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TRANSMITTAL LETTER

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

Subject: **Annual Report for the year ended on June 30, 2020.**

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report of Apex Spinning & Knitting Mills Limited together with the Audited Financial statements comprising of Statement of Financial Position as at June 30, 2020, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on June 30, 2020 along with Notes thereon for your kind information and record.

Yours sincerely,

Sd/-
Md. Delour Hossen
Acting Company Secretary

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **TWENTY-NINTH ANNUAL GENERAL MEETING OF APEX SPINNING & KNITTING MILLS LIMITED** will be held on Thursday, December 24, 2020 at 9.30 A.M. by using **digital platform** through link <http://virtualagm.apexknitting.com> (in pursuance with BSEC Order SEC/SRMIC/94-231/25 dated 08 July 2020) to transact the following businesses:

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended on 30 June 2020 and report of the Auditors' and Directors thereon.
2. To declare Dividend for the year 2019-2020.
3. To elect Directors.
4. To appoint Statutory Auditors for the year 2020-2021 and fix their remuneration.
5. To appoint Compliance Auditors for the Certification on Corporate Governance Code for the year 2020-2021 and fix their remuneration.
6. To transact any other business of the Company, with permission of the Chair.

Place: Dhaka
Date: December 03 , 2020

By order of the Board of Directors

Sd/-
Md. Delour Hossen
Acting Company Secretary

NOTES:

1. The Shareholders whose name appeared in the Register of Members of the Company or in the Depository on the "Record Date i.e. November 18, 2020" are eligible to attend in the Annual General Meeting and be entitled to the Dividend.
2. The detail login process and link of the online portal to attend the meeting will be communicated to the shareholders through email in due course and will be available at the company's Website at: <http://www.apexknitting.com>.
3. A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead as per **para 99** of the Articles of Association of the Company.
4. Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Notification No.: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018 the Annual Report 2019-20 of the Company shall be sent to the respective e-mail address of the shareholders mentioned in their Beneficiary Owner (BO) Accounts with the depository. In case of non-receipt of Annual Report 2019-20 of the Company through e-mail, Shareholders may collect the same from the Registered Office of the Company. The Annual Report also be available at the Company's Website at: <http://www.apexknitting.com> .
5. In pursuance of BSEC's Notification No.: SEC/SRMI/2000-953/1950 dated October 24, 2000 gazette on November 07, 2000, the Company shall hold discussions in the Annual General Meeting strictly in conformity with the provisions of the Companies Act, 1994.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

SENIOR CORPORATE OFFICIALS

Chief Financial Officer	:	Mr. Kamruzzaman FCA
Head of Internal Audit & Compliance	:	Mr. Md. Golam Kibria FCMA
Acting Company Secretary	:	Mr. Md. Delour Hossen

LEGAL ADVISORS

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

AUDITORS

M/s. Hussain Farhad & Co.
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

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

FACTORY

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

Five Years Statistics

Figure in Thousand Taka

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16 (Fifteen months)
Results of Operations:					
Revenue	2,751,013	3,537,790	3,633,663	3,205,557	4,319,335
Gross Profit	222,226	287,345	289,542	245,333	338,619
Operating Profit	83,128	127,216	62,859	43,166	53,366
Profit before Tax	30,701	55,690	62,411	47,270	56,012
Net Profit after Tax	12,428	27,223	24,021	23,163	28,765
Earnings Per Share (EPS)	1.48	3.24	2.86	2.76	3.42
Dividend Per Share*	1.50	2.00	2.00	2.00	2.20
Financial Positions:					
Total Assets	1,280,118	1,387,062	1,465,206	1,325,340	1,461,496
Property, Plant and Equipment-Gross	1,390,443	1,360,371	1,346,231	1,343,392	1,248,060
Property, Plant and Equipment - Net	216,155	224,142	250,992	296,161	250,630
Gross Working Capital	963,154	1,057,297	1,107,179	994,046	1,183,939
Net Working Capital	195,694	147,557	110,775	115,834	160,401
Working Capital Loan	24,261	38,524	57,911	16,178	83,790
Share Capital	84,000	84,000	84,000	84,000	84,000
Share Premium	15,000	15,000	15,000	15,000	15,000
Reserve and Surplus	345,849	350,221	339,632	329,964	325,388
Share Holders' Equity	455,067	467,893	462,423	443,183	434,056
Long Term Loan	81,116	-	-	-	-
Key Financial Ratios:					
Current Ratio	1.25	1.16	1.11	1.13	1.16
Debt to Total Assets (%)	64.45	66.24	68.54	66.55	70.30
Return on Equity (%)	2.73	5.82	5.19	5.23	6.63
Net Assets Value Per Share	54.17	55.70	55.05	52.77	51.67
Net Operating Cash Flows Per Share	0.66	20.94	(10.31)	14.23	25.20
Dividend Payout Ratio (%)	101.35	61.73	69.94	72.46	64.33
Financial Charges Coverage Ratio	1.42	1.65	1.77	1.60	1.59
Others:					
Market Price Per Share (30th June)	130.70	140.30	173.35	111.93	92.74
Price Earnings Multiple	88.31	43.30	60.62	40.55	27.12
Number of Employees	5,513	5,887	5,824	5,900	5,621
Capacity Utilization (%)	71.30	90.48	92.12	90.90	92.25

* The Board of Directors recommended Cash Dividend @Tk. 1.5/- per Share for the year ended on 30th June 2020.

AUDIT COMMITTEE REPORT

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

The Audit committee of the company comprises of four Directors, nominated by the Board of Directors of the Company, headed by me, Kazi Faruq Kader, Independent Director. At present, the other members of the committee are, Mr. Zahur Ahmed PhD, Mr. Shahriar Ahmed and Mr. Md. Rafique Ullah, ICB nominated Director.

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

The committee normally meets in the next month of every quarter. During the year 2019-20, six Audit Committee meetings were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of the Member	Number of Audit Committee Meeting held	Attended
Mr. Kazi Faruq Kader	6	6
Mr. Zahur Ahmed PhD	6	6
Mr. Shahriar Ahmed	6	6
Mr. Tarek Nizamuddin Ahmed	4	4
Mr. Md. Rafique Ullah	2	1

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

- ✓ Oversee the financial reporting process.
- ✓ Monitor choice of accounting policies and principles.
- ✓ Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- ✓ Oversee hiring and performance of external auditors.
- ✓ Hold meeting with the external auditors for review the annual financial statements before submission to the Board for approval.
- ✓ Review along with the management, the annual financial statements before submission to the Board for approval.
- ✓ Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- ✓ Review the adequacy of internal audit function.
- ✓ Review the Management's discussions and analysis before disclosing in the Annual Report.
- ✓ Review statement of significant related party transactions submitted by the management.
- ✓ Review Management Letters or Letter of Internal Control weakness issued by Statutory auditors.
- ✓ Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors
- ✓ Compliance of all applicable legal and regulatory rules and regulations.
- ✓ Various reports of operational activities and streamlined the operations of the Company.
- ✓ The committee reviewed the audit plan for the year 2019-2020 and oversees the performance of external auditors.
- ✓ Reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.

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

Place: Dhaka
Date: October 28, 2020

On behalf of the Audit Committee

Sd/-
Kazi Faruq Kader
Chairman

NOMINATION AND REMUNERATION COMMITTEE REPORT

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

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

During the year 2019-20, one meeting of the Nomination and Remuneration Committee was held on 20th February, 2020, the details of attendance of each member at the NRC meetings are as follows:

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

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

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

Appointment Criteria and qualifications:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Senior management level and recommend to the board for appointment.

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent. A combination of age, gender, experience, ethnicity, educational back ground, nationality and other relevant person attributes in the board is important in providing a range of perspectives, insights and challenges needed to support right decision making. Recruitment and selection processes for board members identify candidates with the most suitable skills, knowledge, experiences and personal values.

Evaluation:

The committee shall carry out evaluation of performance of independent Directors and the board. The NRC is responsible for ensuring the effectiveness of the board. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports and information produced for consideration and relationship with Management.

Top level Executive Selection and Remuneration Policy:

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The recruitment process for Top Level Executives shall be transparent.

The objective of remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders.

Acknowledgement:

The Nomination and Remuneration Committee expressed of sincere thanks to the Chairman and Members of the Board and Management for their support in carrying out its duties and responsibilities.

Place: Dhaka
Date: October 28, 2020

On behalf of the Nomination and Remuneration Committee

Sd/-
Kazi Faruq Kader
Chairman

MD & CFO's Declaration to the Board of Directors

Date: October 28, 2020

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2020.

Dear Sirs,

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

- (1) The Financial Statements of Apex Spinning & Knitting Mills Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer (CFO)

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

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

We have examined the compliance status to the Corporate Governance Code by Apex Spinning & Knitting Mills Limited for the year ended on June 30, 2020. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange commission.

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

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

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

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

Place: Dhaka
Date: October 28, 2020

Sd/-
Md. Waliullah, FCA
Managing Partner
Malek Siddiqui Wali
Chartered Accountants

Corporate Governance Code Compliance Status

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

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.	Board of Directors:		
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors shall not be less than 5 (Five) and more than 20 (Twenty).	Complied	
1.2	Independent Directors:		
1.2 (a)	Independent Directors: At least 1/5 th (We have four Directors and One Independent Director)	Complied	The Independent Director is getting remuneration from the company, during the year his gross remuneration was Tk. 590,000/-.
1.2 (b)i)	Less than 1% Shares	Complied	
1.2 (b)ii)	Not a Sponsor of The Company or is not connected with the Company's any sponsor or Director or Nominated Director or Shareholder.	Complied	
1.2 (b)iii)	Not been an executive of the Company immediate preceding 2 financial years.	Complied	
1.2 (b)iv)	Does not have other relationship	Complied	
1.2 (b)v)	Not a Member or TREC holder, Director or Officer of any Stock Exchange.	Complied	
1.2 (b)vi)	Not a Shareholder, Director excepting independent director or Officer of any member TREC holder of Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (b)vii)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	Complied	
1.2 (b)viii)	Not an Independent Director more than five listed Companies.	Complied	
1.2 (b)ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	Complied	
1.2 (b)x)	Not convicted for a Criminal offence	Complied	
1.2 (c)	Appointment by the Board and approved in AGM.	Complied	
1.2 (d)	Post cannot remain vacant for more than 90 days.	Complied	
1.2 (e)	Tenure of the Independent Director.	Complied	
1.3	Qualification of Independent Director:		
1.3 (a)	Independent Director shall be knowledgeable individual with integrity.	Complied	
1.3 (b)i)	Should be a Business Leader	Complied	
1.3 (b)ii)	Should be a Corporate Leader	Complied	
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body.	Complied	
1.3 (b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	Not Applicable	

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

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

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

1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	Not Complied	Development of code of conduct is under development process, it will be incorporated by committee in uncoming meeting.
2	Governance of Board of Directors of Subsidiary Company:		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	There is no subsidiary company.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable	There is no subsidiary company.
2(c)	The minutes of the Board Meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Not Applicable	There is no subsidiary company.
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable	There is no subsidiary company.
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	There is no subsidiary company.
3	MANAGING DIRECTOR (MD) or CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):		
3.1	Appointment		
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC);	Complied	
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	Complied	
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	Complied	
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Not Applicable	There was no such event during the year.
3.2	Requirement to attend Board of Director' Meetings: The MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board: Provided that CS, CFO and HIAC shall not attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied	

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

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

5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	Complied	
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Not applicable	
5.6	Reporting of the Audit Committee		
5.6(a)	Reporting to the Board of Directors		
5.6.a(i)	The Audit Committee shall report on its activities to the Board.	Complied	
5.6.a(ii)a)	report on conflicts of interests;	Not applicable	There was no such event to report
5.6.a(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	Not applicable	There was no such event to report
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.	Not applicable	There was no such event to report
5.6(b)	Reporting to the Authorities	Not applicable	There was no such event to report
5.7	Reporting to the Shareholders and General Investors.	Not applicable	There was no such event to report
6	Nomination and Remuneration Committee(NRC)		
6.1	Responsibilities to the Board of Directors:		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Complied	
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	
6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6.5(b)	Complied	
6.2	Constitution of the NRC:		
6.2(a)	The Committee shall comprise of at least 3 (three) members including an independent director.	Complied	
6.2(b)	All members of the Committee shall be non-executive directors;	Not Complied	Two members of committee are executive director.
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Not applicable	There was no such event to report

6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or or member(s) of staff shall be required or valuable for the Committee;	Not applicable	There was no such event to report
6.2(g)	The company secretary shall act as the secretary of the Committee;	Complied	
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Not applicable	There was no such event during the year.
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Not Complied	Details of remuneration are given in the note 33 of annual financial statements.
6.3	Chairperson of the NRC		
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Complied	
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	N/A	There was no such event during the year.
6.3(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders;	Complied	
6.4	Meeting of the NRC		
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not applicable	There was no such event with in the report period
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h);	Complied	
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Complied	
6.5	Role of the NRC		
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Not Complied	
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		
6.5(b)i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	Complied	

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

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

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It is an honor and pleasure for me to welcome you all to the Twenty-ninth Annual General Meeting of your Company and to present the Annual Report for the year ended June 30, 2020.

Global Economy:

In the second half of 2019, trade policy uncertainty and geopolitical tensions continued to weigh on global economic activity—especially manufacturing and trade. Intensifying social unrest in several countries posed new challenges, as did weather-related disasters—from hurricanes in the Caribbean to drought and bushfires in Australia, floods in eastern Africa, and drought in southern Africa. Despite these, some indications emerged toward the year-end that global growth may be bottoming out.

At the beginning of the year 2020, the world experienced a new pandemic. The COVID-19 is inflicting high, and the necessary protection measures severely impact economic activity. Most countries imposed stringent lockdown measures in the first half of 2020 to contain the coronavirus pandemic and protect susceptible populations. Meanwhile, economic activity contracted dramatically on a global scale. As a result, the global economy is projected to shrink by 3% in 2020. The effect will be much worse than during the 2008–09 financial crisis.

Although easing lockdowns can lead to a partial recovery, economic activity is likely to remain subdued until health risks subside. The necessary measures to reduce infection and protect lives are crucial investments in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial measures to support affected households and businesses domestically.

Bangladesh Economy:

The effects of Coronavirus are already being observed in the Bangladesh economy. There has been negative growth in import and export trade in FY2019-20. However, the remittance flow growth has been positive, with 10.87 percent growth during the fiscal year. Besides, the current account deficit has narrowed during FY2019-20.

Moreover, the surplus of the overall balance of the BOP significantly increased the foreign exchange reserves, and as of June 30, 2020, it stood at US\$ 36 billion. The exchange rate of Taka, especially the exchange rate of Taka with the US dollar, was stable. Inflation was also under control during this fiscal year due to modest production in the agricultural sector. The Government announced an incentive package of about 1.2 lakh crore taka to address the worldwide crisis and keep its economy moving and bringing it back on track. The incentive package announced is 4.3 percent of GDP.

As a result, the Bangladesh economy trend has started a turnaround towards the growth trajectory. Bangladesh's GDP growth rate for the year 2019 was 8.15%, and in this pandemic year, the economy is expected to grow around 6.50%. Despite all these hurdles, this is a good sign compared with the other countries.

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

Place: Dhaka
Date: October 28, 2020

Sd/-
Zafar Ahmed
Chairman

Managing Director's Statement

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

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

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

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

(b) Changes in accounting policies and estimation:

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

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

"Figure in thousand Taka"

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16**	2014-15
Key Operational and Financial Data:						
Revenue	2,751,013	3,537,790	3,633,663	3,205,557	4,319,335	2,989,846
Gross Profit	222,226	287,345	289,542	245,333	338,619	243,140
Operating Profit/(Loss)	83,128	127,216	62,859	43,166	53,366	31,823
Profit before Tax	30,701	55,690	62,411	47,270	56,012	35,921
Net Profit/(Loss) after Tax	12,428	27,223	24,021	23,163	28,765	23,204
Total Assets	1,280,118	1,387,062	1,465,206	1,325,340	1,461,496	1,374,272
Total Liabilities	825,051	919,169	1,002,783	882,050	1,027,440	954,093
Current Assets	963,154	1,057,297	1,107,179	994,046	1,183,939	1,072,153
Current Liabilities	767,460	909,740	996,404	878,212	1,023,537	952,091
Reserve and Surplus	345,849	350,221	339,632	329,964	325,388	313,838
Share Holder's Equity	455,067	467,893	462,423	443,183	434,056	420,179
Current Ratio	1.25	1.16	1.11	1.13	1.16	1.13
Net Asset Value (NAV) per Share	54.17	55.70	55.05	52.77	51.67	50.02
Earnings Per Share (EPS)	1.48	3.24	2.86	2.76	3.42	2.76
NOCFPS	0.66	20.94	(10.31)	14.23	25.20	(1.79)

**fifteen (15) months period.

Apex Spinning & Knitting Mills Ltd is continuing its growth from the year 2016-2017 to 2017-2018 & slightly decreased in 2018-19 but revenue for the year 2019-2020 has fallen 22.24% due to effect of COVID-19 in worldwide, as a result its gross profit margin, profit before tax & net profit after tax have been decreased. In spite of continuing COVID-19, management of ASKML to keep the factory running, not sack workers/employees & to pay their wages/salaries in time. Thus there was significant variance in net operating cash flows. The Net Operating Cash Flows per Share are positive/negative and are different in every financial year as this depends on different issues mainly, collection from revenue and payment for costs and expenses. This scenario is changeable time to time depending on different issues.

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

“Figure in Million Taka”

Particulars	Apex Spinning & Knitting Mills Ltd 2019-20	Paramount Textile Ltd 2018-19	Evince Textile Ltd 2018-19
Operational and Financial Data:			
Revenue	2,751.01	5673.85	1826.67
Gross Profit	222.23	855.04	383.55
Profit before Tax	30.70	465.40	181.38
Net Profit/(Loss) after Tax	12.43	411.55	145.18
Earnings Per Share (EPS)	1.48	3.04	0.92
NOCFPS	0.66	4.36	2.49

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

Exporting of Garments is the backbone of Bangladesh’s industrial sector, accounted for more than 80% of manufacturing income & around 4 (four) million workers are served in this sector. COVID-19 has triggered the deepest global recession in decades. While the ultimate outcomes are still uncertain, the pandemic will result in contractions across the vast majority of emerging market of global & national and developing the economy. During the financial year 2019-2020, Govt has revised its GDP growth rate for long time lockdown through the country due to COVID-19 pandemic. Government of Bangladesh has provided stimulus package in most of the economy sectors specially in garments sector.

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

The similar challenges are facing all the sectors of textile industry. Among others, working capital fund crisis due to keep the factory running & not sack workers & employees, lack of energy including its price hike, labour unrest, increase of raw materials, cost of fund, very short lead time to deliver finished goods. Now a day, workers are facing health risk due to covid-19 pandemic. Otherwise, to meet environmental and compliance requirements has caused a shift in selecting eco-friendly chemicals which are expensive. The company also aware of some financial risk including market risk, credit risk, interest rate risk and currency risk. Now, Market risk is most important issue for external factors. To minimize these exposure, the company has taken extra initiative ie for market risk, regular communicate with all related concerns, for credit risk, monitored on an ongoing basis and for interest rate risk, the company has not entered into any type of derivative instrument in order to hedge interest rate risk at the reporting date but company has taken stimulus package loan at lower charges to pay the last three months’ wages of workers.

(g) Future plan:

The pandemic of COVID-19 has been effected in all over world from the middle of this financial year 2019-2020. The foreign buyers have cancelled & hold contracts indiscriminately & these effects are continuing. In spite of these, Apex Spinning & Knitting Mills Limited (ASKML) is committed to continue its production, regular payment the salary & wages, to meetup the interest of all stakeholders, to safeguard the health measure of all employees, to upgrade the capital assets & its modification and to take a proper plan to control & design inventory. ASKML is also planning to overcome the second wave of COVID-19. However, company improves the efficiency of human resources by proper training and update the fashion design center due to rapidly change the buyers fashion & choices

Place: Dhaka
Date: October 28, 2020

Sd/-
Zahur Ahmed PhD
Managing Director

REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Auditors' Report and Audited Financial Statements of the Company for the year ended June 30, 2020.

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

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

Economic growth slumped to an over 10-year low in FY 2019-20, as the pandemic hammered both domestic activity and the external sector. Exports and industrial output collapsed at an unprecedented rate in Q2 CY 2020, reflecting a slump in foreign demand and spearheading the overall downturn.

Growth is expected to pick up some steam in July as foreign demand gradually recovers from the Covid-19-induced shock, while supportive fiscal and monetary stimulus measures reinforce the domestic market, with more robust growth expected in the upcoming Christmas season. But due to the second wave of Covid-19, countries have begun to impose more stringent measures to tackle the pandemic. The effect of the Coronavirus is going to last long. We need to be cautious about the future economic trend unless there is a vaccine to tackle COVID-19.

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

As Apex Spinning & Knitting Mills Limited produces only Readymade Garment, there is no scope for Product-wise performance reporting. However, country-wise export details are given in note 29 of the Annual Report.

(iii) Risks and concerns:

Bangladesh's readymade garments sector accounts for around 80% of the country's manufacturing income, with at least 4 million workers depending on it.

The coronavirus pandemic is taking a toll on Bangladesh, the world's second-largest garment exporter. Although the number of COVID-19 cases is not too high in the South Asian country, the pandemic poses a significant risk to this sector and garment workers' livelihood. The industry is losing orders, and millions of jobs are at stake.

The country's garment sector depends hugely on export orders, which have drastically decreased due to the rise of the Coronavirus cases worldwide. So far, Bangladesh has lost around \$1.5 billion, which has impacted some 1.2 million workers. Foreign brands are increasingly delaying and canceling orders. The USA and Europe are Bangladesh's biggest garment export markets, with almost 60% of total consumption, and currently preparing to face the second wave of Covid-19. It will take some time to recover and gain momentum again.

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

(a) Cost of Goods Sold:

The reporting period's cost of goods sold was Tk. 2,529 million as compared to last year's cost of goods sold of Tk. 3,250 million. This is because there has been decrease in the gross turnover during the reporting period. During the reporting period 1,996,387 dozens of garments were produced as against last year's production of 2,533,522 dozen. The decrease in production quantity is 537,135 dozen over the last year. Production capacity utilized during the reporting period was 71.30%. There was an increase in Wages and Salaries to the tune of Tk. 21.48 million as against last year.

(b) Gross Profit:

The company has achieved an export turnover of Tk. 2,751.01 million during the year ended 30th June 2020. Last year's turnover was Tk. 3,537.79 million. The decrease in turnover is 22.24% over the last year. Gross profit earned during the period was Tk. 222.23 million as against last year's gross profit of Tk. 287.34 million.

(c) Net Profit:

Net profit (after tax) earned during the period was Tk. 12.43 million as compared to last year's Net Profit (after tax) of Tk. 27.22 million. There is significant difference from last year's net profit due to COVID-19.

(v) Extra-Ordinary gain or loss:

During the year there was no realized extra-ordinary gain/(loss) made by the company. An amount of Tk. (8.45) million has been shown as Fair Valuation surplus/(deficit) for Investment in the Statement of Comprehensive Income which represents the difference between the closing price of investment in the Shares of Apex Foods Limited and the price shown in the last Statement of Financial Position. This accounting effect was given in order to comply with the latest requirement of International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS). Details are given in Note 21 of the Annual Report.

(vi) Related Party Transactions:

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

Name of the Parties	2019-2020			
	Opening Balance	Purchase during the Year	Paid during the Year	Closing Balance
i. Matex Bangladesh Ltd.	-	119,843,442	119,843,442	-
ii. Apex Yarn Dyeing Ltd.	-	21,963,627	21,963,627	-

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

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

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

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

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

Significant decrease in EPS (i.e. up to 3rd Quarter, EPS from operational activities was Tk. 1.99 but annually it has been Tk. 1.48) is mainly for decrease of turnover in 4th quarter of 2019-2020 due to COVID-19 in worldwide.

(x) Remuneration to directors including independent directors:

The remunerations of Directors including Independent Director are as follows:

Name of the Directors	Director / Independent Director	Yearly Remuneration
Mr. Zahur Ahmed PhD	Director	1,770,000
Mr. Shahriar Ahmed	Director	1,180,000
Mr. Kazi Faruq Kader	Independent Director	590,000

(xi) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

- (xii) Proper books of account of the company have been maintained.
- (xiii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- (xiv) International Accounting Standards (IAs) & International Financial Reporting Standards (IFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- (xv) The system of internal control is sound in design and has been effectively implemented and monitored.
- (xvi) There was no such situation raised to protect the interest of minority shareholders.
- (xvii) There are no significant doubts upon the company's ability to continue as a going concern.
- (xviii) **Deviation from the last year's operating results:**

During the year, turnover has drastically decreased. The decrease in turnover is mainly due to the global economic slowdown due to Covid-19. As a result, significant deviation has been created in operating result due to increase in wages and salaries & other fixed expenses.

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

"Figure in thousand Taka"

Particulars	2019-2020	2018-2019	2017-18	2016-17	2015-16 (15 Months)	2014-15
Operational Data:						
Revenue	2,751,013	3,537,790	3,633,663	3,205,557	4,319,335	2,989,846
Gross Profit	222,226	287,345	289,542	245,333	338,619	243,140
Operating Profit	83,128	127,216	62,859	43,166	53,366	31,823
Profit before Tax	30,701	55,690	62,411	47,270	56,012	35,921
Net Profit after Tax	12,428	27,223	24,021	23,163	28,765	23,204
Earnings Per Share (EPS)	1.48	3.24	2.86	2.76	3.42	2.76
Dividend Per Share	1.50	2.00	2.00	2.00	2.20	2.00
Financial Data:						
Total Assets	1,280,118	1,387,062	1,465,206	1,325,340	1,461,496	1,374,272
Property, Plant and Equipment-Gross	1,390,443	1,360,371	1,346,231	1,343,392	1,248,060	1,220,670
Property, Plant and Equipment - Net	216,155	224,142	250,992	296,161	250,630	284,236
Gross Working Capital	963,154	1,057,297	1,107,179	994,046	1,183,939	1,072,153
Net Working Capital	195,694	147,557	110,775	115,834	160,401	120,061
Working Capital Loan	24,261	38,524	57,911	16,178	83,790	81,131
Share Capital	84,000	84,000	84,000	84,000	84,000	84,000
Share Premium	15,000	15,000	15,000	15,000	15,000	15,000
Reserve and Surplus	345,849	350,221	339,632	329,964	325,388	313,838
Share Holders Equity	455,067	467,893	462,423	443,183	434,056	420,179
Long Term Loan	81,116	-	-	-	-	-

- (xx) **Dividend:**

Board of Directors has recommended Cash Dividend of Tk. 1.50 per Share of Tk. 10.00 each for the year 2019-2020. Upon your approval in this Annual General Meeting, the dividend will be paid to the Shareholders whose names appear in the Share Registers of the Company or in the Depository as on 18th November 2020 at the close of office.

- (xxi) **Interim Dividend:**

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

(xxii) Board meetings:

During the year 6 (six) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting attended
Mr. Zafar Ahmed	6
Mr. Zahur Ahmed PhD	6
Mr. Shahriar Ahmed	6
Mr. Md. Rafique Ullah	2
Mr. Tarek Nizamuddin Ahmed (Retired)	3
Mr. Kazi Faruq Kader	6

(xxiii) The pattern of shareholding:

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

(xxiv) Appointment/reappointment of directors of the Company:

I, Zafar Ahmed, and Mr. Md. Rafique Ullah are retiring from the Board in terms of the Articles of Association of the Company and, being eligible, offer ourselves for re-election. The detailed work profiles of Mr. Md. Rafique Ullah and I are given below:

Mr. Zafar Ahmed

- I am a Postgraduate of Dhaka University in Economics. I obtained training in Food & Drug Administration from the USA. I am one of the Sponsor Directors of the Company and is working in this sector since 1979. I am now acting as the Chairman of the Company.
- Since my joining in this sector, I have gathered vast knowledge in this sector and is one of the experts in the Frozen Foods sector of Bangladesh.

- c) I am holding the Directorship of (i) Apex Spinning & Knitting Mills Limited, (ii) Apex Lingerie Limited, (iii) Apex Yarn Dyeing Limited, (iv) Apex Textile Printing Mills Limited (v) Matex Bangladesh Limited and (vi) Apex Fashion Wear Ltd.
- d) I am not a member of any committee of the Board.

Mr. Md. Rafique Ullah

Mr. Md. Rafique Ullah has joined the Board of Apex Spinning & Knitting Mills Limited on January 30, 2020, as Director nominated by the Investment Corporation of Bangladesh (ICB).

- a. Mr. Rafique is a Post Graduate of Dhaka University. He has also achieved a Banking Diploma from IBB. After completing his education, he joined as Officer in ICB. He held various important positions during his long career with ICB, including his current position as Deputy General Manager. He has taken training from various institutes, especially from BIBM on Basel-ii implementation and from the Institute of Chartered Secretaries and Management (ICSM) of Bangladesh on Board management.
- b. He has sound knowledge in this sector.
- c. He is also a director of S. Alam Cold Rolled Steels Ltd & BD. Thai Aluminium Ltd.
- d. Presently, Mr. Rafique is a member of the Audit Committee.

(xxv) Management Discussion & Analysis Signed by MD:

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

(xxvi) Declaration signed by MD & CFO:

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

(xxvii) Corporate Governance Compliance Report:

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

(xxviii) Appointment of Statutory Auditors:

The retiring Statutory Auditor M/s. Hussain Farhad & Co., Chartered Accountants, being eligible, offer themselves for re-appointment as Statutory Auditors of the Company for the year 2020-2021.

(xxix) Appointment of Compliance Auditors:

The retiring Compliance Auditor M/s. Malek Siddiqui Wali, Chartered Accountants being eligible offer themselves for re-appointment as a Compliance Auditors of the Company for Certification on Compliance of Corporate Governance Code for the year 2020-2021.

(xxx) Meeting of the Board of Directors:

We have conducted our Board Meeting & recorded the minutes of the meeting as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

Place: Dhaka
Date: October 28, 2020

On behalf of the Board

Sd/-
Zafar Ahmed
Chairman

পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০২০ সালের ৩০ শে জুন তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আনন্দিত।

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

১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনাঃ

গত দশ বৎসরের মধ্যে সবচেয়ে কম অর্থনৈতিক প্রবৃদ্ধির হার দেখা যায় ২০১৯-২০২০ অর্থ বৎসরে। মহামারীর দ্বারা ক্ষতিগ্রস্ত দেশীয় এবং বাহিরের উভয় খাতের কার্যকলাপ। বৈদেশিক চাহিদার মন্দা ভাবের প্রভাব ও বিদেশী ক্রেতাদের আগ্রহ সহ সবকিছু নিম্ন মূখীর কারণে ২০১৯-২০২০ অর্থ বৎসরের শেষ প্রান্তিকে রপ্তানী ও উৎপাদন ব্যপকহারে হ্রাস পায়।

কোভিড-১৯ এর আঘাত দ্রুত কাটিয়ে উঠায় বৈদেশিক চাহিদা ক্রমাগত বৃদ্ধি পাওয়াতে গত জুলাই মাসে অর্থনৈতিক প্রবৃদ্ধির হার কিছুটা বৃদ্ধি পায়, যখন দেশীয় বাজারে আর্থিক ভাবে সরকারী প্রণোদনা সহায়তা প্রবেশ করে, সাথে সাথে সামনের ক্রিসমাস সময়ে আরো বেশি প্রবৃদ্ধির আশা করা যায়। দ্বিতীয় বারের মত কোভিড-১৯ এর ডেউয়ের কারণে বিশ্বের সব দেশ এই মহামারী রোধে শক্তিশালী পদক্ষেপ গ্রহন করছে। করোনা ভাইরাস এর প্রভাব অনেকদিন স্থায়িত্ব হওয়ার সম্ভাবনা রয়েছে। আমাদের ভবিষ্যত অর্থনীতির গতি নিয়ে সতর্ক থাকা দরকার, যতক্ষণ না ভেকসিনের দ্বারা কোভিড-১৯ নিয়ন্ত্রন হয়।

২. খাতওয়ারি অথবা পণ্য ভিত্তিক ফলাফলঃ

যেহেতু এপেক্স স্পিনিং এন্ড নিটিং মিলস্ লিমিটেড শুধু মাত্র তৈরী পোশাক উৎপাদনকারী প্রতিষ্ঠান সেহেতু এখানে পণ্য ভিত্তিক ফলাফলের বিবরণ দেওয়ার কোন সুযোগ নেই। যাহোক বার্ষিক প্রতিবেদনের ২৯ নং নোটে প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

৩. ঝুঁকি ও উদ্ভিগ্নতা সমূহঃ

তৈরি পোশাক খাত বাংলাদেশের উৎপাদিত আয়ের প্রায় ৮০%, যার উপর কমপক্ষে চার মিলিয়ন শ্রমিক নির্ভরশীল।

বিশ্বের দ্বিতীয় বৃহত্তম তৈরি পোশাক রপ্তানীকারক দেশ বাংলাদেশের উপর করোনা মহামারী ঝুঁকি বসেছে। যদিও দক্ষিণ এশিয়ার দেশ গুলোতে করোনা আক্রান্তের সংখ্যা খুব বেশী না, তবুও এই খাত এবং এই খাতের শ্রমিকদের জীবিকার জন্য এটি ঝুঁকিপূর্ণ। এই শিল্পের অনেক রপ্তানী আদেশ বাতিল হচ্ছে এবং অনেক শ্রমিক কর্মচারী চাকুরীচ্যুত হচ্ছে।

দেশের গার্মেন্টস খাত পুরোপুরিভাবে রপ্তানী আদেশের উপর নির্ভরশীল, যা বিশ্বব্যাপী করোনাভাইরাসের প্রাদুর্ভাবে মারাত্মকভাবে হ্রাস পেয়েছে। বাংলাদেশের প্রায় ১.৫ বিলিয়ন ডলার রপ্তানী আদেশ বাতিল হয়েছে, যার জন্য ১.২ মিলিয়ন শ্রমিক কর্মচারী জীবিকা হারিয়েছে। বিদেশী ক্রেতারা ক্রমবর্ধমানভাবে রপ্তানী আদেশ পিছিয়ে দিচ্ছে এবং বাতিল করে দিচ্ছে। আমেরিকা এবং ইউরোপের দেশগুলো বাংলাদেশের বৃহত্তম গার্মেন্টস রপ্তানী বাজার, তাদের মোট ব্যবহারের প্রায় ৬০% পোশাক যোগান দেয় বাংলাদেশ এবং বর্তমানে এই দেশগুলো কভিড-১৯ এর দ্বিতীয় ডেউ মোকাবেলা করার প্রস্তুতি নিচ্ছে। এই পরিস্থিতি স্বাভাবিক হতে এবং পুনরায় গতিবেগ আসতে সময় লাগবে।

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

ক) বিক্রিত পণ্যের ব্যয়ঃ

প্রতিবেদন কালিন সময়ে বিক্রিত পণ্যের ব্যয় ছিল ২,৫২৯ মিলিয়ন টাকা, যা গত বৎসর ছিল ৩,২৫০ মিলিয়ন টাকা। এর কারণ প্রতিবেদন কালিন সময়ে মোট বিক্রয় কমেছে। প্রতিবেদন কালিন সময়ে ১,৯৯৬,৩৮৭ ডজন তৈরি পোশাক উৎপাদন হয়েছে যা গত বৎসর ছিল ২,৫৩৩,৫২২ ডজন। গত বৎসরের তুলনায় ৫৩৭,১৩৫ ডজন উৎপাদন হ্রাস পেয়েছে। প্রতিবেদন কালিন সময়ে কোম্পানীর উৎপাদন ক্ষমতার ৭১.৩০ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় প্রতিবেদন কালিন সময়ে মজুরী এবং বেতন ২১.৪৮ মিলিয়ন টাকা বৃদ্ধি পেয়েছে।

খ) মোট মুনাফাঃ

৩০ জুন ২০২০ সমাপ্ত বছরে কোম্পানী মোট বিক্রয় করেছে ২,৭৫১.০১ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ৩,৫৩৭.৭৯ মিলিয়ন টাকা। গত বৎসরের তুলনায় এ বছর ২২.২৪ শতাংশ বিক্রয় হ্রাস পেয়েছে। এ বছর মোট মুনাফা অর্জিত হয়েছে ২২২.২৩ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৮৭.৩৪ মিলিয়ন টাকা।

গ) নীট মুনাফাঃ

প্রতিবেদন কালীন সময়ে নীট মুনাফা (কর পরবর্তী) হয়েছে ১২.৪৩ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৭.২২ মিলিয়ন টাকা। গত বছরের নীট মুনাফার সহিত এ বছরের নীট মুনাফার উল্লেখযোগ্য পার্থক্যের কারণ হল কোভিড-১৯।

৫. অস্বাভাবিক লাভ বা ক্ষতিঃ

এ বছর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। তবে ৮.৪৫ মিলিয়ন টাকা বিনিয়োগের সুষ্ঠু মূল্যায়নের ফলে ঘাটতি হয়েছে যাহা সমন্বিত আয় বিবরণীতে দেখানো হয়েছে যাহা এপেক্স ফুডস্ লিমিটেড এর শেয়ারে বিনিয়োগের সমাপনী বাজার মূল্য এবং গত বৎসরের আর্থিক অবস্থার বিবরণীতে দেখানো মূল্যের পার্থক্য, এটা আর্ন্তজাতিক এ্যাকাউন্টিং স্ট্যান্ডার্ডস্ (আই.এ.এস) / আর্ন্তজাতিক ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস্ (আই.এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে। বার্ষিক প্রতিবেদনে ২১নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহঃ

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

পার্টির নাম	প্রারম্ভিক ব্যালেন্স	এই বৎসর ক্রয়	এই বৎসর পরিশোধ	সমাপনী ব্যালেন্স
ক) ম্যাটেস্স বাংলাদেশ লিমিটেড	-	১১৯,৮৪৩,৪৪২	১১৯,৮৪৩,৪৪২	-
খ) এপেক্স ইয়ার্ন ডাইং লিমিটেড	-	২১,৯৬৩,৬২৭	২১,৯৬৩,৬২৭	-

৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হইতে প্রাপ্ত তহবিলের ব্যবহারঃ

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

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

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

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

শেয়ার প্রতি আয় উল্লেখযোগ্য ভাবে হ্রাস পেয়েছে (অর্থাৎ তৃতীয় প্রান্তিক পর্যন্ত পরিচালন কার্যক্রমে শেয়ার প্রতি আয় ছিল ১.৯৯ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ১.৪৮ টাকা) এটা মূলত বৈশ্বিক কোভিড-১৯ কারণে ২০১৯-২০ অর্থ বছরের শেষ ত্রৈমাসিক বিক্রয় হ্রাস পায়।

১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিকঃ

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্নরূপঃ

পরিচালকদের নাম	পরিচালক/স্বতন্ত্র পরিচালক	বাৎসরিক পারিশ্রমিক
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	১,৭৭০,০০০/-
জনাব শাহরিয়ার আহমেদ	পরিচালক	১,১৮০,০০০/-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	৫৯০,০০০/-

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

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

১৩. আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এবং হিসাবগত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।
১৪. ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস (আই.এ.এস), ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আই.এফ.আর.এস)/ বাংলাদেশ ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বি.এফ.আর.এস) যাহা বাংলাদেশে প্রযোজ্য তাহা অনুসরণ করে আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং কোথাও কোন ব্যত্যয় থাকলে তাহা যথাযথ ভাবে প্রকাশ করা হয়েছে।
১৫. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত ও কার্যকর ভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।
১৬. সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ রক্ষার জন্য এ ধরনের কোন পরিস্থিতি উত্থাপিত হয়নি।
১৭. কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।
১৮. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধানঃ

চলতি বছর বিক্রয় ব্যাপকহারে কমেছে। এটা মূলত কোভিড-১৯ কারণে বৈশ্বিক অর্থনীতির নিম্নগতি। ফলস্বরূপ মজুরী ও বেতন বৃদ্ধি ও অন্যান্য স্থায়ী খরচ বৃদ্ধির ফলে পরিচালনগত ফলাফলে উল্লেখযোগ্য ব্যবধান পরিলক্ষিত হয়েছে।

১৯. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্তঃ

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০১৯-২০	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬ (১৫ মাস)	২০১৪-১৫
পরিচালন তথ্যঃ						
বিক্রয়	২,৭৫১,০১৩	৩,৫৩৭,৭৯০	৩,৬৩৩,৬৬৩	৩,২০৫,৫৫৭	৪,৩১৯,৩৩৫	২,৯৮৯,৮৪৬
মোট মুনাফা	২২২,২২৬	২৮৭,৩৪৫	২৮৯,৫৪২	২৪৫,৩৩৩	৩৩৮,৬১৯	২৪৩,১৪০
পারিচালন মুনাফা	৮৩,১২৮	১২৭,২১৬	৬২,৮৫৯	৪৩,১৬৬	৫৩,৩৩৬	৩১,৮২৩
করপূর্ব মুনাফা	৩০,৭০১	৫৫,৬৯০	৬২,৪১১	৪৭,২৭০	৫৬,০১২	৩৫,৯২১
করপরবর্তী মুনাফা	১২,৪২৮	২৭,২২৩	২৪,০২১	২৩,১৬৩	২৮,৭৬৫	২৩,২০৪
শেয়ার প্রতি আয়	১.৪৮	৩.২৪	২.৮৬	২.৭৬	৩.৪২	২.৭৬
প্রতি শেয়ারের জন্য লভ্যাংশ	১.৫০	২.০০	২.০০	২.০০	২.২০	২.০০
আর্থিক তথ্যঃ						
মোট সম্পদ	১,২৮০,১১৮	১,৩৮৭,০৬২	১,৪৬৫,২০৬	১,৩২৫,৩৪০	১,৪৬১,৪৯৬	১,৩৭৪,২৭২
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	১,৩৯০,৪৪৩	১,৩৬০,৩৭১	১,৩৪৬,২৩১	১,৩৪৩,৩৯২	১,২৪৮,০৬০	১,২২০,৬৭০
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	২১৬,১৫৫	২২৪,১৪২	২৫০,৯৯২	২৯৬,১৬১	২৫০,৬৩০	২৮৪,২৩৬
মোট চলতি মূলধন	৯৬৩,১৫৪	১,০৫৭,২৯৭	১,১০৭,১৭৯	৯৯৪,০৪৬	১,১৮৩,৯৩৯	১,০৭২,১৫৩
নীট চলতি মূলধন	১৯৫,৬৯৪	১৪৭,৫৫৭	১১০,৭৭৫	১১৫,৮৩৪	১৬০,৪০১	১২০,০৬১
চলতি মূলধন ঋণ	২৪,২৬১	৩৮,৫২৪	৫৭,৯১১	১৬,১৭৮	৮৩,৭৯০	৮১,১৩১
শেয়ার মূলধন	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০
শেয়ার প্রিমিয়াম	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০
সংরক্ষণ এবং উদ্বৃত্ত	৩৪৫,৮৪৯	৩৫০,২২১	৩৩৯,৬৩২	৩২৯,৯৬৪	৩২৫,৩৮৮	৩১৩,৮৩৮
শেয়ার মালিকদের ইকুইটি	৪৫৫,০৬৭	৪৬৭,৮৯৩	৪৬২,৪২৩	৪৪৩,১৮৩	৪৩৪,০৫৬	৪২০,১৭৯
দীর্ঘ মেয়াদি ঋণ	৮১,১১৬	-	-	-	-	-

২০. লভ্যাংশঃ

কোম্পানীর পরিচালকমন্ডলী ২০১৯-২০ হিসাব বছরে ১০/- (দশ) টাকার শেয়ারের জন্য ১.৫০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করছেন। এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে সেই সমস্ত শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করা হবে যাদের নাম কোম্পানীর সদস্য বহিতে অথবা ডিপোজিটরিতে নভেম্বর ১৮, ২০২০ ইং তারিখে কার্য সমাপ্ত সময়ে অন্তর্ভুক্ত থাকবে।

২১. অন্তর্বর্তীকালীন লভ্যাংশঃ

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

২২. বোর্ডের সভা:

এ বৎসর বোর্ডের ৬ (ছয়) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	৬
জনাব জহুর আহমেদ পিএইচডি	৬
জনাব শাহরিয়ার আহমেদ	৬
জনাব মো: রফিক উল্লাহ	২
জনাব তারেক নিজামউদ্দিন আহমেদ	৩
জনাব কাজী ফারুক কাদের	৬

২৩. শেয়ারহোল্ডিংস সংক্রান্ত বিবরণ:

নাম অনুসারে বিবরণ

শেয়ার সংখ্যা

ক) প্যারেন্ট/ সাবসিডিয়ারী/ এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টিসমূহ:

এপেক্স ফুডস্ লিমিটেড	২,২৬৩,২০০
এপেক্স ল্যানজারী লিমিটেড	১৪৩,০০০
এপেক্স ইয়ার্ন ডাইং লিমিটেড	১৩৬,৪০০

খ) পরিচালকবৃন্দ, প্রধান নির্বাহী কর্মকর্তা, কোম্পানী সচিব, প্রধান অর্থ কর্মকর্তা, অভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স প্রধান:

জনাব জাফর আহমেদ	পরিচালক	৮৪২,৪০০
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	৯৪৪,৪০০
জনাব শাহরিয়ার আহমেদ	পরিচালক	৪৭,৪০০
জনাব মো: রফিক উল্লাহ	পরিচালক	-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	-
জনাব কামরুজ্জামান এফসিএ	প্রধান অর্থ কর্মকর্তা	-
জনাব মো: গোলাম কিবরিয়া এফসিএমএ	অভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স প্রধান	-
জনাব মো: দেলোয়ার হোসেন	ভারপ্রাপ্ত কোম্পানী সচিব	-

গ) উর্ধ্বতন করপোরেট নির্বাহীগণ

-

ঘ) কোম্পানীতে ১০ শতাংশ অথবা তার চেয়ে বেশী ভোটার অধিকারী শেয়ারহোল্ডার:

জনাব জাফর আহমেদ	৮৪২,৪০০
জনাব জহুর আহমেদ পিএইচডি	৯৪৪,৪০০
এপেক্স ফুডস লিমিটেড	২,২৬৩,২০০
আইসিবি ইউনিট ফান্ড	৯২৭,৬৪০

২৪. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগ:

আমি জাফর আহমেদ এবং জনাব মো: রফিক উল্লাহ কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করেছি এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছি।। আমার এবং জনাব মো: রফিক উল্লাহ এর বিস্তারিত বিবরণ নিম্নরূপ:-

(১) জাফর আহমেদ:

ক) আমি জাফর আহমেদ ঢাকা বিশ্ববিদ্যালয় থেকে অর্থনীতিতে স্নাতোকত্তর ডিগ্রী নিয়েছি। আমি যুক্তরাষ্ট্রের ফুড এন্ড ড্রাগ এডমিনিস্ট্রেশন থেকে ট্রেনিং নিয়েছি। আমি এই শিল্প খাতে ১৯৭৯ সন থেকে কাজ করে আসিতেছি এবং এই কোম্পানীর একজন উদ্যোক্তা পরিচালক। আমি বর্তমানে এই কোম্পানীর চেয়ারম্যান।

- খ) এই শিল্পে যোগদান করা থেকে এ পর্যন্ত এ শিল্প সম্পর্কে গভীর জ্ঞান অর্জন করেছে
- গ) আমি এই কোম্পানী ছাড়াও ১. এপেক্স ফুডস্ লিমিটেড, ২. এপেক্স ল্যানজারি লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিন্টিং মিলস্ লিমিটেড ৫. ম্যাটেক্স বাংলাদেশ লিমিটেড ও ৬. এপেক্স ফ্যাশন ওয়্যার লিমিটেড -এর পরিচালক পদে নিযুক্ত আছি।
- ঘ) বর্তমানে আমি বোর্ডের অন্য কোন কমিটির সদস্য নই।

২) জনাব মো: রফিক উল্লাহ:

জনাব মো: রফিক উল্লাহ ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসিবি) এর মনোনীত পরিচালক। জনাব মো: রফিক উল্লাহ এর বিস্তারিত বিবরণ নিম্নরূপঃ

- ক) জনাব মো: রফিক উল্লাহ জানুয়ারী ৩০, ২০২০ সালে ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসিবি) এর মনোনীত পরিচালক হিসাবে এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এর পরিচালক পদে যোগদান করেন। তিনি ঢাকা বিশ্ববিদ্যালয় হইতে স্নাতোকত্তর ডিগ্রি অর্জন করেন। তিনি আইবিবি হইতে ব্যাংকিং ডিপ্লোমাও অর্জন করেন। পড়াশোনা শেষে তিনি আইসিবিতে অফিসার পদে যোগদান করেন, তিনি দীর্ঘদিন ধরে বিভিন্ন গুরুত্বপূর্ণ পদে অধিষ্ঠিত থেকে বর্তমানে তিনি ডেপুটি জেনারেল ম্যানেজার পদে আছেন। তিনি বিভিন্ন প্রতিষ্ঠান থেকে ট্রেনিং নেন তাদের মধ্যে বি আই বি এম থেকে বেসেল ii এর উপর প্রয়োগ এবং আই সি এস এম. থেকে বোর্ড ব্যবস্থাপনার উপর।
- খ) তিনি এই শিল্প খাত সম্পর্কে গভীর জ্ঞানের অধিকারী।
- গ) তিনি এই কোম্পানী ছাড়াও এস আলম কোল্ড রোলড স্টিল লি: এবং বিডি থাই এলুমিনিয়াম লিমিটেড এর পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে তিনি অডিট কমিটির একজন সদস্য।

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

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

২৬. এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি:

এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি অনুগ্রহপূর্বক পরিশিষ্ট এ পড়ুন।

২৭. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদনঃ

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

২৮. বিধিবদ্ধ নিরীক্ষকঃ

অবসর গ্রহনকারী বিধিবদ্ধ নিরীক্ষক মেসার্স হুসাইন ফরহাদ এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস যোগ্য বিধায় ২০২০-২০২১ হিসাব বৎসরের জন্য তাহাদেরকে বিধিবদ্ধ নিরীক্ষক পুনঃ নিয়োগের জন্য প্রস্তাব করেছেন।

২৯. কমপ্লায়েন্স নিরীক্ষকঃ

অবসর গ্রহনকারী কমপ্লায়েন্স নিরীক্ষক মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস যোগ্য বিধায় ২০২০-২০২১ হিসাব বৎসরের কর্পোরেট গভর্নেন্স কমপ্লায়েন্স সনদ প্রদানের জন্য কমপ্লায়েন্স নিরীক্ষক হিসাবে, তাহাদেরকে পুনঃ নিয়োগের জন্য প্রস্তাব করেছেন।

৩০. বোর্ড পরিচালকদের সভা :

পরিচালকদের বোর্ড সভা এবং ইহার নথি সমূহের সংরক্ষণ ইনস্টিটিউট অব চার্টার্ড সেক্রেটারীস অব বাংলাদেশ (আইসিএসবি) অনুসারে করা হয়েছে।

স্থান: ঢাকা

তারিখ: ২৮ অক্টোবর, ২০২০

বোর্ডের পক্ষে

স্বা/-

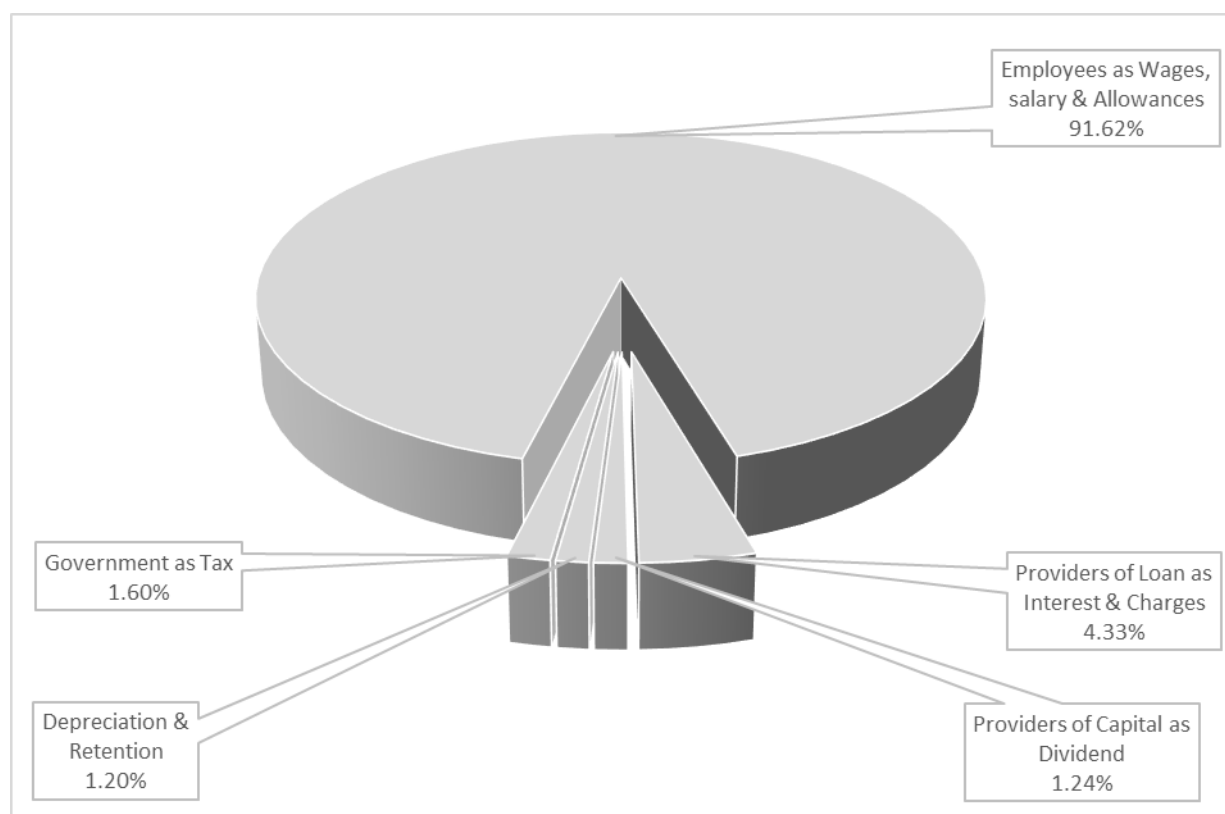
জাফর আহমেদ

সভাপতি

VALUE ADDED STATEMENT

Value in Taka

PARTICULARS	2019-2020	%	2018-2019	%
VALUE ADDED:				
Revenue	2,751,013,453		3,537,789,856	
Less: Bought in Materials & Services	1,400,877,350		2,153,370,505	
	1,350,136,103		1,384,419,351	
APPLICATIONS:				
Government as Tax	21,620,885	1.60	23,305,098	1.68
Employees as Salary, Wages & Allowances	1,237,057,248	91.62	1,215,803,987	87.82
Providers of Loan as Interest	58,405,412	4.33	76,909,098	5.56
Providers of Capital as Dividend	16,800,000	1.24	16,800,000	1.21
Depreciation & Retention	16,252,558	1.20	51,601,168	3.73
	1,350,136,103	100.00	1,384,419,351	100.00



INDEPENDENT AUDITOR'S REPORT To the shareholders of APEX SPINNING & KNITTING MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Apex Spinning & Knitting Mills Limited (hereinafter "ASKML"), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ASKML as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

- a) We draw attention to note no. 39 wherein the basis for restatement has been described in respect of opening balance as on July 01, 2018 for the forfeited amount of the employer's contribution to the provident fund in its annual financial statements; and
- b) As disclosed in note 3.04 to the financial statements where it has been described the reason for not implementing IFRS 16 in the financial statements.

Our Opinion is not modified in respect of the matters emphasized.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>At the year ended, the company's reported total revenue of Tk. 2,751,013,453.</p> <p>Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Agreements with the buyers; • Policy of revenue recognition; • Issuance of VAT challan; • Related LC documents; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition.

Key Audit Matter	How our audit addressed the key audit matters
<p>goods is recognized at the time when the goods are dispatched for delivery to the terminal.</p> <p>We identified revenue recognition as a key audit matter because revenue has wide influence on financial statements of ASKML and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • We understood, evaluated and validated the key controls related to the ASKML's sales process from end to end, from contracts approval and sign-off, recording of sales, goods dispatched, all the way through to cash receipts and customers' outstanding balances; • We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivables or advances from customers; • We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices, outbound delivery note and truck challans. We also confirmed customer balances at the statement of financial position date; • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
See note 29 to the financial statements	
Valuation and existence of inventories	
<p>At year end, ASKML has inventories amounting to BDT 332,107,738 which amounted to 26% of the total assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost</p>	<p>With regard to appropriate valuation of inventories we adopted the following audit procedures:</p> <ul style="list-style-type: none"> • We observed ASKML's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts; • We tested the purchase costs of a sample of inventory items by inspecting invoices; • We assessed the components of the costs included within inventory items to ensure that

Key Audit Matter	How our audit addressed the key audit matters
<p>of inventories. ASKML values its inventories using the weighted average method which is a complex process and prone to errors and manipulation. Due to the complex nature of accounting for inventories, there is an increased risk of misstatement in valuation of inventory items.</p> <p>IAS 2 defines inventories as assets which are: (a) held for sale in the ordinary course of business, (b) in the process of production for such sale, (c) in the form of materials or supplies to be consumed in the production process or rendering of services. There was therefore a risk that assets which do not meet the definition of inventories have been improperly classified as inventory items.</p>	<p>they are in conformity with the requirements of IAS 2;</p> <ul style="list-style-type: none"> • We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; • We tested on a sample basis, the net realizable value by comparing costs to recent selling prices; • We assessed the listing of the nature of items presented within inventories and analyzed whether they meet the definition of inventories; and • We read the disclosure made by the Company for compliance with disclosure requirements.
See note 12 to the financial statements	
Property, Plant and Equipment	
<p>The carrying value of property, plant and equipment amounts to BDT 216,154,958. This represents a significant amount in the company's statement of financial position as at June 30, 2020.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> ✓ determining which costs meet the criteria for capitalization; ✓ determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; ✓ the estimation of economic useful lives and residual values assigned to Fixed asset. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant and equipment included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values; • Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization; • Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment; • Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents; • We reviewed minutes of board meetings for approval of the total capitalization cost; • We assessed the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy;

Key Audit Matter	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> • We traced payments to supporting documents; and • We assessed the adequacy of the disclosures of the financial statements.
See note no 8 to the financial statements.	
Deferred tax liability	
<p>Company reported net deferred tax liability BDT 3,513,997 as at June 30, 2020. Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p>	<p>Our audit procedures to assess the carrying value of Deferred Tax liability included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets and deferred tax Liabilities and the assumptions used in estimating the future taxable expense of the Company. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense. • We tested the mathematical accuracy in calculation of deferred tax. • We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability. • We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved. • We also assisted in evaluating the tax implications, the reasonableness of estimations and calculations determined by management. • We also involved our internal experts from the tax area in the analysis of the reasonableness of the tax assumptions on the basis of the applicable legislation. <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.</p>
See note no 23 to the financial statements.	

Key Audit Matter	How our audit addressed the key audit matters
COVID-19 impact on Financial Statements	
<p>COVID 19 is a force majeure event, unique in nature has devastated the world and mankind. Efforts are underway to contain and recover.</p> <p>The Challenges ahead are huge, that would be addressed both by invention and discoveries and also with cognizance to the nature and nurture. Last but not the least, there is always light at the other end of a tunnel.</p>	<p>Auditor's and the firms under force majeure event applied best judgments under the force majeure compulsion and the circumstances in developing alternative audit procedures to gather sufficient explanations as practicable.</p> <p>Regulatory initiatives and stimulus packages are under constant evaluations of the Government to sustain companies operations. On collective success assurance upon COVID, ASKML is committed to visualize that authority always flows from top to bottom, responsibility flows from bottom to top and communicating across ASKML that, accountability cannot be delegated and escaped.</p> <p>Auditor's extended professional skepticism and judgment-based assurances under the circumstances and relatively practicable support in the interest of Country's export oriented companies business to a broader perspective.</p>

Other Matter

The financial statements of the Company for the year ended June 30, 2019, were audited by another auditor Malek Siddiqui Wali, Chartered Accountants, who expressed an unmodified opinion on those statements on October 20, 2019.

Other Information

Management is responsible for the other information. The other information comprises the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing ASKML's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate ASKML or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ASKML's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ASKML's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ASKML to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other Legal and Regulatory Requirements

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

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

Place: Dhaka
Date: October 28, 2020

Sd/-
A. K. M. Fazlul Haque FCA
Engagement Partner
Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Notes	30.06.2020	30.06.2019**	Value in Taka 01.07.2018
ASSETS				
Non Current Assets:				
		316,964,077	329,765,118	358,026,876
Property, Plant and Equipment	8	216,154,958	224,142,218	250,991,726
Investment	9	21,896,375	31,289,750	36,976,550
Investment in Financial Assets	10	68,854,594	64,275,000	60,000,000
Security Deposits	11	10,058,150	10,058,150	10,058,600
Current Assets:				
		963,154,089	1,057,296,625	1,107,179,033
Inventories	12	332,107,738	195,772,567	196,249,430
Trade Receivables	13	422,627,419	510,122,879	592,919,549
Advances, Deposits & Prepayments	14	41,743,988	61,807,107	51,056,036
Other Receivables	15	6,026,937	53,106,037	22,194,416
Margin on Acceptance	16	146,051,685	214,084,240	232,113,484
Cash & Cash Equivalents	17	14,596,322	22,403,795	12,646,118
TOTAL ASSETS		1,280,118,166	1,387,061,743	1,465,205,909
EQUITY AND LIABILITIES				
Shareholders' Equity:				
		455,066,862	467,892,760	462,422,620
Share Capital	18	84,000,000	84,000,000	84,000,000
Share Premium	19	15,000,000	15,000,000	15,000,000
Reserve and Surplus	20	345,848,703	350,220,564	339,632,304
Fair Valuation Surplus of Investment	21	10,218,159	18,672,196	23,790,316
Non Current Liabilities:				
		57,591,005	9,428,888	6,378,852
Long Term Loan	22	54,077,008	-	-
Deferred Tax Liability	23	3,513,997	9,428,888	6,378,852
Current Liabilities:				
		767,460,299	909,740,095	996,404,437
Working Capital Loan	24	24,261,494	38,523,552	57,911,330
Long Term Loan-Current Maturity	25	27,038,504	-	-
Short Term Loan	26	70,228,085	47,877,364	90,057,782
Trade Payables	27	497,208,105	692,939,448	761,041,964
Other Payables	28	148,724,111	130,399,731	87,393,361
Total Liabilities		825,051,304	919,168,983	1,002,783,289
TOTAL EQUITY AND LIABILITIES		1,280,118,166	1,387,061,743	1,465,205,909
Net Assets Value (NAV) Per Share	42	54.17	55.08	54.76
Net Assets Value (NAV) Per Share**		-	55.70	55.05

** Restated

Annexed notes form an integral part of these Financial Statements.

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Place: Dhaka
Date: October 28, 2020

Sd/-
Hussain Farhad & Co.
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	Notes	2019-2020	Value in Taka 2018-2019**
REVENUE	29	2,751,013,453	3,537,789,856
Cost of goods sold	30	(2,528,787,262)	(3,250,445,301)
GROSS PROFIT		222,226,191	287,344,555
OPERATING EXPENSES:		(139,098,356)	(160,128,080)
Other Operating Income/(Loss)	32	7,272,624	(1,474,859)
Administrative & selling overhead	33	(146,370,980)	(158,653,221)
OPERATING PROFIT		83,127,835	127,216,475
Financial Expenses	34	(58,405,412)	(76,909,098)
Finance & Other Income	35	6,814,382	6,447,937
PROFIT BEFORE WPPF		31,536,805	56,755,314
Workers Profit Participation Fund (WPPF)	40	(836,011)	(1,065,352)
PROFIT BEFORE TAX		30,700,794	55,689,962
Tax Expenses:	36	(18,272,655)	(28,466,527)
Current tax		(23,248,209)	(17,344,052)
Under provision of tax		-	(7,503,759)
Deferred tax income/(expenses)	23	4,975,554	(3,618,716)
NET PROFIT AFTER TAX		12,428,139	27,223,435
Other comprehensive income:			
Fair valuation surplus/(deficit) of investment	21	(8,454,037)	(5,118,120)
Fair valuation surplus/(deficit) during the year		(9,393,375)	(5,686,800)
Less: Deferred tax income/(expense)		939,338	568,680
TOTAL COMPREHENSIVE INCOME		3,974,102	22,105,315
Basic Earnings Per Share (EPS)	41	1.48	2.93
Basic Earnings Per Share (EPS)**		-	3.24

** Restated

Annexed notes form an integral part of these Financial Statements.

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Place; Dhaka
Date: October 28,2020

Sd/-
Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at July 01, 2019	84,000,000	15,000,000	129,700,699	217,768,047	2,751,818	18,672,196	467,892,760
Net profit after tax for the year	-	-	-	12,428,139	-	-	12,428,139
Dividend Paid during the year 2018-2019	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investment	-	-	-	-	-	(8,454,038)	(8,454,037)
As at June 30, 2020	84,000,000	15,000,000	129,700,699	213,396,186	2,751,818	10,218,159	455,066,862

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

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at July 01, 2018	84,000,000	15,000,000	129,700,699	204,733,275	2,751,818	23,790,316	459,976,108
Prior Year adjustment (note -38)	-	-	-	2,446,512	-	-	2,446,512
As at July 01, 2018 (Adjusted)	84,000,000	15,000,000	129,700,699	207,179,787	2,751,818	23,790,316	462,422,620
Net profit after tax for the period **	-	-	-	27,223,435	-	-	27,223,435
Dividend Paid during the year 2017-2018	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(5,118,120)	(5,118,120)
Prior Year adjustment(note -38)	-	-	-	164,825	-	-	164,825
As at June 30, 2019**	84,000,000	15,000,000	129,700,699	217,768,047	2,751,818	18,672,196	467,892,760

**Restated

Annexed notes form an integral part of these Financial Statements.

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Place; Dhaka
Date: October 28,2020

Sd/-
Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

Notes	2019-2020	Value in Taka 2018-2019**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from revenue	2,836,829,001	3,617,762,240
Financial income from SND A/C	7,693	7,689
Other income from operational foreign exchange gain/(loss)	7,900,003	(799,530)
Bank charges & commission	(17,746,606)	(15,309,496)
Income tax paid during the year	(25,199,824)	(23,074,775)
Payment for costs and expenses	(2,796,239,568)	(3,402,727,970)
Net cash generated from/(used in) operating activities (a)	5,550,700	175,858,159
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(30,072,394)	(14,139,875)
Investment in Financial Assets	(4,579,594)	(4,275,000)
Financial Income from FDRs	5,088,437	4,750,000
Other income from dividend	1,766,452	1,766,452
Net cash generated from/(used in) investing activities (b)	(27,797,099)	(11,898,423)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Working capital loan received/(repaid)	(14,262,058)	(19,387,778)
Long term loan received/(repaid)	81,115,512	-
Short term loan received/(repaid)	22,349,482	(42,180,418)
Dividend paid during the year	(16,359,838)	(15,676,022)
Interest & other financial charges paid	(58,404,172)	(76,909,098)
Net cash generated from/(used in) financing activities (c)	14,438,925	(154,153,316)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(7,807,473)	9,806,420
Cash and cash equivalents on opening	22,403,795	12,646,118
The effect of foreign exchange translation gain	-	(48,743)
Cash and cash equivalents on closing	14,596,322	22,403,795
Net Operating Cash Flows Per Share	43	0.66
Net Operating Cash Flows Per Share**	-	10.02

Annexed notes form an integral part of these Financial Statements.

** Restated

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Signed in terms of our report of even date.

Sd/-

Hussain Farhad & Co.
Chartered Accountants

Place; Dhaka
Date: October 28, 2020

- There is significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flows per Share is Tk. 0.66 but it was Tk. 10.02 in 2018-2019 which is mainly for decreasing of collection from revenue as compare to last year. This scenario is changeable time to time depending on different issues.
- Please refer to Annexure-1 for Reconciliation of cash flow from operating activities under direct method and indirect method as per requirement of Bangladesh Securities & Exchange Commission (BSEC).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. The company and its operation

1.01 Legal Form of the Enterprise:

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

1.02 Address of Registered Office and Factory:

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

2.01 Accounting Convention and Basis:

These Financial Statements have been prepared under the Historical Cost Convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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 year under review:

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

2.03 Compliance with local laws:

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

2.04 Compliance with International Financial Reporting Standards(IFRSs):

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

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

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

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

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

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

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

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

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and sales proceeds. There was no disposal of any Property, Plant and Equipment during the period ended 30th June, 2020.

3.02 Inventories:

Inventories in hand as at 30th June, 2020 have been valued at lower of cost and net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow moving items.

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

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

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

3.04 Lease:

Management of ASKML had decided in their meeting, dated February 02, 2020, that, ASKML will shift its full office place from “Rupayan Golden Age (5th & 6th Floor)”, 99 Gulshan Avenue, Gulshan Dhaka-1212 to “SKYMARK” 18, Gulshan Avenue, Gulshan, Dhaka-1212, within June 30, 2020. As a result, ASKML did not renew its current rent contract.

Due to COVID 19 pandemic crisis, ASKML could not shift its office place within the decided time frame. Again, management of ASKML had decided in their further meeting, dated September 27, 2020, that, ASKML will shift its full office place from “Rupayan Golden Age (5th & 6th Floor)”, 99 Gulshan Avenue, Gulshan Dhaka-1212 to “SKYMARK” 18, Gulshan Avenue, Gulshan, Dhaka-1212, as soon as possible once the COVID 19 pandemic is controlled.

According to the primary assessment regarding lease for “office rent”, it has concluded that, ASKML has taken current office rent for short term period which comply with IFRS 16. Due to this reason, instead of applying the recognition requirements of IFRS 16, ASKML elect to account for lease payments as an expense on a straight-line basis over the period.

After shifting in new office place and according to the new contractual arrangement, ASKML will account for IFRS 16.

3.05 Current and Non-current assets and liabilities:

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

The company classifies all other liabilities as non-current.

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

3.06 Taxation:

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

3.07 Income Tax:

The company is a Public Limited and 100% export oriented (Knit Garments) company, the applicable tax rate is 12.00% on business profit (as per SRO no. 255-Law/Income Tax/2017 dated 01 August, 2017 & also as per SRO no. 266-Law/Income Tax/2018 dated 05 September, 2018). All other income will be taxed on the provisions mentioned in the Income Tax Ordinance, 1984. The tax expense has been made based on the highest of 12% on business profit or TDS on export proceeds or tax on gross receipts during the period and provision has been made accordingly. However, the tax expense has been made @ 25.00% on interest income, exchange gain/(loss) and 20.00% on dividend income as per provision of the Income Tax Ordinance, 1984 and Income Tax Rules, 1984 and provision has been made accordingly.

3.08 Deferred Tax:

Deferred tax assets or deferred tax liabilities have been accounted for in accordance with IAS 12 "Income Taxes".

Deferred tax arises due to all temporary difference, deductible or taxable for the events or transactions recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financial statements.

Deferred tax asset or liability is the amount of income tax paid/payable or adjustable/recoverable in future period(s) recognized in the current period.

The deferred tax asset/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

3.09 Trade Receivables:

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

3.10 Payables and Accrued Expenses:

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

3.11 Earnings Per Share:

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of statement of profit or loss and other comprehensive income and the computation of EPS is stated in Note 41.

3.11(i) Basic Earnings

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

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

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

3.11(iii) Basic Earnings Per Share

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

3.11(iv) Diluted Earnings per Share

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

3.12 Statement of Cash Flows:

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

3.13 Foreign Exchange:

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Statement of Financial Position date in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". The closing conversion rate was Tk. 83.95 & Tk. 84.95 per US Dollar for monetary items of assets & liabilities respectively.

3.14 Revenue Recognition:

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

3.15 Other Income Recognition:

Other Incomes have been recognized on accrual basis.

3.16 Employee Benefit Obligations:

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

3.17 Non-recognition of Workers' Profit Participation and Welfare Fund (WPP & WF):

We are 100% export oriented Readymade Garment Industry (RMG) and as per Labour Act 2006 section 232(3) (amendment in 2013), Labour Rules, 2015 Chapter-xv from section 212-226, Government framed a central fund and also provision made in rule 214 (1) ka for realization of 0.03% from export proceeds while realization. As a result, WPP & WF @ 5% on profit is not required to make provision for our company as our company is making payment through bank to the said central fund for participation of workers in the profit of company.

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

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

4. Financial Risk Management:

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

- Credit Risk
- Liquidity Risk
- Market Risk
- Price Risk
- Interest Rate Risk
- Currency Risk

4.01 Credit Risk:

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

The Trade Receivable are due from foreign customers for export. The balance from foreign customers are secured against firm contracts/letters of credit. Management assesses the credit quality of foreign customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are no past due. Trade Receivable balances and the balance as on 30.06.2020 has subsequently been fully realized. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

4.02 Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (Investment in Financial Assets, cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient Investment in Financial Assets & cash and cash equivalents to meet expected operational expenses, including financial obligation through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

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

4.03 Market Risk:

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

4.04 Price Risk:

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

4.05 Interest Rate Risk:

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

4.06 Currency Risk:

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

5. Capital Risk Management:

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

6. Operating segments:

- These financial statements have been prepared on the basis of single reportable segment.
- All non-current assets of the Company as at 30th June 2020 are located in Bangladesh.

7. Others:

7.01 Comparative information

Comparative information have been disclosed in respect to the year 2018-19 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current periods financial statements as per IAS 1 para 41.

Last period figures have been rearranged, reclassified and restated where considered necessary to conform to current year's presentation and applicable laws and regulations as follows:

Head of Account	Note	2018-2019	2018-2019 (Restated)	Amount of items that is reclassified	Nature of reclassification	Reasons of Reclassification /Restated
		A	B	B-A		
Other Receivables	15	49,679,196	53,106,037	3,426,841	Restated	As per Financial Reporting Council (FRC) notification no.179/FRC/FRM/notification/2020/2 dated July 07, 2020 Prior year up to June 30, 2019 Lapse amount of Provident Fund has been recognized as Other receivables.
Margin on Acceptance	16	-	214,084,240	214,084,240	Reclassified	Margin on 'Acceptance' has been separated from Cash & Cash Equivalent and rearranged separately.
Cash & Cash Equivalents	17	236,488,035	22,403,795	(214,084,240)	Reclassified	Do

Head of Account	Note	2018-2019	2018-2019 (Restated)	Amount of items that is reclassified	Nature of reclassification	Reasons of Reclassification /Restated
		A	B	B-A		
Reserve & Surplus	20	344,998,530	350,220,564	5,222,034	Restated	As per Financial Reporting Council (FRC) notification no.179/FRC/FRM/notification/2020/2 dated July 07, 2020 Prior year up to June 30, 2019 Lapse amount from Provident Fund (PF) BDT (3,426,841-856,710) =2,570,131 & 'Provision for Contribution to PPF & WF' BDT 2,651,903 has been adjusted with 'Retained Earnings'.
Deferred Tax Liability	23	8,572,178	9,428,888	856,710	Restated	Deferred tax liability BDT 856,710 has been added due to prior period adjustment.
Other Payables	28	133,051,634	130,399,731	(2,651,903)	Restated	'Provision for Contribution to PPF & WF' BDT 2,651,903 has been adjusted with Retained Earnings.

7.02 Reporting currency and level of precision:

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

7.03 Reporting period:

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

7.04 Components of the Financial Statements:

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

- i) Statement of Financial Position as at 30th June, 2020
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2020
- iii) Statement of Changes in Equity for the year ended 30th June, 2020
- iv) Statement of Cash Flows for the year ended 30th June, 2020 and
- v) Notes, comprising significant accounting policies and explanatory information.

7.05 Authorization of the financial statements.

Financial statements were authorized for issue by the Board of Directors of the Company in its Board Meeting held on 28th October, 2020.

2019-2020**8. PROPERTY, PLANT AND EQUIPMENT: TK. 216,154,958**

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.20
		Balance as at 30.06.19	Addition During year	Balance as at 30.06.20		Balance as at 30.06.19	Charged for the year	Balance as at 30.06.20	
1	Land & Land Development	21,423,102	-	21,423,102		-	-	-	21,423,102
2	Factory Building	255,373,615	4,976,501	260,350,116	20	231,585,315	5,613,573	237,198,888	23,151,228
3	Civil Construction	54,980,771	3,613,596	58,594,367	10	40,885,121	1,679,988	42,565,109	16,029,258
4	Plant & Machinery	673,645,655	1,354,950	675,000,605	20	613,343,102	12,227,711	625,570,812	49,429,793
5	Effluent Treatment Plant	71,210,757	-	71,210,757	20	50,309,324	4,180,287	54,489,610	16,721,147
6	Gas Installation	23,449,836	-	23,449,836	15	12,050,786	1,709,857	13,760,644	9,689,192
7	Electric Installation	10,764,273	260,560	11,024,833	15	9,787,136	174,755	9,961,890	1,062,943
8	Boiler	13,367,693	-	13,367,693	15	12,365,782	150,287	12,516,069	851,624
9	Generator	132,772,799	11,967,475	144,740,274	15	88,418,929	8,137,070	96,556,000	48,184,274
10	Water Treatment Plant	8,262,353	210,660	8,473,013	20	7,357,758	198,474	7,556,232	916,781
11	Factory Equipment	22,052,086	3,596,416	25,648,502	15	13,219,226	1,718,121	14,937,347	10,711,155
12	Other Equipment	8,178,396	220,000	8,398,396	15	6,557,366	251,404	6,808,771	1,589,625
13	Deep Tube-Well & Tanks	11,474,959	2,198,561	13,673,520	15	8,525,558	618,412	9,143,970	4,529,550
14	Motor Vehicles	8,511,244	-	8,511,244	20	8,232,809	55,687	8,288,496	222,748
15	Furniture & Fixtures	29,879,152	1,673,675	31,552,827	10	20,331,747	1,079,192	21,410,939	10,141,888
16	Laboratory Equipment	576,027	-	576,027	15	560,110	2,388	562,498	13,529
17	Office Equipment	14,407,454	-	14,407,454	15	12,658,153	262,395	12,920,548	1,486,906
18	Motor Cycles	40,625	-	40,625	20	40,356	54	40,410	215
		1,360,370,796	30,072,394	1,390,443,190		1,136,228,578	38,059,655	1,174,288,232	216,154,958

Charged to:

Manufacturing Accounts 36,662,327

Profit & Loss Accounts 1,397,328

38,059,655**PROPERTY, PLANT AND EQUIPMENT Tk. 224,142,218****2018-2019**

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.19
		Balance as at 30.06.18	Addition During year	Balance as at 30.06.19		Balance as at 30.06.18	Charged for the year	Balance as at 30.06.19	
1	Land & Land Development	21,423,102	-	21,423,102		-	-	-	21,423,102
2	Factory Building	255,373,615	-	255,373,615	20	225,638,240	5,947,075	231,585,315	23,788,300
3	Civil Construction	53,665,771	1,315,000	54,980,771	10	39,368,892	1,516,230	40,885,121	14,095,650
4	Plant & Machinery	669,939,150	3,706,505	673,645,655	20	598,981,544	14,361,557	613,343,102	60,302,553
5	Effluent Treatment Plant	71,210,757	-	71,210,757	20	45,083,965	5,225,358	50,309,324	20,901,433
6	Gas Installation	23,449,836	-	23,449,836	15	10,039,189	2,011,597	12,050,786	11,399,050
7	Electric Installation	10,764,273	-	10,764,273	15	9,614,700	172,436	9,787,136	977,137
8	Boiler	13,367,693	-	13,367,693	15	12,188,975	176,808	12,365,782	1,001,911
9	Generator	132,772,799	-	132,772,799	15	80,591,776	7,827,153	88,418,929	44,353,870
10	Water Treatment Plant	8,262,353	-	8,262,353	20	7,131,609	226,149	7,357,758	904,595
11	Factory Equipment	14,762,616	7,289,470	22,052,086	15	11,797,116	1,422,109	13,219,226	8,832,860
12	Other Equipment	8,178,396	-	8,178,396	15	6,271,302	286,064	6,557,366	1,621,030
13	Deep Tube-Well & Tanks	10,964,959	510,000	11,474,959	15	8,020,075	505,483	8,525,558	2,949,401
14	Motor Vehicles	8,511,244	-	8,511,244	20	8,163,201	69,609	8,232,809	278,435
15	Furniture & Fixtures	28,667,452	1,211,700	29,879,152	10	19,387,381	944,366	20,331,747	9,547,405
16	Laboratory Equipment	576,027	-	576,027	15	557,302	2,809	560,110	15,917
17	Office Equipment	14,300,254	107,200	14,407,454	15	12,363,641	294,512	12,658,153	1,749,301
18	Motor Cycles	40,625	-	40,625	20	40,288	67	40,356	269
		1,346,230,922	14,139,875	1,360,370,796		1,095,239,195	40,989,382	1,136,228,578	224,142,218

Charged to:

Manufacturing Accounts 39,680,828

Profit & Loss Accounts 1,308,554

40,989,382**30.06.2020****30.06.2019****9. INVESTMENT: TK. 21,896,375**

- (i) Apex Foods Limited (Public Limited Company) 20,326,925 29,720,300
(Total number of Shares 169,250 and Total cost of Shares Tk. 8,973,415.)
- (ii) Central Depository Bangladesh Limited 1,569,450 1,569,450
(571,181 Share of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each.)

21,896,375**31,289,750****Market Price of Listed Company Shares**

Apex Foods Limited 120.10 175.60

- Investment in shares of Apex Foods Limited has been valued at market price in accordance with IFRS -9 "Financial Instruments."

30.06.2020 **30.06.2019**

10. INVESTMENT IN FINANCIAL ASSETS: TK 68,854,594

Fixed deposits A/C with EBL	68,854,594	64,275,000
	=====	=====

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

11. SECURITY DEPOSITS : TK 10,058,150

Security Deposits to TGTDCCL	8,035,300	8,035,300
Guarantee Margin to EBL for TGTDCCL	1,607,053	1,607,053
Security Deposits to Multi Securities & Services Ltd	1,797	1,797
Security Deposits for Office Rent	405,000	405,000
Security Deposits for TNT & Mobile	9,000	9,000
	-----	-----
	10,058,150	10,058,150
	=====	=====

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

12. INVENTORIES: TK. 332,107,738

	Quantity				
Finished Goods					
T Shirts	30,496	Doz	37,472,460	5,902,749	
	30,496	Doz	37,472,460	5,902,749	
Work in Process					
Dyed Fabric	68,371	Kg	32,655,179	26,577,162	
Knitted Fabric	22,389	Kg	6,420,362	18,895,181	
Garments & Fabrics (1,348,522 Mtr, 74,883 kg fabrics)	71,838	Doz	95,766,060	21,903,870	
			134,841,601	67,376,213	
Raw Materials					
Yarn	271,380	Kg	78,587,832	68,207,564	
Dyes & Chemicals	103,767	Kg	48,656,375	23,755,820	
			127,244,207	91,963,384	
Accessories					
			32,549,470	30,530,221	
			-----	-----	
			332,107,738	195,772,567	
			=====	=====	

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

13. TRADE RECEIVABLES: TK 422,627,419

Export Bills Receivable	422,627,419	510,122,879
	=====	=====

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

<u>Ageing of the trade receivable</u>	<u>Amount (Tk.)</u>	<u>Amount (Tk.)</u>
30 Days	205,589,300	193,431,688
60 Days	147,768,478	308,274,309
90 Days	-	8,416,882
120 Days	69,269,641	-
	-----	-----
	422,627,419	510,122,879
	=====	=====

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

		<u>30.06.2020</u>	<u>30.06.2019</u>
14. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 41,743,988			
Advance Income Tax	Note # 14.a	36,167,128	59,763,767
Advance against expenses		5,576,860	2,043,340
		<u>41,743,988</u>	<u>61,807,107</u>
		=====	=====

14.a ADVANCE INCOME TAX: TK. 36,167,128

Opening Balance		59,763,767	49,895,187
Add: Paid during the year		25,199,824	23,074,775
Less: Adjustment during the year		48,796,463	13,206,195
Closing Balance		<u>36,167,128</u>	<u>59,763,767</u>
		=====	=====

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

15. OTHER RECEIVABLES: TK. 6,026,937

Cash incentive receivable		787,000	47,817,900
FDRs Interest receivable		1,434,471	1,861,296
Sub Total		<u>2,221,471</u>	<u>49,679,196</u>
		-----	-----
PF Lapse Receivable (Employer Portion)			
Opening Balance		3,426,841	-
Restated Amount		-	3,262,016
Adjustment amount		<u>3,426,841</u>	<u>3,262,016</u>
		-----	-----
Addition during the year		378,625	164,825
Sub Total		<u>3,805,466</u>	<u>3,426,841</u>
		-----	-----
Total		<u>6,026,937</u>	<u>53,106,037</u>
		=====	=====

- Cash incentive receivable represents the audited certificate amount receivable from Bank against cash incentive. The amount has subsequently been received from the Bangladesh Bank through Eastern Bank Limited.
- The ageing of the Cash incentive receivable are maximum 06 (Six) months.
- FDR's interest receivable represents the provision of interest receivable on FDR's up to 30.06.2020.
- Here to forfeited amount of BDT 3,262,016 of employer's contribution to provident fund has been accounted for according to IAS 1.

16. MARGIN ON ACCEPTANCE: TK 146,051,685

Margin on Acceptance-EBL		<u>146,051,685</u>	<u>214,084,240</u>
		=====	=====

30.06.2020**30.06.2019**

Margin on Acceptance (EBL) has converted in BDT at closing rate @ 83.95 per USD as on 30.06.2020 & as compare to BDT @ 83.50 per USD as on 30.06.2019 which has retained for settlement of back to back L/C in due date.

Margin Account with Eastern Bank Ltd.**\$ 1,739,746.10****\$ 2,563,883.11****17. CASH AND CASH EQUIVALENTS: TK. 14,596,322****Cash and Bank Balances:****Cash in hand****20,000****20,000****Cash at bank :**

CD Account with Eastern Bank Ltd., Dhaka

8,004

9,154

CD Account with Dhaka Bank Ltd., Dhaka

26,017

26,707

CD Account with SCB, Dhaka

190,324

189,432

CD Account with Mutual Trust Bank Ltd, Chandora

3,323,395

49,939

CD Account with Mutual Trust Bank Ltd, Dilkusha, Dhaka

82,780

83,470

CD Account with AB Bank Ltd, Dhaka

37,408

38,098

CD Account with Dutch Bangla Bank Ltd., Dhaka

1,480,838

4,158,075

CD Account with Eastern Bank Ltd. -Dividend, Dhaka

183

183

CD Account with HSBC-Dividend, Dhaka

482,104

360

Foreign Currency Account with Eastern Bank Ltd., Dhaka-USD

7,590,671

16,464,454

Foreign Currency Account with HSBC, Dhaka-USD

398,877

396,887

SND Account with SCB, Dhaka

734,502

735,192

SND Account with Eastern Bank Ltd., Principal Branch, Dhaka

198,189

207,671

SND Account with HSBC, Dhaka

1,256

1,247

CC Accounts with Eastern Bank Ltd., Dhaka

21,775

22,925

14,576,322**22,383,795****14,596,322****22,403,795**

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Foreign Currency Account balances in USD are given below which has converted in BDT at closing rate @ 83.95 per USD as on 30.06.2020 & as compare to BDT @ 83.50 per USD as on 30.06.2019:

Foreign Currency Account with Eastern Bank Ltd., Dhaka

In USD
\$ 90,418.95**In USD**
\$ 197,179.09

Foreign Currency Account with HSBC, Dhaka

\$ 4,751.36

\$ 4,753.14

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

18. SHARE CAPITAL: TK. 84,000,000**Authorized Capital:**

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

300,000,000**300,000,000**

=====

=====

Issued, Subscribed & Paid up Capital:

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

84,000,000**84,000,000**

=====

=====

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

	<u>30.06.2020</u>	<u>30.06.2019</u>
• There was no preference share issued by the Company.		
Composition of Shareholdings as on 30.06.2020:		
Sponsors & Directors	54.81%	54.81%
Institutions	22.59%	22.70%
Foreign Shareholders	0.25%	2.87%
Public - Local	22.35%	19.62%
	-----	-----
	100.00%	100.00%
	=====	=====

The Company had the following non-resident Shareholders on 30.06.2020:

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

		20,680
		=====

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

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

<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>	<u>In %</u>
1,756	Less than & equal 500 Shares	255,165	3.04
471	501 to 5,000 Shares	751,623	8.95
27	5001 to 10,000 Shares	186,519	2.22
16	10,001 to 20,000 Shares	214,800	2.55
3	20,001 to 30,000 Shares	72,499	.86
5	30,001 to 40,000 Shares	174,509	2.08
3	40,001 to 50,000 Shares	140,800	1.68
1	50,001 to 100,000 Shares	85,000	1.01
4	100,001 to 200,000 Shares	544,000	6.48
6	Over 200,000 Shares	5,975,085	71.13
		-----	-----
2,292		8,400,000	100.00
		=====	=====

19. SHARE PREMIUM Tk. 15,000,000 **15,000,000** **15,000,000**

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

20. RESERVE AND SURPLUS: TK 345,848,703

Reserve for Re-Investment	129,700,699	129,700,699
Retained Earnings	213,396,186	217,768,047
Capital Gain	2,751,818	2,751,818
	345,848,703	350,220,564
	=====	=====

- Capital gain represents the difference between present market value and cost of 100.50 decimal of land transferred to Apex Yarn Dyeing Limited during the accounting year 2001-2002.
- Reserve for Re-Investment represents Tax Holiday Reserve made up to the Tax Holiday period of the Company. The reserve and surplus is utilized in the Company's business.

	<u>30.06.2020</u>	<u>30.06.2019</u>
21. FAIR VALUATION SURPLUS/(DEFICIT) OF INVESTMENT: TK 10,218,159		
Opening Balance	18,672,196	23,790,316
Adjustment for fair valuation surplus/(deficit) during the year	(8,454,037)	(5,118,120)
	<u>10,218,159</u>	<u>18,672,196</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.

22. LONG TERM LOAN: TK. 54,077,008

Long Term Loan- (EBL) –Stimulus Package	54,077,008	-
	<u>54,077,008</u>	-
	=====	=====

Company has availed the above loan to meet up salary & wages expenses as per Government declaration of stimulus fund under BRPD Circular no. 07 dated 2nd April 2020 and subsequent Circular in this regard. Repayment to be made in 18 equal monthly installments including 6 months moratorium period & bears charge @ 2.00% on of loan amount.

23. DEFERRED TAX LIABILITY: TK. 3,513,997

a) Book Value of Depreciable Assets	216,154,958	224,142,218
Tax Base of Depreciable Assets	<u>206,598,238</u>	<u>212,315,488</u>
Net Taxable Temporary Difference	9,556,720	11,826,730
Effective Tax Rate	<u>12.00%</u>	<u>12.00%</u>
Closing Deferred tax (Assets)/Liability arising from assets	1,146,806	1,419,208
Opening Deferred Tax Balance	<u>1,419,208</u>	<u>1,754,820</u>
Deferred Tax Income/(Expense)	<u>272,401</u>	<u>335,613</u>
b) Unrealized Bank Interest on FDRs	1,434,471	1,861,296
Effective Tax Rate	<u>25.00%</u>	<u>25.00%</u>
Closing Deferred tax (Assets)/Liability Arising from Unrealized FDRs Interest	358,618	465,324
Opening Deferred Tax Balance	<u>465,324</u>	<u>484,375</u>
Deferred Tax Income/(Expense)	<u>106,706</u>	<u>19,051</u>
c) Unrealized Foreign Exchange gain/(Loss)	(627,379)	(675,329)
Effective Tax Rate	<u>25.00%</u>	<u>25.00%</u>
Closing Deferred tax (Assets)/Liability Arising from Unrealized exchange gain/Loss	(156,845)	(168,832)
Opening Deferred Tax Balance	<u>(168,832)</u>	<u>170,937</u>
Deferred Tax Income/(Expense)	<u>(11,987)</u>	<u>339,769</u>
d) Cash Incentive Receivable	787,000	47,817,900
Effective Tax Rate	<u>10.00%</u>	<u>10.00%</u>
Closing Deferred tax (Assets)/Liability Arising from Cash Incentive Receivable	78,700	4,781,790
Opening Deferred Tax Balance	<u>4,781,790</u>	<u>509,847</u>
Deferred Tax Income/(Expense)	<u>4,703,090</u>	<u>(4,271,943)</u>

	<u>30.06.2020</u>	<u>30.06.2019</u>
e) PF Lapse Receivable		
Opening Balance	3,426,841	-
Restated Amount	-	3,262,016
Adjusted Amount	3,426,841	3,262,016
Addition during the year	<u>378,625</u>	<u>164,825</u>
Total	<u>3,805,466</u>	<u>3,426,841</u>
Effective Tax Rate	<u>25.00%</u>	<u>25.00%</u>
Closing Deferred tax (Assets)/Liability Arising from PF lapse Receivable	951,367	856,710
Opening Deferred Tax Balance	<u>856,710</u>	<u>815,504</u>
Deferred Tax Income/(Expense)	<u>(94,656)</u>	<u>(41,206)</u>
Deferred Tax Income/(Expense) a+b+c+d+e	<u>4,975,554</u>	<u>(3,618,717)</u>
f) Deferred Tax (Assets)/Liability Arising from Other Comprehensive Income:		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments @ 10%	1,135,351	2,074,688
Revaluation of property	-	-
Foreign exchange gain for foreign operation	-	-
Closing Deferred tax (Assets)/Liability arising from Fair Valuation Surplus of investment	1,135,351	2,074,688
Opening Deferred Tax Balance	<u>2,074,688</u>	<u>2,643,369</u>
Deferred Tax Income/(Expense)	<u>939,337</u>	<u>568,680</u>
Deferred Tax Liability (a+b+c+d+e+f)	<u>3,513,997</u>	<u>9,428,888</u>
24. WORKING CAPITAL LOAN: TK. 24,261,494		
Overdraft-Eastern Bank Ltd, Principal Br. Dhaka	19,608,019	33,767,854
Overdraft-HSBC, Dhaka	4,653,475	4,755,697
	<u>24,261,494</u>	<u>38,523,552</u>
• The Working Capital Loan facility with Eastern Bank Ltd, Principal Branch, Dhaka for BDT 8.00 Crore and HSBC for BDT 3.00 Crore against hypothecation as Cash Credit basis for one year. The loan is secured against Inventories and Trade Receivables of the Company. The loan bears interest @ 9.00% p.a from April 2020 before which interest was @ 11.00% pa with EBL & @ 9.00% pa with HSBC.		
25. LONG TERM LOAN-CURRENT MATURITY: TK. 27,038,504		
Long Term Loan- (EBL) –Stimulus Package	27,038,504	-
	<u>27,038,504</u>	<u>-</u>
26. SHORT TERM LOAN: TK. 70,228,085		
Time Loan-Eastern Bank Limited	7,684,917	11,935,768
Import Loan- Eastern Bank Limited	62,543,168	35,941,596
	<u>70,228,085</u>	<u>47,877,364</u>

- 30.06.2020** **30.06.2019**
- Time loan from Eastern Bank Limited represents the amount payable to them against import of machinery and spare parts and will be settled within next twelve months. The loan bears interest @ 9.00% p.a from April 2020.
 - Import loan from Eastern Bank Limited represents the amount payable to them against import of dyes, chemicals and accessories as part of continuous process.

27. TRADE PAYABLES: TK. 497,208,105

497,208,105 **692,939,448**
=====

- This represents local procurement and import of Raw Materials (Yarn, Dyes & Chemicals) under Back-to-Back L/C on 30 to 120 days deferred payment and Sight L/C, which has been subsequently adjusted and moves in cycle in this trade.

28. OTHER PAYABLES: TK. 148,724,111

Clearing & Forwarding		6,492,487	6,044,512
Insurance premium		21,679	1,113,225
Power, Fuel and Water		3,832,282	5,430,170
Telephone, Telex & Fax		30,370	9,019
Salaries, Wages and Overtime		98,876,058	48,098,713
Audit Fees		402,500	230,000
Current Tax Liabilities	28.a	23,248,208	48,796,462
Provident Fund Payable		3,625,165	7,721,327
Unclaimed Dividend	28.b	9,303,988	8,863,826
Payable for Office Rent		972,714	481,957
Payable for Other Office Expenses		519,997	1,351,890
Tax Payable to Govt.		1,286,108	2,173,220
VAT payable to Govt.		112,555	85,410
		148,724,111	130,399,731
		=====	=====

28.a CURRENT TAX LIABILITIES: Tk. 23,248,208

Opening Balance		48,796,462	37,154,846
Add: Provision during the year		23,248,208	17,344,052
Less: Adjustment during the year		48,796,462	5,702,436
		23,248,208	48,796,462
		=====	=====

28.b UNCLAIMED DIVIDEND: Tk. 9,303,988

Opening Balance		8,863,826	7,739,848
Add: Dividend approved at AGM		<u>16,800,000</u>	<u>16,800,000</u>
		25,663,826	24,539,848
Less: Payment during the year		16,359,838	15,676,022
		9,303,988	8,863,826
		=====	=====

- Unclaimed dividend represents the dividend warrants issued but not presented to the Bank by the Shareholders within 30th June 2020 and the unclaimed dividend was Tk. 92,98,015.84 as on September 30, 2020.
- The breakup of unclaimed dividend as on 30.06.2020 is as follows:

<u>Year</u>	<u>Taka</u>
1994-95 to 2015-16	6,618,520
2016-17	1,008,494
2017-18	1,181,736
2018-19	<u>495,238</u>
	<u>9,303,988</u>

			<u>2019-2020</u>	<u>2018-2019</u>
29. REVENUE: TK 2,751,013,453				
	<u>Quantity in Doz.</u>	<u>USD</u>		
T, Polo & Sweat Shirts	1,970,209	32,512,100	2,751,013,453	3,537,789,856
	=====	=====	=====	=====

- Country wise break up of export for the period from July 2019 to June 2020:

<u>Country</u>	<u>Quantity in Doz</u>	<u>USD</u>
AUSTRALIA	15,856	256,910
BELGIUM	109,542	1,756,114
CANADA	19,955	321,964
CHILE	24,335	387,531
CHINA	82,431	1,766,984
COLUMBIA	4,844	74,107
CROATIA	11,858	189,312
DENMARK	28,338	455,115
DUBAI, UAE	23,773	368,542
GERMANY	301,182	5,018,125
GREAT BRITAIN	121,242	1,997,945
HONG KONG	5,984	88,739
INDIA	11,673	183,484
INDONESIA	4,335	70,788
ITALY	146,937	2,390,519
JAPAN	38,884	602,756
KOREA	12,554	190,316
MALAYSIA	9,907	148,332
MEXICO	24,916	377,959
NETHERLANDS	64,085	1,292,985
NEW ZEALAND	5,485	86,046
NORWAY	27,141	442,491
PANAMA	54	750
PERU	7,938	123,439
PHILIPPINES	5,310	81,500
POLAND	360,173	5,830,350
RUSSIA	70,386	1,077,882
SAUDI ARABIA	708	9,272
SERBIA	5,289	83,549
SOUTH AFRICA	7,966	126,380
SPAIN	78,068	1,282,802
SWEDEN	124,834	2,052,917
SWITZERLAND	29,060	476,120
TAIWAN	3,697	56,104
THAILAND	4,563	69,570
TURKEY	26,842	407,981
URUGUAY	4,650	71,029
USA	143,743	2,268,162
VIETNAM	1,671	27,229
Total	1,970,209	32,512,100
	=====	=====

			<u>2019-2020</u>	<u>2018-2019</u>
30. COST OF GOODS SOLD: TK. 2,528,787,262				
	Quantity	Notes		
Opening Stock of Finished Goods	4,318Doz		5,902,749	32,999,377
Add: Cost of Production	<u>1,996,387Doz</u>	31	<u>2,560,356,973</u>	<u>3,223,348,673</u>
	2,000,705Doz		2,566,259,722	3,256,348,050
Less : Closing Stock of Finished Goods	<u>30,496Doz</u>		37,472,460	5,902,749
	1,970,209Doz		<u>2,528,787,262</u>	<u>3,250,445,301</u>
			=====	=====

31. COST OF PRODUCTION: TK. 2,560,356,973**OPENING STOCK:****Raw Materials:**

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

Work in Process:

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

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

Yarn			305,436,027	398,217,500
Dyes & Chemicals			105,856,442	133,767,863
Accessories			53,035,577	73,541,013
			464,328,046	605,526,375

Raw Materials (Local) :

Yarn			336,501,871	597,594,720
Dyes & Chemicals			123,508,178	170,785,724
Accessories			311,576,137	469,797,573
			771,586,186	1,238,178,017
			1,235,914,232	1,843,704,392
			1,425,784,050	2,006,954,445

LESS : CLOSING STOCK**Raw Materials:**

Yarn	271,380	Kg	78,587,832	68,207,564
Dyes & Chemicals	103,767	Kg	48,656,375	23,755,820
			127,244,207	91,963,384

Work in Process:

Dyed, Knitted and Greige Fabric & Garments	89,760	Kg	134,841,601	67,376,213
Accessories	71,838	Doz	32,549,470	30,530,221
			294,635,278	189,869,818

Total Consumption

1,131,148,772	1,817,084,627
=====	=====

	<u>2019-2020</u>	<u>2018-2019</u>
Factory Overhead :		
Carriage inward	6,307,986	8,131,501
Electricity	2,078,705	1,038,861
Gas, Fuel & Lubricant	106,063,614	84,626,480
Insurance Premium	4,263,244	7,815,046
Repairs & Maintenance	63,140,253	71,737,053
Telephone Charges	56,359	19,741
Wages, Salaries & Allowance	1,172,870,059	1,157,211,626
Bank Charges & Commission	12,235,231	8,244,133
Depreciation	36,662,327	39,680,828
Fire Fighting Exp.	212,802	320,320
Travelling & Conveyance	7,153,402	6,305,073
Testing Bill	15,569,958	17,666,327
Uniform & Liveries	307,385	319,884
Chemical for Effluent Treatment Plant	280,600	682,482
Entertainment	1,536,846	1,750,742
UD & UP Expenses	469,430	713,949
	<u>2,560,356,973</u>	<u>3,223,348,673</u>

- During the year 2019-20 the Company has imported goods on C & F basis.
- Cash incentive has been adjusted with the local yarn cost.

32. OTHER OPERATING INCOME/(LOSS): TK 7,272,624

Foreign Exchange Gain/(Loss):

Foreign Exchange Gain/(Loss) from Operations	7,900,003	(799,530)
Foreign Exchange Gain/(Loss) from Translations	<u>(627,379)</u>	<u>(675,329)</u>
	<u>7,272,624</u>	<u>(1,474,859)</u>

33. ADMINISTRATIVE & SELLING OVERHEAD: TK. 146,370,980

AGM Expenses	117,357	151,656
Audit Fee (Including VAT)	402,500	230,000
Bank Charges & Commission	5,511,375	7,065,362
Board Meeting Fees	14,500	20,000
Depreciation	1,397,328	1,308,554
Director's Remuneration	3,540,000	3,600,000
Entertainment	1,125,454	2,769,331
Export Processing & Handling Expenses	4,095,810	11,401,674
Clearing & Forwarding Expenses	23,964,512	29,610,884
Insurance Premium	706,954	577,559
Legal & Professional Fees	1,022,225	490,377
Medical Expenses	190,636	315,321
Newspapers & Periodicals	15,717	12,908
Postage & Stamp	62,046	71,965
Power & Fuel	721,837	780,960
Printing Expenses	1,435,761	2,572,103
Stationery Expenses	997,849	851,020
Publicity & Advertisement	208,783	223,905
Renewal & Fees	8,040,429	7,692,218
Rent & Rates	5,774,728	6,601,941
Repairs & Maintenance	6,692,300	9,066,821
Salaries & Allowances	63,351,178	57,527,009
Sales Promotional Expenses	4,620,590	3,918,728
Subscription & Donation	27,000	289,100
Travelling & Conveyance	3,156,457	2,969,590
Telephone, Fax and Radio Link	586,100	575,125
Transportation Expenses	8,591,554	7,959,110
	<u>146,370,980</u>	<u>158,653,221</u>

	<u>2019-2020</u>	<u>2018-2019</u>
• Directors' Remuneration paid to following Directors for their full time service:		
a. Mr. Zahur Ahmed PhD	1,770,000	1,800,000
b. Mr. Shahriar Ahmed	1,180,000	1,200,000
c. Mr. Kazi Faruq Kader	590,000	600,000
	<u>3,540,000</u>	<u>3,600,000</u>
• Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.		
• Sales promotional expenses include cost of samples and courier cost for distribution of free samples to the buyers.		
• There are 6 (six) board meetings held during the period.		
34. FINANCIAL EXPENSES: TK. 58,405,412		
Interest on Term Loan	1,306,937	4,627,116
Interest on Overdraft	709,205	170,776
Financial Charges	56,389,270	72,111,206
	-----	-----
	58,405,412	76,909,098
	=====	=====
35. FINANCE & OTHER INCOME: TK. 6,814,382		
Interest earned on SND Account	7,693	7,689
Dividend Income	1,766,452	1,766,452
Interest on FDRs	4,661,612	4,673,796
Other Income from PF Lapse (Employer Portion)	378,625	-
	-----	-----
	6,814,382	6,447,937
	=====	=====
36. TAX EXPENSES: TK. 18,272,655		
Current Tax ((Note - 36.a)	23,248,209	17,344,052
Under Provision of Tax	-	7,503,759
Deferred Tax Expenses/(Income)-Note 36.b	(4,975,554)	3,577,510
	-----	-----
	18,272,655	28,425,321
	=====	=====
36.a CURRENT TAX: TK. 23,248,208		
Tax on FDRs & SND Interest Income	1,274,033	1,189,422
Tax on Dividend Income	353,290	353,290
Tax on Cash Incentive	5,344,397	1,055,875
Tax on Gain/(Loss) of Foreign Exchange Transactions	1,975,001	(199,882)
Tax on Business Profit	14,301,488	14,945,347
	-----	-----
	23,248,209	17,344,052
	=====	=====
• Current tax consists of tax provision made on business income and realized amount of finance & other income for the period from 1 st July 2019 to 30 th June 2020.		
36.b DEFERRED TAX EXPENSES/(INCOME): TK. (4,975,554)		
Deferred Tax Exp./(Income) on Depreciable Assets	(272,402)	(335,613)
Deferred Tax Exp./(Income) on Interest Receivable	(106,706)	(19,051)
Deferred Tax Exp./(Income) on Unrealized Foreign Exch. Gain/(Loss)	11,987	(339,769)
Deferred Tax Exp./(Income) on Cash Incentive Receivable	(4,703,090)	4,271,943
Deferred Tax Exp./(Income) on PF Lapse Receivable	94,657	41,206
	-----	-----
	(4,975,554)	3,618,716
	=====	=====
• The provision for deferred tax expenses/ (income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.		

37. DISCLOSURE ON RECLASSIFICATION:

Margin balance on acceptance has been separated from cash & cash equivalent and difference of comparative year has adjusted with trade payable in statement of cash flows and financial charges (F.C) has shown in financing activities from operating activities in statement of cash flows due to separate from administrative & selling overhead.

38. PRIOR YEAR ADJUSTMENT:

a) According to section 232 (3) Labour Act 2006 (amendment in 2013) & Rules 2015, section 214 Gazetted on 15th September 2015, the Government is deducting @ 0.03% on our export proceeds which participation of the workers on profit of the company as there is no requirement to separate provision of WPP & WF @ 5% on profit, so prior year provisioned of PPF & WF has been restated accordingly in 2018-2019.

b) As per Financial Reporting Council (FRC) notification no. 179/FRC/FRN/notification/2020/2 dated 7th July 2020 regarding lapse amount of employer's subscription to provident fund have to return to the company's annual financial statements from 2015 & have to be shown as other income of the company accordingly.

39. DISCLOSURE ON RESTATEMENT:

As per Financial Reporting Council (FRC) notification no. 179/FRC/FRM/notification/2020/2, dated July 07, 2020, regarding laps amount of employer's subscription to provident fund have to return to the Company's annual financial statements from 2015 and have to shown as other income of the company accordingly. As the Company did not account for this laps amount, according to the para 43 of IAS 8, opening balance of PF lapse receivables (note 15), Deferred Tax Liabilities (note 23e) and Retained Earnings as on July 01, 2018 and the financial statements for the year ended June 30, 2020 has been restated by the management. Upon such restatement amount of Tk. 3,262,016 has been recognized in the opening PF lapse receivables and tax at 25 percent of such forfeited amount of Tk. 815,504/- has been accounted for in the opening balance of deferred tax liabilities as at July 01, 2018. Accordingly, the amount of Tk. 2,446,512/- has been transferred to retained earnings.

The effect due to this restatement in opening balance of comparative financial statements is material, third statement of financial position has been disclosed according to Para 40A of IAS 1.

EPS, NAVPS and NOCFPS for 2018-2019 have been restated due to calculation of deferred tax on PF Lapse receivable from July 2015 to June 2019 and net profit after tax, retained earnings & deferred tax liability for the year 2018-2019 and 2017-2018 have been changed accordingly.

40. Workers Profit Participation Fund (WPPF):

We are 100% export oriented Ready Made 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.

2019-20202018-2019**41. BASIC EARNING PER SHARE (EPS) – DISCLOSURE UNDER IAS 33 “EARNINGS PER SHARE”:**

Earnings attributable to Ordinary Shareholders

Basic EPS =	-----	
	Weighted average number of shares outstanding during the period	
	12,428,139	24,612,738
Basic Earnings Per Share (EPS) =	----- = 1.48	----- = 2.93
	8,400,000	8,400,000
		27,223,435
		Restated EPS = ----- = 3.24
		8,400,000

- Weighted average number of Ordinary Shares outstanding during the year represents the number of Ordinary Shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific number of shares are outstanding as a proportion of the total number of days in the period.
- Significant decrease in EPS (i.e. up to 3rd Quarter, EPS from operational activities was Tk. 1.99 but annually it has been Tk. 1.48) is mainly for decrease of turnover in 4th quarter of 2019-2020 due to COVID 19 worldwide.

42. NET ASSETS VALUE (NAV) PER SHARE:

Net Assets (Total Assets-Total Liabilities)

NAV Per Share =	-----	
	Number of ordinary shares outstanding	
	455,066,862	462,670,726
NAV Per Share (NAVPS) =	----- = 54.17	----- = 55.08
	8,400,000	8,400,000
		467,892,760
		Restated NAVPS = ----- = 55.70
		8,400,000

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

Net Operating Cash Flows

NOCFPS	= -----	
	Number of ordinary shares outstanding	
	5,550,700	84,207,874
NOCF Per Share (NOCFPS) =	----- = 0.66	----- = 10.02
	8,400,000	8,400,000
		175,858,159
		Restated NOCFPS = ----- = 20.94
		8,400,000

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flow per Share is Tk. 0.66 but it was Tk. 10.02 in 2018-2019 which is mainly for less export in 3rd quarter in 2019-2020 due to COVID-19 as compared to last year. This scenario is changeable time to time depending on different issues.

44. EVENTS AFTER REPORTING PERIOD:**a) Proposed Dividend:**

The Board of Directors has recommended cash Dividend of Tk. 1.50/- per Share for the year 2019-20 at the Board meeting held on October 28, 2020. The total amount of Dividend is Tk. 12,600,000/-

b) Effect of COVID 19:

Due to continue of Corona Virus (COVID -19) pandemic from January 2020 & worldwide lockdown, our industry has been badly effected. Foreign buyers have cancelled & hold contracts indiscriminately & these effects are continuing. As a result, to keep the factory running & not sack workers & employees, we have been/are being complied to maintain production & export at even lower than our cost which has/is causing us financial loss. We are trying our best to overcome these extremely difficult situations. Such situation is being faced by all types of industries in our country & abroad.

c) 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.

45. RELATED PARTY TRANSACTIONS:

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

2019-2020				
Name of the Parties	Opening Balance	Purchase during the Year	Paid during the Year	Closing Balance
i. Matex Bangladesh Ltd.	-	119,843,442	119,843,442	-
ii. Apex Yarn Dyeing Ltd.	-	21,963,627	21,963,627	-

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

• KEY MANAGEMENT BENEFITS:

Refer to Note # 33, we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.

The Company is paying Remuneration to the 03 (three) Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them.

The company operates a contributory provident fund which is administrates by the Board of Trustee. The company pays its monthly contribution to the Provident Fund Trust and the company has no further liability. The company also has a Group Insurance Scheme. Group Insurance premium is paid to insurance company once in a year and if there is any claim that will be entertained by the insurance company. In addition to the above there is nothing paid to the key management except salary & allowance.

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

	%	Quantity (2019-20)	%	Quantity (2018-19)
Capacity	100	33,600,000	100	33,600,000
Production	71.30	23,956,644	90.48	30,402,264

- The decrease of production during the period due to effect of COVID 19 as compared to last year.

	<u>2019-2020</u>	<u>2018-2019</u>
b) Production (Quantity in Dozen):		
T, Polo & Sweat Shirts	<u>1,996,387</u>	<u>2,533,522</u>
c) Export (Quantity in Dozen):		
T, Polo & Sweat Shirts	<u>1,970,209</u>	<u>2,547,129</u>
d) Salaries & Wages:		
	<u>No. of Employees</u>	<u>Taka</u>
Above Tk. 8,000.00 per month	5,513	1,236,221,237
Below Tk. 8,000.00 per month	-	-

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

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

	<u>Directors</u>	<u>Officers</u>
Board Meeting Fees	14,500	-
Salaries and Allowance	3,540,000	125,565,011
Provident Fund Contribution	-	6,890,566
Bonus	-	20,575,195
Perquisites	-	78,349,558

48. CAPITAL EXPENDITURE COMMITMENT:

- There was no capital expenditure contracted or incurred or provided for as at 30th June 2020.
- There was no material capital expenditure authorized by the Board or contracted for as at 30th June 2020.

49. 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 on 30th June 2020.

50. DURING THE YEAR UNDER REVIEW:

- No amount of money was spent by the Company for compensating any member of the Board for special service rendered except as stated above.
- There was no claim against the Company not acknowledged as debt on 30th June 2020.
- There was no Bank Guarantee issued by the Company on behalf of the Directors.
- There was no credit facility available to the Company under any contract, or availed of as on 30th June 2020 other than trade credit available in the ordinary course of business.
- There were no expenses incurred in foreign exchange on account of Royalty, Technical Experts, Professional & Advisory Fee, Interest, and Brokerage & Commission etc.
- There was no expense on account of Miscellaneous/General Expenses.

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Annexure-1

Reconciliation of Net Profit with Cash Flows from Operating Activities:

Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/ CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.

	<u>2019-2020</u>	<u>2018-2019</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax Expenses	30,700,794	55,689,962
Add: Depreciation During the Year	38,059,655	40,989,382
Less: Effect of Foreign Exchange Translation Gain/(Loss)	-	48,743
Less: Finance Income Adjustment	(6,806,689)	(6,440,248)
Add: Interest & Other Financial Charges Paid	58,405,412	76,909,098
(Increase)/Decrease in Inventories	(136,335,171)	476,863
(Increase)/Decrease in Trade Receivable	87,495,460	82,796,670
(Increase)/Decrease in Advance Deposit & Prepayments	(3,533,521)	(882,041)
(Increase)/Decrease in Other Receivable	47,030,900	(30,823,000)
Income Tax Paid During the Year	(25,199,824)	(23,074,775)
Increase/(Decrease) in Trade Payables	(127,698,788)	(50,073,272)
Increase/(Decrease) in Other Payables	43,432,472	30,240,776
	-----	-----
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	5,550,700	175,858,159
	=====	=====
RECONCILIATION		
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-INDIRECT METHOD	5,550,700	175,858,159
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-DIRECT METHOD	5,550,700	175,858,159
	-----	-----
Differences	0.00	0.00
	=====	=====

Note: Necessary re-arrangement was made in statement of cash flows in comparative year 2018-2019 due to separate of margin balance on acceptance and financial charges (F.C) from cash & cash equivalent & from administrative & selling overhead respectively considering the nature of transactions.

