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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, 2021.**

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, 2021, 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, 2021 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 **THIRTIETH ANNUAL GENERAL MEETING OF APEX SPINNING & KNITTING MILLS LIMITED** will be held on Wednesday, December 15, 2021 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 2021 and report of the Auditors' and Directors thereon.
2. To declare Dividend for the year 2020-2021.
3. To elect of Directors.
4. To appoint Statutory Auditors for the year 2021-2022 and fix their remuneration.
5. To appoint Compliance Auditors for the Certification on Corporate Governance Code for the year 2021-2022 and fix their remuneration.
6. To transact any other business of the Company, with permission of the Chair.

Place: Dhaka  
Date: November 28 , 2021

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 21, 2021" 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 2020-21 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 2020-2021 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	:	Mr. Shahriar Ahmed
Director	:	Mr. Mahir Ahmed
Director	:	Mr. Eifaz 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

### GOVERNANCE COMPLIANCE AUDITORS

**M/s. Malek Siddique Wali**  
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, 5<sup>th</sup> & 6<sup>th</sup> 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

	2020-21	2019-20	2018-19	2017-18	2016-17
<b>Particulars</b>					
<b>Results of Operations:</b>					
Revenue	4,007,756	2,751,013	3,537,790	3,633,663	3,205,557
Gross Profit	260,014	222,226	287,345	289,542	245,333
Operating Profit	92,154	83,128	127,216	62,859	43,166
Profit before Tax	54,815	30,701	55,690	62,411	47,270
Net Profit after Tax	24,636	12,428	27,223	24,021	23,163
Earnings Per Share (EPS)	2.93	1.48	3.24	2.86	2.76
Dividend Per Share*	2.00	1.50	2.00	2.00	2.00
<b>Financial Positions:</b>					
Total Assets	1,563,876	1,281,442	1,388,386	1,465,206	1,325,340
Property, Plant and Equipment-Gross	1,402,345	1,390,443	1,360,371	1,346,231	1,343,392
Property, Plant and Equipment - Net	197,031	216,155	224,142	250,992	296,161
Gross Working Capital	1,258,960	964,480	1,058,620	1,107,179	994,046
Net Working Capital	212,071	197,019	148,880	110,775	115,834
Working Capital Loan	-	24,261	38,524	57,911	16,178
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	358,911	346,875	351,247	339,632	329,964
Share Holders' Equity	468,830	456,093	468,919	462,423	443,183
Long Term Loan	118,126	81,116	-	-	-
<b>Key Financial Ratios:</b>					
Current Ratio	1.20	1.26	1.16	1.11	1.13
Debt to Total Assets (%)	70.02	64.41	66.23	68.54	66.55
Return on Equity (%)	5.25	2.72	5.81	5.19	5.23
Net Assets Value Per Share	55.81	54.17	55.08	55.05	52.77
Net Operating Cash FPS	26.43	0.66	20.94	(10.31)	14.23
Dividend Payout Ratio (%)	68.26	101.35	61.73	69.94	72.46
Financial Charges Coverage ratio	2.20	1.42	1.65	1.77	1.60
<b>Others:</b>					
Market Price Per Share(30th June)	125.35	130.70	140.30	173.35	111.93
Price Earnings Multiple	42.78	88.31	43.30	60.62	40.55
Number of Employees	5,455	5,513	5,887	5,824	5,900
Capacity Utilization (%)	89.27	71.30	90.48	92.12	90.90

\* The Board of Directors recommended Cash Dividend @Tk. 2.00/- per Share for the year ended on 30<sup>th</sup> June 2021.

## AUDIT COMMITTEE REPORT

The audit committee of Apex Spinning & Knitting Mills Ltd 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 2020-21, 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. Md. Rafique Ullah	6	4

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 2020-2021 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, 2021

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 27<sup>th</sup> 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 2020-21, one meeting of the Nomination and Remuneration Committee was held on 20<sup>th</sup> January, 2021, 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 background, 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:

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, 2021

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, 2021

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

**Subject: Declaration on Financial Statements for the year ended on June 30, 2021.**

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, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in 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, 2021 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, 2021. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC 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: November 15, 2021

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 (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1.</b>	<b>Board of Directors</b>			
1(1)	Board 's Size shall not be less than 5 and more than 20	✓		
<b>1(2)</b>	<b>Independent Directors</b>			
1(2)(a)	Independent Director(s) - at least one fifth (1/5) of the total number of directors.	✓		The independent director is getting remuneration from the company, during the year his gross remuneration was TK. 600,000
1(2)(b)(i)	Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital.	✓		
1(2)(b)(ii)	Independent director is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.	✓		
1(2)(b)(iii)	Independent director has not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies.	✓		
1(2)(b)(v)	Independent director is not member or TREC holder, director or officer of any stock exchange.	✓		
1(2)(b)(vi)	Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		
1(2)(b)(vii)	Independent director is 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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	✓		
1(2)(b)(viii)	Independent director is not independent director in more than 5 (five) listed companies.	✓		
1(2)(b)(ix)	Independent director has not been 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).	✓		
1(2)(b)(x)	Independent director has not been convicted for a criminal offence involving moral turpitude.	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the Shareholders in the AGM.	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 days.	✓		
1(2)(e)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association.	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company.	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law.	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.		✓	No need to comply
1(3)(b)(v)	Professional who is or was 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.		✓	No need to comply
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b).	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions 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.	✓		
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.	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.	✓		
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 for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident was occurred during the year.
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry.	✓		
1(5)(ii)	The Segment-wise or product-wise performance.	✓		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable.	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss).			No extraordinary gain or loss arisen during this accounting year.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments.			No such incident was occurred 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 Share Offer, Direct Listing, etc.			
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.	✓		The explanation has given in the Annual Report
1(5)(x)	A statement of remuneration paid to the directors including independent directors.	✓		
1(5)(xi)	A statement that 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.	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained.	✓		
1(5)(xiii)	A statement that 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.	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.		✓	No such incident was occurred during the year.
1(5)(xvii)	A statement that there is no significant doubt 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 there of shall be disclosed.	✓		
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 shall be explained.	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year.			Board of directors recommended 20% cash dividend for this accounting year
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.			
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director.	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details).	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details).	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)(c)	Shareholding pattern of Executives.	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓		
1(5)(xxiv)	In case of appointment or re-appointment of a Director, a disclosure on the following information to the Shareholders:			
1(5)(xxiv)(a)	A brief resume of the director.	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas.	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	✓		
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.			No changes were made in accounting policies and estimations.
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof.	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe.	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company.	✓		
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.	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A.	✓		
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.	✓		
1(6)	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.	✓		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
<b>2.</b>	<b>Governance of Board of Directors of Subsidiary Company:</b>			
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.			Entity don't have any 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.			
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.			
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.			
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):</b>			
<b>3(1)</b>	<b>Appointment</b>			
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) and a Head of Internal Audit and Compliance (HIAC).	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals.	✓		
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.	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
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).			No such incident was observed.
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	✓		
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not 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;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4.</b>	<b>Board of Directors' Committee</b>			
	For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
<b>5.</b>	<b>Audit Committee</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	Audit Committee as a sub-committee of the Board.	✓		
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;	✓		
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.	✓		
<b>5.2</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;		✓	
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;	✓		
5(2)(d)	Casual Vacancy of the Audit Committee fill up immediately or not later than 1 (one) month from the date of vacancy.			No such incident was occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.			No such incident was occurred.
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		The independent director is getting remuneration from the company, during the year his gross remuneration was TK. 600,000
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.			No such incident was occurred.
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not 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.			No such incident was occurred.
<b>5.5</b>	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process	✓		
5(5)(b)	Monitor choice of accounting policies and principles	✓		
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;	✓		
5(5)(d)	Oversee hiring and performance of external auditors	✓		
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;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
5(5)(h)	Review the adequacy of internal audit function	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	✓		
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;	✓		
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:			No such incident was taken place during this accounting year.
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	Report on conflicts of interest			
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incident was occurred to report.
5(6)(b)	<b>Reporting to the Authorities</b> If any report which has material impact on the financial condition and results of operation and which has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the			



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5(7)	<b>Reporting to the Shareholders and General Investors</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			
<b>6.</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
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;	✓		
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).	✓		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;		✓	Two member of committee are executive directors.
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such incident was occurred during this accounting year.
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 member(s) of staff shall be required or valuable for the Committee;			No such incident was occurred during this accounting year.
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			No such incident was occurred
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.		✓	Detail of remuneration are given in the note 36 of annual financial statements
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
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;	✓		The independent director is getting remuneration from the company, during the year his gross remuneration was TK. 600,000
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that			No such incident was occurred

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			during the accounting year.
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incident was occurred during the accounting year.
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);	✓		
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.	✓		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		✓	
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:	✓		
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;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
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;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
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.	✓		
<b>7.</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker – dealer services	✓		
7(1)(v)	Actuarial services	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
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	✓		
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.	✓		
<b>8.</b>	<b>Maintaining a website by the Company</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
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).	✓		
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant 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.	✓		
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.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-Attached, in the directors' report whether the company has complied with these conditions or not.	✓		

## DIVIDEND DISTRIBUTION POLICY

### 1. Introduction:

The Dividend Distribution Policy prescribes a set of principles/guidelines in relation to declaration and payment of dividend and matters incidental thereto or connected therewith. The said policy has formulated for ensuring the proper distribution of declared dividend to the shareholders of the company.

This policy has been prepared pursuant to the Directive dated 14<sup>th</sup> January 2021 bearing reference No. BSEC/CMRRCD/2021-386/03 issued by the Bangladesh Securities and Exchange Commission (BSEC). In accordance with the BSEC Directive dated 7<sup>th</sup> March 2021 bearing reference No. BSEC/CMRRCD/2021-388/07 compliance under the Directive dated 14<sup>th</sup> January 2021 will commence from 1st July 2021 and also prepared in accordance with its Articles of Association and applicable laws of the land.

### 2. Procedure for Declaration of Dividend:

Amount of dividend (basis on the ordinary share of the company of taka 10/- each) will recommend by the Board of Directors on specific agenda of Board Meeting and finally dividend shall be approved by the shareholders at Annual General meeting (AGM) on the basis of recommendation of the Board of Directors but no dividend shall exceed the amount recommended by the Board of Directors.

Mainly, declaration of dividend would be based on the audited financial statements of the company and also consider the following relevant factors:

- ❖ Past dividend trends
- ❖ Net profit after tax
- ❖ Shareholder expectations
- ❖ Dividend policy of competitors
- ❖ Cash flow position & working capital requirement &
- ❖ All applicable regulatory requirements.

### 3. Entitlement of Dividend:

The shareholders whose names would appear in the Register of Members of the company and/or in the depository on the "Record Date" would be eligible to join in the AGM & entitled to receive the annual/final dividend of the company.

### 4. Payment/distribution of Dividend:

Company shall pay off final dividend to the entitled shareholders within 30 (thirty) days from the date of approval by the shareholders in AGM. Cash dividend shall be distributed in the following manner & procedures:

- ❖ upon approval from shareholders in AGM, we will keep the whole amount of cash dividend payable declared by the Board of Directors for the concern year in our separate bank account within 10 (ten) days of the AGM.
- ❖ Company shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participants (DP) or the bank account as provided by the shareholders in paper form through Bangladesh Electronic Funds Transfer Network (BEFTN).
- ❖ In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system. Company shall issue cash dividend warrant and shall send it by post to the shareholders.
- ❖ Dividend is paid to non-resident shareholders through their local agents.

**5. Unpaid or Unclaimed Dividend:**

Pursuant to the Directive No. BSEC/CMRRCD/2021-386/03 dated 14<sup>th</sup> January, 2021, the Company shall maintain as separate line item namely "Unclaimed Dividend Account" where unpaid or unclaimed dividend shall be accounted for in audited accounts for a period 3 (three) years and this unpaid or unclaimed cash dividend shall be kept to a separate bank account of the company within one year from the date of declaration or approval or record date. After elapse of the aforementioned period, if any dividend remains unpaid or unclaimed or unsettled, such dividend along with accrued interest shall be transferred to the **Capital Market Stabilization Fund** maintained by Bangladesh Securities and Exchange Commission.

**6. Procedure for claiming unpaid/unclaim Dividend:**

The procedure for claiming unpaid or unclaimed dividend which are as follows:

- ❖ Shareholders are required to make an application for unpaid or unclaim dividend for latest three years at its registered office address.
- ❖ Shareholders may apply in person at Corporate Office of the Company.
- ❖ Unpaid Dividends will be paid to the shareholders, upon verification of the relevant BO ID information, cell phone number, NID and email address maintained with the Central Depository of Bangladesh Limited (CDBL).
- ❖ Unpaid Dividends will be paid through issuance of Dividend warrant/BEFTN/other banking channels within 15(Fifteen) working days from the application.

**7. Disclosure of Dividend Information:**

The Company maintains a record of unpaid or unclaimed dividend. Summary of such record shall be available in the Annual Report and in the Quarterly Financial Statements. The Company shall also publish such record in its website in accordance with the Directive No. BSEC/CMRRCD/2021-386/03 dated 14<sup>th</sup> January, 2021.

**8. Submission of Dividend Distribution Compliance Report:**

The Company shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specific format issued by the regulator(s) within stipulated time of completion of dividend distribution to the entitled shareholders.

**9. General**

The dividend Policy would be subject to revision/amendment in accordance with changes in applicable laws or the guidelines issued by BSEC or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Board shall review this Policy annually. Upon recommendation of the Board, the Company reserves its right to alter, modify, add, delete or amend any of the provision of this policy.

## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

It is an honor and pleasure for me to welcome you all to the Thirtieth Annual General Meeting of your Company and to present the Annual Report for the year ended June 30, 2021.

### **Global Economy:**

Economic prospects have diverged further across countries since the April 2021 World Economic Outlook forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs, those that can look forward to further normalization of activity later this year and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0 percent in 2021. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

### **Bangladesh Economy:**

The economy expanded at a robust pace in FY 2021 (July 2020–June 2021) according to recent data. Growth was led by household and government spending, while fixed investment expanded at a more moderate pace. In particular, household spending was likely supported by high remittances. In contrast, exports and imports both contracted, with exports held back by the pandemic abroad. Turning to FY 2022, conditions deteriorated at the outset of the period. A surge in Covid-19 cases led to the re-imposition of a tough lockdown from 1 July, while remittances fell year-on-year in July. Although the lockdown was eased from mid-August, Covid-19 cases are still elevated and the vaccination rate low, raising the specter of a further snap-back of restrictions ahead.

The economy is expected to gain speed in FY 2022 on recovering foreign demand. However, the lockdown has weighed on momentum early in the period. The potential for further stop-start Covid-19 restrictions, the country's vulnerability to extreme weather events and the high rate of non-performing loans in the banking sector cloud the outlook. Focus Economics panelists project GDP to expand 7.0% in FY 2022, which is down 0.1 percentage points from last month's forecast, and 7.0% in FY 2023.

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, 2021

Sd/-  
**Zafar Ahmed**  
Chairman

## Management Discussion & Analysis

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	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16**
<b>Key Operational and Financial Data:</b>						
Revenue	4,007,756	2,751,013	3,537,790	3,633,663	3,205,557	4,319,335
Gross Profit	260,014	222,226	287,345	289,542	245,333	338,619
Operating Profit/(Loss)	92,154	83,128	127,216	62,859	43,166	53,366
Profit before Tax	54,815	30,701	55,690	62,411	47,270	56,012
Net Profit/(Loss) after Tax	24,636	12,428	27,223	24,021	23,163	28,765
Total Assets	1,563,876	1,281,442	1,388,386	1,465,206	1,325,340	1,461,496
Total Liabilities	1,095,046	825,349	919,467	1,002,783	882,050	1,027,440
Current Assets	1,258,960	964,480	1,058,620	1,107,179	994,046	1,183,939
Current Liabilities	1,046,889	767,460	909,740	996,404	878,212	1,023,537
Reserve and Surplus	358,911	346,875	351,247	339,632	329,964	325,388
Share Holder's Equity	468,830	456,093	468,919	462,423	443,183	434,056
Current Ratio	1.20	1.26	1.16	1.11	1.13	1.16
Net Assets Value (NAV) per Share	55.81	54.17	55.08	55.05	52.77	51.67
Earnings Per Share (EPS)	2.93	1.48	3.24	2.86	2.76	3.42
NOCFPS	26.43	0.66	20.94	(10.31)	14.23	25.20

\*\*fifteen (15) months period.

Apex Spinning & Knitting Mills Ltd is continuing its growth from the year 2017-2018, 2018-2019 & decreased in 2019-2020 but revenue for the year 2020-2021 has come back to increase 45.68% due to return the cancelling & stoped orders of last year 2019-2020 & also contracted for new orders, as a result its gross profit margin, profit before tax & net profit after tax have been increased. As such, other operating & financial indicators like total assets, total liabilities, current assets & current liabilities have also been increased. 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 2020-21	Figure of Peer Industry –A 2019-2020	Figure of Peer Industry –B 2019-2020
<b>Operational and Financial Data:</b>			
Revenue	4,007.76	5,153.73	3,178.97
Gross Profit	260.01	796.08	521.33
Profit before Tax	54.82	712.59	73.07
Net Profit/(Loss) after Tax	24.64	658.81	5.55
Earnings Per Share (EPS)	2.93	4.46	.01
NOCFPS	26.43	4.29	(1.13)

**(e) Financial and Economic scenario of Bangladesh and the global (in brief):**

Bangladesh has recorded one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce the poverty and social inequalities. Bangladesh has able to maintain 6.50%-7.00% growth rate for a decade. According to budget speech for FY 2021-2022, 5.20% GDP growth was achieved in 2020-2021, as opposed to 8.20% target for the year. Prolonged lockdown throughout the country due to COVID 19 pandemics the main reason for decline of GDP growth rates and also the outbreak of this COVID-19 has globally disrupted human's lives, international business, endangered the development of the decades along with slowdown the global economy.

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

The effect of COVID 19 is continuing in all over the world. The contagious nature of this breathing diseases has added a new long term multidimensional disruptions to the industry including health & safety concerns at the workplace. Maintaining social distance at the workplace, could slow down the regular trends of the industry.

As a garment industry, we are facing now huge numbers of risk & concern issues. Among others, price increase of raw materials, products diversification, compliance requirements of buyers, shortfall of transportation support, healthy measure of workers, very short lead time to deliver finished goods and mostly labour costs. The company also aware of some risk factors including credit risk, interest rate risk, market risk, liquidity risk and currency risk. To minimize these exposure, the company has taken extra initiative ie for credit risk, monitored on an ongoing basis, for market risk, the company is to manage & control market risk exposures within acceptable parameters and for interest rate risk, the company has not entered into any type of derivative instrument in order to hedge interest rate risk at the reporting date and company is emphasizing on own fund based financing to reduce dependency on interest based borrowed fund but a stimulus package loan was taken in last yeat for payment wages of workers at lower charges/rate which is continuing.

**(g) Future plan:**

The Management of Apex Spinning & Knitting Mills Limited always aware on the continuous changes in the global market demand and for that, we focus on our strengths i.e. Design Centre, Industrial Engineering, Technical Laboratory & Learning Centre and also concentration how to match with product diversification in the world. Especially young Directors of the company are working to enrich the company at an international standard in respect of fashion of products, buyer's compliance, safety measure of the employees including infrastructure development & BMRE project for the company and adoption of necessary feasible plans & steps to continue the operations for foreseeable future.

Place: Dhaka  
Date: October 28, 2021

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, 2021.

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:

The RMG industry of Bangladesh has been unprecedentedly disrupted by the Covid-19 and the recovery process is quite challenging for the industry since the crisis persists. The first wave of the pandemic swamped the industry through the cancellation of orders, deferred payments/discounts by buyers and as such cash crunch is obstructing the industry to maintain regular operations of the industry

Thanks the Government of Bangladesh for gracious and visionary steps which have helped the industry to stay at stable level during the peak hour of Covid-19. Extension of wage assistance loan and other vital stimulus packages was very crucial for this industry, especially the easing pay off and enhancement of the export development fund, retention of foreign currency in a single pool for Back-to-Back import payments, easier the tenure of realization of export proceeds and most important is that, suspension of loan classification is enabled us to survive the effect of the first wave.

While we were trying to recover from the shock caused by the first wave of the pandemic during July-September of 2020, the second wave has marked its beginning the final quarter of 2020 and has worsened the situation. On this backdrop, it is difficult to project the whole year of 2021 because there are number of uncertainties around us.

### (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 32 of the Annual Report.

### (iii) Risks and concerns:

As Bangladesh celebrates 50 years of independence, global attention is concentrating on the remarkable economic and social progress of the country which has achieved in recent decades. Even with the setbacks of the COVID-19 pandemic, the South Asian nation is trying to become a middle-income country within the next few years.

The ready-made garment (RMG) industry is a mainstay of this economic success story. Bangladesh is now one of the world's largest garment exporters, with the RMG sector accounting for about 84 percent of Bangladesh's exports. This comes on the back of the sector's rapid growth and modernization over the past decade. Otherwise it has improved the conditions for the country's approximately four million garment workers.

However, the pandemic has stalled the sector's progress at a crucial moment, just as global shifts in fashion sourcing which has threaten Bangladesh's position in industry supply chains. The sector will need to innovate, upgrade and diversify and flexible investing in sustainability, worker welfare, and infrastructure development of the company.

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

The reporting period's cost of goods sold was Tk. 3,748 million as compared to last year's cost of goods sold of Tk. 2,529 million. It has been changed for increasing in the gross turnover during the reporting period. During the reporting period 2,856,674 dozen of garments were produced as against last year's production of 1,996,387 dozen. The increase in production quantity is 860,287 dozen over the last year. Production capacity utilized during the reporting period was 89.27%. There was an increase in Wages and Salaries to the tune of Tk. 97.70 million as against last year.

**(b) Gross Profit:**

The company has achieved an export turnover of Tk. 4,007.75 million during the year ended 30<sup>th</sup> June 2021. Last year's turnover was Tk. 2,751.01 million. The increase in turnover is 45.68% over the last year. Gross profit earned during the period was Tk. 260.01 million as against last year's gross profit of Tk. 222.23 million.

**(c) Net Profit:**

Net profit (after tax) earned during the period was Tk. 24.64 million as compared to last year's Net Profit (after tax) of Tk. 12.43 million. There is significant difference from last year's net profit due to increase of turnover.

**(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. 0.70 million has been shown as Fair Valuation surplus/(deficit) for Investment in share 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 22 of the Annual Report.

**(vi) Related Party Transactions:**

Apex Spinning & Knitting Mills Limited has few transactions with Matex Bangladesh Limited, Apex Yarn Dyeing Limited, Apex Lingerie Limited, Apex Fashion Wear Limited and Apex Textile Printing Mills 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, fabric cost and yarn dyeing. The details are given below:

<b>2020-2021</b>				
<b>Name of the Parties</b>	<b>Opening Balance</b>	<b>Purchase during the Year</b>	<b>Paid during the Year</b>	<b>Closing Balance</b>
i. Matex Bangladesh Ltd.	-	201,340,663	195,194,948	6,145,715
ii. Apex Yarn Dyeing Ltd.	-	54,027,550	49,105,721	4,921,829
iii. Apex Lingerie Ltd.	-	30,470,970	30,470,970	-
iv. Apex Fashion Wear Ltd.	-	8,800,705	8,566,075	234,630
v. Apex Textile Printing Mills Ltd.	-	90,791,177	77,609,177	13,182,000

**(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:**

EPS has been increased (i.e. up to 3<sup>rd</sup> Quarter, EPS from operational activities was Tk. 2.51 but annually it has been Tk. 2.93) is mainly for increase of turnover in 4<sup>th</sup> quarter of 2020-2021.

**(x) Remuneration to directors including independent directors:**

The remunerations of Directors including Independent Director are as follows:

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

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

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

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

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

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

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

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

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

During the year, turnover has been increased. The increase in turnover is mainly for returning the cancelling & stopped orders of last year 2019-2020 & also contracted for new orders. As a result, significant deviation has been created in operating result in spite of increasing 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	2020-21	2019-2020	2018-2019	2017-18	2016-17	2015-16 (15 Months)
<b>Operational Data:</b>						
Revenue	4,007,756	2,751,013	3,537,790	3,633,663	3,205,557	4,319,335
Gross Profit	260,014	222,226	287,345	289,542	245,333	338,619
Operating Profit	92,154	83,128	127,216	62,859	43,166	53,366
Profit before Tax	54,815	30,701	55,690	62,411	47,270	56,012
Net Profit after Tax	24,636	12,428	27,223	24,021	23,163	28,765
Earnings Per Share (EPS)	2.93	1.48	3.24	2.86	2.76	3.42
Dividend Per Share	2.00	1.50	2.00	2.00	2.00	2.20
<b>Financial Data:</b>						
Total Assets	1,563,876	1,281,442	1,388,386	1,465,206	1,325,340	1,461,496
Property, Plant and Equipment-Gross	1,402,345	1,390,443	1,360,371	1,346,231	1,343,392	1,248,060
Property, Plant and Equipment - Net	197,031	216,155	224,142	250,992	296,161	250,630
Gross Working Capital	1,258,960	964,480	1,058,620	1,107,179	994,046	1,183,939
Net Working Capital	212,071	197,019	148,880	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	84,000
Share Premium	15,000	15,000	15,000	15,000	15,000	15,000
Reserve and Surplus	358,911	346,875	351,247	339,632	329,964	325,388
Share Holders Equity	468,830	456,093	468,919	462,423	443,183	434,056
Long Term Loan	118,126	81,116	-	-	-	-

**(xx) Dividend:**

Board of Directors has recommended Cash Dividend of Tk. 2.00 per Share of Tk. 10.00 each for the year 2020-2021. 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 21<sup>st</sup> November, 2021 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 9 (Nine) Board Meetings were held. The attendance record of the Directors is as follows:

<b>Name of Directors</b>	<b>Meeting attended</b>
Mr. Zafar Ahmed	9
Mr. Zahur Ahmed PhD	9
Mr. Shahriar Ahmed	9
Mr. Md. Rafique Ullah	4
Mr. Kazi Faruq Kader	9

**(xxiii) The pattern of shareholding:**

Name wise details	No. Shares
<b>a) Parent/subsidiary/Associated Companies and other related parties</b>	
Apex Foods Limited	2,263,200
Apex Lingerie Limited	143,000
Apex Yarn Dyeing Limited	136,400
<b>b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit &amp; Compliance:</b>	
Mr. Zafar Ahmed – Director	842,400
Mr. Zahur Ahmed PhD – Director	944,400
Mr. Shahriar Ahmed – Director	47,400
Mr. Mahir Ahmed – Director	46,800
Mr. Eifaz Ahmed – Director	46,600
Mr. Md. Rafique Ullah – Director (ICB Representative)	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
<b>c) Senior Corporate Executive</b>	
	NIL
<b>d) Shareholders holding ten percent (10%) or more voting interest in the Company</b>	
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:**

Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed are retiring from the Board in terms of the Articles of Association of the Company and being eligible, offer ourselves for re-election and besides, Mr. Mahir Ahmed & Mr. Eifaz Ahmed have appointed as Directors of the Board of the Company. The detailed work profiles of Mr. Zahur Ahmed PhD, Mr. Shahriar Ahmed, Mr. Mahir Ahmed & Mr. Eifaz Ahmed are given below:

**Mr. Zahur Ahmed PhD**

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

- c) He is a member of the Audit Committee & Nomination and Remuneration committee of the Board.

**Mr. Shahriar Ahmed**

- a. Mr. Shahriar Ahmed obtained his MBA from USA and after completing of his education, he joined in this Company in 2004. He is working in this sector since 2004. During his long tenure with the company, Mr. Shahriar has gathered vast knowledge about this sector. Mr. Shahriar is now acting as a Director of the Company.
- b. Since his joining in this sector, he has gathered sufficient knowledge to run the Company.
- c. He is also holding the Directorship of (i) Apex Foods Limited; (ii) Apex Lingerie Limited; (iii) Apex Yarn Dyeing Limited; (iv) Apex Textile Printing Mills Limited; (v) Apex Fashion Wear Ltd. and (vi) Matex Bangladesh Limited.
- d. He is a member of the Audit Committee & Nomination and Remuneration committee of the Board.

**Mr. Mahir Ahmed**

- a) Mr. Mahir Ahmed obtained his BSc in Genetics & Biotechnology from University of Toronto, Canada and after completing of his education, he joined this Group in 2014. He is working in this sector since 2014. During his long tenure with the sector, Mr. Mahir Ahmed has gathered vast knowledge about this sector.
- b) He is also holding the Directorship of (i) Apex Foods Limited; (ii) Apex Lingerie Limited; (iii) Apex Yarn Dyeing Limited; (iv) Apex Textile Printing Mills Limited; (v) Apex Fashion Wear Ltd. and (vi) Matex Bangladesh Limited.
- c) He is not member of any other committee of the Board.

**Mr. Eifaz Ahmed**

- a) Mr. Eifaz Ahmed obtained his BSc in Mathematical and Physical Science from University of Toronto, Canada and after completing of his education, he joined this Group in 2014. He is working in this sector since 2014. During his long tenure with the sector, Mr. Eifaz Ahmed has gathered vast knowledge about this sector.
- b) He is also holding the Directorship of (i) Apex Foods Limited; (ii) Apex Lingerie Limited; (iii) Apex Yarn Dyeing Limited; (iv) Apex Textile Printing Mills Limited; (v) Apex Fashion Wear Ltd. and (vi) Matex Bangladesh Limited.
- c) He is not member of any other committee of the Board.

**(xxv) Management Discussion & Analysis Signed by MD:**

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

**(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 (BSEC), "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 2021-2022.

**(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 2021-2022.

**(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: November 15, 2021

On behalf of the Board

Sd/-  
**Zafar Ahmed**  
Chairman

## পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০২১ সালের ৩০ শে জুন তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে গেরে 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

বাংলাদেশের তৈরী পোশাক শিল্প কোভিড-১৯ এর কারণে অভূতপূর্ব ভাবে ক্ষতিগ্রস্ত হয়েছে এবং যেহেতু এই সংকট স্থায়ী তাই এই শিল্পটির জন্য ঘুরে দাঁড়ানো অনেক বড় চ্যালেঞ্জিং হবে। মহামারীর প্রথম ঢেউ এই শিল্পটিকে নানান ভাবে ক্ষতিগ্রস্ত করেছে যেমন অর্ডার বাতিল, ক্রেতাদেরকে ডিসকাউন্ট দেয়া ইত্যাদি। আর তাই নগদ অর্থের সংকট এই শিল্পটির নিয়মিত কার্যক্রমকে ব্যাপকভাবে বাধাগ্রস্ত করেছে।

কোভিড-১৯ সর্বোচ্চ পর্যায়ের সময় শিল্পকে সচল থাকতে সাহায্য করার জন্য বাংলাদেশ সরকারকে তাদের আন্তরিকতা ও দূরদর্শী পদক্ষেপের জন্য ধন্যবাদ। এই শিল্পের জন্য মজুরি সহায়তা ঋণ এবং অন্যান্য গুরুত্বপূর্ণ প্রণোদনা প্যাকেজ সম্প্রসারণ, বিশেষ করে রপ্তানি উন্নয়ন তহবিলকে সহজে পরিশোধ করা এবং বৃদ্ধি করা, ব্যাক-টু-ব্যাক আমদানি পেমেণ্টের জন্য একক পুলে বৈদেশিক মুদ্রা ধরে রাখা, রপ্তানি আয় আদায়ের মেয়াদ সহজিকরণ এবং সবচেয়ে গুরুত্বপূর্ণ হলো, ঋণের শ্রেণিবিন্যাস স্থগিত করা আমাদের করোনার প্রথম ঢেউয়ের প্রভাব মোকাবেলা করতে সাহায্য করেছে।

আমরা যখন ২০২০ সালের জুলাই- সেপ্টেম্বরে মহামারীর প্রথম ঢেউ এর আঘাত কাটিয়ে উঠার চেষ্টা করছি ঠিক তখনই ২০২০ সালের চূড়ান্ত ত্রৈমাসিকে মহামারীর দ্বিতীয় ঢেউ আঘাত হানে এবং পরিস্থিতি আবারও খারাপের দিকে যায়। এই পরিস্থিতিতে ২০২১ সালের সারা বছরের পরিকল্পনা করাটা কঠিন, কারণ নানামুখী অনিশ্চয়তা আমাদের ঘিরে রেখেছে।

### 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 ৩২ নং নোটে প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

### ৩. ঝুঁকি ও উদ্বিগ্নতা সমূহঃ

যেহেতু বাংলাদেশ স্বাধীনতার ৫০ বছর উদযাপন করছে এবং সাম্প্রতিক দশকগুলিতে দেশটি যে উল্লেখযোগ্য অর্থনৈতিক ও সামাজিক অগ্রগতি অর্জন করেছে ফলে বিশ্বব্যাপী মনোযোগের কেন্দ্রবিন্দুতে পরিণত হয়েছে। এমনকি কোভিড-১৯ মহামারীর ধাক্কা সামলিয়ে বাংলাদেশ আগামী কয়েক বছরের মধ্যে দক্ষিণ এশিয়ার মধ্যম আয়ের দেশে পরিণত হওয়ার চেষ্টা করছে।

তৈরি পোশাক শিল্প এই অর্থনৈতিক সাফল্যের একটি প্রধান ভিত্তি। বাংলাদেশ এখন বিশ্বের অন্যতম বৃহত্তম পোশাক রপ্তানিকারক দেশ এবং হিসাব অনুযায়ী যা দেশের মোট রপ্তানির প্রায় ৮৪ শতাংশ। গত দশকে এই খাতে দ্রুত প্রবৃদ্ধি ও আধুনিকায়নের ফলে এটি সম্ভব হয়েছে, তাছাড়া দেশের প্রায় ৪ মিলিয়ন পোশাক শ্রমিকের অবস্থারও উন্নতি সাধন হয়েছে।

যাইহোক, এই গুরুত্বপূর্ণ সময়ে মহামারীর কারণে এই সেক্টরের অগ্রগতি অনেকটা স্তব্ধ হয়ে গিয়েছে। ফ্যাশন সোর্সিং-এ বৈশ্বিক পরিবর্তনের ফলে শিল্প সরবরাহ শৃঙ্খলে বাংলাদেশের অবস্থানকে হুমকির মুখে ফেলেছে। এই খাতে এখন নতুন নতুন উদ্ভাবন, আধুনিকায়ন এবং পরিবর্তন আনতে হবে এবং শ্রমিক কল্যাণ ও অবকাঠামোতে বিনিয়োগ বাড়াতে হবে।

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

#### ক) বিক্রিত পণ্যের ব্যয়ঃ

প্রতিবেদন কালীন সময়ে বিক্রিত পণ্যের ব্যয় ছিল ৩,৭৪৮ মিলিয়ন টাকা, যা গত বৎসর ছিল ২,৫২৯ মিলিয়ন টাকা। এর কারণ প্রতিবেদন কালীন সময়ে মোট বিক্রয় বেড়েছে। প্রতিবেদন কালীন সময়ে ২,৮৫৬,৬৭৪ ডজন তৈরি পোশাক উৎপাদন হয়েছে যা গত বৎসর ছিল ১,৯৯৬,৩৮৭ ডজন। গত বৎসরের তুলনায় ৮৬০,২৮৭ ডজন উৎপাদন বৃদ্ধি পেয়েছে। প্রতিবেদন কালীন সময়ে কোম্পানীর উৎপাদন ক্ষমতার ৮৯.২৭ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় প্রতিবেদন কালীন সময়ে মজুরী এবং বেতন ৯৭.৭০ মিলিয়ন টাকা বৃদ্ধি পেয়েছে।

## খ) মোট মুনাফা:

৩০ জুন ২০২১ সমাপ্ত বছরে কোম্পানী মোট বিক্রয় করেছে ৪,০০৭.৭৫ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ২,৭৫১.০১ মিলিয়ন টাকা। গত বৎসরের তুলনায় এ বছর ৪৫.৬৮ শতাংশ বিক্রয় বৃদ্ধি পেয়েছে। এ বছর মোট মুনাফা অর্জিত হয়েছে ২৬০.০১ মিলিয়ন টাকা, যা গত বৎসর ছিল ২২২.২৩ মিলিয়ন টাকা।

## গ) নীট মুনাফা:

প্রতিবেদন কালীন সময়ে নীট মুনাফা (কর পরবর্তী) হয়েছে ২৪.৬৪ মিলিয়ন টাকা, যা গত বৎসর ছিল ১২.৪৩ মিলিয়ন টাকা। গত বছরের নীট মুনাফার সহিত এ বছরের নীট মুনাফার উল্লেখযোগ্য পার্থক্যের কারণ হল বিক্রয় বৃদ্ধি।

## ৫. অস্বাভাবিক লাভ বা ক্ষতি:

এ বছর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। তবে ০.৭০ 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 আন্তর্জাতিক এ্যাকাউন্টিং স্ট্যান্ডার্ডস্ (আই.এ.এস) / আন্তর্জাতিক ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস্ (আই.এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে। বার্ষিক প্রতিবেদনে ২২ নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

## ৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহ:

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

কোম্পানির নাম	প্রারম্ভিক ব্যালেন্স	এই বৎসর ক্রয়	এই বৎসর পরিশোধ	সমাপনী ব্যালেন্স
১) ম্যাটেক্স বাংলাদেশ লিমিটেড	-	২০১,৩৪০,৬৬৩	১৯৫,১৯৪,৯৪৮	৬,১৪৫,৭১৫
২) এপেক্স ইয়ার্ন ডাইং লিমিটেড	-	৫৪,০২৭,৫৫০	৪৯,১০৫,৭২১	৪,৯২১,৮২৯
৩) এপেক্স ল্যানজারি লিমিটেড	-	৩০,৪৭০,৯৭০	৩০,৪৭০,৯৭০	-
৪) এপেক্স ফ্যাশন ওয়ার লিমিটেড	-	৮,৮০০,৭০৫	৮,৫৬৬,০৭৫	২৩৪,৬৩০
৫) এপেক্স টেক্সটাইল প্রিন্টিং মিলস লিমিটেড	-	৯০,৭৯১,১৭৭	৭৭,৬০৯,১৭৭	১৩,১৮২,০০০

## ৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হইতে প্রাপ্ত তহবিলের ব্যবহার:

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

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

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

## ৯. বার্ষিক আর্থিক বিবরণী এবং ত্রৈমাসিক আর্থিক অবস্থার বিবরণীর মধ্যে পার্থক্য:

শেয়ার প্রতি আয় বৃদ্ধি পেয়েছে (অর্থাৎ তৃতীয় প্রাপ্তিক পর্যন্ত পরিচালন কার্যক্রমে শেয়ার প্রতি আয় ছিল ২.৫১ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ২.৯৩ টাকা) মূলত ২০২০-২০২১ অর্থ বছরের শেষ ত্রৈমাসিক বিক্রয় বৃদ্ধি পাওয়ায়।

## ১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক:

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্নরূপ:

পরিচালকদের নাম	পরিচালক/স্বতন্ত্র পরিচালক	বাৎসরিক পারিশ্রমিক
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	১,৮০০,০০০/-
জনাব শাহরিয়ার আহমেদ	পরিচালক	১,২০০,০০০/-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	৬০০,০০০/-



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

চলতি বছর বিক্রয় ব্যাপকহারে বেড়েছে। এটা মূলত ২০১৯-২০২০ অর্থ বছরের স্থগিত ও ধীর ক্রয় আদেশ সমূহ ফেরত আসাতে এবং নতুন নতুন ক্রয় আদেশ বৃদ্ধি পাওয়ার কারণে। ফলস্বরূপ, মজুরী ও বেতন বৃদ্ধি ও অন্যান্য স্থায়ী খরচ বৃদ্ধি সত্ত্বেও পরিচালনগত ফলাফলে উল্লেখযোগ্য ব্যবধান পরিলক্ষিত হয়েছে।

১৯. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্তঃ

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০২০-২১	২০১৯-২০	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬ (১৫ মাস)
<b>পরিচালন তথ্য:</b>						
বিক্রয়	৪,০০৭,৭৫৬	২,৭৫১,০১৩	৩,৫৩৭,৭৯০	৩,৬৩৩,৬৬৩	৩,২০৫,৫৫৭	৪,৩১৯,৩৩৫
মোট মুনাফা	২৬০,০১৪	২২২,২২৬	২৮৭,৩৪৫	২৮৯,৫৪২	২৪৫,৩৩৩	৩৩৮,৬১৯
পরিচালন মুনাফা	৯২,১৫৪	৮৩,১২৮	১২৭,২১৬	৬২,৮৫৯	৪৩,১৬৬	৫৩,৩৩৬
করপূর্ব মুনাফা	৫৪,৮১৫	৩০,৭০১	৫৫,৬৯০	৬২,৪১১	৪৭,২৭০	৫৬,০১২
করপরবর্তী মুনাফা	২৪,৬৩৬	১২,৪২৮	২৭,২২৩	২৪,০২১	২৩,১৬৩	২৮,৭৬৫
শেয়ার প্রতি আয়	২.৯৩	১.৪৮	৩.২৪	২.৮৬	২.৭৬	৩.৪২
প্রতি শেয়ারের জন্য লভ্যাংশ	২.০০	১.৫০	২.০০	২.০০	২.০০	২.২০
<b>আর্থিক তথ্য:</b>						
মোট সম্পদ	১,৫৬৩,৮৭৬	১,২৮১,৪৪২	১,৩৮৮,৩৮৬	১,৪৬৫,২০৬	১,৩২৫,৩৪০	১,৪৬১,৪৯৬
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	১,৪০২,৩৪৫	১,৩৯০,৪৪৩	১,৩৬০,৩৭১	১,৩৪৬,২৩১	১,৩৪৩,৩৯২	১,২৪৮,০৬০
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	১৯৭,০৩১	২১৬,১৫৫	২২৪,১৪২	২৫০,৯৯২	২৯৬,১৬১	২৫০,৬৩০
মোট চলতি মূলধন	১,২৫৮,৯৬০	৯৬৪,৪৮০	১,০৫৮,৬২০	১,১০৭,১৭৯	৯৯৪,০৪৬	১,১৮৩,৯৩৯
নীট চলতি মূলধন	২১২,০৭১	১৯৭,০১৯	১৪৮,৮৮০	১১০,৭৭৫	১১৫,৮৩৪	১৬০,৪০১
চলতি মূলধন ঋণ	-	২৪,২৬১	৩৮,৫২৪	৫৭,৯১১	১৬,১৭৮	৮৩,৭৯০
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	৩৫৮,৯১১	৩৪৬,৮৭৫	৩৫১,২৪৭	৩৩৯,৬৩২	৩২৯,৯৬৪	৩২৫,৩৮৮
শেয়ার মালিকদের ইকুইটি	৪৬৮,৮৩০	৪৫৬,০৯৩	৪৬৮,৯১৯	৪৬২,৪২৩	৪৪৩,১৮৩	৪৩৪,০৫৬
দীর্ঘ মেয়াদি ঋণ	১১৮,১২৬	৮১,১১৬	-	-	-	-

## ২০. লভ্যাংশ:

কোম্পানীর পরিচালকমন্ডলী ২০২০-২০২১ হিসাব বছরে ১০/- (দশ) টাকার শেয়ারের জন্য ২.০০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করছেন। এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে সেই সমস্ত শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করা হবে যাদের নাম কোম্পানীর সদস্য বহিতে অথবা ডিপোজিটরিতে নভেম্বর ২১, ২০২১ ইং তারিখে কার্য সমাপ্ত সময়ে অন্তর্ভুক্ত থাকবে।

## ২১. অন্তর্বর্তীকালীন লভ্যাংশ:

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

## ২২. বোর্ডের সভা:

এ বৎসর বোর্ডের ৯ (নয়) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	৯
জনাব জহুর আহমেদ পিএইচডি	৯
জনাব শাহরিয়ার আহমেদ	৯
জনাব মো: রফিক উল্লাহ	৪
জনাব কাজী ফারুক কাদের	৯

## 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 মাহির আহমেদ	পরিচালক	৪৬,৮০০
জনাব ইফাজ আহমেদ	পরিচালক	৪৬,৬০০
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 ভোটের 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:

- (১) জনাব জহুর আহমেদ পিএইচডি এবং জনাব শাহরিয়ার আহমেদ কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন এবং এছাড়া জনাব মাহির আহমেদ ও জনাব ইফাজ আহমেদ কোম্পানীর পরিচালনা পর্ষদে নতুন পরিচালক হিসেবে নিযুক্ত হয়েছেন। জনাব জহুর আহমেদ পিএইচডি, জনাব শাহরিয়ার আহমেদ, জনাব মাহির আহমেদ ও জনাব ইফাজ আহমেদ এর বিস্তারিত বিবরণ নিম্নরূপঃ-

জনাব জহুর আহমেদ পিএইচডিঃ

- ক) জনাব জহুর আহমেদ পিএইচডি, যুক্তরাষ্ট্র থেকে বায়োফিজিক্স-এ ডক্টরেট ডিগ্রি অর্জন করেন এবং যুক্তরাষ্ট্রের বাফেলোয় স্টেট ইউনিভারসিটির সহযোগী অধ্যাপক হিসেবে কর্মরত ছিলেন। তিনি এই কোম্পানীর একজন উদ্যোক্তা পরিচালক এবং তিনি ১৯৯১ সাল থেকে এই শিল্প খাতে কাজ করিতেছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর ব্যবস্থাপনা পরিচালক।
- খ) তিনি ১. এপেক্স ফুডস্ লিমিটেড, ২. এপেক্স ল্যানজারি লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিন্টিং মিলস্ লিমিটেড ৫. এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও ৬. ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।
- গ) বর্তমানে তিনি অডিট কমিটি এবং নমিনেশন ও রিমুনারেশন কমিটির একজন সদস্য।

জনাব শাহরিয়ার আহমেদঃ

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

জনাব মাহির আহমেদঃ

- ক) জনাব মাহির আহমেদ কানাডার টরেন্টো বিশ্ববিদ্যালয় থেকে জেনেটিকস ও বায়োটেকনোলোজিতে বিএসসি ডিগ্রী অর্জন করেন। শিক্ষা জীবন শেষে জনাব মাহির আহমেদ ২০১৪ সালে এই শিল্প গোষ্ঠীতে যোগদান করেন। তিনি ২০১৪ সাল থেকে এই খাতে কাজ করছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন।
- খ) তিনি এই কোম্পানী ছাড়াও (১) এপেক্স ফুডস্ লিমিটেড, (২) এপেক্স ল্যানজারি লিমিটেড, (৩) এপেক্স ইয়ার্ন ডাইং লিমিটেড, (৪) এপেক্স টেক্সটাইল প্রিন্টিং মিলস্ লিমিটেড, (৫) এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও (৬) ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।
- ক) বর্তমানে তিনি বোর্ডের অন্য কোন কমিটির সদস্য হিসেবে নেই।

জনাব ইফাজ আহমেদঃ

- খ) জনাব ইফাজ আহমেদ কানাডার টরেন্টো বিশ্ববিদ্যালয় থেকে ম্যাথমেটিক্যাল ও ফিজিক্যাল সাইন্সে বিএসসি ডিগ্রী অর্জন করেন। শিক্ষা জীবন শেষে জনাব ইফাজ আহমেদ ২০১৪ সালে এই শিল্প গোষ্ঠীতে যোগদান করেন। তিনি ২০১৪ সাল থেকে এই খাতে কাজ করছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন।
- গ) তিনি এই কোম্পানী ছাড়াও (১) এপেক্স ফুডস্ লিমিটেড, (২) এপেক্স ল্যানজারি লিমিটেড, (৩) এপেক্স ইয়ার্ন ডাইং লিমিটেড, (৪) এপেক্স টেক্সটাইল প্রিন্টিং মিলস্ লিমিটেড, (৫) এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও (৬) ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে তিনি বোর্ডের অন্য কোন কমিটির সদস্য হিসেবে নেই।

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

ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট আলোচনা ও বিশ্লেষণ যা ম্যানেজমেন্ট আলোচনা এবং বিশ্লেষণ 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 (বি.এস.ই.সি) 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 ২০২১-২০২২ 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 ২০২১-২০২২ 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: ১৫ নভেম্বর, ২০২১

বোর্ডের পক্ষে

স্বা/-

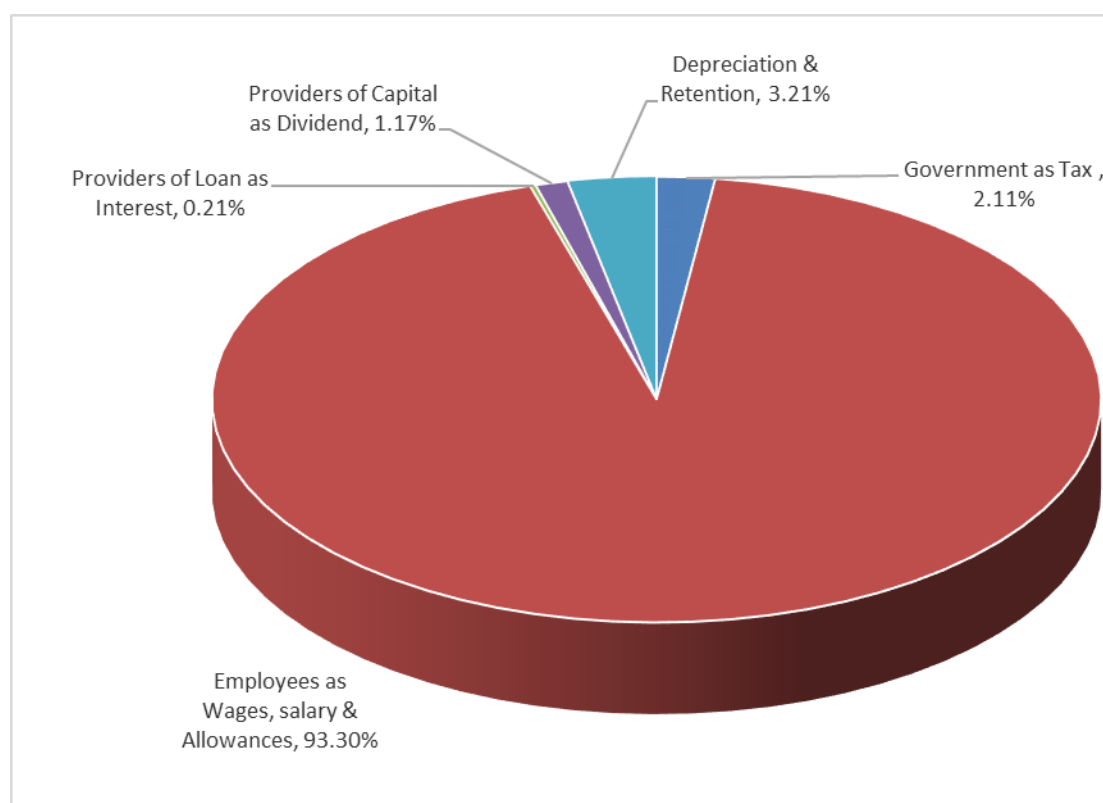
জাফর আহমেদ

সভাপতি

## VALUE ADDED STATEMENT

Value in Taka

PARTICULARS	2020-2021	%	2019-2020	%
Revenue	4,007,756,310		2,751,013,453	
Less: Bought in Materials & Services	2,586,388,088		1,457,975,825	
Add: Indirect Income	9,659,069		14,087,006	
	-----		-----	
<b>VALUE ADDED</b>	<b>1,431,027,291</b>		<b>1,307,124,634</b>	
	=====		=====	
<b>APPLICATIONS:</b>				
Government as Tax	30,178,846	2.11	18,272,655	1.40
Employees as Salaries, Wages & Allowances	1,335,088,287	93.30	1,237,057,248	94.64
Providers of Loan as Interest	2,953,182	0.21	1,306,937	0.10
Providers of Capital as Dividend	16,800,000	1.17	12,600,000	0.96
Depreciation & Retention	46,006,977	3.21	37,887,794	2.90
	-----	-----	-----	-----
	<b>1,431,027,291</b>	<b>100.00</b>	<b>1,307,124,634</b>	<b>100.00</b>
	=====	=====	=====	=====



**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, 2021, 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, 2021, 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*

We draw attention to the note nos. 40-41 wherein the basis for restatement has been described in respect of opening balance as on July 01, 2020 for the forfeited amount of the employer's contribution to the provident fund in its annual financial statements.

Our Opinion is not modified in respect of the matter 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
<b>Revenue recognition</b>	
<p>At the year ended, the company's reported total revenue of Tk. 4,007,756,310.</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 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>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers;</li> <li>• Performed walkthroughs to understand the adequacy and the design of the revenue cycle;</li> <li>• Tested the internal controls over financial reporting on revenue,</li> <li>• We assessed the existence and accuracy of the sales recorded, based among other things on inspection of sales contracts, final acceptances, sales invoices and goods delivery through applying sampling techniques;</li> <li>• We performed substantive analytical to understand how revenue trends over the year among other parameters and performed a detailed testing on transactions around the year end, to test cut-off;</li> <li>• We checked the issuance of VAT challan and monthly VAT return;</li> <li>• We checked related LC documents;</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> </ul>

Key Audit Matter	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> <li>• 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;</li> <li>• 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</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.</li> </ul>
See note 32 to the financial statements	
<b>Valuation and existence of inventories</b>	
<p>At year end, ASKML has inventories amounting to BDT 338,467,250 which amounted to 21.64% of the total assets. As per IAS 2, inventories are required to be valued at the lower of cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition.</p> <p>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</p>	<p>With regard to appropriate valuation of inventories we adopted the following audit procedures:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• We tested the purchase costs of a sample of inventory items by inspecting invoices and LC related documents;</li> <li>• We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2;</li> <li>• We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method;</li> <li>• We tested on a sample basis, the net realizable value by comparing costs to recent selling prices;</li> <li>• We assessed the listing of the nature of items presented within inventories and analyzed whether they meet the definition of inventories; and</li> </ul>



Key Audit Matter	How our audit addressed the key audit matters
<p>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>	<ul style="list-style-type: none"> <li>• We read the disclosure made by the ASKML for compliance with disclosure requirements.</li> </ul>
See note 13 to the financial statements	
<b>Property, Plant and Equipment</b>	
<p>The carrying value of property, plant and equipment amounts to BDT 197,030,645. This represents a significant amount in the company's statement of financial position as at June 30, 2021.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> <li>✓ determining which costs meet the criteria for capitalization;</li> <li>✓ determining the date on which the assets is recognized to property, plant and equipment and depreciation commences;</li> <li>✓ the estimation of economic useful lives and residual values assigned to Fixed asset.</li> </ul> <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 substantive audit procedures to assess the carrying value of property, plant and equipment included the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents;</li> <li>• We reviewed minutes of board meetings for approval of the total capitalization cost;</li> <li>• We assessed the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy;</li> <li>• We traced payments to supporting documents; and</li> <li>• We assessed the adequacy of the disclosures of the financial statements.</li> </ul>
See note no 8 to the financial statements.	

Key Audit Matter	How our audit addressed the key audit matters
<b>Measurement and recognition of deferred tax</b>	
<p>Company reported net deferred tax liability BDT 3,994,850 as at June 30, 2021. 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"> <li>• 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.</li> <li>• We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</li> <li>• We tested the mathematical accuracy in calculation of deferred tax.</li> <li>• 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.</li> <li>• We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</li> <li>• We also assisted in evaluating the tax implications, the reasonableness of estimations and calculations determined by management.</li> <li>• 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.</li> </ul> <p>Finally assessed the appropriateness and</p>

Key Audit Matter	How our audit addressed the key audit matters
	presentation of disclosures against IAS 12 Income Taxes.
See note no 24 to the financial statements.	
<p><b>Legal and regulatory matters</b>                      We focused on this area because ASKML operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.                      These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents best estimate for existing legal matters that have a probable and estimable impact on financial position.</p>	<p>We have obtained and understanding, evaluate the design and tested the operational effectiveness of key controls over the legal provisions and contingencies process.                      We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.                      We enquired internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p>
<b>COVID-19 impact on Financial Statements</b>	
<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</p>

Key Audit Matter	How our audit addressed the key audit matters
	<p>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 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.

Firm Name : Hussain Farhad & Co., Chartered Accountants

Registration No : 4/452/ICAB-84

Signature of the auditor : Sd/-

Name of the auditor : A.K.M Fazlul Haque FCA, Partner/Enrollment No: 1090

DVC No. : 2110281090AS241039

Place: Dhaka

Dated: 28 October, 2021

**APEX SPINNING & KNITTING MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Notes	30.06.2021	30.06.2020**	Value in Taka 01.07.2019
<b>ASSETS</b>				
<b>Non-Current Assets:</b>				
		<b>304,915,606</b>	<b>316,962,280</b>	<b>329,765,118</b>
Property, Plant and Equipment	8	197,030,645	216,154,958	224,142,218
Investment	9	22,674,925	21,896,375	31,289,750
Investment in Financial Assets	10	72,779,305	68,854,594	64,275,000
Right-of-Use (ROU) Asset	11	2,374,378	-	-
Security Deposits	12	10,056,353	10,056,353	10,058,150
<b>Current Assets:</b>				
		<b>1,258,960,485</b>	<b>964,479,679</b>	<b>1,058,620,418</b>
Inventories	13	338,467,250	332,107,738	195,772,567
Trade Receivables	14	486,617,721	422,627,419	510,122,879
Advances, Deposits & Prepayments	15	51,248,125	41,745,785	61,807,107
Other Receivables	16	11,072,397	7,350,730	54,429,830
Margin on Acceptance	17	213,305,908	146,051,685	214,084,240
Cash & Cash Equivalents	18	158,249,084	14,596,322	22,403,795
<b>TOTAL ASSETS</b>		<b>1,563,876,091</b>	<b>1,281,441,959</b>	<b>1,388,385,536</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Equity:</b>				
		<b>468,829,796</b>	<b>456,092,802</b>	<b>468,918,700</b>
Share Capital	19	84,000,000	84,000,000	84,000,000
Share Premium	20	15,000,000	15,000,000	15,000,000
Reserve and Surplus	21	358,910,943	346,874,643	351,246,504
Fair Valuation Surplus of Investment	22	10,918,853	10,218,159	18,672,196
<b>Non-Current Liabilities:</b>				
		<b>48,156,811</b>	<b>57,888,858</b>	<b>9,726,741</b>
Long Term Loan	23	44,161,961	54,077,008	-
Deferred Tax Liability	24	3,994,850	3,811,850	9,726,741
<b>Current Liabilities:</b>				
		<b>1,046,889,484</b>	<b>767,460,299</b>	<b>909,740,095</b>
Working Capital Loan	25	-	24,261,494	38,523,552
Long Term Loan-Current Maturity	26	73,963,783	27,038,504	-
Lease Liability	27	2,906,108	-	-
Short Term Loan	28	49,575,624	70,228,085	47,877,364
Trade Payables	29	793,081,920	497,208,105	692,939,448
Other Payables	30	117,878,293	139,420,122	121,535,905
Unclaimed Dividend Account	31	9,483,756	9,303,988	8,863,826
<b>Total Liabilities</b>		<b>1,095,046,295</b>	<b>825,349,157</b>	<b>919,466,836</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,563,876,091</b>	<b>1,281,441,959</b>	<b>1,388,385,536</b>
<b>Net Assets Value (NAV) Per Share</b>	<b>45</b>	<b>55.81</b>	<b>54.17</b>	<b>55.08</b>
<b>Net Assets Value (NAV) Per Share**</b>		<b>-</b>	<b>54.30</b>	<b>55.82</b>

\*\* 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

Place: Dhaka  
 Date: October 28, 2021

Signed in terms of our report of even date.

Sd/-  
**Hussain Farhad & Co.**  
 Chartered Accountants  
 DVC No. 2110281090AS241039

**APEX SPINNING & KNITTING MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Notes	2020-2021	Value in Taka 2019-2020
<b>REVENUE</b>	<b>32</b>	4,007,756,310	2,751,013,453
Cost of goods sold	<b>33</b>	(3,747,742,129)	(2,528,787,262)
<b>GROSS PROFIT</b>		<b>260,014,182</b>	<b>222,226,191</b>
<b>OPERATING EXPENSES:</b>		<b>(167,860,163)</b>	<b>(139,098,356)</b>
Other Operating Income/(Loss)	<b>35</b>	3,940,295	7,272,624
Administrative & selling overhead	<b>36</b>	(171,800,457)	(146,370,980)
<b>OPERATING PROFIT</b>		<b>92,154,019</b>	<b>83,127,835</b>
Financial Expenses	<b>37</b>	(41,885,834)	(58,405,412)
Finance & Other Income	<b>38</b>	5,718,775	6,814,382
<b>PROFIT BEFORE WPPF</b>		<b>55,986,960</b>	<b>31,536,805</b>
Workers Profit Participation Fund (WPPF)	<b>42</b>	(1,171,814)	(836,011)
<b>PROFIT BEFORE TAX</b>		<b>54,815,146</b>	<b>30,700,794</b>
<b>Tax Expenses:</b>	<b>39</b>	<b>(30,178,846)</b>	<b>(18,272,655)</b>
Current tax		(30,073,700)	(23,248,209)
Deferred tax income/(expenses)	<b>24</b>	(105,145)	4,975,554
<b>NET PROFIT AFTER TAX</b>		<b>24,636,300</b>	<b>12,428,139</b>
<b>Other comprehensive income:</b>			
Fair valuation surplus/(deficit) of investment	<b>22</b>	700,695	(8,454,037)
Fair valuation surplus/(deficit) during the year		778,550	(9,393,375)
Less: Deferred tax income/(expense)		(77,855)	939,338
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>25,336,995</b>	<b>3,974,102</b>
<b>Basic Earnings Per Share (EPS)</b>	<b>44</b>	<b>2.93</b>	<b>1.48</b>

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.

Sd/-  
**Hussain Farhad & Co.**  
 Chartered Accountants  
 DVC No. 2110281090AS241039

Place: Dhaka,  
 Date: October 28,2021



**APEX SPINNING & KNITTING MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at July 01, 2020</b>	84,000,000	15,000,000	129,700,699	214,422,125	2,751,818	10,218,159	456,092,801
Net profit after tax for the year	-	-	-	24,636,300	-	-	24,636,300
Dividend Paid during the year 2019-2020	-	-	-	(12,600,000)	-	-	(12,600,000)
Fair valuation surplus/(deficit) of investment	-	-	-	-	-	700,695	700,695
<b>As at June 30, 2021</b>	84,000,000	15,000,000	129,700,699	226,458,426	2,751,818	10,918,854	468,829,796

**APEX SPINNING & KNITTING MILLS LIMITED**  
**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
<b>As at July 01, 2019</b>	84,000,000	15,000,000	129,700,699	217,768,047	2,751,818	18,672,196	467,892,760
<b>Prior Year adjustment **</b>	-	-	-	1,025,940	-	-	1,025,940
<b>Restated Balance as on 01.07.2019</b>	84,000,000	15,000,000	129,700,699	218,793,986	2,751,818	18,672,196	468,918,699
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	-	-	-	-	-	(8,454,037)	(8,454,037)
<b>As at June 30, 2020</b>	84,000,000	15,000,000	129,700,699	214,422,125	2,751,818	10,218,159	456,092,801

\*\*Please see the notes # 40-41.

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.

**Sd/-**  
**Hussain Farhad & Co.**  
 Chartered Accountants  
 DVC No. 2110281090AS241039

Place: Dhaka,  
 Date: October 28, 2021

**APEX SPINNING & KNITTING MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Notes	2020-2021	Value in Taka 2019-2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Collection from revenue	3,944,356,119	2,836,829,001
Financial income from SND A/C	4,742	7,693
Other income from operational foreign exchange gain/(loss)	(4,075)	7,900,003
Received from PF Lapse	3,805,466	-
Bank charges & commission	(22,363,843)	(17,746,606)
Income tax paid during the year	(32,625,469)	(25,199,823)
Payment for costs and expenses	(3,671,195,456)	(2,796,239,568)
<b>Net cash generated from/(used in) operating activities (a)</b>	<b>221,977,483</b>	<b>5,550,700</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, plant and equipment acquired	(14,393,414)	(30,072,394)
Received from Sale of Assets	1,000,000	-
Investment in Financial Assets	(3,924,712)	(4,579,594)
Financial Income from FDRs	4,360,791	5,088,437
Other income from dividend	1,110,647	1,766,452
<b>Net cash generated from/(used in) investing activities (b)</b>	<b>(11,846,688)</b>	<b>(27,797,099)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Working capital loan received/(repaid)	(24,261,493)	(14,262,058)
Long term loan received/(repaid)	36,649,716	81,115,512
Short term loan received/(repaid)	(20,652,462)	22,349,482
Dividend paid during the year	(12,420,232)	(16,359,838)
Payment of lease liability	(4,669,744)	-
Interest & other financial charges paid	(41,072,600)	(58,404,172)
<b>Net cash generated from/(used in) financing activities (c)</b>	<b>(66,426,816)</b>	<b>14,438,925</b>
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>143,703,979</b>	<b>(7,807,473)</b>
Cash and cash equivalents on opening	14,596,322	22,403,795
The effect of foreign exchange translation loss	(51,217)	-
<b>Cash and cash equivalents on closing</b>	<b><u>158,249,084</u></b>	<b><u>14,596,322</u></b>
<b>Net Operating Cash Flows Per Share</b>	<b>46</b> <b>26.43</b>	<b>0.66</b>

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.

**Sd/-**  
**Hussain Farhad & Co.**  
 Chartered Accountants  
 DVC No. 2110281090AS241039

Place: Dhaka,  
 Date: October 28, 2021

- There is significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flows per Share is Tk. 26.43 but it was Tk. 0.66 in 2019-2020 which is mainly for increasing of collection from revenue as compare to last year. This scenario is changeable time to time depending on different issues.
- Please refer to Annexure-1 for Reconciliation of cash flow from operating activities under direct method and indirect method as per requirement of Bangladesh Securities & Exchange Commission (BSEC).

**APEX SPINNING & KNITTING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1. The company and its operation**

**1.01 Legal Form of the Enterprise:**

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

**1.02 Address of Registered Office and Factory:**

The Registered Office of the Company is located at Rupayan Golden Age, 5<sup>th</sup> & 6<sup>th</sup> 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 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.

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

#### 2.04 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.

#### 2.05 Going Concern:

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

### 3. Significant Accounting Policy:

#### 3.01 Property, Plant and Equipment:

##### i. Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

##### ii. Subsequent costs

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in the statement of profit or loss and other comprehensive income as they are incurred.

**iii. Depreciation**

Depreciation is calculated and charged under diminishing balance method on all fixed assets other than land. Depreciation has been charged on additions made during the year from the month in which those assets are ready to use. The Company is following this policy consistently from past years.

The estimated useful lives and the rates of residual value of property, plant and equipment for the current and comparative years 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%

**iv. Impairment**

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss is recognised through the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is calculated as the present value of estimated future cash flows that will be generated by the use of that asset, discounted at an appropriate rate.

Impairment indicators comprise:

- reduced earnings compared to expected future outcome;- material negative development trends in the sector or the economy in which the Company operates; - damage to the asset or changed use of asset;

**v. Retirement and disposals:**

An asset is derecognised on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an asset is determined as the difference of net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income/expense in the statement of profit or loss and other comprehensive income. Depreciation is charged before the month of disposal of assets. During the period ended 30th June, 2021, some fixed assets have been sold which particulars are mentioned in fixed assets schedule.

**3.02 Inventories:**

Inventories in hand as at 30<sup>th</sup> June, 2021 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:**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

There was no material impact of adopting IFRS 9 on the company’s statement of financial position as at 30 June 2021 and its statement of profit or loss and OCI for the year ended 30 June 2021 and the statement of cash flows for the year then ended.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the company’s accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments).

**Investment in Marketable Securities**

Investment is initially recognized at cost including acquisition charges with the investment. After initial recognition, the investment in marketable securities have been valued at market price and measured at fair value through profit or loss. Investment in non-marketable securities have been valued at cost.

**3.04 Cash and cash equivalent:**

According to IAS-7 'Statement of Cash Flows' comprise of cash-in-hand and Bank deposits in the currency of BDT & USD. Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS- I, Cash in hand and Bank balances have been considered as cash and cash equivalents.

**3.05 Lease:**

Due to second wave COVID 19 pandemic, ASKML could not shift its office place within the decided time frame. As a result, existing office rent contract was renewed for short time period till on 30<sup>th</sup> June, 2021 and subsequently the agreement has been extended on 31<sup>st</sup> December, 2021 which is fulfilled the requirement of IFRS 16. As thus, the company has complied with IFRS 16.

**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/operating 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/operating profit or TDS on export proceeds realized, cash incentive U/S 82C (2) or tax on gross receipts during the period U/S 82C (4) and provision has been made accordingly. However, the tax expense has been made @ 22.50% on finance & other income realized, operating exchange gain/(loss) and 20.00% on dividend income realized 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 44.

**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:**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

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 income comprises interest income on SND account, interest income from FDR, Dividend income, PF lapse (Employer Portion) & profit/(Loss) on sale of assets. Other Incomes have been recognized on accrual basis.

**3.16 Employee Benefit Obligations:****i. Short-term benefits:**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under short-term incentive bonus or Group Insurance Scheme if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**ii. Defined contributions plan:****• Provident Fund**

The Company operates a provident fund for its permanent employees. Members, on confirmation, in regular employment of the Company, are required by the Company to join the provident fund to which members contribute 7.00% of their basic salaries and the Company makes a matching contribution. The Fund is managed by a Board of Trustees.

The Company recognises the contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for those contributions. The legal and constructive obligation is limited to this amount and it agrees to the fund contribution.



**iii. 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.

**3.17 Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

**3.18 Contingencies:****i. Contingent liability**

Contingent liability is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

**ii. Contingent Asset**

Contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

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

In preparing these financial statements, management makes judgments, estimates and assumptions which affect the reported amounts of the assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the year have been reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recorded in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Note – 8 Property, Plant and Equipment
- Note – 11 & 27 Right of Use Assets & Lease Obligation
- Note – 13 Inventories
- Note – 14 Trade Receivables
- Note – 24 Deferred Tax Liability
- Note – 29 Trade Payable
- Note – 30 Other Payables
- Note – 39 Tax Expenses

### 3.20 Materiality and Aggregation

Each material item as considered by management to be significant has been presented separately in financial statements. No amount has been set off unless the company has the legal right to set off the amounts and intends to settle on net basis. Income and expenditure are presented on a net off basis only when permitted by the relevant accounting standards.

### 3.21 Events after the reporting period:

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards(IAS) 10: Events after the Reporting Period.

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

### 3.22 General:

- Auditors are paid only statutory audit fee approved by the shareholders in the last AGM.
- Figures appearing the financial statements have been rounded off to the nearest Taka.
- Figures have been restated whenever necessary to conform to the current year's presentation.

## 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, UK, 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 as on 30.06.2021 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.

#### **4. 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.

#### **5. Operating segments:**

- These financial statements have been prepared on the basis of single reportable segment.
- All non-current assets of the Company as at 30<sup>th</sup> June 2021 are located in Bangladesh.

#### **6. Others:**

##### **6.01 Comparative information**

Comparative information have been disclosed in respect to the year 2019-20 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 and also third statement of financial position has been disclosed according to Para 40A of IAS 1.

##### **6.02 Reporting currency and level of precision:**

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

##### **6.03 Reporting period:**

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

##### **6.04 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 30<sup>th</sup> June, 2021
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30<sup>th</sup> June, 2021
- iii) Statement of Changes in Equity for the year ended 30<sup>th</sup> June, 2021
- iv) Statement of Cash Flows for the year ended 30<sup>th</sup> June, 2021 and
- v) Notes, comprising significant accounting policies and explanatory information.

#### **7. 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 28<sup>th</sup> October, 2021.

**8. PROPERTY, PLANT AND EQUIPMENT:****2020-2021**

SI. NO	PARTICULAR	COST				RATE %	DEPRECIATION				W.D.V as at 30.06.2021
		Balance as at 30.06.2020	Addition During the year	Disposal During the year	Balance as at 30.06.2021		Balance as at 30.06.2020	Charged for the year	Adjust During the year	Balance as at 30.06.2021	
1	Land & Land Develop.	21,423,102	-	-	21,423,102		-	-	-	-	21,423,102
2	Factory Building	260,350,116	-	-	260,350,116	20	237,198,888	4,630,246	-	241,829,133	18,520,982
3	Civil Construction	58,594,367	6,213,230	-	64,807,597	10	42,565,109	1,709,925	-	44,275,034	20,532,563
4	Plant & Machinery	675,000,605	3,510,475	-	678,511,080	20	625,570,812	10,385,249	-	635,956,062	42,555,018
5	Effluent Treatment Plant	71,210,757	480,000	-	71,690,757	20	54,489,610	3,416,229	-	57,905,840	13,784,917
6	Gas Installation	23,449,836	-	-	23,449,836	15	13,760,644	1,453,379	-	15,214,023	8,235,813
7	Electric Installation	11,024,833	-	-	11,024,833	15	9,961,890	159,441	-	10,121,332	903,501
8	Boiler	13,367,693	-	-	13,367,693	15	12,516,069	127,744	-	12,643,813	723,880
9	Generator	144,740,274	-	-	144,740,274	15	96,556,000	7,227,641	-	103,783,641	40,956,633
10	Water Treatment Plant	8,473,013	-	-	8,473,013	20	7,556,232	183,356	-	7,739,588	733,425
11	Factory Equipment	25,648,502	3,682,525	-	29,331,027	15	14,937,347	1,910,727	-	16,848,074	12,482,953
12	Other Equipment	8,398,396	-	-	8,398,396	15	6,808,771	238,444	-	7,047,214	1,351,182
13	Deep Tube-Well & Tanks	13,673,520	-	-	13,673,520	15	9,143,970	679,432	-	9,823,403	3,850,117
14	Motor Vehicles	8,511,244	-	(2,492,032)	6,019,212	20	8,288,496	38,914	(2,396,224)	5,931,186	88,026
15	Furniture & Fixtures	31,552,827	470,184	-	32,023,011	10	21,410,939	1,035,158	-	22,446,098	9,576,913
16	Laboratory Equipment	576,027	-	-	576,027	15	562,498	2,029	-	564,527	11,500
17	Office Equipment	14,407,454	37,000	-	14,444,454	15	12,920,548	223,961	-	13,144,509	1,299,945
18	Motor Cycles	40,625	-	-	40,625	20	40,410	43	-	40,453	172
		<b>1,390,443,190</b>	<b>14,393,414</b>	<b>(2,492,032)</b>	<b>1,402,344,572</b>		<b>1,174,288,232</b>	<b>33,421,919</b>	<b>(2,396,224)</b>	<b>1,205,313,920</b>	<b>197,030,645</b>

**Charged to:**

Manufacturing Accounts 32,123,843

Profit &amp; Loss Accounts 1,298,076

**33,421,919****PROPERTY, PLANT AND EQUIPMENT:****2019-2020**

SL. NO.	PARTICULAR	COST				RATE %	DEPRECIATION			W.D.V as at 30.06.2020
		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	
		<b>1,360,370,796</b>	<b>30,072,394</b>	<b>1,390,443,190</b>		<b>1,136,228,578</b>	<b>38,059,655</b>	<b>1,174,288,232</b>	<b>216,154,958</b>	

**Charged to:**

Manufacturing Accounts 36,662,327

Profit &amp; Loss Accounts 1,397,328

**38,059,655**

	<u>30.06.2021</u>	<u>30.06.2020</u>
<b>9. INVESTMENT:</b>		
(i) Apex Foods Limited (Public Limited Company) (Total number of Shares 169,250 and Total cost of Shares Tk. 8,973,415.)	21,105,475	20,326,925
(ii) Central Depository Bangladesh Limited (571,181 Share of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each.)	1,569,450	1,569,450
	----- <b>22,674,925</b> =====	----- <b>21,896,375</b> =====

**Market Price of Listed Company Shares**

Apex Foods Limited	124.70	120.10
--------------------	--------	--------

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

**10. INVESTMENT IN FINANCIAL ASSETS:**

Fixed deposits A/C with EBL	<b>72,779,305</b>	<b>68,854,594</b>
	=====	=====

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

**11. RIGHT -OF -USE ASSETS:****Cost:**

Opening Balance	-	-
Add: Addition during the period	7,123,135	-
Less: Disposal during the period	-	-
	----- <b>7,123,135</b> =====	----- - =====

**Accumulated Depreciation:**

Opening Balance	-	-
Add: Addition during the year**	4,748,757	-
Less: Disposal during the year	-	-
	----- <b>4,748,757</b> =====	----- - =====

**Written Down Value as on 30.06.2021**

<b>2,374,378</b>	-
=====	=====

- This represents the application of IFRS 16. Monthly lease rent has been paid Tk. 424,522 (Exclusive of VAT) during the period 2020-2021. The lease period will be expired on 31<sup>st</sup> December, 2021 and rate of interest has been considered @ 9% pa.
- \*\* Depreciation during the year has been shown in administrative & Selling Overhead.

**12. SECURITY DEPOSITS:**

Security Deposits to TGTDCCL	8,035,300	8,035,300
Guarantee Margin to EBL for TGTDCCL	1,607,053	1,607,053
Security Deposits for Office Rent	405,000	405,000
Security Deposits for TNT & Mobile	9,000	9,000
	----- <b>10,056,353</b> =====	----- <b>10,056,353</b> =====

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

			<u>30.06.2021</u>	<u>30.06.2020</u>
<b>13. INVENTORIES:</b>				
<b>Finished Goods</b>				
T Shirts	33,973	Doz	46,370,810	37,472,460
	<b>33,973</b>	<b>Doz</b>	<b>46,370,810</b>	<b>37,472,460</b>
<b>Work in Process</b>				
Dyed Fabric	41,290	Kg	26,573,543	32,655,179
Knitted Fabric	9,805	Kg	3,168,403	6,420,362
Garments & Fabrics (11,06,163 Mtr, 63,508 kg fabrics)	51,280	Doz	89,537,537	95,766,060
			<b>119,279,483</b>	<b>134,841,601</b>
<b>Raw Materials</b>				
Yarn	241,920	Kg	109,775,571	78,587,832
Dyes & Chemicals	214,445	Kg	49,262,635	48,656,375
			<b>159,038,206</b>	<b>127,244,207</b>
			<b>13,778,751</b>	<b>32,549,470</b>
<b>Accessories</b>				
			<b>338,467,250</b>	<b>332,107,738</b>

- 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.

**14. TRADE RECEIVABLES:**

Export Bills Receivable	<b>486,617,721</b>	<b>422,627,419</b>
	=====	=====

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

<u>Ageing of the trade receivable</u>	<u>Amount (Tk.)</u>	<u>Amount (Tk.)</u>
30 Days	351,655,305	205,589,300
60 Days	126,435,187	147,768,478
90 Days	8,527,229	-
120 Days	-	69,269,641
	<b>486,617,721</b>	<b>422,627,419</b>
	=====	=====

- 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.

**15. ADVANCES, DEPOSITS AND PREPAYMENTS:**

Advance Income Tax	Note # 15.a	45,544,389	36,167,128
Deposits to Multi Securities & Services Ltd.		897	1,797
Advance against expenses		5,702,839	5,576,860
		<b>51,248,125</b>	<b>41,745,785</b>
		=====	=====

**15.a ADVANCE INCOME TAX:**

Opening Balance	36,167,128	59,763,767
Add: Paid during the year	32,625,469	25,199,824
Less: Adjustment during the year	(23,248,208)	(48,796,463)
<b>Closing Balance</b>	<b>45,544,389</b>	<b>36,167,128</b>
	=====	=====

- 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.

	<u>30.06.2021</u>	<u>30.06.2020</u>
<b>16. OTHER RECEIVABLES:</b>		
Cash incentive receivable	8,167,500	787,000
FDRs Interest receivable	685,338	1,434,471
PF laps receivable (employer portion) note 16a	1,411,329	5,129,259
Receivable Against Interest on Stimulus Package	808,229	-
	<u>11,072,397</u>	<u>7,350,730</u>
	=====	=====
<b>16.a PF LAPSE RECEIVABLE:</b>		
Opening Balance	5,129,259	3,426,841
Add: Restated Amount	-	1,323,793
Add: Additional during the year	87,536	378,625
Less: Realized during the year	(3,805,466)	-
	<u>1,411,329</u>	<u>5,129,259</u>
	=====	=====

Cash incentive receivable represents receivable from Bangladesh Bank. 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 30.06.2021.
- Lapse amount of BDT 14,11,329/- of employer's contribution to provident fund has been accounted for according to IAS 1.

#### 17. MARGIN ON ACCEPTANCE:

Margin on Acceptance-EBL	<b>213,305,908</b>	<b>146,051,685</b>
	=====	=====

Margin on Acceptance (EBL) has converted in BDT at closing rate @ 83.95 per USD as on 30.06.2021 & as compare to BDT @ 83.95 per USD as on 30.06.2020 which has retained for settlement of back to back L/C in due date.

#### Margin Account with Eastern Bank Ltd.

\$ 2,540,868.47
-----------------

\$ 1,739,746.10
-----------------

#### 18. CASH AND CASH EQUIVALENTS:

<b>Cash in hand</b>	<b>20,000</b>	<b>20,000</b>
<b>Cash at banks :</b>		
CD Account with Eastern Bank Ltd., Dhaka	-	8,004
CD Account with Dhaka Bank Ltd., Dhaka	-	26,017
CD Account with SCB, Dhaka	190,324	190,324
CD Account with Mutual Trust Bank Ltd, Chandora	1,036,400	3,323,395
CD Account with Mutual Trust Bank Ltd, Dilkusha, Dhaka	-	82,780
CD Account with AB Bank Ltd, Dhaka	-	37,408
CD Account with Dutch Bangla Bank Ltd., Dhaka	5,593,501	1,480,838
CD Account with Eastern Bank Ltd. -Dividend, Dhaka	-	183
CD Account with HSBC-Dividend, Dhaka	687,516	482,104
OD Account with Eastern Bank Ltd. Dhaka	126,619,174	-
CD Account with HSBC, Dhaka	530,619	-
Foreign Currency Account with Eastern Bank Ltd., Dhaka-USD	22,806,463	7,590,671
Foreign Currency Account with HSBC, Dhaka-USD	12,557	398,877
SND Account with SCB, Dhaka	733,812	734,502
SND Account with Eastern Bank Ltd., Principal Branch, Dhaka	17,458	198,189
SND Account with HSBC , Dhaka	1,262	1,256
CC Accounts with Eastern Bank Ltd., Dhaka	-	21,775
	<u>158,229,084</u>	<u>14,576,322</u>
	=====	=====
	<b>158,249,084</b>	<b>14,596,322</b>
	=====	=====



**30.06.2021****30.06.2020**

Foreign Currency Account balances in USD are given below which has converted in BDT at closing rate @ 83.95 per USD as on 30.06.2021 & as compare to BDT @ 83.95 per USD as on 30.06.2020:

	<b>In USD</b>	<b>In USD</b>
Foreign Currency Account with Eastern Bank Ltd., Dhaka	\$ 271,667.22	\$ 90,418.95
Foreign Currency Account with HSBC, Dhaka	\$ 149.58	\$ 4,751.36

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

**19. SHARE CAPITAL:****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 <sup>th</sup> 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 <sup>nd</sup> January, 1997	Bonus	140,000	100	14,000,000	Bonus Share
<b>Total</b>		<b>840,000</b>	<b>100</b>	<b>84,000,000</b>	
Split the share on 13 <sup>th</sup> November, 2011	-	<b>8,400,000</b>	<b>10</b>	<b>84,000,000</b>	Per share 100 into 10

- There was no preference share issued by the Company.

**Composition of Shareholdings as on 30.06.2021:**

Sponsors & Directors	54.81%	54.81%
Institutions	24.92%	22.59%
Foreign Shareholders	0.38%	0.25%
Public - Local	19.89%	22.35%
	-----	-----
	<b>100.00%</b>	<b>100.00%</b>
	=====	=====

**The Company had the following non-resident Shareholders on 30.06.2021:**

<b>NAME</b>	<b>FOLIO/BO NO.</b>	<b>NO. OF SHARE</b>
Smith New Court Far East Ltd.	00011	600
-do-	03777	2,000
Hong Kong Bank Int'l Trustee Ltd.	04037	6,360
Somers Nominees ( Far East ) Ltd.	04038	10,800
Investors Bank & Trust Company	04065	200
UBS Securities (East Asia) Ltd.	04689	720
Bnym AC Acadian Ftrmkt Eqtd FD	16016200114431	11,081
		-----
		<b>31,761</b>
		=====

- 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>30.06.2021</u>	<u>30.06.2020</u>
<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>
		<u>In %</u>
1,868	Less than & equal 500 Shares	273,574
505	501 to 5,000 Shares	774,435
29	5001 to 10,000 Shares	224,945
21	10,001 to 20,000 Shares	263,567
2	20,001 to 30,000 Shares	46,579
0	30,001 to 40,000 Shares	-
3	40,001 to 50,000 Shares	140,800
1	50,001 to 100,000 Shares	50,615
5	100,001 to 200,000 Shares	650,400
6	Over 200,000 Shares	5,975,085
<b>2,440</b>		<b>8,400,000</b>
		<b>100.00</b>

**20. SHARE PREMIUM:** **15,000,000** **15,000,000**

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

**21. RESERVE AND SURPLUS:**

Reserve for Re-Investment	129,700,699	129,700,699
Retained Earnings	226,458,426	213,396,186
Prior Year Adjustment	-	1,025,940
Capital Gain	2,751,818	2,751,818
	<b>358,910,943</b>	<b>346,874,643</b>

- 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.

**22. FAIR VALUATION SURPLUS/(DEFICIT) OF INVESTMENT:**

Opening Balance	10,218,158	18,672,196
Adjustment for fair valuation surplus/(deficit) during the year	700,695	(8,454,037)
	<b>10,918,853</b>	<b>10,218,159</b>

- 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.

**23. LONG TERM LOAN:**

Long Term Loan- (EBL) –Stimulus Package	44,161,961	54,077,008
	<b>44,161,961</b>	<b>54,077,008</b>

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 2<sup>nd</sup> 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. During the period, we have already paid two installments out of 18 equal monthly installments.

	<u>30.06.2021</u>	<u>30.06.2020</u>
<b>24. DEFERRED TAX LIABILITY:</b>		
<b>a) Book Value of Depreciable Assets</b>	197,030,645	216,154,958
Tax Base of Depreciable Assets	<u>191,983,468</u>	<u>206,598,238</u>
Net Taxable Temporary Difference	<b>5,047,177</b>	<b>9,556,720</b>
Effective Tax Rate	<u>12.00%</u>	<u>12.00%</u>
<b>Closing Deferred tax (Assets)/Liability arising from assets</b>	<b>605,661</b>	<b>1,146,806</b>
Opening Deferred Tax Balance	<u>1,146,806</u>	<u>1,419,208</u>
<b>Deferred Tax Income/(Expense)</b>	<b><u>541,145</u></b>	<b><u>272,401</u></b>
<b>b) Unrealized Bank Interest on FDRs</b>	685,338	1,434,471
Effective Tax Rate	<u>22.50%</u>	<u>25.00%</u>
<b>Closing Deferred tax (Assets)/Liability Arising from Unrealized FDRs Interest</b>	<b>154,201</b>	<b>358,618</b>
Opening Deferred Tax Balance	<u>358,618</u>	<u>465,324</u>
<b>Deferred Tax Income/(Expense)</b>	<b><u>204,417</u></b>	<b><u>106,706</u></b>
<b>c) Unrealized Foreign Exchange gain/(Loss)</b>	3,944,370	(627,379)
Effective Tax Rate	<u>22.50%</u>	<u>25.00%</u>
<b>Closing Deferred tax (Assets)/Liability Arising from Unrealized exchange gain/Loss</b>	<b>887,483</b>	<b>(156,845)</b>
Opening Deferred Tax Balance	<u>(156,845)</u>	<u>(168,832)</u>
<b>Deferred Tax Income/(Expense)</b>	<b><u>(1,044,328)</u></b>	<b><u>(11,987)</u></b>
<b>d) Cash Incentive Receivable</b>	8,167,500	787,000
Effective Tax Rate	<u>10.00%</u>	<u>10.00%</u>
<b>Closing Deferred tax (Assets)/Liability Arising from Cash Incentive Receivable</b>	<b>816,750</b>	<b>78,700</b>
Opening Deferred Tax Balance	<u>78,700</u>	<u>4,781,790</u>
<b>Deferred Tax Income/(Expense)</b>	<b><u>(738,050)</u></b>	<b><u>4,703,090</u></b>
<b>e) PF Lapse Receivable</b>	1,411,329	5,129,259
Effective Tax Rate	<u>22.50%</u>	<u>25.00%</u>
<b>Closing Deferred tax (Assets)/Liability Arising from PF lapse Receivable</b>	<b>317,549</b>	<b>1,249,220</b>
Opening Deferred Tax Balance	<u>1,249,220</u>	<u>1,154,563</u>
<b>Deferred Tax Income/(Expense)</b>	<b><u>931,671</u></b>	<b><u>(94,657)</u></b>
<b>Deferred Tax Income/(Expense) a+b+c+d+e</b>	<b><u>(105,145)</u></b>	<b><u>4,975,554</u></b>
<b>f) Deferred Tax (Assets)/Liability Arising from Other Comprehensive Income:</b>		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments @ 10%	1,213,206	1,135,351
Revaluation of property	-	-
Foreign exchange gain for foreign operation	-	-
<b>Closing Deferred tax (Assets)/Liability arising from Fair Valuation Surplus of investment</b>	<b>1,213,206</b>	<b>1,135,351</b>
Opening Deferred Tax Balance	<u>1,135,351</u>	<u>2,074,688</u>
<b>Deferred Tax Income/(Expense)</b>	<b><u>77,855</u></b>	<b><u>(939,337)</u></b>
<b>Deferred Tax Liability (a+b+c+d+e+f)</b>	<b>3,994,850</b>	<b>3,811,850</b>
	=====	=====

	<u>30.06.2021</u>	<u>30.06.2020</u>
<b>25. WORKING CAPITAL LOAN:</b>		
Overdraft-Eastern Bank Ltd, Principal Br. Dhaka	-	19,608,019
Overdraft-HSBC, Dhaka	-	4,653,475
	-----	-----
	-	<b>24,261,494</b>
	=====	=====

- 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 @ 8.00% p.a from June 2021 before which interest was @ 9.00% pa with EBL & existing rate of interest @ 9.00% pa with HSBC.

**26. LONG TERM LOAN-CURRENT MATURITY:**

Long Term Loan- (EBL) –Stimulus Package	73,963,783	27,038,504
	-----	-----
	<b>73,963,783</b>	<b>27,038,504</b>
	=====	=====

- This represents the part of stimulus package loan which will pay in next 12 months which installment may start from September'21 as per BB circular.

**27. LEASE LIABILITY:**

Opening Balance	-	-
Add: Addition during the year	7,123,135	-
Add: Interest charged for the period	452,718	-
Less: Lease payment during the Year	(4,669,744)	-
	-----	-----
	<b>2,906,108</b>	-
	=====	=====

- This represents the application of IFRS 16 as current lease agreement will be expired on 31<sup>st</sup> December, 2021 and accordingly, the full amount of lease obligation is a part of current portion. However, we have calculated the lease liability excluding non-refundable VAT.

**28. SHORT TERM LOAN:**

Time Loan-Eastern Bank Limited	15,492,392	7,684,917
Import Loan- Eastern Bank Limited	34,083,232	62,543,168
	-----	-----
	<b>49,575,624</b>	<b>70,228,085</b>
	=====	=====

- 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. Now, the loan bears interest @ 8.00% p.a at EBL & 9.00% p.a at HSBC.
- Import loan from Eastern Bank Limited represents the amount payable to them against import of dyes, chemicals and accessories as part of continuous process.

**29. TRADE PAYABLES:**

<b>793,081,920</b>	<b>497,208,105</b>
=====	=====

- 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.

	<u>30.06.2021</u>	<u>30.06.2020</u>
<b>30. OTHER PAYABLES:</b>		
Clearing & Forwarding	14,000,804	6,492,487
Insurance premium	195,448	21,679
Power, Fuel and Water	10,801,437	3,832,282
Telephone, Telex & Fax	45,619	30,370
Salaries, Wages and Overtime	55,732,504	98,876,058
Audit Fees	402,500	402,500
Current Tax Liabilities	30,073,700	23,248,208
Provident Fund Payable	2,429,230	3,625,165
Payable for Corporate Expenses	1,308,183	972,714
Payable for Other Expenses	674,989	519,997
TDS Payable to Govt.	2,137,733	1,286,108
VAT payable to Govt.	76,147	112,555
	<u>117,878,293</u>	<u>139,420,123</u>
	=====	=====

**30.a CURRENT TAX LIABILITIES:**

Opening Balance	23,248,208	48,796,462
Add: Provision during the year	<u>30,073,700</u>	<u>23,248,208</u>
	<b>53,321,909</b>	<b>72,044,670</b>
Less: Adjustment during the year	23,248,208	48,796,462
	<u>30,073,700</u>	<u>23,248,208</u>
	=====	=====

**31. UNCLAIMED DIVIDEND ACCOUNT:**

Opening Balance	9,303,988	8,863,826
Add: Dividend approved during the year	<u>12,600,000</u>	<u>16,800,000</u>
	<b>21,903,988</b>	<b>25,663,826</b>
Less: Payment during the year	12,420,232	16,359,838
	<u>9,483,756</u>	<u>9,303,988</u>
	=====	=====

**Year wise breakup of Unclaimed Dividend Account is follows:**

<u>Year</u>	<u>Taka</u>	<u>Taka</u>
1994-1995 to 2016-2017	7,584,652	7,627,013
2017-2018	1,179,067	1,181,736
2018-2019	4,36,143	4,95,238
2019-2020	<u>283,894</u>	<u>-</u>
Unclaimed Dividend 1994-95 to 2019-2020	<b><u>9,483,756</u></b>	<b><u>9,303,988</u></b>

- Unclaimed dividend represents the dividend warrants issued but not presented to the Bank by the Shareholders within 30<sup>th</sup> June 2021 and the balance of unclaimed dividend was Tk. 18,97,436.95 as on September 30, 2021.
- According to the Directive of Bangladesh Securities and Exchange Commission (BSEC) dated 14th January, 2021 para 3 (vii) regarding the details information of unpaid or unclaimed dividend shall report in the statement of financial position as separate line item, so we have reported in the statement of financial position as a separate line item "Unclaimed Dividend Account".
- According to the Directive of Bangladesh Securities and Exchange Commission (BSEC) dated 14th January, 2021 para 3 (vii) & Capital Market Stabilization Fund Rules, 2021 regarding the transfer of unclaimed dividend along with prescribed dividend distribution compliance report from 1994-1995 to 2016-2017. In this respect, we have transferred /deposited on 22<sup>nd</sup> September, 2021 the unclaimed dividend amount Tk 75,80,037.84 for the above periods to the "Capital Market Stabilization Fund" vide Cheque # 0148362, dated 22<sup>nd</sup> September, 2021 drawn on HSBC.

			<u>2020-2021</u>	<u>2019-2020</u>
32. REVENUE:	Quantity in Doz.	USD	Taka	Taka
	-----	-----	-----	-----
T, Polo & Sweat Shirts	<b>28,53,197</b>	<b>47,351,937</b>	<b>4,007,756,310</b>	<b>2,751,013,453</b>
	=====	=====	=====	=====

**Country wise break up of export for the period from July 2020 to June 2021:**

<u>Country</u>	<u>Quantity in Doz</u>	<u>USD</u>
AUSTRALIA	18,277	294,819
BELGIUM	105,713	1,766,581
BULGARIA	92	1,705
CANADA	23,859	391,424
CHILE	8,894	140,342
CHINA	83,079	1,573,428
COLUMBIA	7,684	127,945
CROATIA	11,699	194,634
DENMARK	31,575	513,869
GERMANY	335,160	5,609,794
HONG KONG	6,211	113,569
INDIA	16,034	256,082
INDONESIA	10,863	167,037
ITALY	186,728	2,985,486
JAPAN	48,104	809,346
KOREA	14,731	237,313
MALAYSIA	10,804	181,635
MEXICO	38,629	620,679
NETHERLANDS	127,558	2,191,835
NEW ZEALAND	3,646	57,197
NORWAY	34,894	580,021
PANAMA	221	3,638
PERU	3,754	58,612
PHILIPPINES	4,793	80,883
POLAND	667,391	10,968,162
RUSSIA	105,480	1,726,696
SAUDI ARABIA	265	4,983
SERBIA	5,891	95,985
SOUTH AFRICA	4,757	79,749
SPAIN	162,043	2,641,551
SWEDEN	174,099	2,960,226
SWITZERLAND	32,811	545,312
TAIWAN	6,859	127,521
THAILAND	7,378	115,345
TURKEY	40,383	631,989
UAE	37,411	621,628
UK	211,705	3,518,372
URUGUAY	2,405	36,229
USA	258,578	4,275,239
VIETNAM	2,739	45,077
<b>Total</b>	<b>28,53,197</b>	<b>47,351,937</b>
	-----	-----

33. COST OF GOODS SOLD:		2020-2021	2019-2020
	<b>Quantity</b>	<b>Notes</b>	
Opening Stock of Finished Goods	30,496 Doz		5,902,749
Add: Cost of Production	2,856,674 Doz	34	2,560,356,973
	<b>2,887,170 Doz</b>		<b>2,566,259,722</b>
Less: Closing Stock of Finished Goods	33,973 Doz		37,472,460
	<b>2,853,197 Doz</b>		<b>2,528,787,262</b>

## 34. COST OF PRODUCTION:

## OPENING STOCK:

## Raw Materials:

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

## Work in Process:

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

## ADD: PURCHASE FOR THE YEAR

	<b>2,215,300,112</b>	<b>1,235,914,232</b>
	<b>2,509,935,390</b>	<b>1,425,784,050</b>

## LESS : CLOSING STOCK

## Raw Materials:

Yarn	241,920 Kg	109,775,571	78,587,832
Dyes & Chemicals	214,445 Kg	49,262,635	48,656,375
		<b>159,038,206</b>	<b>127,244,207</b>

## Work in Process:

Dyed, Knitted and Greige Fabric 11,06,163 mitres, 63,508 kg & & Garments 51,280 Doz		119,279,483	134,841,601
Accessories		13,778,751	32,549,470
		<b>292,096,440</b>	<b>294,635,278</b>

## Raw Materials Consumed

	<b>2,217,838,950</b>	<b>1,131,148,772</b>
--	----------------------	----------------------

## Factory Overhead :

Carriage inward		8,667,192	6,307,986
Electricity		1,211,235	2,078,705
Gas, Fuel & Lubricant		114,219,272	106,063,614
Insurance Premium		4,160,256	4,263,244
Repairs & Maintenance		65,647,030	63,140,253
Telephone Charges		73,868	56,359
Wages, Salaries & Allowance		1,267,448,864	1,172,870,059
Bank Charges & Commission		15,377,055	12,235,231
Depreciation		32,123,843	36,662,327
Fire Fighting Exp.		7,500	212,802
Travelling & Conveyance		7,663,834	7,153,402
Testing Bill		18,367,144	15,569,958
Uniform & Liveries		690,969	307,385
Chemical for Effluent Treatment		1,048,829	280,600
Entertainment		1,357,072	1,536,846
UD & UP Expenses		737,566	469,430

## Cost of Goods Sold

	<b>3,756,640,479</b>	<b>2,560,356,973</b>
--	----------------------	----------------------

- During the year 2020-2021 the Company has imported goods on C & F basis.
- Cash incentive has been adjusted with the local yarn cost.

	<u>2020-2021</u>	<u>2019-2020</u>
<b>35. OTHER OPERATING INCOME/(LOSS):</b>		
<b>Foreign Exchange Gain/(Loss):</b>		
Foreign Exchange Gain/(Loss) from Operations	(4,075)	7,900,003
Foreign Exchange Gain/(Loss) from Translations	3,944,370	(627,379)
	-----	-----
	<b>3,940,295</b>	<b>7,272,624</b>
	=====	=====
<b>36. ADMINISTRATIVE &amp; SELLING OVERHEAD:</b>		
AGM Expenses	5,050	117,357
Audit Fee (Including VAT)	402,500	402,500
Bank Charges & Commission	6,986,788	5,511,375
Board Meeting Fees	22,000	14,500
Depreciation on tangible Assets	1,298,076	1,397,328
Depreciation on Right-of-use (ROU) Asset	4,748,757	-
Director's Remuneration	3,600,000	3,540,000
Entertainment	615,544	1,125,454
Export Processing & Handling Expenses	4,115,930	4,095,810
Clearing & Forwarding Expenses	35,502,276	23,964,512
Insurance Premium	1,715,297	706,954
Legal & Professional Fees	593,616	1,022,225
Medical Expenses	64,419	190,636
Newspapers & Periodicals	6,158	15,717
Postage & Stamp	47,301	62,046
Power & Fuel	756,397	721,837
Printing Expenses	3,504,860	1,435,761
Stationery Expenses	3,386,689	997,849
Publicity & Advertisement	271,623	208,783
Renewal & Fees	8,225,736	8,040,429
Rent & Rates	-	5,034,100
Vat On Office Rent	740,628	740,628
Repairs & Maintenance	8,082,752	6,692,300
Salaries & Allowances	66,467,609	63,351,178
Sales Promotional Expenses	5,688,909	4,620,590
Subscription & Donation	514,000	27,000
Travelling & Conveyance	4,249,756	3,156,457
Telephone, Fax and Radio Link	714,816	586,100
Transportation Expenses	9,472,970	8,591,554
	-----	-----
	<b>171,800,457</b>	<b>146,370,980</b>
	=====	=====
• Directors' Remuneration paid to following Directors for their full time service:		
a. Mr. Zahur Ahmed PhD	1,800,000	1,770,000
b. Mr. Shahriar Ahmed	1,200,000	1,180,000
c. Mr. Kazi Faruq Kader	600,000	590,000
	-----	-----
	<b>3,600,000</b>	<b>3,540,000</b>
	=====	=====
• 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 9 (Nine) board meetings held during the period.		



	<u>2020-2021</u>	<u>2019-2020</u>
<b>37. FINANCIAL EXPENSES:</b>		
Interest on Stimulus Term Loan	1,459,706	-
Interest on Time Loan	1,493,476	1,306,937
Supplier Finance Program Charges(SFP)	7,575,144	-
Interest on Overdraft	176,468	709,205
Interest expenses on leases liability	452,718	-
Financial Charges	30,728,322	56,389,270
	<u>41,885,834</u>	<u>58,405,412</u>
	=====	=====
<b>38. FINANCE &amp; OTHER INCOME:</b>		
Interest earned on SND Account	4,742	7,693
Dividend Income	1,110,647	1,766,452
Interest on FDRs	3,611,659	4,661,612
Other Income from PF Lapse ( Employer Portion)	87,536	378,625
Profit on Sale of Assets	904,192	-
	<u>57,18,775</u>	<u>6,814,382</u>
	=====	=====
<b>39. TAX EXPENSES:</b>		
Current Tax ( (Note - 39.a)	30,073,700	23,248,209
Under Provision of Tax	-	-
Deferred Tax Expenses/(Income)-(Note 39.b)	105,145	(4,975,554)
	<u>30,178,846</u>	<u>18,272,655</u>
	=====	=====

**39.a CURRENT TAX:**

Current tax consists of tax provision made on business income means higher of below a,b,c ie Tax on operating profit basis, Minimum Tax U/S -82c(2) & Minimum Tax U/S -82c(4) and realized amount of finance & other income for the period from 1st July 2020 to 30th June 2021. Details as follows:

**Calculation of Current tax:****a) Tax on operating profit basis**

Profit before tax	54,815,146	30,700,794
Other Operating Income/(Loss)	(3,940,295)	(7,272,624)
Finance & Other Income	<u>(5,718,775)</u>	<u>(6,814,382)</u>
Net Operating Profit/(Loss)	<u>45,156,076</u>	<u>16,613,788</u>
Tax on Operating Profit 12%	<u>5,418,729</u>	<u>1,993,655</u>

**b) Minimum Tax U/S -82c(2)**

TDS on export proceeds	19,530,243	14,301,488
TDS on Cash Incentive (realized amount)	<u>8,280,327</u>	<u>5,344,397</u>
	<u>27,810,570</u>	<u>19,645,885</u>

**c) Minimum Tax U/S -82c(4)**

	%		
Realized from turnover =(0.60%/22.5%*12%)	0.32	12,621,940	8,170,068
Realized from other operating Income	0.600	(24)	47,400
Realized from Cash Incentive	0.600	496,820	320,664
Realized from Dividend Income	0.600	6,664	10,599
Realized from finance & Other Income	0.600	<u>49,026</u>	<u>30,577</u>
		<u>13,174,425</u>	<u>8,579,307</u>

	<u>2020-2021</u>	<u>2019-2020</u>
<b>So, Current tax</b>		
Business Tax –Higher of above a,b & c	27,810,570	19,645,885
Tax on Dividend Income	222,129	353,290
Tax on Finance Income ( Realized)	982,245	1,274,033
Realized from Other Income -profit from sale of assets	203,443	-
Realized from Other Income-PF Lapse realized	856,230	-
Tax on other operating Income ( Realized)	(917)	1,975,001
	<b><u>30,073,700</u></b>	<b><u>23,248,209</u></b>

Effective tax rate= ( Tax expenses/Profit before tax) **55.06%** **59.52%**

- Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 27,810,570/- is higher than tax on operating profit basis Tk. 5,418,729/- and minimum tax on gross receipts Tk. 13,174,425/-, so higher is provided as current tax liability from business for the period ended June 30, 2021.

### 39.b DEFERRED TAX EXPENSES/(INCOME):

Deferred Tax Exp./(Income) on Depreciable Assets	(541,145)	(272,402)
Deferred Tax Exp./(Income) on Interest Receivable	(204,417)	(106,706)
Deferred Tax Exp./(Income) on Unrealized Foreign Exch. Gain/(Loss)	1,044,328	11,987
Deferred Tax Exp./(Income) on Cash Incentive Receivable	738,050	(4,703,090)
Deferred Tax Exp./(Income) on PF Lapse Receivable	(931,671)	94,657
	<b><u>(105,145)</u></b>	<b><u>(4,975,554)</u></b>

- The provision for deferred tax (expense)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable, PF Lapse receivable, Foreign exchange translation gain /(loss), cash incentive receivable & WDV of fixed assets. (Please see the details in note # 24 for total deferred tax income/(expense) from above mentioned temporary differences).

### 40. PRIOR YEAR ADJUSTMENT:

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. As Such, lapse amount for the year 2020-2021 has been recorded as income for the year 2020-2021 and lapse amount of 2015-2016 has been restated the Financial Position as on 30.06.2019 as prior period income as per PF policy.

### 41. DISCLOSURE ON RESTATEMENT:

Total PF lapse receivable Tk. 14,11,329/- has been accounted for during the period. According to para 43 of IAS 8, opening balance of PF lapse receivables (note 15), Deferred Tax Liabilities (note 24e) and Retained Earnings as on July 01, 2019 has been restated. Upon such restatement amount of Tk. 13,23,793/- has been recognized in the opening PF lapse receivables and tax at 22.50 percent of such forfeited amount of Tk. 297,853/- has been accounted for in the opening balance of deferred tax liabilities as at July 01, 2019. Accordingly, the amount of Tk. 10,25,940/- 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.

Head of Account	Note	2019-2020	2019-2020 (Restated)	Amounts of items that is reclassified
Other Receivable	16	6,026,937	7,350,730	1,323,793
Reserve & Surplus	21	345,848,703	346,874,643	(1,025,940)
Deferred Tax Liability	24e	3,513,997	3,811,850	(297,853)

**42. WORKERS PROFIT PARTICIPATION FUND (WPPF):**

Workers Profit Participation Fund	1,171,814	836,011
	1,171,814	836,011

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.

**43. DISCLOSURE ON RECLASSIFICATION:**

Unclaimed dividend has been separated from other payables as per directive of Bangladesh Securities & Exchange Commission (BSEC). Please see the note # 31 named as "Unclaimed Dividend Account" & "Security Deposit" against Deposit to Multi Securities Ltd .

**44. BASIC EARNING PER SHARE (EPS) – DISCLOSURE UNDER IAS 33 “EARNINGS PER SHARE”:**

	Earnings attributable to Ordinary Shareholders	
<b>Basic EPS =</b>	-----	
	Weighted average number of shares outstanding during the period	
	24,636,300	12,428,139
<b>Basic Earnings Per Share (EPS) =</b>	-----	-----
	=2.93	=1.48
	8,400,000	8,400,000

- Weighted average number of Ordinary Shares outstanding during the year represents the number of Ordinary Shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific number of shares are outstanding as a proportion of the total number of days in the period.
- The increase in EPS (i.e. up to 3<sup>rd</sup> Quarter, EPS from operational activities was Tk. 2.51 but annually it has been Tk. 2.93) is mainly for regular increase of turnover in 4<sup>th</sup> quarter of 2020-2021.

**45. NET ASSETS VALUE (NAV) PER SHARE:**

	Net Assets (Total Assets-Total Liabilities)	
<b>NAV Per Share =</b>	-----	
	Number of ordinary shares outstanding	
	468,829,796	455,066,862
<b>NAV Per Share (NAVPS) =</b>	-----	-----
	= 55.81	=54.17
	8,400,000	8,400,000
	456,092,801	
	<b>Restated NAVPS =</b>	-----
		= 54.30
		8,400,000

**46. NET OPERATING CASH FLOWS PER SHARE (NOCFPS):**

	Net Operating Cash Flows	
<b>NOCFPS =</b>	-----	
	Number of ordinary shares outstanding	
	221,977,483	5,550,700
<b>NOCF Per Share (NOCFPS) =</b>	-----	-----
	= 26.43	=0.66
	8,400,000	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. 26.43 but it was Tk. 0.66 in 2019-2020 which is mainly for more export during the year 2020-2021 as compared to last year. This scenario is changeable time to time depending on different issues.

#### 47. EVENTS AFTER THE REPORTING PERIOD:

##### a) Proposed Dividend:

The Board of Directors has recommended cash Dividend of Tk. 2.00/- per Share for the year 2020-2021 at the Board meeting held on October 28, 2021. The total amount of Dividend is Tk. 16,800,000/-

##### b) Other Significant Events:

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

#### 48. RELATED PARTY TRANSACTIONS:

Apex Spinning & Knitting Mills Limited has few transactions with Matex Bangladesh Limited, Apex Yarn Dyeing Limited, Apex Lingerie limited, Apex Fashion Wear Limited and Apex Textile Printing Mills 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:

<b>2020-2021</b>					
Name of the Parties	Relationship	Opening Balance	Purchase during the Year	Paid during the Year	Closing Balance
i. Matex Bangladesh Ltd.	Common Director	-	201,340,663	195,194,948	6,145,715
ii. Apex Yarn Dyeing Ltd.	Common Director	-	54,027,550	49,105,721	4,921,829
iii. Apex Lingerie Ltd.	Common Director	-	30,470,970	30,470,970	-
iv. Apex Fashion Wear Ltd.	Common Director	-	8,800,705	8,566,075	234,630
v. Apex Textile Printing Mills Ltd.	Common Director	-	90,791,177	77,609,177	13,182,000

<b>2019-2020</b>					
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		-

#### • KEY MANAGEMENT BENEFITS:

Refer to Note # 36, 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.

		<u>2020-2021</u>		<u>2019-2020</u>
<b>49. GENERAL:</b>				
<b>a) Production Capacity (Quantity in pieces):</b>				
	%	Quantity (2020-21)	%	Quantity (2019-20)
Capacity	100	38,400,000	100	33,600,000
Production	89.27	<b>34,280,088</b>	71.30	<b>23,956,644</b>
<ul style="list-style-type: none"> <li>The increase of production during the period due to more export as compared to last year.</li> </ul>				
<b>b) Production (Quantity in Dozen):</b>				
T, Polo & Sweat Shirts		<u>2,856,674</u>		<u>1,996,387</u>
<b>c) Export (Quantity in Dozen):</b>				
T, Polo & Sweat Shirts		<u>2,853,197</u>		<u>1,970,209</u>
<b>d) Salaries &amp; Wages:</b>				
	<u>No. of Employees</u>			
Above Tk. 8,000.00 per month	5,455	1,333,916,474		1,236,221,237
Below Tk. 8,000.00 per month	-	-		-

**50. 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	22,000	-
Salaries and Allowance	3,600,000	129,387,753
Provident Fund Contribution	-	4,838,279
Bonus	-	20,994,049
Perquisites	-	86,258,488

**51. CAPITAL EXPENDITURE COMMITMENT:**

- There was no capital expenditure contracted or incurred or provided for as at 30<sup>th</sup> June 2021.
- There was no material capital expenditure authorized by the Board or contracted for as at 30<sup>th</sup> June 2021.

**52. 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 30<sup>th</sup> June 2021.

**53. 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 30<sup>th</sup> June 2021.
- 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 30<sup>th</sup> June 2021 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>2020-2021</u>	<u>2019-2020</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit After Tax Expenses	24,636,300	12,428,139
Less: Depreciation & Amortization During the Year	38,170,676	38,059,655
Less: Effect of Foreign Exchange Translation Gain/(Loss)	51,217	-
Less: Finance Income Adjustment	(5,626,497)	(6,806,689)
Add: Interest & Other Financial Charges Paid	41,885,834	58,405,412
Add: Tax Expenses	30,178,846	18,272,655
(Increase)/Decrease in Inventories	(6,359,512)	(136,335,171)
(Increase)/Decrease in Trade Receivable	(63,990,302)	87,495,460
(Increase)/Decrease in Advance Deposit & Prepayments	(125,079)	(3,533,521)
(Increase)/Decrease in Other Receivable	(4,470,799)	47,030,900
Income Tax Paid During the Year	(32,625,469)	(25,199,824)
Increase/(Decrease) in Trade Payables	(228,619,591)	(127,698,788)
Increase/(Decrease) in Other Payables	(28,367,322)	43,432,472
	-----	-----
<b>NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>221,977,483</b>	<b>5,550,700</b>
	=====	=====
 <b>RECONCILIATION</b>		
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-INDIRECT METHOD	<b>221,977,483</b>	<b>5,550,700</b>
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-DIRECT METHOD	<b>221,977,483</b>	<b>5,550,700</b>
	-----	-----
<b>Differences</b>	<b>0.00</b>	<b>0.00</b>
	=====	=====

## PROXY FORM

**The Director**  
**Apex Spinning & Knitting Mills Limited**  
**Rupayan Golden Age, 5<sup>th</sup> & 6<sup>th</sup> Floor**  
**99 Gulshan Avenue, Gulshan, Dhaka-1212**  
**Bangladesh**

BO ID: 

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 Register Folio No.....  
 No. of Shares.....

I/We.....  
 of.....  
 Being a member of APEX SPINNING & KNITTING MILLS LIMITED hereby appoints  
 Mr./Mrs./Miss.....  
 of.....  
 as my/our proxy to attend and vote for me/us and on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company will be held on Wednesday the December 15, 2021 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) and or at any adjournment thereof. Signed this.....day of.....2021.

**AFFIX  
 TWENTY  
 TAKA  
 REVENUE  
 STAMP**

(Signature of the Proxy)  
 BO ID: 

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 Register Folio No.....  
 Dated.....

Signature verified

-----  
 Signature of the Shareholder(s)  
 Dated.....

Authorized Signatory

**Note:** 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.

### APEX SPINNING & KNITTING MILLS LIMITED

Rupayan Golden Age, 5<sup>th</sup> & 6<sup>th</sup> Floor, 99 Gulshan Avenue  
 Gulshan, Dhaka-1212, Bangladesh

#### SHAREHOLDERS' ATTENDANCE SLIP

I/We record my attendance at the THIRTIETH ANNUAL GENERAL MEETING being held on Wednesday the December 15, 2021 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).

Name of Member (s) .....  
 BO ID: 

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 Register Folio No.....holding of.....Ordinary Shares of Apex Spinning & Knitting Mills Limited.

Signature of Shareholder(s)

**N.B. :** (1) Please Note that AGM can only be attended by the honorable Shareholders or properly constituted Proxy. Therefore, any friend or children accompanying with honorable Shareholders or Proxy cannot be allowed into the meeting.