

APEX SPINNING & KNITTING MILLS LIMITED

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

UN-AUDITED THIRD QUARTER (Q3) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2023

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2023

Value in Taka '000'

Notes	As at 31.03.2023	As at 30.06.2022	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	4 205,372	215,457	1.86
Investment	5 43,205	32,356	(4.68)
Investment in Financial Assets	6 74,854	74,854	0.00
Deferred Tax Assets	19 -	878	(100.00)
Security Deposits	7 16,369	10,056	62.77
	1,328,871	1,212,721	9.58
Current Assets:			
Inventories	8 220,762	359,749	(38.53)
Trade Receivables	9 365,779	502,575	(27.22)
Advances, Deposits & Pre- Payments	10 144,431	90,960	58.79
Other Receivables	11 15,908	30,163	(47.26)
Margin on Acceptance	12 510,981	217,783	134.63
Cash & Cash Equivalents	13 71,010	12,092	487.25
TOTAL ASSETS	1,668,671	1,546,322	7.91
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	14 84,000	84,000	-
Share Premium	15 15,000	15,000	-
Reserve and Surplus	16 377,681	371,770	1.59
Fair Valuation Surplus of Investments	17 29,396	19,632	49.74
	8,852	-	-
Non-Current Liabilities:			
Long Term Loan	18 -	-	-
Deferred Tax Liability	19 8,852	-	-
	1,153,742	1,055,920	9.26
Current Liabilities:			
Working Capital Loan (Secured)	20 40,433	47,109	(14.17)
Long Term Loan-Current Maturity	21 -	52,340	(100.00)
Short Term Loan	22 -	15,548	(100.00)
Trade Payables	23 919,573	795,785	15.56
Other Payables	24 192,277	144,058	33.47
Unclaimed Dividend Account	25 1,458	1,079	35.10
Total Liabilities	1,162,594	1,055,920	10.10
TOTAL EQUITY AND LIABILITIES	1,668,671	1,546,322	7.91
Net Assets Value (NAV) Per Share	60.25	58.38	3.20

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

FOR THE 3RD QUARTER ENDED ON MARCH 31, 2023

Value in Taka '000'

Notes	01.07.2022 to 31.03.2023	01.07.2021 to 31.03.2022	Growth %	01.01.2023 to 31.03.2023	01.01.2022 to 31.03.2022	Growth %
REVENUE						
27	3,092,625	3,365,061	(8.10)	1,228,594	1,205,522	1.91
28	(2,861,286)	(3,129,045)	(8.56)	(1,137,186)	(1,110,398)	2.41
	231,339	236,016	(1.98)	91,408	95,124	(3.91)
GROSS PROFIT						
29	15,805	(12,174)	(229.83)	19,590	(10,780)	(281.73)
30	(148,305)	(170,232)	(12.88)	(70,710)	(67,172)	5.27
	98,839	53,610	84.37	40,288	17,172	134.61
OPERATING PROFIT/(LOSS)						
31	6,956	3,438	102.33	2,313	555	316.76
32	(31,362)	(12,995)	141.34	(14,164)	(4,621)	206.51
	74,433	44,053	68.96	28,437	13,106	116.98
PROFIT BEFORE WPPF						
33	(969)	(995)	(2.61)	(360)	(376)	(4.26)
	73,464	43,058	70.62	28,077	12,730	120.56
PROFIT BEFORE TAX						
TAX EXPENSES:						
34	(42,108)	(25,370)	65.98	(15,312)	(12,459)	22.90
35	(8,645)	4,850	(278.25)	(4,500)	7,063	(163.71)
	22,711	22,538	0.77	8,265	7,334	12.69
NET PROFIT AFTER TAX						
OTHER COMPREHENSIVE INCOME:						
36	9,764	15,019	(34.99)	(7,982)	10,602	(175.29)
	10,849	16,688	(34.99)	(8,869)	11,780	(175.29)
	(1,085)	(1,669)	(34.99)	887	(1,178)	(175.29)
	32,475	37,557	(13.53)	283	17,936	(98.42)
TOTAL COMPREHENSIVE INCOME						
37	<u>2.70</u>	<u>2.68</u>	0.77	<u>0.98</u>	<u>0.87</u>	12.69
Basic Earnings Per Share (EPS)						

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 3RD QUARTER ENDED ON MARCH 31, 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, 2022	84,000	15,000	129,701	239,317	19,632	2,752	490,402
Net Profit for the nine months ended on March 31, 2023	-	-	-	22,711	-	-	22,711
Dividend for the year 2021-2022	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	9,764	-	9,764
As at March 31, 2023	84,000	15,000	129,701	245,228	29,396	2,752	506,077

**STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 3RD QUARTER ENDED ON MARCH 31, 2023**

Value in Taka '000'

Note	01.07.2022 to 31.03.2023	01.07.2021 to 31.03.2022	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection From Revenue	3,231,017	3,306,413	(2.28)
Finance Income from SND	0	0	-
Foreign exchange gain/(loss) from operations	676	11,799	(94.27)
Received from PF Lapse	958	1,411	(32.10)
Received from Wastage sale	1,378	-	-
Bank Charges & Commission	(12,623)	(15,625)	(19.21)
Income Tax Paid	(48,052)	(28,529)	68.43
Payment for Costs and Expenses	(2,974,943)	(3,274,265)	(9.14)
Net cash generated from/(used in) operating activities (a)	198,411	1,204	16,378.15
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment Acquired	(14,433)	(31,421)	(54.07)
Received from Sale of Assets	1,600	-	-
Advance against Purchase of Fixed Assets	(7,382)	(10,688)	(30.93)
Investment in Financial Assets	-	(2,074)	(100.00)
Finance Income from FDRs	-	2,305	(100.00)
Income from Dividend	1,766	1,766	-
Net cash generated from/(used in) investing activities (b)	(18,449)	(40,111)	(54.01)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(6,676)	2,475	(369.74)
Term loan received/(repaid)	(52,340)	(46,078)	13.59
Short Term loan received/(repaid)	(15,548)	(18,139)	(14.28)
Dividend Paid during the period	(16,421)	(24,012)	(31.61)
Payment on Finance Lease for Office Rent	-	(2,972)	(100.00)
Interest & other financial charges paid	(31,362)	(12,929)	142.57
Net cash generated from/(used in) financing activities (c)	(122,347)	(101,655)	20.36
Net increase/(decrease) in cash and cash equivalents(a+b+c)	57,615	(140,563)	(140.99)
Cash & cash equivalents on opening	12,092	158,249	(92.36)
Foreign exchange gain/(loss) from translation	1,303	421	209.50
Cash & cash equivalents on closing	71,010	18,107	292.17
Net Operating Cash Flows Per Share	23.62	0.14	16,378.15

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 3RD QUARTER ENDED ON MARCH 31, 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, 2021	84,000	15,000	129,701	226,458	10,919	2,752	468,830
Prior Year Adjustment (Note-40)	-	-	-	686	-	-	686
Restated Retained Earnings	84,000	15,000	129,701	227,144	10,919	2,752	469,516
Net Profit for the nine months ended on March 31, 2022	-	-	-	22,538	-	-	22,538
Dividend for the year 2020-2021	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	15,019	-	15,019
As at March 31, 2022	84,000	15,000	129,701	232,882	25,938	2,752	490,273

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

**Please refer to the note # 42 for Reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

Sd/-
Shahriar Ahmed
Acting 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 3RD QUARTER ENDED ON MARCH 31, 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'2015 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 these interim financial statements for the period under review:

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

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

2.03 Compliance with Local Laws:

The Interim Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities & Exchange Rules, 2020, The Income Tax Ordinance, 1984, The Income Tax Rules 1984, The VAT & Supplementary Duty Act 2012, The VAT & Supplementary Duty Rules, 2016 and other relevant local laws and rules.

3. Other General Notes:

(a) No interim dividend paid during the interim period ended on March 31, 2023. (b) No diluted EPS is required to be calculated as there was no dilution during this period. (c) Last year's 3rd quarter figures have been re-arranged where considered necessary to confirm to current 3rd 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, 2022 to March 31, 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 2021-2022 for income statement and financial position with June 30, 2022.

	Value in Taka '000'	
	As at 31.03.2023	As at 30.06.2022
4. Property, Plant and Equipment (WDV):		
Details of property, plant & equipment and depreciation as at March 31, 2023 are as follows:		
Fixed assets at cost:		
Opening Balance	1,452,233	1,402,345
Addition during the period	14,433	49,888
Disposal during the period	(17,684)	-
Closing Balance (cost)	<u>1,448,982</u>	<u>1,452,233</u>
Accumulated Depreciation:		
Opening Balance	1,236,775	1,205,314
Charged during the period	23,878	31,462
Disposal during the period	(17,043)	-
Closing Balance (Depreciation)	<u>1,243,610</u>	<u>1,236,776</u>
Written Down Value (WDV)	<u>205,372</u>	<u>215,457</u>

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:	<u>43,205</u>	<u>32,356</u>
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During the period, investment has been changed due to convert the share at fair value.

6. Investment in Financial Assets:	<u>74,854</u>	<u>74,854</u>
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FDR's were purchased from EBL for more than one year (i.e. 380 days).

7. Security Deposits:	<u>16,369</u>	<u>10,056</u>
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Security deposits are made to statutory bodies and hence secured.

8. Inventories:		
Finished Goods (T, Polo, sweat Shirt)	4,484	48,386
Raw Materials (Yarn & Dyes Chemical)	62,380	108,662
WIP (Dyed, Knitted Fabric & Garments)	120,216	168,188
Accessories	33,682	33,913
	<u>220,762</u>	<u>359,149</u>

9. Trade Receivables:	<u>365,779</u>	<u>502,575</u>
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Trade receivables have been decreased due to realize as per schedule.

10. Advances, Deposits & Pre-payments:

	Value in Taka '000' As at 31.03.2023	As at 30.06.2022
Advance Income Tax	133,885	85,833
Deposits to Multi Securities & Services Ltd	2	1
Advance against expenses	10,544	5,126
	<u>144,431</u>	<u>90,960</u>

The Increase of 37.02% due to increase of advance income tax mainly.

11. Other Receivables:

	Value in Taka '000' As at 31.03.2023	As at 30.06.2022
Cash Incentive Receivable	12,051	27,753
FDRs Interest Receivable	3,857	1,006
PF Lapse receivable (employer Portion)	-	958
Dividend Receivable	-	-
Receivable against interest on stimulus package loan	-	446
	<u>15,908</u>	<u>30,163</u>

The decrease of 89.61% 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:

	510,981	217,783
Margin on acceptance-EBL has converted in BDT at closing rate @ 104.00 per USD as on 31.03.2023 & as compare to BDT @ 92.50 per USD as on 30.06.2022 which has retained for settlement of BTB liabilities.		

13. Cash & Cash Equivalent:

	20	20
Cash in hand		
CD Account with SCB, Dhaka	188	188
CD Account with Mutual Trust Bank Ltd, Chandora	640	914
CD Account with DBBL, Dhaka	8,504	2,057
CD Account with HSBC-Dividend, Dhaka	1,457	1,079
Foreign Currency Account with EBL, Dhaka-USD	59,451	7,072
Foreign Currency Account with HSBC, Dhaka-USD	7	13
SND Account with SCB, Dhaka	733	734
SND Account with EBL, Principal Branch, Dhaka	9	14
SND Account with HSBC, Dhaka	1	1
	<u>70,990</u>	<u>12,072</u>
	<u>71,010</u>	<u>12,092</u>

Foreign Currency Account balances has converted in BDT at closing rate @ 104.00 per USD as on 31.03.2023 & as compare to BDT @ 92.50 per USD as on 30.06.2022.

Sd/- Shahriar Ahmed Acting 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
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	Value in Taka '000'	
	As at 31.03.2023	As at 30.06.2022
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	%
Sponsors & Directors	4,450,660	52.98
Institutions	1,112,134	13.24
Public - Local	2,816,526	33.52
Foreign Shareholders	20,680	0.25
	<u>8,400,000</u>	<u>100</u>
	4,450,660	52.98
	1,103,521	13.14
	2,825,139	33.63
	20,680	0.25
	<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	245,228	239,317
Capital Gain	2,752	2,752
	<u>377,681</u>	<u>371,770</u>
17. Fair valuation surplus of Investments (Net of Tax):		
Opening Balance	19,632	10,919
Fair valuation surplus/(deficit) during the period (net of tax)	9,764	8,713
	<u>29,396</u>	<u>19,632</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. Long Term Loan (Stimulus Package):	<u>-</u>	<u>-</u>
Company has availed the above loan from EBL to meet up salaries & wages expenses as per Government declaration of stimulus fund under BRPD Circular no. 07 dated 2 nd April 2020 and subsequent Circular in this regard. During the period, we have already paid 20 installments out of 20 equal monthly installments which has full settled in February, 2023.		
19. Deferred Tax Liabilities:		
a Book Value of Depreciable Assets	205,372	215,457
Tax Base of Depreciable Assets	200,509	213,421
Net Taxable Temporary Difference	4,863	2,036
Effective Tax Rate	12.00%	12.00%
Closing Deferred tax (Assets)/Liabilities arising from assets	584	244
Opening Deferred Tax Balance	244	605
Deferred Tax Income/(Expense)	(339)	361
b Unrealised Interest on FDRs	3,857	1,006
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Assets)/Liabilities arising from Unrealised FDRs Interest	771	201
Opening Deferred Tax Balance	201	154
Deferred Tax Income/(Expense)	(570)	(47)
c Unrealised Foreign Exchange Gain/(Loss) from translation	15,129	(32,357)
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Assets)/Liabilities arising from Exchange	3,026	(6,471)
Opening Deferred Tax Balance	(6,471)	887
Deferred Tax Income/(Expense)	(9,497)	7,358
d Dividend Receivable	-	-
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	-	-
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	-	-
e PF Lapse Receivable	-	958
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	-	192
Opening Deferred Tax Balance	192	489
Deferred Tax Income/(Expense)	192	297
f) Cash Incentive Receivable	12,051	27,753
Effective Tax Rate	10.00%	10.00%
Closing Def. tax (Asst.)/Liab. arising from cash incentive Receiv.	1,205	2,775
Opening Deferred Tax Balance	2,775	817
Deferred Tax Income/(Expense)	1,570	(1,958)
Total Deferred Tax Income/(Expense) from (a+b+c+d+e+f)	<u>(8,645)</u>	<u>6,012</u>
g) Deferred Tax (Assets)/Liabilities arising from Other	<u>32,662</u>	<u>21,813</u>
Comprehensive Income- surplus from fair value of share :		
Tax for (Loss)/gain on available for sale investments @ 10%	3,266	2,181
Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments	3,266	2,181
Opening Deferred Tax Balance	2,181	1,213
Deferred Tax Income/(Expense)	(1,085)	(968)
Deferred Tax Closing Liability/(Assets) (a+b+c+d+e+f+g)	<u>8,852</u>	<u>(878)</u>

	Value in Taka '000'	
	As at 31.03.2023	As at 30.06.2022
20. Working Capital Loan (secured):		
EBL, Dhaka	13,999	33,754
HSBC, Dhaka	26,434	13,355
	<u>40,433</u>	<u>47,109</u>
The working capital loan is used for salary & wages and other regular payment .		
21. Long Term Loan-Current Maturity:	<u>-</u>	<u>52,340</u>
This represents the part of long term loan which will pay in next 12 months. Company has no long term loan as on 31.03.2023.		
22. Short Term Loan :		
Time loan-EBL	-	15,548
Import loan-EBL	-	-
	<u>-</u>	<u>15,548</u>
The decrease of short term loan due to repayment of loans as per schedule date.		
23. Trade Payables:	<u>919,573</u>	<u>795,785</u>
The increase of trade Payables due to purchase of raw material under BTB L/C support the export .		
24. Other Payables:		
Clearing & Forwarding	20,616	15,799
Insurance Premium	643	140
Power, Fuel and Water	17,509	12,514
Telephone, Telex & Fax	8	43
Salary, Wages and Overtime	42,151	46,908
Audit Fees Payable	302	403
Income Tax Payable	104,466	62,358
Provident Fund Payable	2,743	2,393
Payable for Corporate Expenses	1,343	1,292
Payable for other expenses	390	339
Payable for Tax Deducted at Sources	2,019	1,769
Payable for VAT at Source	87	99
	<u>192,278</u>	<u>144,058</u>
The increase of 25.08% has been made in other payables mainly for income tax payable .		
25. Unclaimed Dividend Account:	<u>1,458</u>	<u>1,079</u>
According to the Directive of Bangladesh Securities and Exchange Commission (BSEC) dated 14th January, 2021 para 3 (vii) regarding the details information of unpaid or unclaimed dividend shall report in the statement of financial position as separate line item, so we have reported in the statement of financial position as a separate line item "Unclaimed Dividend Account". Breakup as follows:		
	Years of Dividend	
	2018-2019	425
	2019-2020	265
	2020-2021	387
	2021-2022	381
Unclaimed Dividend 2018-2019 to 2021-2022	<u>1,458</u>	<u>1,079</u>
26. Net Assets value (NAV) Per Share:		
Equity Attributable to the Owners of the Company	506,077	490,402
Number of Ordinary Shares	8,400	8,400
Net Assets value (NAV) Per Share	<u>60.25</u>	<u>58.38</u>
	July'22 to	July'21 to
	March' 2023	March' 2022
27. Revenue:	<u>3,092,625</u>	<u>3,365,061</u>
Revenue has been decreased by 8.10% as compared to the revenue of same period of July 2021 to March 2022 due to decrease of quantity sold during the period.		
28. Cost of Goods Sold:		
Opening Stock of Finished Goods	48,386	46,371
Add: Cost of Production (note # 28.a)	2,817,385	3,160,748
Less: Closing Stock of Finished Goods	(4,484)	(78,074)
	<u>2,861,287</u>	<u>3,129,045</u>
28.a. Cost of Production:		
Opening Raw Materials, WIP & Accessories	310,763	292,096
Add: Raw Materials purchase during the period	1,603,247	1,933,831
Add: Factory Overhead (Note # 28.a.a)	1,119,653	1,134,985
Less: Closing Raw Materials, WIP & Accessories	(216,278)	(200,163)
	<u>2,817,385</u>	<u>3,160,748</u>
28.a.a Factory Overhead:		
Carriage inward	6,116	6,885
Electricity	3,931	1,576
Gas, Fuel & Lubricant	204,758	95,399
Insurance Premium	4,061	3,965
Repairs & Maintenance	53,983	81,363
Telephone Charges	65	57
Wages, Salaries & Allowance	797,165	896,566
Bank Charges & Commission	5,804	8,799
Depreciation	21,494	21,483
Travelling & Conveyance	7,150	4,758
Testing Bill	11,854	10,119
Uniform & Liveries	127	685
Chemical for Effluent Treatment Plant	1,959	1,779
Entertainment	885	1,002
UD & UP Expenses	300	550
	<u>1,119,653</u>	<u>1,134,985</u>

Sd/-
Shahriar Ahmed
Acting 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'22-March' 2023	July'21-March' 2022
29. Other Operating Income/(loss):		
Foreign exchange gain/(loss) from operations	676	11,799
Foreign exchange gain/(loss) from translation	15,129	(23,973)
	<u>15,805</u>	<u>(12,174)</u>
30. Administrative & Selling Overhead:		
Audit Fee (Including VAT)	302	302
Bank Charges & Commission	6,819	6,826
Board Meeting Fees (Including VAT)	28	25
Depreciation	2,384	1,393
Depreciation on Right of Use Assets	-	2,374
Directors Remuneration	2,700	2,700
Entertainment	1,443	966
Export Processing & Handling Expenses	3,629	2,875
Clearing & Forwarding Expenses	25,673	39,097
Insurance Premium	647	2,174
Legal & Professional Fees	150	287
Medical Expense	55	87
Newspapers & Periodicals	2	11
Postage & Stamp	40	40
Power & Fuel	756	471
Printing Expense	2,073	2,348
Stationery Expenses	2,392	2,566
Publicity & Advertisement	403	414
Renewal & Fees	4,536	6,820
Rent & Rates	-	109
Vat on Office Rent	-	370
Repairs & Maintenance	13,946	17,370
Salaries & Allowances	59,110	56,335
Sales Promotional Expenses	4,846	7,809
Travelling & Conveyance	3,530	2,879
Telephone, Fax and Radio Link	738	538
Transportation Expenses	12,103	13,045
	<u>148,305</u>	<u>170,232</u>
31. Finance & Other Income:		
Interest on FDRs	2,852	1,671
Interest on SND Accounts	0	0
Dividend Income	1,766	1,766
Profit from sale of old assets	960	-
Sale of wastage goods	1,378	-
	<u>6,956</u>	<u>3,437</u>
The increase of 102.32% are for increase interest rate of time deposits & other receipts .		
32. Financial Expenses:		
Interest on Term Loan-Stimulus	839	808
Interest on Time Loan	372	1,129
Supplier Finance Program (SFP) Charges	28,770	10,845
Interest on Overdraft	1,380	139
Interest on Finance Lease for Office Rent	-	66
F.C. Charges	-	7
	<u>31,362</u>	<u>12,995</u>
Financial expenses has been increased due to increase of FC Charges by applying supplier finance program (SFP) charges for early realization of export proceeds.		
33.Workers Profit Participation Fund (WPPF)	<u>969</u>	<u>995</u>
We are 100% export oriented Readymade Garment Industry, and as per Bangladesh Labor Rule 2015, Chapter XV, section 212-226 provided the rules regarding formation of Central Fund and also provision made in rule 214(1)(Ka) for realization of 0.03% from every letter of credit / work order of 100% export oriented industries and the company is making payment accordingly through bank to the said Central Fund for participation of workers in the profit of company . Therefore the company is performing its lawful duty regarding profit participatory fund and there is no further requirement to maintain the fund separately as required under section 234 of the labor Act 2006.		
34. Current Tax:	<u>42,108</u>	<u>25,371</u>
Current tax consists of tax provision made on business income means higher of below a,b,c i.e. Tax on operating profit basis, Minimum Tax U/S -82c(2) & Minimum Tax U/S -82c(4) and realized amount of finance & other income for the period from 1st July'22 to 31st March 2023.		
Calculation of Current tax:	Applicable	
a) Tax on Operating profit Basis	Tax Rate %	
Profit before tax	73,464	43,058
Other Operating Income/Loss	(15,805)	12,174
Finance & Other Income	(6,956)	(3,438)
Net Operating profit/(Loss)	<u>50,703</u>	<u>51,794</u>
Tax on Operation Profit	12.00	<u>6,084</u>
b) Minimum Tax U/S -82c(2)		
TDS on export proceeds	1.00	<u>32,177</u>
c) Minimum Tax U/S -82c(4)		
Realized from Revenue =(0.60%/20%*12%)	0.360	11,632
Realized from other operating Income	0.600	4
Realized from Cash Incentive	0.600	527
Realized from Dividend Income	0.600	10
Realized from finance & Other Income	0.600	24
		<u>12,197</u>
		<u>10,981</u>
So, Current tax		
Business tax- Higher of a,b & c **	above b	32,177
Tax on Cash Incentive Realised	10.00	8,783
Tax on Dividend Income (Realised)	20.00	353
Tax on Finance Income (Realised)	20.00	0
Tax on Profit from Sale of Assets	20.00	192
Tax on other Income (Wastage sale)	20.00	276
Tax on other operating Income (Realised)	20.00	135
Tax on PF Lapse Received	20.00	192
		<u>42,108</u>
		<u>25,371</u>
Effective Tax Rate =(Tax Expenses/Profit Before Tax)		<u>69.09%</u>
		<u>47.66%</u>

Value in Taka '000'

	July'22-March' 2023	July'21-March' 2022
** Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 32,177/- is higher than tax on operating profit basis Tk. 6,084/- and minimum tax on gross receipts Tk. 12,197/-, so higher is provided as current tax liability from business for the period ended March 31, 2023.		

35. Deferred Tax (Expenses)/Income: (8,645) 4,850

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, Dividend receivable, cash incentive receivable, Foreign exchange translation gain/(loss) & WDV of fixed assets. (Please see the details in note # 19 for total deferred tax income/(expense) from above mentioned temporary differences).

36. Fair Valuation Surplus/(deficit) of Investment (net of tax): 9,764 15,019

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.

37. Basic Earning Per Share (EPS):

Earnings after tax Attributable to the Owners of the Company	22,711	22,538
Number of Ordinary Shares	8,400	8,400
Basic Earning Per Share (EPS)	<u>2.70</u>	<u>2.68</u>

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

Net cash generated from/(used in) operating activities	198,411	1,204
Number of Ordinary Shares	8,400	8,400
Net Operating Cash Flows (NOCF) Per Share	<u>23.62</u>	<u>0.14</u>

Net operating cash flows was Tk. 23.62 per share for the 3rd quarter ended on March 31, 2023 but it was Tk. 0.14 for the same period of last year, this is mainly for decreasing of payment for cost & expenses as compare to last year's 3rd quarter .

39. Disclosure Regarding Rearrangement:
No rearrangement has been made during the 3rd quarter of 2022-2023.

40. Prior Year Adjustment:
As per Financial Reporting Council (FRC) notification no. 179/FRC/FRM/notification/2020/2 dated 7th July 2020 regarding lapse amount of employer's subscription to provident fund have to return to company from 2017 to June 30, 2021 & retained earnings as at July 01, 2021 has been adjusted accordingly by Tk. 686/- net of tax (Tk. 857- Tk.171).

41. 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 # 30; 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.

42. 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'22 to March' 2023	July'21 to March' 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit After Tax	22,711	22,538
Adjustment for non-cash & non operating items:		
Add: Depreciation During the period	23,878	25,250
Add/(Less): Unadjusted Foreign Exchange (Gain)/Loss from Translation	(1,304)	(421)
Less: Finance Income adjustment	(5,577)	(3,438)
Add: Interest & Other Financial Charges adjustment	31,362	12,995
Add: Tax Expenses	50,753	20,520
Increases & Decreases:		
(Increase)/Decrease in Inventories	138,387	60,230
(Increase)/Decrease in Trade Receivables	136,796	(40,109)
(Increase)/Decrease in other Receivables	17,106	(19,975)
(Increase)/Decrease in Advances, Deposits & Prepayments	(4,350)	1,578
(Increase)/Paid) Income tax during the period	(48,052)	(28,529)
Increase/(Decrease) in Trade Payables	(169,410)	(41,095)
Increase/(Decrease) in Other Payables	6,112	(8,340)
Net cash generated from/(used in) operating activities	<u>198,411</u>	<u>1,204</u>
RECONCILIATION		
Net cash generated from/(used in) operating activities-Indirect Method	198,411	1,204
Net cash generated from/(used in) operating activities-Direct Method	198,411	1,204
Differences	<u>0.00</u>	<u>0.00</u>

43. Contingent Liability:
a) There is Tk. 26.48 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" & Reliance Insurance Com. Ltd for which the Company is contingently liable as at March 31, 2023.

b) We have opened L/C with HSBC for import of circular knitting machines value EUR 630,000.00 as per meeting of the Board of Directors held on July 27, 2022 & subsequently approved in AGM.

44. Events after Reporting Period:

a) Independent Director:
The Board of Directors has appointed Mr. Tarek Nizamuddin Ahmed as Independent Director in its Board Meeting held on 05 April, 2023 subject to approval from BSEC as tenor of existing Independent Director Mr. Kazi Faruq Kader has completed.

b) Other Significant Event:
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.