

APEX SPINNING & KNITTING MILLS LIMITED

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

Un-audited Half Yearly (Q2) Financial Statements for the period ended on December 31, 2021

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2021

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

ASSETS	Notes #	Value in Taka '000'		
		As at 31.12.2021	As at 30.06.2021	Growth %
Non-Current Assets:		316,149	304,916	3.68
Property, Plant and Equipment	4	205,731	197,031	4.42
Investment	5	27,583	22,675	21.65
Investment in Financial Assets	6	72,779	72,779	-
Right-of-Use Assets	7	-	2,374	(100.00)
Security Deposits	8	10,056	10,056	(0.00)
Current Assets:		1,253,412	1,258,960	(0.44)
Inventories	9	277,935	338,467	(17.88)
Trade Receivables	10	576,084	486,618	18.39
Advances, Deposits & Pre- Payments	11	67,478	51,248	31.67
Other Receivables	12	43,890	11,072	296.39
Margin on Acceptance	13	186,296	213,306	(12.66)
Cash & Cash Equivalents	14	101,729	158,249	(35.72)
TOTAL ASSETS		1,569,561	1,563,876	0.36
EQUITY AND LIABILITIES				
Shareholders' Equity:		471,651	468,830	0.60
Share Capital	15	84,000	84,000	-
Share Premium	16	15,000	15,000	-
Reserve and Surplus	17	357,315	358,911	(0.44)
Fair Valuation Surplus of Investments	18	15,336	10,919	40.45
Non-Current Liabilities:		23,789	48,157	(50.60)
Long Term Loan	19	17,090	44,162	(61.30)
Deferred Tax Liability	20	6,699	3,995	67.69
Current Liabilities:		1,074,121	1,046,889	2.60
Working Capital Loan (Secured)	21	10,735	-	-
Long Term Loan-Current Maturity	22	78,591	73,964	6.26
Lease Liability	23	849	2,906	(70.78)
Short Term Loan	24	43,342	49,576	(12.57)
Trade Payables	25	797,450	793,082	0.55
Other Payables	26	141,257	117,878	19.83
Unclaimed Dividend Account	27	1,897	9,484	(80.00)
Total Liabilities		1,097,910	1,095,046	0.26
TOTAL EQUITY AND LIABILITIES		1,569,561	1,563,876	0.36
Net Assets Value (NAV) Per Share	28	56.15	55.81	0.60

	Notes #	Value in Taka '000'		
		01.07.2021 to 31.12.2021	01.07.2020 to 31.12.2020	Growth %
REVENUE	29	2,159,539	1,991,726	8.43
Cost of Goods Sold	30	(2,018,647)	(1,832,825)	10.14
GROSS PROFIT		140,892	158,901	(11.33)
Other Operating Income/(Loss)	31	(1,394)	51	(2,833.33)
Administrative & Selling Overhead	32	(103,060)	(96,931)	6.32
OPERATING PROFIT/(LOSS)		36,438	62,021	(41.25)
Finance Income	33	2,882	3,226	(10.65)
Financial Expenses	34	(8,373)	(34,840)	(75.97)
PROFIT BEFORE WPPF		30,947	30,407	1.78
Workers Profit Participation Fund (WPPF)	35	(618)	(609)	1.49
PROFIT BEFORE TAX		30,329	29,798	1.78
TAX EXPENSES:		(15,125)	(15,072)	0.35
Current Tax	36	(12,912)	(14,201)	(9.08)
Deferred Tax (Expenses)/Income	37	(2,213)	(871)	154.18
NET PROFIT AFTER TAX		15,204	14,726	3.24
OTHER COMPREHENSIVE INCOME:	38	4,417	990	346.13
Fair Valuation Surplus / (Deficit) of Investment		4,908	1,100	346.13
Deferred Tax (Exp.)/Income on share valuation Deficit		(491)	(110)	346.13
TOTAL COMPREHENSIVE INCOME		19,621	15,716	24.85
Basic Earnings Per Share (EPS)	39	1.81	1.75	3.24

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at June 30, 2021	84,000	15,000	129,701	226,458	10,919	2,752	468,830
Net Profit for the six months ended on December 31, 2021	-	-	-	15,204	-	-	15,204
Final dividend for the year 2020-2021	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	4,417	-	4,417
As at December 31, 2021	84,000	15,000	129,701	224,862	15,336	2,752	471,651

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Note #	Value in Taka '000'		
	01.07.2021 to 31.12.2021	01.07.2020 to 31.12.2020	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection From Revenue	2,062,925	2,062,403	0.03
Finance Income from SND	0	3	-
Other Income from foreign exchange gain/(loss) from operat	(872)	5	(17,540.00)
Received from PF Lapse	1,411	3,805	(62.92)
Bank Charges & Commission	(9,894)	(10,946)	(9.61)
Income Tax Paid	(15,562)	(15,430)	0.86
Payment for Costs and Expenses	(2,035,154)	(1,976,654)	2.96
Net cash generated from/(used in) operating activities (a)	2,855	63,186	(95.48)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment Acquired	(23,715)	(7,093)	234.34
Investment in FDR	-	-	-
Finance Income from FDRs	-	-	-
Net cash generated from/(used in) investing activities	(23,715)	(7,093)	234.34
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	10,735	(24,261)	(144.25)
Term loan received/(repaid)	(22,445)	51,387	(143.68)
Short Term loan received/(repaid)	(6,234)	33,438	(118.64)
Dividend Paid during the period	(7,587)	(59)	12,759.32
Payment on Finance Lease for Office Rent	(2,123)	-	-
Interest & other financial charges paid	(8,308)	(34,823)	(76.14)
Net cash generated from/(used in) financing activities (c)	(35,962)	25,681	(240.03)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	(56,821)	81,774	(169.49)
Cash & cash equivalents on opening	158,249	14,596	984.19
Foreign exchange gain/(loss) from translation	301	(173)	(273.99)
Cash & cash equivalents on closing	101,729	96,197	5.75
Net Operating Cash Flows Per Share	0.34	7.52	(95.48)

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at June 30, 2020	84,000	15,000	129,701	213,396	10,218	2,752	455,067
Prior Year Adjustment (note-41)	-	-	-	1,026	-	-	1,026
Restated Retained Earnings	84,000	15,000	129,701	214,422	10,218	2,752	456,093
Net Profit for the six months ended on December 31, 2020	-	-	-	14,726	-	-	14,726
Final dividend for the year 2019-2020	-	-	-	(12,600)	-	-	(12,600)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	990	-	990
As at December 31, 2020	84,000	15,000	129,701	216,548	11,208	2,752	459,208

Note: The details of the published half yearly 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 # 43 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/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1. The company and its operation:

1.01 Legal Form of the Enterprise:

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

1.02 Address of Registered Office and Factory:

The Registered Office of the Company is located at 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:

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

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

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

IAS-1 Presentation of Financial Statements	Complied With	IAS-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, 1987, The Income Tax Ordinance, 1984, The Income Tax Rules 1984, The VAT & Supplementary Duty Act 2012, The VAT & Supplementary Duty Rules, 2016 and other relevant local laws and rules.

3. Other General Notes:

(a) No interim dividend paid during the interim period ended on December 31, 2021.(b) No diluted EPS is required to be calculated as there was no dilution during this period. (c) Last year's 2nd quarter figures have been re-arranged where considered necessary to confirm to current 2nd quarter presentation. (d) Figures were rounded-off to the nearest thousand Taka. (e) Reporting Period: These Interim financial statements cover the period from July 01, 2021 to December 31, 2021. (f) Reporting Currency: These interim financial statements are prepared in Bangladeshi Taka. & (g) Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2020-2021 for income statement and financial position with June 30, 2021.

	Value in Taka '000'	
	As at 31.12.2021	As at 30.06.2021
4. Property, Plant and Equipment (WDV):		
Details of property, plant & equipment and depreciation are as follows:		
Fixed assets at cost:		
Opening Balance	1,402,345	1,390,443
Addition during the period	23,715	14,394
Disposal during the period	-	(2,492)
Closing Balance (cost)	1,426,060	1,402,345
Accumulated Depreciation:		
Opening Balance	1,205,314	1,174,288
Charged during the period	15,015	33,422
Disposal during the period	-	(2,396)
Closing Balance (Depreciation)	1,220,329	1,205,314
Written Down Value (WDV)	205,731	197,031
Depreciation has been charged (reducing balance method) on additions made during the period from the month in which that assets are ready to use as per IAS 16.		
5. Investment:	27,583	22,675
During the period, investment has been changed due to record the share price at market rate in financial position date.		
6. Investment in Financial Assets:	72,779	72,779
FDR's were purchased from EBL for more than one year (i.e. 380 days).		
7. Right of Use Assets:	-	2,374
Right of use assets has been created due to comply with IFRS 16 "Lease" against long term agreement for Office Rent.		
8. Security Deposits:	10,056	10,056
Security deposits are made to statutory bodies and hence secured.		
9. Inventories:		
Finished Goods (T, Polo, Sweat Shirt)	41,827	46,371
Raw Materials (Yarn & Dyes Chemical)	116,291	159,038
WIP (Dyed, Knitted Fabric & Garments)	85,875	119,279
Accessories	33,942	13,779
	277,935	338,467
10. Trade Receivables:	576,084	486,618
Trade receivables have been increased due to increase of turnover during end of the period.		

	Value in Taka '000'	
	As at 31.12.2021	As at 30.06.2021
11. Advances, Deposits & Pre-payments:		
Advance Income Tax	61,106	45,544
Deposits to Multi Securities & Services Ltd	1	1
Advance against expenses	6,371	5,703
	67,478	51,248
The increase of 31.67% due to increase of Advance Income Tax mainly.		
12. Other Receivables:		
Cash Incentive Receivable	39,597	8,168
FDRs Interest Receivable	1,801	685
Dividend Receivable	1,766	-
PF Lapse receivable (employer Portion)	-	1,411
Receivable against interest on stimulus package loan	726	808
	43,890	11,072
The increase of 296.40% in other receivables mainly for cash incentive receivable. Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.		
13. Margin on Acceptance:	186,296	213,306
Margin on acceptance-EBL has converted in BDT at closing rate @ 84.85 per USD as on 31.12.2021 & as compare to BDT @ 83.95 per USD as on 30.06.2021 which has retained for BTB L/C liability settlement.		
14. Cash & Cash Equivalent:		
Cash in hand	20	20
Cash at Bank:		
CD Account with SCB, Dhaka	190	190
CD Account with Mutual Trust Bank Ltd, Chandora	5,425	1,036
CD Account with DBBL, Dhaka	3,416	5,594
CD Account with HSBC-Dividend, Dhaka	17,486	688
OD Account with Eastern Bank Ltd., Dhaka	59,753	126,619
CD Account with HSBC, Dhaka	-	531
Foreign Currency Account with EBL, Dhaka-USD	14,676	22,806
Foreign Currency Account with HSBC, Dhaka-USD	12	13
SND Account with SCB, Dhaka	734	734
SND Account with EBL, Principal Branch, Dhaka	16	17
SND Account with HSBC, Dhaka	1	1
	101,709	158,229
	101,729	158,249
Foreign Currency Account balances has converted in BDT at closing rate @ 84.85 per USD as on 31.12.2021 & as compare to BDT @ 83.95 per USD as on 30.06.2021.		

Sd/-
Shahriar Ahmed
Acting Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

	Value in Taka '000'			
	As at 31.12.2021	As at 30.06.2021		
15. Share Capital :				
Authorized Capital:				
30,000,000 Ordinary Shares of Tk. 10/= each.	300,000	300,000		
Issued, Subscribed & Paid up Capital:				
8,400,000 Ordinary Shares of Tk. 10/= each fully paid	84,000	84,000		
There was no preference share issued by the Company				
15.a Composition of Shareholdings :				
	No. of Share	%	No. of Share	%
Sponsors & Directors	4,697,151	55.92	4,603,751	54.81
Institutions	1,771,450	21.09	2,093,528	24.92
Public - Local	1,910,719	22.74	1,670,960	19.89
Foreign Shareholders	20,680	0.25	31,761	0.38
	8,400,000	100	8,400,000	100
16. Share Premium:	15,000	15,000		
This is as per previous financial statement and represents premium of Tk. 50/= per Share of 300,000 Ordinary Shares of Tk. 100 each.				
17. Reserve & Surplus :				
Reserve for Re-Investment	129,701	129,701		
Retained Earnings	224,862	226,458		
Capital Gain	2,752	2,752		
	357,315	358,911		
18. Fair valuation surplus of Investments (Net of Tax):				
Opening Balance	10,919	10,218		
Fair valuation surplus/(deficit) during the period (net of tax)	4,417	701		
	15,336	10,919		
Fair valuation surplus/(deficit) of investments represents the difference of market value of the listed Company's share on the closing date and the last Balance Sheet price.				
19. Long Term Loan (Stimulus Package):	17,090	44,162		
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. We have already paid six installments out of 18 equal monthly installments.				
20. Deferred Tax Liabilities:				
a Book Value of Depreciable Assets				
Tax Base of Depreciable Assets	205,731	197,031		
Net Taxable Temporary Difference	202,451	191,983		
Effective Tax Rate	3,280	5,048		
	12.00%	12.00%		
Closing Deferred tax (Assets)/Liabilities arising from assets	394	606		
Opening Deferred Tax Balance	606	1,147		
Deferred Tax Income/(Expense)	212	541		
b Unrealised Interest on FDRs				
Effective Tax Rate	1,801	685		
	22.50%	22.50%		
Closing Deferred tax (Assets)/Liabilities arising from				
Unrealised FDRs Interest	405	154		
Opening Deferred Tax Balance	154	358		
Deferred Tax Income/(Expense)	(251)	204		
c Unrealised Foreign Exchange Gain/(Loss) from translation				
Effective Tax Rate	(522)	3,944		
	22.50%	22.50%		
Closing Deferred tax (Assets)/Liabilities arising from Exchange Gain/(Loss) from translation	(117)	887		
Opening Deferred Tax Balance	887	(157)		
Deferred Tax Income/(Expense)	1,005	(1,044)		
d Dividend Receivable				
Effective Tax Rate	1,766	-		
	20.00%	20.00%		
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	353	-		
Opening Deferred Tax Balance	-	-		
Deferred Tax Income/(Expense)	(353)	-		
e PF Lapse Receivable				
Effective Tax Rate	-	1,411		
	22.50%	22.50%		
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	-	317		
Opening Deferred Tax Balance	317	1,249		
Deferred Tax Income/(Expense)	317	932		
f) Cash Incentive Receivable				
Effective Tax Rate	39,597	8,168		
	10.00%	10.00%		
Closing Def. tax (Asst./Liab. arising from cash incentive Receiv.	3,960	817		
Opening Deferred Tax Balance	817	79		
Deferred Tax Income/(Expense)	(3,143)	(738)		
Total Deferred Tax Income/(Expense) from (a+b+c+d+e+f)	(2,213)	(106)		
g Deferred Tax (Assets)/Liabilities arising from Other				
Comprehensive Income- surplus from fair value of share :				
Tax for (Loss)/gain on available for sale investments @ 10%	17,040	12,132		
Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments	1,704	1,213		
Opening Deferred Tax Balance	1,213	1,135		
Deferred Tax Income/(Expense)	(491)	(78)		
Deferred Tax Closing Liability (a+b+c+d+e+f+g)	6,699	3,995		

	Value in Taka '000'	
	As at 31.12.2021	As at 30.06.2021
21. Working Capital Loan (secured):		
HSBC, Dhaka	10,735	-
	10,735	-
The working capital loan increased due to utilization of working capital for salaries & wages and regular payment .		
22. Long Term Loan-Current Maturity:	78,591	73,964
This represents the part of stimulus package loan which will pay in next 12 months.		
23. Lease Liability:	849	2,906
Lease Liability has been created due to comply with IFRS 16 "Lease" against long term agreement for Office Rent.		
24. Short Term Loan :		
Time Loan-EBL	29,164	15,492
Import Loan-EBL	14,178	34,083
	43,342	49,575
The decrease of short term loan due to repayment of loans as per schedule date.		
25. Trade Payables:	797,450	793,082
The increase of trade Payables due to purchase of raw material under BTB L/C support the export .		
26. Other Payables:		
Freight & Forwarding	9,123	14,001
Insurance Premium	2,135	195
Power, Fuel and Water	10,206	10,801
Telephone, Telex & Fax	14	46
Salaries, Wages and Overtime	49,518	55,733
Provision for Audit Fees	201	403
Income Tax Payable	42,986	30,074
Provident Fund Payable	2,232	2,429
Dividend for the year 2020-2021	16,800	-
Payable for Corporate Expenses	2,245	1,308
Payable for Other Expenses	2,122	675
Payable for Tax Deducted at Sources	3,517	2,138
VAT Payable	159	76
	141,257	117,878
The increase of 19.83% in other payables mainly for income tax payable & dividend payable for the year 2020-2021.		
27. Unclaimed Dividend Account:	1,897	9,484
According to the Directive of Bangladesh Securities and Exchange Commission (BSEC) dated 14th January, 2021 para 3 (vii) regarding the details information of unpaid or unclaimed dividend shall report in the statement of financial position as separate line item, so we have reported in the statement of financial position as a separate line item "Unclaimed Dividend Account". Breakup as		
	Years of Dividend	
	1994-1995 to 2016-2017	- 7,585
	2017-2018	1,179 1,179
	2018-2019	436 436
	2019-2020	282 284
	Unclaimed Dividend 2017-2018 to 2019-2020	1,897 9,484
28. Net Assets value (NAV) Per Share:		
Equity Attributable to the Owners of the Company	471,651	468,830
Number of Ordinary Shares	8,400	8,400
Net Assets value (NAV) Per Share	56.15	55.81
	July'21 to	July'20 to
	December' 2021	December' 2020
	2,159,539	1,991,726
29. Revenue:		
Revenue has been increased by 8.43% as compared to the revenue of same period of July 2020 to December 2020 due to increase of quantity sold during the period.		
30. Cost of Goods Sold:		
Opening Stock of Finished Goods	46,371	37,472
Add: Cost of Production (note # 30.a)	2,014,103	1,833,615
Less: Closing Stock of Finished Goods	(41,827)	(38,261)
	2,018,647	1,832,826
30.a. Cost of Production:		
Opening Raw Materials & WIP	292,096	294,635
Add: Raw Materials purchase during the period	1,237,236	985,864
Add: Factory Overhead (Note # 30.a.a)	720,878	717,778
Less: Closing Raw Materials, WIP & Accessories	(236,107)	(164,663)
	2,014,103	1,833,614
30.a.a Factory Overhead:		
Carriage inward	3,987	3,521
Electricity	517	491
Gas, Fuel & Lubricant	62,130	53,636
Insurance Premium	3,965	4,134
Repairs & Maintenance	42,268	58,870
Telephone Charges	36	22
Wages, Salaries & Allowance	576,530	559,106
Bank Charges & Commission	5,529	7,579
Depreciation	14,198	15,833
Fire Fighting Exp.	-	8
Travelling & Conveyance	2,935	3,765
Testing Bill	6,562	9,905
Uniform & Liveries	362	332
Chemical for Effluent Treatment Plant	835	2,485
Entertainment	623	717
UD & UP Expenses	400	374
	720,878	717,778
The increase of factory overhead mainly for wages, salaries & allowance and gas bill.		

Sd/-
Shahriar Ahmed
Acting Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

	Value in Taka '000'	
	July 21-December 2021	July 20-December 2020
31. Other Operating Income/(loss):		
Foreign exchange gain/(loss) from operations	(872)	5
Foreign exchange gain/(loss) from translation	(522)	46
	<u>(1,394)</u>	<u>51</u>
32. Administrative & Selling Overhead:		
AGM Expenses	-	5
Audit Fee (Including VAT)	201	201
Bank Charges & Commission	4,365	3,366
Board Meeting Fees (Including VAT)	18	10
Depreciation	816	643
Depreciation on Right of Use Assets	2,374	-
Directors Remuneration	1,800	1,800
Entertainment	640	315
Export Processing & Handling Expenses	1,980	2,346
Freight & Forwarding Expenses	20,880	16,862
Insurance Premium	2,066	1,649
Legal & Professional Fees	244	409
Medical Expense	59	39
Newspapers & Periodicals	10	3
Postage & Stamp	27	22
Power & Fuel	435	395
Printing Expense	1,494	1,765
Stationery Expenses	1,498	1,579
Publicity & Advertisement	245	90
Renewal & Fees	4,705	4,160
Rent & Rates	-	3,296
Vat on Office Rent	370	-
Repairs & Maintenance	8,232	4,195
Salaries & Allowances	34,173	45,103
Sales Promotional Expenses	6,191	1,958
Travelling & Conveyance	2,261	1,973
Telephone, Fax and Radio Link	311	360
Transportation Expenses	7,663	4,386
	<u>103,060</u>	<u>96,931</u>
33. Finance & Other Income:		
Dividend Income	1,766	1,111
Interest earned on SND Account	0	3
Interest on FDRs	1,116	2,112
	<u>2,882</u>	<u>3,226</u>
The decrease of 10.66% is mainly for decrease interest rate of time deposits.		
34. Financial Expenses:		
Interest on Term Loan-Stimulus	403	1,581
Interest on Time Loan	566	431
Supplier Finance Program Charges(SFP)	7,204	1,955
Interest on Overdraft	127	171
Interest on Finance Lease for Office Rent	66	-
F.C. Charges	7	30,702
	<u>8,373</u>	<u>34,840</u>
Financial expenses has been decreased due to reduce of FC Charges by applying supplier finance program charges (SFP) for early realization of export proceeds		
35. Workers Profit Participation Fund (WPPF)	<u>618</u>	<u>609</u>
We are 100% export oriented Readymade Garment Industry, and as per Bangladesh Labor Rule 2015, Chapter XV, section 212-226 provided the rules regarding formation of Central Fund and also provision made in rule 214(1)(Ka) for realization of 0.03% from every letter of credit / work order of 100% export oriented industries and the company is making payment accordingly through bank to the said Central Fund for participation of workers in the profit of company. Therefore the company is performing its lawful duty regarding profit participatory fund and there is no further requirement to maintain the fund separately as required under section 234 of the labor Act 2006.		
36. Current Tax:	<u>12,912</u>	<u>14,201</u>
Current tax consists of tax provision made on business income means higher of below a,b,c i.e. Tax on operating profit basis, Minimum Tax U/S -82c(2) & Minimum Tax U/S -82c(4) and realized amount of finance & other income for the period from 1st July 21 to 31st Dec 21.		
Calculation of Current tax:	Applicable	
a) Tax on Operating profit Basis	Tax Rate %	
Profit before tax	30,329	29,797
Other Operating Income/Loss	1,394	(51)
Finance & Other Income	(2,882)	(3,225)
Net Operating profit/(Loss)	<u>28,841</u>	<u>26,521</u>
Tax on Operation Profit	12.00	<u>3,461</u>
b) Minimum Tax U/S -82c(2)		
TDS on export proceeds	0.50	10,309
TDS on Cash Incentive (realized amount)	10.00	2,482
		<u>12,791</u>
c) Minimum Tax U/S -82c(4)		
Realized from Revenue =(0.60%/22.5%*12%)	0.320	6,601
Realized from other operating Income	0.600	(5)
Realized from Cash Incentive	0.600	149
Realized from Dividend Income	0.600	-
Realized from finance & Other Income	0.600	8
		<u>6,753</u>
So, Current tax		<u>12,912</u>
Business tax- Higher of a, b & c **	above b	12,791
Tax on Dividend Income (Realised)	20.00	-
Tax on Finance Income (Realised)	22.50	0
Tax on other operating Income (Realised)	22.50	(196)
Tax on PF Lapse received	22.50	317
		<u>951</u>
		<u>14,201</u>
Effective Tax Rate =(Tax Expenses/Profit Before Tax)	<u>49.87%</u>	<u>50.58%</u>

	Value in Taka '000'	
	July 21-December 2021	July 20-December 2020
** Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 12,791/- is higher than tax on operating profit basis Tk. 3,461/- and minimum tax on gross receipts Tk. 6,753/- So higher is provided as current tax liability from business for the period ended December 31, 2021.		
37. Deferred Tax (Expenses)/Income:	<u>(2,213)</u>	<u>(871)</u>
The provision for deferred tax (expense)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable, Foreign exchange translation gain /(loss) & WDV of fixed assets. (Please see the details in note # 20 for total deferred tax income/(expense) from above mentioned temporary differences).		
38. Fair Valuation Surplus/(deficit) of Investment (net of tax):	<u>4,417</u>	<u>990</u>
Fair valuation surplus/(deficit) of investments represents the difference of market value of the listed Company's share on the closing date and the last audited Balance Sheet price.		
39. Basic Earning Per Share (EPS):		
Earnings after tax Attributable to the Owners of the Company	15,204	14,726
Number of Ordinary Shares	8,400	8,400
Basic Earning Per Share (EPS)	<u>1.81</u>	<u>1.75</u>
40. Net Operating Cash Flows (NOCF) Per Share:		
Net cash generated from /(used in) operating activities	2,855	63,186
Number of Ordinary Shares	8,400	8,400
Net Operating Cash Flows (NOCF) Per Share	<u>0.34</u>	<u>7.52</u>
Net operating cash flows was Tk. 0.34 per share for the 2nd quarter ended on December 31, 2021 but it was Tk. 7.52 for the same period of last year, this is mainly increase of more payment for cost & expenses as compare to increase of collection from revenue.		
41. 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 2016 to June 30, 2020 & retained earnings as at July 01, 2020 has been adjusted accordingly by Tk. 1,025,940/- (net of tax).		
42. 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 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 dyes.		
(b) Key management personnel compensation:		
i) Refer to Note # 32; we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.		
ii) The Company is paying Remuneration to the Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them. The Company operates a contributory provident fund which is administered 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.		
43. Reconciliation of Net Profit with Cash Flows from Operating Activities: **		
Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/ CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.		
CASH FLOWS FROM OPERATING ACTIVITIES:	July 21 to	July 20 to
	December 2021	December 2020
Profit After Tax	15,204	14,726
Adjustment for non-cash & non operating items:		
Add: Depreciation During the period	17,389	16,476
Add/(Less): Unadjusted Foreign Exchange (Gain)/Loss from Translation	(301)	173
Less: Finance Income adjustment	(2,882)	(3,222)
Add: Interest & Other Financial Charges adjustment	8,373	34,840
Add: Tax Expenses	15,125	15,072
Increases & Decreases:		
(Increase)/Decrease in Inventories	60,533	129,182
(Increase)/Decrease in Trade Receivables	(89,466)	69,968
(Increase)/Decrease in other Receivables	(29,936)	(6,733)
(Increase)/Decrease in Advances, Deposits & Prepayments	(668)	(1,716)
(Increase/Paid) Income tax during the period	(15,562)	(15,430)
Increase/(Decrease) in Trade Payables	14,579	(154,691)
Increase/(Decrease) in Other Payables	10,467	(35,459)
Net cash generated from/(used in) operating activities	<u>2,855</u>	<u>63,186</u>
RECONCILIATION		
Net cash generated from/(used in) operating activities-Indirect Method	2,855	63,186
Net cash generated from/(used in) operating activities-Direct Method	2,855	63,186
Differences	<u>0.00</u>	<u>-</u>
44. Contingent Liability:		
There is Tk. 17.07 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" & Reliance Insurance Com. Ltd for which the Company is contingently liable as at December 31, 2021.		
45. Events after Reporting Period:		
a) News of Mourning:		
Our honorable chairman & founder director Mr. Zafar Ahmed has died on 9th January, 2022 due to brain hammering. Inallillahe Wainna Eelaihe Razun. He was 73.		
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
Acting Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary