

APEX SPINNING & KNITTING MILLS LIMITED

Shanta Skymark (8th to 13th Floor), 18 Gulshan Avenue, Gulshan, Dhaka-1212.

UN-AUDITED FIRST QUARTER (Q1) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2023

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2023

Value in Taka '000'

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

FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2023

Value in Taka '000'

Notes	As at 30.09.2023	As at 30.06.2023	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment (WDV)	287,835	202,989	41.80
Investment in Share	73,856	74,144	(0.39)
Investment in Financial Assets	78,409	78,409	-
Security Deposits	35,206	16,370	115.06
Current Assets:	1,577,681	1,855,280	(14.96)
Inventories	223,678	217,073	3.04
Trade Receivables	370,306	633,844	(41.58)
Advances, Deposits & Pre- Payments	184,001	252,211	(27.04)
Other Receivables	25,518	32,378	(21.19)
Margin on Acceptance	658,803	629,018	4.74
Cash & Cash Equivalents	115,376	90,756	27.13
TOTAL ASSETS	2,052,987	2,227,191	(7.82)
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	84,000	84,000	-
Share Premium	15,000	15,000	-
Reserve and Surplus	391,932	384,455	1.94
Fair Valuation Surplus of Investments	56,982	57,241	(0.45)
Non-Current Liabilities:	11,899	13,587	(12.42)
Deferred Tax Liability	11,899	13,587	(12.42)
Current Liabilities:	1,493,174	1,672,908	(10.74)
Working Capital Loan (Secured)	56,626	56,938	(0.55)
Short Term Loan	81,355	-	-
Trade Payables	1,118,669	1,362,700	(17.91)
Other Payables	235,511	252,258	(6.64)
Unclaimed Dividend Account	1,012	1,012	0.03
Total Liabilities	1,505,073	1,686,495	(10.76)
TOTAL EQUITY AND LIABILITIES	2,052,987	2,227,191	(7.82)
Net Assets Value (NAV) Per Share	65.23	64.37	

**STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2023**

Value in Taka '000'

Note	01.07.2023 to 30.09.2023	01.07.2022 to 30.09.2022	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection From Revenue	1,573,368	1,029,062	52.89
Finance Income from SND	-	-	-
Other Income from foreign exchange gain/(loss) from operat	(1,453)	338	(529.87)
Received from PF Lapse	-	958	(100.00)
Bank Charges & Commission	(7,542)	(3,970)	89.99
Income Tax Paid	(18,534)	(16,298)	13.72
Payment for Costs and Expenses	(1,487,029)	(932,773)	59.42
Net cash generated from/(used in) operating activities (a)	58,811	77,316	(23.94)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment Acquired	(22,140)	(5,434)	307.46
Received from Sale of Assets	700	1,600	(56.25)
Advance against Purchase of Fixed Assets	-	(4,227)	100.00
Finance Income from FDRs	-	-	-
Net cash generated from/(used in) investing activities	(21,440)	(8,061)	165.98
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(313)	862	(136.25)
Term loan received/(repaid)	-	(19,548)	100.00
Short Term Loan received/(repaid)	6,947	(9,331)	174.45
Dividend Paid during the period	-	-	-
Interest & other financial charges paid	(22,133)	(6,993)	216.48
Net cash generated from/(used in) financing activities (c)	(15,499)	(35,010)	(55.73)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	21,872	34,246	(36.13)
Cash & cash equivalents on opening	90,756	12,092	650.55
Foreign exchange gain/(loss) from translation	2,748	(562)	588.97
Cash & cash equivalents on closing	115,376	45,776	152.05
Net Operating Cash Flows Per Share	7.00	9.20	(23.94)

*Please refer to the note # 40 for Reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

Notes	01.07.2023 to 30.09.2023	01.07.2022 to 30.09.2022	Growth %
REVENUE			
Cost of Goods Sold	(1,249,541)	(648,459)	92.69
GROSS PROFIT	59,881	71,857	(16.67)
Other Operating Income/(Loss)	20,722	(21,238)	197.57
Administrative & Selling Overhead	(35,795)	(24,071)	48.71
OPERATING PROFIT/(LOSS)	44,808	26,549	68.78
Finance & Other Income	2,108	1,919	9.88
Financial Expenses	(22,133)	(6,993)	216.48
PROFIT BEFORE WPPF	24,783	21,474	15.41
Workers Profit Participation Fund (WPPF)	(467)	(312)	49.40
PROFIT BEFORE TAX	24,316	21,162	14.91
TAX EXPENSES:	(16,839)	(15,957)	5.53
Current Tax	(18,499)	(15,528)	19.13
Deferred Tax (Expenses)/Income	1,660	(429)	486.88
NET PROFIT AFTER TAX	7,477	5,205	43.66
OTHER COMPREHENSIVE INCOME:			
Fair Valuation Surplus / (Deficit) of Investment	(288)	6,838	(104.21)
Deferred Tax (Exp./Income on share valuation Surplus or Deficit)	29	(684)	104.21
TOTAL COMPREHENSIVE INCOME	7,218	11,359	(36.45)
Basic Earnings Per Share (EPS)	0.89	0.62	43.66

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2023**

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2023	84,000	15,000	129,701	252,002	57,241	2,752	540,696
Net Profit for the three months ended on 30 September, 2023	-	-	-	7,477	-	-	7,477
Dividend paid during the period	-	-	-	-	-	-	-
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	(259)	-	(259)
As at September 30, 2023	84,000	15,000	129,701	259,479	56,982	2,752	547,914

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2022**

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2022	84,000	15,000	129,701	239,317	19,632	2,752	490,402
Net Profit for the three months ended on 30 September, 2022	-	-	-	5,205	-	-	5,205
Dividend paid during the period	-	-	-	-	-	-	-
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	6,154	-	6,154
As at September 30, 2022	84,000	15,000	129,701	244,522	25,786	2,752	501,761

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

Sd/-
Shahriar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Eifaz Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2023
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1. The company and its operation:

1.01 Legal Form of the Enterprise:

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

1.02 Address of Registered Office and Factory:

The Registered Office of the Company is located at Shanta SkyMark (8th to 13th floor), 18 Gulshan Avenue, Gulshan, Dhaka-1212 and the Factory is located at Chandora, P.O. Chandora, P.S. Kaliakoir, Dist. Gazipur, Bangladesh.

1.03 Nature of Business Activities:

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

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

2.01 Accounting Convention and Basis:

The Interim Financial Statements have been prepared under the Historical Cost Convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) which does not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 2020 and other laws and rules applicable in Bangladesh.

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

We have complied the following IAS & IFRS as applicable for the financial statements for the period under review:

IAS-1 Presentation of Financial Statements	Complied With	IAS-24 Related Party Disclosures	Complied With
IAS-2 Inventories	Complied With	IAS-33 Earnings Per Share	Complied With
IAS-7 Statement of Cash Flows	Complied With	IAS-34 Interim Financial Reporting	Complied With
IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors	Complied With	IAS-36 Impairment of Assets	Complied With
IAS-10 Events after the Reporting Period	Complied With	IAS-37 Provisions, Contingent Liabilities and Contingent Assets	Complied With
IAS-12 Income Taxes	Complied With	IFRS-07 Financial Instruments: Disclosures	Complied With
IAS-16 Property, Plant and Equipment	Complied With	IFRS-09 Financial Instruments	Complied With
IAS-21 The Effects of Changes in Foreign Exchange Rates	Complied With	IFRS-15 Revenue from Contracts with Customers	Complied With
IAS-23 Borrowing Cost	Complied With	IFRS-16 Leases	Complied With

2.03 Compliance with Local Laws:

The Interim Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities & Exchange Rules, 2020, The Income Tax Act, 2023, The Income Tax Rule, 2023, The VAT & Supplementary Duty Act 2012, The VAT & Supplementary Duty Rules, 2016 and other relevant local laws and rules applicable in Bangladesh.

3. Other General Notes:

(a) No interim dividend paid during the interim period ended on September 30, 2023. (b) No diluted EPS is required to be calculated as there was no dilution during this period. (c) Last year's 1st quarter figures have been re-arranged where considered necessary to confirm to current 1st quarter presentation. (d) Figures were rounded-off to the nearest thousand Taka. (e) Reporting Period: These Interim financial statements cover the period from July 01, 2023 to September 30, 2023. (f) Reporting Currency: These interim financial statements are prepared in Bangladeshi Taka. & (g) Comparative Figure: Comparative information has been disclosed in respect of same period of the financial year 2022-2023 for statement of profit or loss accounts & other comprehensive income and financial position with June 30, 2023.

	Value in Taka '000'	
	As at 30.09.2023	As at 30.06.2023
4. Property, Plant and Equipment (WDV):		
Details of property, plant & equipment and depreciation as at September 30, 2023 are as follows:		
Fixed assets at cost:		
Opening Balance	1,454,910	1,452,233
Addition during the period	96,639	20,361
Disposal during the period	(1,743)	(17,684)
Closing Balance (cost)	1,549,806	1,454,910
Accumulated Depreciation:		
Opening Balance	1,251,922	1,236,776
Charged during the period	11,748	32,190
Disposal during the period	(1,699)	(17,043)
Closing Balance (Depreciation)	1,261,971	1,251,922
Written Down Value (WDV)	287,835	202,988

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

5. Investment in Share:	73,856	74,144
During the period, investment has been changed due to convert the share at fair value.		
6. Investment in Financial Assets:	78,409	78,409
FDR's were purchased from EBL for more than one year (i.e. 380 days).		
7. Security Deposits:	35,206	16,370
Security deposits are made to statutory bodies and hence secured.		
8. Inventories:		
Finished Goods (T, Polo, sweat Shirt)	56,664	26,190
Raw Materials (Yarn & Dyes Chemical)	63,454	71,631
WIP (Dyed,Knitted Fabric & Garments)	58,052	71,825
Accessories	45,508	47,427
	223,678	217,073
9. Trade Receivables:	370,306	633,844
Trade receivables have been decreased due to realize as per schedule.		

10. Advances, Deposits & Pre-payments:

Advance Income Tax	173,929	155,395
Deposits to Multi Securities & Services Ltd	2	2
Advance against expenses	10,070	96,814
	184,001	252,211

The decrease of 27.04% due to decrease of advance against expenses.

11. Other Receivables:

Cash Incentive Receivable	21,802	30,115
FDRs Interest Receivable	2,748	1,295
PF Lapse receivable (employer Portion)	968	968
	25,518	32,378

The decrease of 21.19% in other receivables mainly for cash incentive receivable realised. Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

12. Margin on Acceptance:

658,803 **629,018**

Margin on acceptance-EBL has converted in BDT at closing rate @ 110.00 per USD as on 30.09.2023 & as compare to BDT @ 107.00 per USD as on 30.06.2023 which has retained for BTB liability settlement.

13. Cash & Cash Equivalents:

	20	20
Cash in hand		
Cash at Bank:		
CD Account with SCB,Dhaka	187	187
CD Account with Mutual Trust Bank Ltd, Chandora	900	179
CD Account with DBBL, Dhaka	12,133	3,130
CD Account with HSBC-Dividend, Dhaka	1,012	1,012
OD Account with Eastern Bank PLC., Dhaka	-	-
CD Account with HSBC	-	-
Foreign Currency Account with EBL, Dhaka-USD	100,377	85,482
Foreign Currency Account with HSBC, Dhaka-USD	7	7
SND Account with SCB,Dhaka	732	732
SND Account with EBL, Principal Branch, Dhaka	8	8
SND Account with HSBC , Dhaka	0	0
	115,356	90,736
	115,376	90,756

Foreign Currency Account balances has converted in BDT at closing rate @ 110.00 per USD as on 30.09.2023 & as compare to BDT @ 107.00 per USD as on 30.06.2023.

Sd/-
Shahriar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Eifaz Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

	Value in Taka '000'			
	As at 30.09.2023	As at 30.06.2023		
14. Share Capital :				
Authorized Capital:				
30,000,000 Ordinary Shares of Tk. 10/= each.	<u>300,000</u>	<u>300,000</u>		
Issued, Subscribed & Paid up Capital:				
8,400,000 Ordinary Shares of Tk. 10/= each fully paid	<u>84,000</u>	<u>84,000</u>		
There was no preference share issued by the Company				
14.a Composition of Shareholdings :				
	No. of Share	%	No. of Share	%
Sponsors & Directors	4,450,660	52.98	4,450,660	52.98
Institutions	1,059,970	12.62	1,132,608	13.48
Public - Local	2,868,690	34.15	2,796,052	33.29
Foreign Shareholders	20,680	0.25	20,680	0.25
	<u>8,400,000</u>	<u>100</u>	<u>8,400,000</u>	<u>100</u>

15. Share Premium:	<u>15,000</u>	<u>15,000</u>
This is as per previous financial statement and represents premium of Tk. 50/= per Share of 300,000 Ordinary Shares of Tk. 100 each.		

16. Reserve & Surplus :		
Reserve for Re-Investment	129,701	129,701
Retained Earnings	259,479	252,002
Capital Gain	2,752	2,752
	<u>391,932</u>	<u>384,455</u>

17. Fair valuation surplus of Investments (Net of Tax):		
Opening Balance	57,241	19,632
Fair valuation surplus/(deficit) during the period (net of tax)	(259)	37,609
	<u>56,982</u>	<u>57,241</u>

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

18. Deferred Tax Liabilities:		
a Book Value of Depreciable Assets	287,835	202,989
Tax Base of Depreciable Assets	302,606	213,149
Net Taxable Temporary Difference	(14,771)	(10,160)
Effective Tax Rate	12.00%	12.00%
Closing Deferred tax (Assets)/Liabilities arising from assets	(1,773)	(1,219)
Opening Deferred Tax Balance	(1,219)	244
Deferred Tax Income/(Expense)	<u>553</u>	<u>1,463</u>

b Unrealised Interest on FDRs	2,748	1,295
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Assets)/Liabilities arising from Unrealised FDRs Interest	550	259
Opening Deferred Tax Balance	259	201
Deferred Tax Income/(Expense)	<u>(290)</u>	<u>(58)</u>

c Unrealised Foreign Exchange Gain/(Loss) from translation	22,085	24,913
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Assets)/Liabilities arising from Exchange	4,417	4,983
Opening Deferred Tax Balance	4,983	(6,471)
Deferred Tax Income/(Expense)	<u>566</u>	<u>(11,454)</u>

d Dividend Receivable	-	-
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Asst)/Liab. arising from dividend Receiv.	-	-
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	<u>-</u>	<u>-</u>

e PF Lapse Receivable	968	968
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	194	194
Opening Deferred Tax Balance	194	191
Deferred Tax Income/(Expense)	<u>(0)</u>	<u>(3)</u>

f Cash Incentive Receivable	21,802	30,115
Effective Tax Rate	10.00%	10.00%
Closing Def. tax (Asst./Liab. arising from cash incentive Receiv.	2,180	3,012
Opening Deferred Tax Balance	3,012	2,775
Deferred Tax Income/(Expense)	<u>831</u>	<u>(237)</u>
Total Deferred Tax Income/(Expense) from (a+b+c+d+e+f)	<u>1,660</u>	<u>(10,286)</u>

g Deferred Tax (Assets)/Liabilities arising from Other		
Comprehensive Income- surplus from fair value of share :	<u>63,313</u>	<u>63,601</u>
Tax for (Loss)/gain on available for sale investments @ 10%	6,331	6,360
Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments	6,331	6,360
Opening Deferred Tax Balance	6,360	2,181
Deferred Tax Income/(Expense)	29	(4,179)
Deferred Tax Closing Liability (a+b+c+d+e+f+g)	<u>11,899</u>	<u>13,587</u>

	Value in Taka '000'	
	As at 30.09.2023	As at 30.06.2023
19. Working Capital Loan (secured):		
EBL, Dhaka	50,855	40,675
HSBC, Dhaka	5,770	16,263
	<u>56,626</u>	<u>56,938</u>

The working capital loan is used for salary & wages and regular payment .

20. Short Term Loan :		
Time loan-EBL	-	-
Import loan-EBL	6,857	-
UPAS loan with HSBC	74,499	-
	<u>81,355</u>	<u>-</u>

The increase of short term loan due to create of UPAS loan with HSBC for machinery import.

21. Trade Payables:	<u>1,118,669</u>	<u>1,362,700</u>
The decrease of trade Payables due to pay of BTB liability as per schedule .		

22. Other Payables:		
Clearing & Forwarding	18,299	32,893
Insurance Premium	878	649
Power, Fuel and Water	19,716	27,397
Telephone, Telex & Fax	46	78
Salary, Wages and Overtime	47,241	58,919
Audit Fees Payable	403	403
Income Tax Payable	142,945	124,446
Provident Fund Payable	2,768	2,816
Payable for Corporate Expenses	889	1,809
Payable for other expenses	380	547
Payable for Tax Deducted at Sources	1,453	1,942
Payable for VAT at Source	494	359
	<u>235,511</u>	<u>252,257</u>

The decrease of 6.64% in other payables mainly for payable against salaries, wages & other allowances in which some allowances were provisioned as on 30.06.2023 and it has paid during the period.

23. Unclaimed Dividend Account:	<u>1,012</u>	<u>1,012</u>
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According to the Directive of Bangladesh Securities and Exchange Commission (BSEC) dated 14th January, 2021 para 3 (vii) regarding the details information of unpaid or unclaimed dividend shall report in the statement of financial position as separate line item, so we have reported in the statement of financial position as a separate line item "Unclaimed Dividend Account". Breakup as follows:

	Years of Dividend	
	2019-2020	2020-2021
	265	265
	384	384
	363	363
Unclaimed Dividend 2019-2020 to 2021-2022	<u>1,012</u>	<u>1,012</u>

24. Net Assets value (NAV) Per Share:		
Equity Attributable to the Owners of the Company	547,914	540,696
Number of Ordinary Shares	8,400	8,400
Net Assets value (NAV) Per Share	<u>65.23</u>	<u>64.37</u>
	<u>July'23 to</u>	<u>July'22 to</u>
	<u>September' 2023</u>	<u>September' 2022</u>

25. Revenue:	<u>1,309,422</u>	<u>720,316</u>
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Revenue has been increased by 81.78% as compared to the revenue of same period of July 2022 to September 2022 due to increase of quantity sold during the quarter.

26. Cost of Goods Sold:		
Opening Stock of Finished Goods	26,190	48,386
Add: Cost of Production (note # 26.a)	1,280,015	762,074
Less: Closing Stock of Finished Goods	(56,664)	(162,001)
	<u>1,249,541</u>	<u>648,459</u>

26.a. Cost of Production:		
Opening Raw Materials, WIP & Accessories	190,883	310,763
Add: Raw Materials purchase during the period	786,461	324,627
Add: Factory Overhead (Note # 26.a.a)	469,685	344,010
Less: Closing Raw Materials, WIP & Accessories	(167,014)	(217,326)
	<u>1,280,015</u>	<u>762,074</u>

26.a.a Factory Overhead:		
Carriage inward	1,887	1,350
Electricity	1,666	897
Gas, Fuel & Lubricant	59,306	34,112
Insurance Premium	3,316	3,260
Repairs & Maintenance	8,333	20,755
Telephone Charges	24	20
Wages, Salaries & Allowance	372,080	267,369
Bank Charges & Commission	2,886	1,667
Depreciation	10,948	7,038
Fire Fighting Exp.	68	-
Travelling & Conveyance	2,975	2,482
Testing Bill	4,929	3,310
Uniform & Liveries	175	62
Chemical for Effluent Treatment Plant	377	1,349
Entertainment	463	238
UD & UP Expenses	251	100
	<u>469,685</u>	<u>344,010</u>

Sd/-
Shahriar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Eifaz Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

	Value in Taka '000'	
	July 23-September 2023	July 22-September 2022
27. Other Operating Income/(loss):		
Foreign exchange gain/(loss) from operations	(1,453)	338
Foreign exchange gain/(loss) from translation	22,175	(21,576)
	<u>20,722</u>	<u>(21,238)</u>

	Value in Taka '000'	
	July 23-September 2023	July 22-September 2022
28. Administrative & Selling Overhead:		
Bank Charges & Commission	4,656	2,303
Board Meeting Fees (including VAT)	6	10
Depreciation on tangible Assets	800	777
Directors Remuneration	450	900
Entertainment	358	143
Export Processing & Handling Expenses	790	298
Clearing & Forwarding Expenses	5,441	2,551
Insurance Premium	118	73
Legal & Professional Fees	75	71
Medical Expense	30	13
Newspapers & Periodicals	1	1
Postage & Stamp	29	15
Power & Fuel	372	310
Printing Expense	216	279
Stationery Expenses	527	263
Publicity & Advertisement	15	13
Renewal & Fees	1,174	442
Repairs & Maintenance	3,765	237
Salary & Allowances	12,067	11,779
Sales Promotional Expenses	1,359	194
Travelling & Conveyance	500	997
Telephone, Fax and Radio Link	153	177
Transportation Expenses	2,893	2,227
	<u>35,795</u>	<u>24,071</u>

29. Finance & Other Income:		
Interest on FDRs	1,453	959
Profit on Sale of old Assets	656	960
	<u>2,109</u>	<u>1,919</u>

The increase of 9.88% are for increase interest rate of time deposits .

30. Financial Expenses:		
Interest on Term Loan-Stimulus	-	332
Interest on Time Loan	-	6
Supplier Finance Program Charges(SFP)	21,636	6,259
Interest on Overdraft	497	396
	<u>22,133</u>	<u>6,993</u>

Financial expenses has been increased due to increase of SFP Charges by applying supplier finance program (SFP) for early realization of export proceeds

31. Workers Profit Participation Fund (WPPF)	<u>467</u>	<u>312</u>
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We are 100% export oriented Readymade Garment Industry, and as per Bangladesh Labor Rule 2015, Chapter XV, section 212-226 provided the rules regarding formation of Central Fund and also provision made in rule 214(1)(Ka) for realization of 0.03% from every letter of credit / work order of 100% export oriented industries and the company is making payment accordingly through bank to the said Central Fund for participation of workers in the profit of company . Therefore the company is performing its lawful duty regarding profit participatory fund and there is no further requirement to maintain the fund separately as required under section 234 of the labor Act 2006.

32. Current Tax:	<u>18,499</u>	<u>15,528</u>
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Current tax consists the higher of minimum tax U/S 163(2 ka,kha), 163(5-kh-uh) considering below a,b,c ie a) tax on income basis b) TDS on these income U/S 163(2-ka,kha) & c) tax on all gross received U/S -163(5-kh-e) and also others income realised during the period from 1st July 2023 to 30 September 2023. Details as follows:

a) Tax on Income basis

(i) Tax on Business Profit:

Profit before tax	24,316	21,162
Less/add: Other Operating Income/(Loss) from translation	(22,175)	21,238
Less: Finance & Other Income	(2,108)	(1,919)
Net Operating Profit/(Loss)	<u>32</u>	<u>40,481</u>
Tax on Business Profit 12%	<u>4</u>	<u>4,858</u>

(ii) Tax on Other Income:

x) Tax on Dividend Income @ 20%	-	-
y) Tax on Cash Incentive realised @ 10.00% **	2,811	4,744
z) Tax on Finance Income (FDRs & Savings Interest)	-	-
** as per SRO # 253-law/income tax-09/23 dated 23.08.23	<u>2,811</u>	<u>4,744</u>
Total (i+ii)	<u>2,815</u>	<u>9,602</u>

b) TDS U/S -163(2-ka,kha)

i) TDS on export proceeds	15,557	10,332
ii) TDS on Dividend Income	-	-
iii) TDS on Cash Incentive realised	2,811	-
iv) TDS on Finance Income (Realized)	-	-
	<u>18,368</u>	<u>10,332</u>

c) Tax on gross received U/S -163(5-ka-%

	%		
i) Realized from turnover =(0.60%/20.00%*12%)	0.360	5,664	3,705
ii) Realized from other operating Income	0.360	-	2
iii) Realized from Cash Incentive	0.600	169	285
iv) Realized from Dividend Income	0.600	-	-
v) Realized from finance & Other Income	0.600	4	15
		<u>5,837</u>	<u>4,007</u>

So, Current tax

i) Tax on Business profit- Higher of ai,bi & ci	15,557	10,332
ii) Tax on Dividend Income Higher of a-ii-x,bi & c-iv	-	-
iii) Tax on Cash Incentive (**refer the above SRO)	2,811	4,744
iv) Tax on Finance Income (Realized) Higher is a-ii-z	-	-
v) Tax on profit from sale of assets	131	192
vi) Tax on other operating Income (Realized)-business inc	-	68
vii) Realized from Other Income-PF Lapse realised	-	192
	<u>18,499</u>	<u>15,528</u>

Effective tax rate= (Tax expenses/Profit before tax) 69.25% 75.40%

	Value in Taka '000'	
	July 23-September 2023	July 22-September 2022

33. Deferred Tax (Expenses)/Income:	<u>1,660</u>	<u>(429)</u>
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The provision for deferred tax (expense)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable, PF Lapse receivable, cash incentive receivable, Foreign exchange translation gain/(loss) & WDV of fixed assets. (Please see the details in note # 18 for total deferred tax income/(expense) from above mentioned temporary differences).

34. Fair Valuation Surplus/(deficit) of Investment (net of tax):	<u>(259)</u>	<u>6,154</u>
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Fair valuation surplus/(deficit) of investments represents the difference of market value of the listed Company's share on the closing date and the last audited Financial Position price.

35. Basic Earning Per Share (EPS):

Earnings after tax Attributable to the Owners of the Company	7,477	5,205
Number of Ordinary Shares	8,400	8,400
Basic Earning Per Share (EPS)	<u>0.89</u>	<u>0.62</u>

36. Net Operating Cash Flows (NOCF) Per Share:

Net cash generated from/(used in) operating activities	58,811	77,316
Number of Ordinary Shares	8,400	8,400
Net Operating Cash Flows (NOCF) Per Share	<u>7.00</u>	<u>9.20</u>

Net operating cash flows was Tk. 7.00 per share for the 1st quarter ended on September 30, 2023 but it was Tk. 9.20 for the same period of last year, this is mainly increase of payment for cost & expenses as compare to last year's 1st quarter .

37. Disclosure Regarding Rearrangement:

No rearrangement has been made during the 1st quarter of 2023-2024.

38. Prior Year Adjustment:

No prior year adjustment has been made during the 1st quarter of 2023-2024.

39. Related Party Transactions:

(a) Intercompany Transactions:

Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited, Apex Textile printing Mills Limited, Apex Lingerie Limited, Apex Fashion Wear Limited and Matex Bangladesh Limited. These transactions are considered as related party transactions as per IAS 24 "Related Party Disclosures". The transactions are occurred during the period with an arms length price as per normal business policy for buying & selling of dyes & chemical and yarn dyeing.

(b) Key management personnel compensation:

i) Refer to Note # 28: we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.

ii) The Company is paying Remuneration to the Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them. The Company operates a contributory provident fund which is administrated by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management (Senior Employees) to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management (Senior Employees) and the Company has no further liability. In addition to that there is nothing paid to them except salaries and allowances.

40. 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.

	July 23 to	July 22 to
	September 2023	September 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit After Tax	7,478	5,205
Adjustment for non-cash & non operating items:		
Add: Depreciation During the period	11,748	7,815
Add/(Less): Unadjusted Foreign Exchange (Gain)/Loss from Translation	(2,838)	562
Less: Finance Income adjustment	(2,108)	(1,919)
Add: Interest & Other Financial Charges adjustment	22,133	6,993
Add: Tax Expenses	16,839	15,957
Increases & Decreases:		
(Increase)/Decrease in Inventories	(6,605)	(20,178)
(Increase)/Decrease in Trade Receivables	263,538	308,391
(Increase)/Decrease in other Receivables	8,312	18,739
(Increase)/Decrease in Advances, Deposits & Prepayments	67,908	(2,407)
(Increase/Paid) Income tax during the period	(18,534)	(16,298)
Increase/(Decrease) in Trade Payables	(273,817)	(221,754)
Increase/(Decrease) in Other Payables	(35,245)	(23,790)
Net cash generated from/(used in) operating activities	<u>58,811</u>	<u>77,316</u>
RECONCILIATION		
Net cash generated from/(used in) operating activities-Indirect Method	58,811	77,316
Net cash generated from/(used in) operating activities-Direct Method	58,811	77,316
Differences	<u>0.00</u>	<u>0.00</u>

41. Contingent Liability:

There is Tk. 57.91 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" & Reliance Insurance Com. Ltd for which the Company is contingently liable as at September 30, 2023.

42. Events after Reporting Period:

a) Proposed Dividend:

The Board of Directors has recommended cash Dividend of Tk. 2.00/- per Share for the year 2022-2023 at the Board meeting held on October 03, 2023. The total amount of Dividend is Tk. 16,800,000/-

b) Other Significant Events:

There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.

Sd/-
Shahriar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Eifaz Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary