period figures have been rearranged where considered necessary to conform to current year's presentation.

7.02 Reporting currency and level of precision:

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded-off to nearest Taka.

7.03 Reporting period:

Financial Statements of the Company cover a year from 1st July to 30th June.

7.04 Components of the Financial Statements:

The Financial Statements include the following components as per IAS 1 "Presentation of Financial Statements".

- i) Statement of Financial Position as at 30th June, 2019
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2019
- iii) Statement of Changes in Equity for the year ended 30th June, 2019
- iv) Statement of Cash Flows for the year ended 30th June, 2019 and
- v) Accounting Policies and explanatory notes.

8. PROPERTY, PLANT AND EQUIPMENT: TK. 224,142,218

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.19
		Balance as at 30.06.18	Addition During year	Balance as at 30.06.19		Balance as at 30.06.18	Charged for the year	Balance as at 30.06.19	
1	Land & Land Development	21,423.102	-	21,423.102	-	-	-	-	21,423.102
2	Factory Building	255,373.615	-	255,373.615	20	225,638.240	5,947.075	231,585.315	23,788.300
3	Civil Construction	53,665.771	1,315.000	54,980.771	10	39,368.892	1,516.230	40,885.121	14,095.650
4	Plant & Machinery	669,939.150	3,706.505	673,645.655	20	598,981.544	14,361.557	613,343.102	60,302.553
5	Effluent Treatment Plant	71,210.757	-	71,210.757	20	45,083.965	5,225.358	50,309.324	20,901.433
6	Gas Installation	23,449.836	-	23,449.836	15	10,039.189	2,011.597	12,050.786	11,399.050
7	Electric Installation	10,764.273	-	10,764.273	15	9,614.700	172.436	9,787.136	977.137
8	Boiler	13,367.693	-	13,367.693	15	12,188.975	176.808	12,365.782	1,001.911
9	Generator	132,772.799	-	132,772.799	15	80,591.776	7,827.153	88,418.929	44,353.870
10	Water Treatment Plant	8,262.353	-	8,262.353	20	7,131.609	226.149	7,357.758	904.595
11	Factory Equipment	14,762.616	7,289.470	22,052.086	15	11,797.116	1,422.109	13,219.226	8,832.860
12	Other Equipment	8,178.396	-	8,178.396	15	6,271.302	286.064	6,557.366	1,621.030
13	Deep Tube-Well & Tanks	10,964.959	510.000	11,474.959	15	8,020.075	505.483	8,525.558	2,949.401
14	Motor Vehicles	8,511.244	-	8,511.244	20	8,163.201	69.609	8,232.809	278.435
15	Furniture & Fixtures	28,667.452	1,211.700	29,879.152	10	19,387.381	944.366	20,331.747	9,547.405
16	Laboratory Equipment	576.027	-	576.027	15	557.302	2.809	560.110	15.917
17	Office Equipment	14,300.254	107.200	14,407.454	15	12,363.641	294.512	12,658.153	1,749.301
18	Motor Cycles	40.625	-	40.625	20	40.288	67	40.356	269
		1,346,230,922	14,139,875	1,360,370,796		1,095,239,195	40,989,382	1,136,228,578	224,142,218

Charged to:

Factory Overhead	39,680,828
Administrative & Selling Overhead	<u>1,308,554</u>
	<u>40,989,382</u>

PROPERTY, PLANT AND EQUIPMENT FOR 2017-2018

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.18
		Balance as at 30.06.17	Addition During year	Balance as at 30.06.18		Balance as at 30.06.17	Charged for the year	Balance as at 30.06.18	
1	Land & Land Development	21,423.102	-	21,423.102	-	-	-	-	21,423.102
2	Factory Building	255,373.615	-	255,373.615	20	2,18,204.396	7,433.844	225,638.240	29,735.375
3	Civil Construction	53,665.771	-	53,665.771	10	37,780.350	1,588.542	39,368.892	14,296.879
4	Plant & Machinery	668,462.647	1,476.503	669,939.150	20	5,81,580.508	17,401.036	598,981.544	70,957.606
5	Effluent Treatment Plant	71,210.757	-	71,210.757	20	38,552.267	6,531.698	45,083.965	26,126.792
6	Gas Installation	23,199.836	250.000	23,449.836	15	7,705.693	2,333.496	10,039.189	13,410.647
7	Electric Installation	10,764.273	-	10,764.273	15	9,411.834	202.866	9,614.700	1,149.573
8	Boiler	13,367.693	-	13,367.693	15	11,980.966	208.009	12,188.975	1,178.718
9	Generator	132,772.799	-	132,772.799	15	71,383.360	9,208.416	80,591.776	52,181.023
10	Water Treatment Plant	8,262.353	-	8,262.353	20	6,848.923	282.686	7,131.609	1,130.744
11	Factory Equipment	14,762.616	-	14,762.616	15	11,273.793	523.323	11,797.116	2,965.500
12	Other Equipment	7,565.646	612.750	8,178.396	15	5,952.778	318.524	6,271.302	1,907.094
13	Deep Tube-Well & Tanks	10,464.959	500.000	10,964.959	15	7,507.743	512.332	8,020.075	2,944.884
14	Motor Vehicles	8,511.244	-	8,511.244	20	8,076.190	87.011	8,163.201	348.043
15	Furniture & Fixtures	28,667.452	-	28,667.452	10	18,356.262	1,031.119	19,387.381	9,280.071
16	Laboratory Equipment	576.027	-	576.027	15	553.997	3.305	557.302	18.725
17	Office Equipment	14,300.254	-	14,300.254	15	12,021.886	341.755	12,363.641	1,936.613
18	Motor Cycles	40.625	-	40.625	20	40.204	84	40.288	337
		1,343,391,669	2,839,253	1,346,230,922		1,047,231,147	48,008,047	1,095,239,195	250,991,726

Charged to:

Factory Overhead	46,548,079
Administrative & Selling Overhead	<u>1,459,969</u>
	<u>48,008,047</u>

	<u>30.06.2019</u>	<u>30.06.2018</u>
9. INVESTMENT: TK. 31,289,750		
(i) Apex Foods Limited (Public Limited Company) (Total number of Shares 169,250 and Total cost of Shares Tk. 8,973,415.)	29,720,300	35,407,100
(ii) Central Depository Bangladesh Limited (571,181 Share of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each.)	1,569,450	1,569,450
	----- 31,289,750 =====	----- 36,976,550 =====

Market Price of Listed Companies Shares

Apex Foods Limited	175.60	209.20
--------------------	--------	--------

- Investment in shares of Apex Foods Limited has been valued at market price in accordance with IAS 39 "Financial Instruments: Recognition & Measurement."

10. INVESTMENT IN FINANCIAL ASSETS: TK 64,275,000

Investment in FDR's	64,275,000	60,000,000
	=====	=====

- FDR's are made for more than one year i.e. 380 days.

11. SECURITY DEPOSITS : TK. 10,058,150

Security Deposits to TGTDC	8,560,345	8,560,345
Guarantee Margin to EBL for TGTDC	1,082,008	1,082,008
Security Deposits to Multi Securities & Services Ltd	1,797	2,247
Security Deposits for Office Rent	405,000	405,000
Security Deposits for TNT & Mobile	9,000	9,000
	----- 10,058,150 =====	----- 10,058,600 =====

- Security deposits are made to above statutory bodies and hence secured.

12. INVENTORIES: TK. 195,772,567

Finished Goods	Quantity			
T Shirts	4,318 Doz	5,902,749	32,999,377	
	4,318 Doz	5,902,749	32,999,377	
Work in Process				
Dyed Fabric	53,593 Kg	26,577,162	12,904,537	
Knitted Fabric	60,302 Kg	18,895,181	18,883,320	
Garments	28,426 Doz	21,903,870	25,218,394	
		67,376,213	57,006,251	
Raw Materials				
Yarn	208,946 Kg	68,207,564	53,876,010	
Dyes & Chemicals	53,146 Kg	23,755,820	22,038,279	
		91,963,384	75,914,289	
Accessories		30,530,221	30,329,513	
		----- 195,772,567 =====	----- 196,249,430 =====	

- The above Inventories are as per physical checking made, valued and counted by Inventory team consists of Management staff and Internal Auditors.
- Inventories in hand have been valued at lower of cost and net realizable value.
- Inventories are hypothecated against working capital loan facilities from the Banks.

	<u>30.06.2019</u>	<u>30.06.2018</u>
13. TRADE RECEIVABLES: TK. 510,122,879		
Export Bills Receivable	<u>510,122,879</u>	<u>592,919,549</u>

- Trade receivables are considered good. The ageing of the trade receivables are given below:

<u>Ageing of the trade receivable</u>	<u>Amount (Tk.)</u>	<u>Amount (Tk.)</u>
30 Days	193,431,688	289,489,433
60 Days	308,274,309	257,782,979
90 Days	8,416,882	45,647,137
120 Days	-	-
	<u>510,122,879</u>	<u>592,919,549</u>

- Trade receivables are good & realized in full subsequently.
- No balance with related parties & directors.
- Trade receivables are hypothecated against working capital loan facilities from the Banks

14. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 61,807,107

Advance Income Tax	Note # 14.a	59,763,767	49,895,187
Advance against expenses		<u>2,043,340</u>	<u>1,160,849</u>
		<u>61,807,107</u>	<u>51,056,036</u>

14.a ADVANCE INCOME TAX: TK. 59,763,767

Opening Balance	49,895,187	49,502,014
Add: Paid during the year	23,074,775	31,452,410
Less: Adjustment during the year	<u>13,206,195</u>	<u>31,059,237</u>
Closing Balance	<u>59,763,767</u>	<u>49,895,187</u>

- No amount was due by Directors and other Officers of the Company or by Associated Undertaking.
- All advance against expenses are adjusted regularly and considered good.

15. OTHER RECEIVABLES: TK. 49,679,196

Cash incentive receivable	47,817,900	16,994,900
FDRs interest receivable	1,861,296	1,937,500
	<u>49,679,196</u>	<u>18,932,400</u>

- Cash incentive receivable represents the audited certificate amount receivable from Bank against cash incentive. The amount has subsequently been received from the Bangladesh Bank through Eastern Bank Limited.
- The ageing of the Cash incentive receivable are maximum 06 (Six) months.
- FDR's interest receivable represents the provision of interest receivable on FDR's up to 30.06.2019.

	<u>30.06.2019</u>	<u>30.06.2018</u>
16. CASH AND CASH EQUIVALENTS: TK. 236,488,035		
Cash and Bank Balances:		
Cash in hand	20,000	20,000
Cash at bank :		
CD Account with Eastern Bank Ltd., Dhaka	9,154	10,304
CD Account with Dhaka Bank Ltd., Dhaka	26,707	27,857
CD Account with SCB, Dhaka	189,432	186,479
CD Account with Mutual Trust Bank Ltd, Chandora	49,939	55,594
CD Account with Mutual Trust Bank Ltd, Dilkusha, Dhaka	83,470	84,620
CD Account with AB Bank, Dhaka	38,098	39,248
CD Account with Dutch Bangla Bank Ltd., Dhaka	4,158,075	4,495,454
CD Account with Eastern Bank Ltd. -Dividend, Dhaka	183	183
CD Account with HSBC-Dividend, Dhaka	360	-
Foreign Currency Account with Eastern Bank Ltd., Dhaka-USD	16,464,454	6,362,887
Foreign Currency Account with HSBC, Dhaka-USD	396,887	393,471
SND Account with SCB, Dhaka	735,192	735,882
SND Account with Eastern Bank Ltd., Principal Branch, Dhaka	207,671	208,832
SND Account with HSBC , Dhaka	1,247	1,232
CC Accounts with Eastern Bank Ltd., Dhaka	22,925	24,075
Margin Account with Eastern Bank Ltd. –USD	214,084,240	232,113,483
	<u>236,468,035</u>	<u>244,739,601</u>
	236,488,035	244,759,601
	=====	=====

Foreign Currency Account balances in USD are given below which has converted in BDT at closing rate @ 83.50 per USD as on 30.06.2019 & as compare to BDT @ 82.75 per USD as on 30.06.2018:

	<u>In USD</u>	<u>In USD</u>
Foreign Currency Account with Eastern Bank Ltd., Dhaka	\$ 197,179.09	\$ 76,892.89
Foreign Currency Account with HSBC, Dhaka	\$ 4,753.14	\$ 4,754.94
Margin Account with Eastern Bank Ltd.	\$ 2,563,883.11	\$ 2,804,996.78

- Cash in hand was physically counted at the year end. All Bank balances were reconciled and confirmed by bank statements.

17. SHARE CAPITAL : TK. 84,000,000

Authorized Capital:

30,000,000 Ordinary Shares of Tk. 10/= each.	300,000,000	300,000,000
	=====	=====

Issued, Subscribed & Paid up Capital:

8,400,000 Ordinary Shares of Tk. 10/= each fully paid	84,000,000	84,000,000
	=====	=====

Allotment Date	Types of Issue	No. of Share	Face value of per share	Amount (BDT)	Basis of allotment
25 th November, 1990 (during the incorporation)	Ordinary	10,000	100	1,000,000	Cash (Banking Channel)
Allotment made during the financial year 1993-94	Ordinary	690,000	100	69,000,000	Cash (Banking Channel)
Bonus Share declaration on 22 nd January, 1997	Bonus	140,000	100	14,000,000	Bonus Share
Total		840,000	100	84,000,000	
Split the share on 13 th November, 2011	-	8,400,000	10	84,000,000	Per share 100 into 10

- There was no preference share issued by the Company.

Composition of Shareholdings as on 30.06.2019:

Sponsors & Directors	54.81%	54.95%
Institutions	22.70%	26.58%
Foreign Shareholders	2.87%	0.94%
Public - Local	19.62%	17.53%
	<u>100.00%</u>	<u>100.00%</u>
	=====	=====

The Company had the following non-resident Shareholders on 30.06.2019:

<u>NAME</u>	<u>FOLIO/BO NO.</u>	<u>NO. OF SHARE</u>
Smith New Court Far East Ltd.	00011	600
-do-	03777	2,000
Hong Kong Bank Int'l Trustee Ltd.	04037	6,360
Somers Nominees (Far East) Ltd.	04038	10,800
Investors Bank & Trust Company	04065	200
UBS Securities (East Asia) Ltd.	04689	720
BNYM AC ACADIAN FTRMKT EQT FD	1601620011443142	220,487

		241,167
		=====

- Dividend is paid to non-resident shareholders through their local agents.

The distribution showing the number of shareholders and their shareholdings in percentages are as follows:

<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>	<u>In %</u>
1,732	Less than & equal 500 Shares	251,233	2.99
467	501 to 5,000 Shares	727,836	8.66
24	5001 to 10,000 Shares	170,382	2.03
15	10,001 to 20,000 Shares	197,457	2.35
4	20,001 to 30,000 Shares	100,938	1.20
2	30,001 to 40,000 Shares	71,782	0.85
3	40,001 to 50,000 Shares	140,800	1.68
0	50,001 to 100,000 Shares	-	-
4	100,001 to 200,000 Shares	544,000	6.48
7	Over 200,000 Shares	6,195,572	73.76
		-----	-----
		2,258	100.00
		=====	=====

	<u>30.06.2019</u>	<u>30.06.2018</u>
18. SHARE PREMIUM TK. 15,000,000	15,000,000	15,000,000
	=====	=====

- This is as per last account and represents premium of Tk. 50/= per Share of 300,000 Ordinary Shares of Tk. 100 each.

19. RESERVE AND SURPLUS: TK. 344,998,530

Reserve for Re-Investment	129,700,699	129,700,699
Retained Earnings	212,546,013	204,733,275
Capital Gain	2,751,818	2,751,818
	344,998,530	337,185,792

- Reserve for Re-Investment represents Tax Holiday Reserve made up to the Tax Holiday period of the Company as per requirements of the Income Tax Ordinance, 1984. The reserve and surplus is utilized in the Company's business.

20. FAIR VALUATION SURPLUS/(DEFICIT) OF INVESTMENT: TK. 18,672,196

Opening Balance	23,790,316	14,218,213
Adjustment for fair valuation surplus/(deficit) during the year	(5,118,120)	9,572,103
	-----	-----
	18,672,196	23,790,316
	=====	=====

- Fair valuation surplus of investments represents the difference of market value of the listed Company's share on the closing date and the last Balance Sheet price.

	<u>30.06.2019</u>	<u>30.06.2018</u>
21. DEFERRED TAX LIABILITY: TK. 8,572,178		
a) Book Value of Depreciable Assets	224,142,218	250,991,726
Tax Base of Depreciable Assets	<u>212,315,488</u>	<u>236,368,222</u>
Net Taxable Temporary Difference	11,826,731	14,623,504
Effective Tax Rate	<u>12.00%</u>	<u>12.00%</u>
Closing Deferred tax (Assets)/Liability arising from assets	1,419,208	1,754,820
Opening Deferred Tax Balance	<u>1,754,820</u>	<u>2,168,900</u>
Deferred Tax Income/(Expense)	335,613	414,080
b) Unrealized Bank Interest on FDRs 2018-19	1,861,296	1,937,500
Effective Tax Rate	<u>25.00%</u>	<u>25.00%</u>
Closing Deferred tax (Assets)/Liability Arising from Unrealized FDRs Interest	465,324	484,375
Opening Deferred Tax Balance	<u>484,375</u>	<u>89,625</u>
Deferred Tax Income/(Expense)	19,051	(394,750)
c) Unrealized Foreign Exchange gain/(Loss)	(675,329)	683,747
Effective Tax Rate	<u>25.00%</u>	<u>25.00%</u>
Closing Deferred tax (Assets)/Liability Arising from Unrealized exchange gain/Loss	(168,832)	170,937
Opening Deferred Tax Balance	170,937	-
Deferred Tax Income/(Expense)	339,769	(170,937)
d) Cash Incentive Receivable	47,817,900	16,994,900
Effective Tax Rate	<u>10.00%</u>	<u>3.00%</u>
Closing Deferred tax (Assets)/Liability Arising from Cash Incentive Receivable	4,781,790	509,847
Opening Deferred Tax Balance	509,847	106,737
Deferred Tax Income/(Expense)	(4,271,943)	(403,110)
Deferred Tax Income/(Expense) (a+b+c+d)	(3,577,510)	(554,717)
e) Deferred Tax (Assets)/Liability Arising from Other Comprehensive Income:		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments @ 10%	2,074,688	2,643,369
Revaluation of property	-	-
Foreign exchange gain for foreign operation	-	-
Closing Deferred tax (Assets)/Liability arising from Fair Valuation Surplus of investment	2,074,688	2,643,369
Opening Deferred Tax Balance	<u>2,643,369</u>	<u>1,579,802</u>
Deferred Tax Income/(Expense)	568,680	(1,063,567)
Deferred Tax Liability (a+b+c+d+e)	8,572,178	5,563,348

22. WORKING CAPITAL LOAN: TK. 38,523,552

Overdraft-Eastern Bank Ltd, Principal Br. Dhaka	33,767,854	55,719,517
Overdraft-HSBC, Dhaka	4,755,697	2,191,813
	<u>38,523,552</u>	<u>57,911,330</u>
	=====	=====

- The Working Capital Loan was taken from Eastern Bank Ltd, Principal Branch, Dhaka for BDT 8.00 Crore and HSBC for BDT 3.00 Crore against hypothecation as Cash Credit basis for one year. The loan is secured against Inventories and Trade Receivables of the Company. The Loan of Eastern Bank Limited bears interest @ 11.00% p.a. The rate of interest of HSBC is 9.00% p.a.

	<u>30.06.2019</u>	<u>30.06.2018</u>
23. SHORT TERM LOAN: TK. 47,877,364		
Time Loan-Eastern Bank Limited	11,935,768	19,924,108
Import Loan- Eastern Bank Limited	35,941,596	70,133,674
	-----	-----
	47,877,364	90,057,782
	=====	=====
<ul style="list-style-type: none"> Time loan from Eastern Bank Limited represents the amount payable to them against import of machinery and spare parts and will be settled within next twelve months. The Loan of Eastern Bank Limited bears interest @ 11.00% p.a. The rate of interest of HSBC is 9.00% p.a. Import loan from Eastern Bank Limited represents the amount payable to them against import of dyes, chemicals and accessories as part of continuous process. 		
24. TRADE PAYABLES: TK. 692,939,448		
	692,939,448	761,041,964
	=====	=====
<ul style="list-style-type: none"> This represents local procurement and import of Raw Materials (Yarn, Dyes & Chemicals) under Back-to-Back L/C on 30 to 120 days deferred payment and Sight L/C, which has been subsequently adjusted and moves in cycle in this trade. 		
25. OTHER PAYABLES: TK. 133,051,634		
Clearing & Forwarding	6,044,512	6,362,843
Insurance premium	1,113,225	1,064,712
Power, Fuel and Water	5,430,170	4,997,754
Telephone, Telex & Fax	9,019	9,977
Salary, Wages and Overtime	48,098,713	21,128,808
Audit Fees	230,000	230,000
Current Tax Liabilities 25.a	48,796,462	37,154,846
Provident Fund Payable	7,721,327	7,415,240
Unclaimed Dividend 25.b	8,863,826	7,739,848
Provision for Contribution to PPF & WF	2,651,903	-
Payable for Office Rent & Expenses	1,833,847	-
Tax Payable to Govt.	2,173,220	1,062,465
VAT payable to Govt.	85,410	226,868
	-----	-----
	133,051,634	87,393,361
	=====	=====
25.a CURRENT TAX LIABILITIES: Tk. 48,796,462		
Opening Balance	37,154,846	30,378,777
Add: Provisioned during the year	17,344,052	31,452,410
Less: Adjustment during the year	5,702,436	24,676,341
	-----	-----
	48,796,462	37,154,846
	=====	=====
25.b UNCLAIMED DIVIDEND: Tk. 8,863,826		
Opening Balance	7,739,848	6,703,795
Add: Dividend approved at AGM	<u>16,800,000</u>	<u>16,800,000</u>
	24,539,848	23,503,795
Less: Payment during the year	15,676,022	15,763,947
	-----	-----
	8,863,826	7,739,848
	=====	=====
<ul style="list-style-type: none"> Unclaimed dividend represents the dividend warrants issued but not presented to the Bank by the Shareholders within 30th June 2019 and the unclaimed dividend was Tk.88,30,406.54 as on September 30, 2019. 		

- The breakup of unclaimed dividend as on 30.06.2019 is as follows:

<u>Year</u>	<u>Taka</u>
1994-95 to 2014-15	5,592,699
2015-16	1,034,392
2016-17	1,010,588
2017-18	1,226,147
	<u>8,863,826</u>

	<u>2018-2019</u>	<u>2017-2018</u>
26. REVENUE: TK. 3,537,789,856.		
	<u>Quantity in Doz.</u>	<u>USD</u>
T, Polo & Sweat Shirts	<u>2,547,129</u>	<u>42,292,188</u>
	<u>3,537,789,856</u>	<u>3,633,663,481</u>

- Country wise break up of Export for the period July'18-June'2019:

<u>Country</u>	<u>Quantity in Doz</u>	<u>USD</u>
AUSTRALIA	16,988	302,081
BELGIUM	194,409	3,191,641
CANADA	33,910	542,792
CHILE	31,141	517,544
CHINA	108,288	1,857,248
COLUMBIA	6,100	93,164
CROATIA	20,085	314,299
DENMARK	48,965	830,605
DUBAI, UAE	43,919	694,517
GERMANY	456,433	7,522,313
GREAT BRITAIN	161,409	2,755,228
HONG KONG	9,836	149,064
INDIA	12,521	200,576
INDONESIA	9,398	149,601
ITALY	107,708	1,788,751
JAPAN	52,956	848,158
KOREA	15,162	240,239
MALAYSIA	16,198	252,165
MEXICO	48,397	745,100
NETHERLANDS	61,261	1,312,376
NORWAY	54,352	947,436
PERU	11,091	177,906
PHILIPPINES	9,156	136,796
POLAND	360,848	5,900,710
RUSSIA	69,385	1,132,810
SAUDI ARABIA	4,254	65,197
SERBIA	9,171	141,674
SOUTH AFRICA	8,156	137,036
SPAIN	121,941	2,065,579
SWEDEN	130,473	2,219,905
SWITZERLAND	60,549	1,011,224
TAIWAN	5,691	87,298
THAILAND	6,817	104,357
TURKEY	51,676	811,585
URUGUAY	3,594	59,286
USA	182,794	2,952,764
VIETNAM	2,098	33,164
TOTAL	<u>2,547,129</u>	<u>42,292,188</u>
	=====	=====

			<u>2018-2019</u>	<u>2017-2018</u>
27. COST OF GOODS SOLD: TK. 3,251,510,653				
	<u>Quantity</u>	<u>Notes</u>		
Opening Stock of Finished Goods	17,925Doz		32,999,377	17,026,874
Add: Cost of Production	<u>2,533,522Doz</u>	28	<u>3,224,414,025</u>	<u>3,360,093,524</u>
	2,551,447Doz		3,257,413,402	3,377,120,398
Less : Closing Stock of Finished Goods	4,318Doz		5,902,749	32,999,377
	<u>2,547,129Doz</u>		-----	-----
			3,251,510,653	3,344,121,021
			=====	=====

28. COST OF PRODUCTION: TK. 3,224,414,025**OPENING STOCK:****Raw Materials:**

	Quantity			
Yarn	177,594	Kg	53,876,010	59,385,174
Dyes & Chemicals	63,358	Kg	22,038,279	28,367,001
			75,914,289	87,752,175
Work in Process:				
Dyed, Knitted and Greige Fabric & Garments	87,144	Kg	57,006,251	52,971,268
Accessories	31,227	Doz	30,329,513	36,879,892
			163,250,053	177,603,335

ADD: PURCHASE FOR THE YEAR**Raw Materials(Imported) :**

Yarn			398,217,500	464,460,673
Dyes & Chemicals			133,767,863	136,234,440
Accessories			73,541,013	149,042,211
			605,526,375	749,737,324

Raw Materials (Local) :

Yarn			597,594,720	625,043,897
Dyes & Chemicals			170,785,724	183,873,201
Accessories			469,797,573	516,298,391
			1,238,178,017	1,325,215,489
			1,843,704,392	2,074,952,813
			2,006,954,445	2,252,556,148

LESS : CLOSING STOCK**Raw Materials:**

Yarn	208,946	Kg	68,207,564	53,876,010
Dyes & Chemicals	53,146	Kg	23,755,820	22,038,279
			91,963,384	75,914,289

Work in Process:

Dyed & Knitted, Greige Fabric & Garments	113,895	Kg	67,376,213	57,006,251
Accessories	28,426	Doz	30,530,221	30,329,513
			189,869,818	163,250,053

Total Consumption**1,817,084,627****2,089,306,095**

	<u>2018-2019</u>	<u>2017-2018</u>
Factory Overhead :		
Carriage	8,131,501	6,939,775
Electricity	1,038,861	1,291,719
Gas, Fuel & Lubricant	84,626,480	73,604,804
Insurance	7,815,046	7,669,783
Repairs & Maintenance	74,201,744	88,095,434
Telephone Charges	19,741	19,747
Wages, Salaries & Allowance	1,157,211,626	1,010,616,804
Bank Charges & Commission	8,244,133	8,213,017
Central Fund-RMG Sector	1,065,352	1,007,854
Depreciation	39,680,828	46,548,079
Fire Fighting Exp.	320,320	221,615
Travelling & Conveyance	6,305,073	6,518,573
Testing Bill	17,666,327	18,392,460
Uniform & Liveries	319,884	477,863
Chemical for Effluent Treatment Plant	682,482	1,169,902
	<u>3,224,414,025</u>	<u>3,360,093,524</u>

- During the year 2018-19 the Company has imported goods on C & F basis.
- During the year we have imported/purchased in USD 21.22 million and balance in BDT.
- Cash incentive has been adjusted with the local yarn cost.

29. OTHER OPERATING INCOME/(LOSS): TK. (1,474,859)

Foreign Exchange Gain/(Loss):		
Foreign Exchange Gain/(Loss) from Operations	(799,530)	(489,029)
Foreign Exchange Gain/(Loss) from Translations	(675,329)	683,747
	-----	-----
	(1,474,859)	194,718
	=====	=====

30. ADMINISTRATIVE & SELLING OVERHEAD: TK. 230,764,427

AGM Expenses	151,656	228,978
Audit Fee (Including VAT)	230,000	230,000
Bank Charges & Commission	7,065,362	6,187,301
Board Meeting Fees	20,000	17,500
Depreciation	1,308,554	1,459,969
Directors Remuneration	3,600,000	3,600,000
Entertainment	2,769,331	2,874,694
Export Processing & Handling Expenses	11,401,674	11,466,323
F.C. Charges	72,111,206	68,880,878
Freight & Forwarding Expenses	29,610,884	29,825,095
Insurance Premium	577,559	1,028,103
Legal & Professional Fees	490,377	425,125
Newspapers & Periodicals	12,908	11,540
Postage & Stamp	71,965	70,103
Power & Fuel	780,960	679,780
Printing & Stationery	7,923,123	8,371,840
Publicity & Advertisement	223,905	207,978
Renewal & Fees	7,692,218	5,926,648
Rent & Rates	6,601,941	6,119,984
Repairs & Maintenance	4,566,821	4,696,690
Salary & Allowances	57,842,330	59,097,108
Sales Promotional Expenses	3,918,728	3,080,093
Subscription & Donation	289,100	719,000
Travelling & Conveyance	2,969,590	2,705,529
Telephone, Fax and Radio Link	575,125	576,197
Transportation Expenses	7,959,110	8,391,397
	-----	-----
	230,764,427	226,877,853
	=====	=====

	<u>2018-2019</u>	<u>2017-2018</u>
• Directors' Remuneration paid to following Directors for their full time service :		
a. Mr. Zahur Ahmed PhD	1,800,000	1,800,000
b. Mr. Shahriar Ahmed	1,200,000	1,200,000
c. Mr. Kazi Faruq Kader	<u>600,000</u>	<u>600,000</u>
	<u>3,600,000</u>	<u>3,600,000</u>
• Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.		
• Sales promotional expenses include cost of samples and courier cost for distribution of free samples to the buyers.		
• There are 8 (eight) board meetings held during the period.		

31. FINANCIAL EXPENSES: TK. 4,797,892

Interest on Term Loan	4,627,116	5,395,888
Interest on Overdraft	170,776	167,513
	<u>4,797,892</u>	<u>5,563,401</u>
	=====	=====

32. FINANCE INCOME: TK. 6,447,937

Interest earned on STD Account	7,689	7,689
Dividend Income	1,766,452	1,766,452
Interest on FDRs	4,673,796	3,341,251
	<u>6,447,937</u>	<u>5,115,392</u>
	=====	=====

33. TAX EXPENSES: TK. 28,425,321

Current Tax (Note # 33.a)	17,344,052	31,452,410
Under Provision of Tax	7,503,759	6,382,896
Deferred Tax Expenses/(Income)	3,577,510	554,717
	<u>28,425,321</u>	<u>38,390,023</u>
	=====	=====

33.a BREAK UP OF CURRENT TAX: TK. 17,344,052

Tax on FDRs & SND Interest Income	1,189,422	176,994
Dividend Income	353,290	353,290
Tax on Cash Incentive	1,055,875	1,990,382
Tax on Gain/(Loss) of Foreign Exchange Transactions	(199,882)	(122,257)
Tax on Business Profit	14,945,347	29,054,001
	<u>17,344,052</u>	<u>31,452,410</u>
	=====	=====

- This represents estimated Income Tax on net profit for the period from 1st July 2018 to 30th June 2019.
- The provision for deferred tax expenses/ (income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

34. UNDER PROVISION OF TAX:

Under provision of tax arising from the adjustment between advance tax paid & tax provision made upto the income year 2017-18.

35. DISCLOSURE REGARDING REARRANGEMENT:

- Income from foreign exchange gain or loss has been shown as other operating income/(loss) from other income in the Statement of Profit or Loss and Other Comprehensive Income & notes to the accounts to conform current year presentation and also few restructures have been made in the Statement of Profit or Loss and Other Comprehensive Income.
- Finance Income from FDRs and Dividend has been shown in “Cash Flows from Investing Activities” in the Statement of Cash Flows to conform current year presentation.
- Interest & Other Financial Charges paid has been shown in “Cash Flows from Financing Activities” in the Statement of Cash Flows to conform current year presentation.

36. DISCLOSURE REGARDING RESTATED:

EPS, NAVPS for 2017-2018 have been restated due to calculation of deferred tax on cash incentive receivable and net profit after tax, retained earnings & deferred tax liability for the year 2017-2018 have been changed accordingly. The effect due to restatement in opening balance of comparative financial statements is Tk. 106,737/- which is not material. As such third statements of financial position is not prepared as per Para 40A(b) of IAS 1.

37. GENERAL:**a) Production Capacity (Quantity in pieces):**

		<u>2018-2019</u>		<u>2017-2018</u>
	%	Quantity (2018-19)	%	Quantity (2017-18)
Capacity	100	33,600,000	100	33,600,000
Production	90.48	30,402,264	92.12	30,954,024

- The decrease of production during the period due to less as compared to last year.

b) Production (Quantity in Dozen):

T, Polo & Sweat Shirts	<u>2,533,522</u>	<u>2,579,502</u>
------------------------	------------------	------------------

c) Consumption items:

	<u>Value</u>	<u>Percentage (%)</u>
Yarn	975,258,689	53.67
Dyes & Chemicals	300,243,555	16.52
Accessories	<u>541,582,382</u>	29.81
	<u>1,817,084,627</u>	<u>100.00</u>

d) Export (Quantity in Dozen):

T, Polo & Sweat Shirts	<u>2,547,129</u>	<u>2,573,700</u>
------------------------	------------------	------------------

e) Salaries & Wages:

	<u>No. of Employees</u>	<u>Taka</u>
Above Tk. 8,000.00 per month	5,887	1,215,053,956
Below Tk. 8,000.00 per month	-	-

38. PAYMENTS /PERQUISITES TO DIRECTORS/OFFICERS (KEY MANAGEMENT):

The aggregate amounts paid / provided during the year in respect of Directors and Officers of the Company as defined in the Securities and Exchange Commission Rules, 1987, are disclosed below:

	<u>Directors</u>	<u>Officers</u>
Board Meeting Fees	20,000	-
Salary and Allowance	3,600,000	122,917,279
Provident Fund Contribution	-	7,959,279
Bonus	-	20,029,287
Perquisites	-	61,619,768

2018-20192017-2018**39. BASIC EARNING PER SHARE (EPS) – DISCLOSURE UNDER IAS 33 “EARNINGS PER SHARE”:**

Earnings attributable to Ordinary Shareholders

Basic EPS = -----
Weighted average number of shares outstanding during the period

24,612,738		24,021,294
Earnings per Share (EPS) = -----	= 2.93	= 2.86
8,400,000		8,400,000

- Weighted average number of Ordinary Shares outstanding during the year represents the number of Ordinary Shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific number of shares are outstanding as a proportion of the total number of days in the period.
- Significant increase in EPS (i.e. up to 3rd Quarter, EPS from operational activities was Tk. 2.16 but annually it has been Tk. 2.93) is mainly due to consistency of turnover in 4th quarter of 2018-19.

40. NET ASSET VALUE (NAV) PER SHARE:

Net Assets (Total Assets-Total Liabilities)

NAV Per Share = -----
Number of ordinary shares outstanding

		462,670,726		459,976,108
Net Asset Value (NAV) Per Share	=	-----	=	-----
		8,400,000		8,400,000
		=55.08		=54.76

41. NET OPERATING CASH FLOWS PER SHARE (NOCFPS):

Net Operating Cash Flows

NOCFPS = -----
Number of ordinary shares outstanding

		84,207,874		(86,591,236)
Net Operating Cash Flows Per Share (NOCFPS)	=	-----	=	-----
		8,400,000		8,400,000
		=10.02		=(10.31)

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flow per Share is Tk. 10.02 but it was Tk. (10.31) in 2017-18 which is mainly for increasing of collection from revenue as compare to last year. This scenario is changeable time to time depending on different issues.

42. EVENTS AFTER REPORTING PERIOD:

The Board of Directors recommended cash Dividend of Tk. 2/- per Share for the year 2018-19 at the Board meeting held on October 20, 2019. The total amount of Dividend is Tk. 1,68,00,000/-

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.

43. RELATED PARTY TRANSACTIONS:

Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited and Matex Bangladesh Limited with common director. These transactions are considered as related party transactions as per IAS 24 "Related Party Disclosures". The transactions are occurred during the period with an arm's length price as per normal business policy for buying & selling of dyes & chemical and yarn dyeing. The details are given below:

2018-2019

Name of the Parties	Opening Balance	Purchase during the Year	Paid during the Year	Closing Balance
i. Matex Bangladesh Ltd.	-	147,001,009	147,001,009	-
ii. Apex Yarn Dyeing Ltd.	-	72,790,387	72,790,387	-

2017-2018

Name of the Parties	Opening Balance	Purchase during the Year	Paid during the Year	Closing Balance
i. Matex Bangladesh Ltd.	-	132,239,063	132,239,063	-
ii. Apex Yarn Dyeing Ltd.	-	94,067,164	94,067,164	-

- KEY MANAGEMENT BENEFITS:**

Refer to Note # 30, we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.

The Company is paying Remuneration to the 03 (three) 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 pays its monthly contribution to the Provident Fund Trust and the company has no further liability. The company also has a Group Insurance Scheme. Group Insurance premium is paid to insurance company once in a year and if there is any claim that will be entertained by the insurance company. In addition to the above there is nothing paid to the key management except salary & allowance.

44. CAPITAL EXPENDITURE COMMITMENT:

- There was no capital expenditure contracted or incurred or provided for as at 30th June 2019.
- There was no material capital expenditure authorized by the Board or contracted for as at 30th June 2019.

45. CONTINGENT LIABILITY:

- There is Tk. 16.07 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" for which the Company is contingently liable as on 30th June 2019.

46. DURING THE YEAR UNDER REVIEW:

- No amount of money was spent by the Company for compensating any member of the Board for special service rendered except as stated above.
- There was no claim against the Company not acknowledged as debt on 30th June 2019.
- There was no Bank Guarantee issued by the Company on behalf of the Directors.
- There was no credit facility available to the Company under any contract, or availed of as on 30th June 2019 other than trade credit available in the ordinary course of business.
- There were no expenses incurred in foreign exchange on account of Royalty, Technical Experts, Professional & Advisory Fee, Interest, and Brokerage & Commission etc.
- There was no expense on account of Miscellaneous/General Expenses.

Sd/
Zahur Ahmed PhD
Managing Director

Sd/
Shahriar Ahmed
Director

Sd/
Kamruzzaman FCA
Chief Financial Officer

Annexure-1

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.

	<u>2018-2019</u>	<u>2017-2018</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before PPF & WF	55,689,962	62,411,316
Add: Depreciation During the Year	40,989,382	48,008,047
Less: Effect of Foreign Exchange Translation Gain/(Loss)	(1,461,093)	(4,047,004)
Less: Finance Income Adjustment	(6,440,248)	(5,107,704)
Add: Interest & Other Financial Charges Paid	4,797,892	5,563,401
(Increase)/Decrease in Inventories	476,863	(1,619,221)
(Increase)/Decrease in Trade Receivable	82,796,670	(207,241,509)
(Increase)/Decrease in Advance Deposit & Prepayments	(882,041)	1,144,054
(Increase)/Decrease in Other Receivable	(30,823,000)	(13,436,999)
Income Tax Paid During the Year	(23,074,775)	(31,452,410)
Increase/(Decrease) in Trade Payables	(68,102,515)	58,033,549
Increase/(Decrease) in Other Payables	30,240,776	1,153,244
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	<u>84,207,874</u>	<u>(86,591,236)</u>
RECONCILIATION		
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-INDIRECT METHOD	84,207,874	(86,591,236)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-DIRECT METHOD	84,207,874	(86,591,236)
Differences	<u>0.00</u>	<u>(0.00)</u>

