

**APEX SPINNING & KNITTING MILLS LIMITED**

Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212.

**Un-audited Nine Months (Q3) Financial Statements for the period ended on 31st March 2020**

**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**

**AS AT 31ST MARCH, 2020**

Value in Taka '000'

Note #	As at 31.03.2020	As at 30.06.2019	Growth %
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	201,718	224,142	(10.00)
Investment	21,896	31,290	(30.02)
Investment in Financial Assets	68,855	64,275	7.13
Security Deposits	10,058	10,058	-
	<b>970,859</b>	<b>1,053,870</b>	
Inventories	198,005	195,773	1.14
Trade Receivables	384,398	510,123	(24.65)
Advances, Deposits & Pre- Payments	88,876	61,807	43.80
Other Receivables	1,033	49,679	(97.92)
Cash & Cash Equivalents	298,547	236,488	26.24
<b>TOTAL ASSETS</b>	<b>1,273,386</b>	<b>1,383,635</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>			
Share Capital	84,000	84,000	-
Share Premium	15,000	15,000	-
Reserve & Surplus	344,942	344,999	(0.02)
Fair Valuation Surplus of Investments	10,218	18,672	(45.28)
	<b>729</b>	<b>8,572</b>	
<b>Non-Current Liabilities:</b>			
Deferred Tax Liability	729	8,572	(91.50)
<b>Current Liabilities:</b>			
Working Capital Loan (Secured)	9,750	38,524	(74.69)
Short Term Loan	79,556	47,877	66.17
Trade Payables	618,852	692,939	(10.69)
Other Payables	110,339	133,052	(17.07)
<b>Total Liabilities</b>	<b>819,226</b>	<b>920,964</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,273,386</b>	<b>1,383,635</b>	
<b>Net Assets Value (NAV) Per Share</b>	<b>54.07</b>	<b>55.08</b>	

**STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31ST MARCH, 2020**

Value in Taka '000'

Note #	01.07.2019 to 31.03.2020	01.07.2018 to 31.03.2019	Growth %
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Collection from revenue	2,462,870	2,723,019	(9.55)
Finance Income from SND	4	4	(3.53)
Other Income from foreign exchange gain/(loss)	11,515	333	3,358
Bank Charges & Commission	(63,650)	(60,828)	4.64
Income tax paid	(23,341)	(20,057)	16.37
Payment for costs and expenses	(2,311,026)	(2,519,176)	(8.26)
<b>Net cash generated from/(used in) operating activities (a)</b>	<b>76,372</b>	<b>123,295</b>	<b>(38.06)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Property, Plant and Equipment acquired	(3,672)	(11,460)	(67.96)
Investment in FDRs	(4,580)	(4,275)	7.13
Income from FDRs	5,088	4,750	7.12
Income from Dividend	1,766	1,428	23.70
<b>Net cash generated from/(used in) investing activities (b)</b>	<b>(1,398)</b>	<b>(9,557)</b>	<b>(85.37)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Working Capital Loan received/(repaid)	(28,774)	(30,485)	(5.61)
Term loan received/(repaid)	31,679	(37,828)	(183.74)
Dividend Paid	(16,340)	(15,517)	5.31
Interest and financial charges paid	(1,625)	(3,948)	(58.85)
<b>Net cash generated from/(used in) financing activities (c)</b>	<b>(15,060)</b>	<b>(87,778)</b>	<b>(82.84)</b>
<b>Net increase/(decrease) in cash and cash equivalents(a+b+c)</b>	<b>59,913</b>	<b>25,960</b>	<b>130.80</b>
Cash & cash equivalents on opening	236,488	244,760	(3.38)
Foreign exchange gain/(loss) from translation	2,146	(165)	(1,401)
<b>Cash &amp; cash equivalents on closing</b>	<b>298,547</b>	<b>270,554</b>	<b>10.35</b>
<b>Net Operating Cash Flows Per Share</b>	<b>9.09</b>	<b>14.68</b>	

\*\*Please refer to note # 38 for Reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

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

**FOR THE NINE MONTHS ENDED 31ST MARCH, 2020**

Value in Taka '000'

Note #	01.07.2019 to 31.03.2020	01.07.2018 to 31.03.2019	Growth %	01.01.2020 to 31.03.2020	01.01.2019 to 31.03.2019	Growth %
<b>REVENUE</b>						
	2,347,083	2,579,099	(9.00)	823,812	896,252	(8.08)
Cost of Goods Sold	(2,152,327)	(2,364,712)	(8.98)	(763,823)	(824,828)	(7.40)
<b>GROSS PROFIT</b>	<b>194,756</b>	<b>214,387</b>	<b>(9.16)</b>	<b>59,989</b>	<b>71,424</b>	<b>(16.01)</b>
Other Operating Income/(Loss)	4,505	973	363	347	1,000	(65.30)
Administrative & Selling Overhead	(168,921)	(183,430)	(7.91)	(52,900)	(63,828)	(17.12)
<b>OPERATING PROFIT/(LOSS)</b>	<b>30,340</b>	<b>31,930</b>	<b>(4.98)</b>	<b>7,436</b>	<b>8,596</b>	<b>(13.49)</b>
Finance Income	6,030	5,239	15.10	1,823	1,194	52.68
Financial Expenses	(1,625)	(3,948)	(58.84)	(729)	(1,381)	(47.21)
<b>PROFIT BEFORE PPF &amp; WF</b>	<b>34,745</b>	<b>33,221</b>	<b>4.59</b>	<b>8,530</b>	<b>8,409</b>	<b>1.44</b>
Provision for Contribution to PPF & WF	(1,655)	-	-	(406)	-	-
<b>PROFIT BEFORE TAX</b>	<b>33,090</b>	<b>33,221</b>	<b>12.370</b>	<b>8,124</b>	<b>8,409</b>	<b>1</b>
<b>TAX EXPENSES:</b>						
Current Tax	(23,251)	(15,596)	49.08	(4,050)	(2,879)	40.67
Deferred Tax (Expenses)/Income	6,904	14	49,214	1,558	637	144.58
<b>NET PROFIT AFTER TAX</b>	<b>16,743</b>	<b>17,639</b>	<b>(5.08)</b>	<b>5,632</b>	<b>6,167</b>	<b>(8.68)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>						
Fair Valuation Surplus / ( Deficit ) of Investments	(9,393)	(6,194)	51.64	(990)	661	(249.77)
Deferred Tax (Exp.)/Income on share valuation Deficit	939	619	51.70	99	(66)	(250.00)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>8,289</b>	<b>12,064</b>	<b>(31.29)</b>	<b>4,741</b>	<b>6,762</b>	<b>(29.89)</b>
<b>Basic Earnings Per Share (EPS)</b>	<b>1.99</b>	<b>2.10</b>	<b>(5.08)</b>	<b>0.67</b>	<b>0.73</b>	<b>(8.68)</b>

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31ST MARCH, 2020**

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
<b>As at 30 June, 2019</b>	84,000	15,000	129,701	212,546	18,672	2,752	462,671
Net Profit for the nine months ended on 31st March 2020	-	-	-	16,743	-	-	16,743
Final dividend for the period 2018-19	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	(8,454)	-	(8,454)
<b>As at 31st March 2020</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>212,489</b>	<b>10,218</b>	<b>2,752</b>	<b>454,160</b>

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31ST MARCH, 2019**

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
<b>As at 30 June, 2018</b>	84,000	15,000	129,701	205,243	23,790	2,752	460,486
Prior Year Adjustment ( Note-34)	-	-	-	(510)	-	-	(510)
<b>Restated Retained Earnings</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>204,733</b>	<b>23,790</b>	<b>2,752</b>	<b>459,976</b>
Net Profit for the nine months ended on 31st March 2019	-	-	-	17,639	-	-	17,639
Final dividend for the year 2017-2018	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	(5,575)	-	(5,575)
<b>As at 31st March 2019</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>205,572</b>	<b>18,215</b>	<b>2,752</b>	<b>455,240</b>

Note: The details with selected notes of the published nine months financial statements can be available in the web-site of the Company . The address of the web-site is [www.apexknitting.com](http://www.apexknitting.com)

Sd/-  
**Zafar Ahmed**  
Chairman

Sd/-  
**Zahur Ahmed PhD**  
Managing Director

Sd/-  
**Shahriar Ahmed**  
Director

Sd/-  
**Kamruzzaman FCA**  
Chief Financial Officer

Sd/-  
**Md. Delour Hossen**  
Acting Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 31ST MARCH, 2020  
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

**1. The company and its operation:**

**1.01 Legal Form of the Enterprise:**

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

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

The Registered Office of the Company is located at Rupayan Golden Age, 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.

**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) which does not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 1987 and other laws and rules applicable in Bangladesh.

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

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

IAS-1 Presentation of financial statements	IAS-24 Related Party Disclosures
IAS-2 Inventories	IAS-33 Earnings Per Share
IAS-7 Statement of Cash Flows	IAS-34 Interim Financial Reporting
IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors	IAS-36 Impairment of Assets
IAS-10 Events after the Reporting Period	IAS-37 Provisions, Contingent Liabilities and Contingent Assets
IAS-12 Income Taxes	IAS-39 Financial Instruments: Recognition and Measurement
IAS-16 Property, Plant and Equipment	IFRS-07 Financial Instruments: Disclosures
IAS-21 The Effects of Changes in Foreign Exchange Rates	IFRS-15 Revenue from Contracts with Customers
IAS-23 Borrowing Cost	

**2.03 Compliance with local laws:**

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

**3. Other General Notes:**

- (a) No interim dividend paid during the interim period ended on 31st March 2020. (b) No diluted EPS is required to be calculated as there was no dilution during this period.  
(c) Last year's 3rd quarter figures have been re-arranged where considered necessary to conform to current 3rd quarter presentation. (d) Figures were rounded-off to the nearest thousand Taka.  
(e) Reporting Period: These financial statements cover the period from 01st July 2019 to 31st March 2020. (f) Reporting Currency: These financial statements are prepared in Bangladeshi Taka. &  
(g) Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2018-2019 for income statement and financial position with 30th June 2019.

	Value in Taka '000'	
	As at 31.03.2020	As at 30.06.2019
<b>4. Property, Plant and Equipment (WDV):</b>		
Details of property, plant & equipment and depreciation as at 31 March, 2020 are as follows:		
<b>Fixed assets at cost:</b>		
Opening Balance	1,360,371	1,346,231
Addition during the period	3,672	14,140
<b>Closing Balance (cost)</b>	<u>1,364,043</u>	<u>1,360,371</u>
<b>Accumulated Depreciation:</b>		
Opening Balance	1,136,229	1,095,239
Charged during the period	26,096	40,990
<b>Closing Balance (Depreciation)</b>	<u>1,162,325</u>	<u>1,136,229</u>
<b>Written Down Value (WDV) as at 31.03.2020</b>	<u>201,718</u>	<u>224,142</u>
Depreciation has been charged (reducing balance method) on additions made during the period from the month in which that assets are ready to use as per IAS 16.		
<b>5. Investment:</b>	<u>21,896</u>	<u>31,290</u>
During the period, investment has been changed due to fair valuation of share.		
<b>6. Investment in Financial Assets:</b>	<u>68,855</u>	<u>64,275</u>
FDR's were purchased from EBL for more than one year (i.e. 380 days).		
<b>7. Security Deposits:</b>	<u>10,058</u>	<u>10,058</u>
Security deposits are made to statutory bodies and hence secured.		
<b>8. Inventories:</b>		
Finished Goods (T, Polo, sweat Shirt)	23,285	5,903
Raw Materials (Yarn & Dyes Chemical)	85,313	91,963
WIP (Dyed, Knitted, Fabric & Garments)	63,866	67,376
Accessories	25,541	30,530
	<u>198,005</u>	<u>195,773</u>
<b>9. Trade Receivables:</b>	<u>384,398</u>	<u>510,123</u>
Trade receivables have been decreased due to realize as per schedule.		

**10. Advances, Deposits & Pre-payments:**

Advance Income Tax	83,104	59,764
Advance against expenses	5,772	2,043
	<u>88,876</u>	<u>61,807</u>

The Increase of 43.80% due to increase of advance income tax & advance against expenses.

**11. Other Receivables:**

Cash Incentive Receivable	-	47,818
FDRs Interest Receivable	1,033	1,861
Dividend Receivable	-	-
	<u>1,033</u>	<u>49,679</u>

The decrease of 97.92% in other receivables mainly for certificate amount of cash incentive receivable already received from Bangladesh Bank through EBL.

**12. Cash & Cash Equivalents:**

	20	20
<b>Cash in hand</b>	9	9
<b>Cash at Bank</b>		
CD Account with Eastern Bank Ltd., Dhaka	26	27
CD Account with DBL, Dhaka	190	189
CD Account with SCB, Dhaka	35	50
CD Account with Mutual Trust Bank Ltd, Chandora	83	83
CD Account with Mutual Trust Bank Ltd, Dilkusha, Dhaka	38	38
CD Account with AB Bank Ltd, Dhaka	9,029	4,158
CD Account with DBBL, Dhaka	0	0
CD Account with EBL-Dividend, Dhaka	502	0
CD Account with HSBC-Dividend, Dhaka	5,202	16,464
Foreign Currency Account with EBL, Dhaka-USD	399	397
Foreign Currency Account with HSBC, Dhaka-USD	735	735
SND Account with SCB, Dhaka	206	208
SND Account with EBL, Principal Branch, Dhaka	1	1
SND Account with HSBC, Dhaka	22	23
CC Accounts with EBL, Dhaka	282,049	214,084
Margin Account with EBL-USD	<u>298,527</u>	<u>236,468</u>
	<u>298,547</u>	<u>236,488</u>

Sd/-  
Zafar Ahmed  
Chairman

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

Sd/-  
Md. Delour Hossen  
Acting Company Secretary

Value in Taka '000'  
**As at**  
**31.03.2020**

Value in Taka '000'  
**As at**  
**30.06.2019**

The increase of cash & cash equivalents is mainly for retaining margin balance for payment of BTB liability in schedule time.

Foreign Currency Account balances in USD are given below which has converted in BDT at closing rate @ 83.95 per USD as on 31.03.2020 & as compare to BDT @ 83.50 per USD as on 30.06.2019:

	In USD	In USD
Foreign Currency Account with EBL	61.97	197.18
Foreign Currency Account with HSBC	4.75	4.75
Margin Account with EBL	3,359.73	2,563.88

**18. Working Capital Loan ( secured):**

Eastern Bank Ltd, Principal Br. Dhaka	1,796	33,768
HSBC, Dhaka	7,954	4,756
	<u>9,750</u>	<u>38,524</u>

The working capital loan decreased due to repayment of the outstanding balance of the loan and prompt export proceeds realization .

**19. Short Term Loan :**

Time loan-EBL	20,056	11,936
Import loan-EBL	59,500	35,941
	<u>79,556</u>	<u>47,877</u>

The increase of short term loan due to more utilization of import loan & time loan for import of dyes chemical & other raw materials.

**20. Trade Payables:**

	<u>618,852</u>	<u>692,939</u>
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The decrease of trade payables due to payment of BTB Liability as per schedule.

**21. Other Payables:**

Clearing & Forwarding	5,288	6,045
Insurance Premium	-	1,113
Power, Fuel and Water	8,801	5,430
Telephone, Telex & Fax	11	9
Salary, Wages and Overtime	1,915	48,099
Audit Fees	302	230
Income Tax Payable	72,048	48,796
Provident Fund Payable	4,130	7,721
Unclaimed Dividend	9,324	8,864
Provision for contribution to PPF & WF	4,307	2,652
Payable for office rent	482	482
Payable for other expenses	2,257	1,352
TDS payable to Govt.	1,343	2,173
VDS payable to Govt.	132	85
	<u>110,339</u>	<u>133,052</u>

The decrease of 17.07% in other payables mainly for payable of salary & wages as we have paid salary & wages for the month of March'2020 on 25th March'2020 before lockdown for Corona Virus (COVID-19 Pandemic) .

**22. Net Assets value (NAV) Per Share:**

Equity Attributable to the Owners of the Company	454,160	462,671
Number of Ordinary Shares	8,400	8,400
<b>Net Assets value (NAV) Per Share</b>	<u>54.07</u>	<u>55.08</u>

Net Assets value Per Share has decreased mainly for reducing of fair valuation surplus of investment.

July'19 to July'18 to  
 March' 2020 March' 2019

**23. Revenue:**

	<u>2,347,083</u>	<u>2,579,099</u>
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Revenue has been decreased by 9.00% due to decrease of export order & quantity export during this period as compared to the same period of 2018-19 .

**24. Cost of Goods Sold:**

Opening Stock of Finished Goods	5,903	32,999
Add: Cost of Production ( note # 24.a)	2,169,709	2,352,075
Less: Closing Stock of Finished Goods	(23,285)	(20,362)
	<u>2,152,327</u>	<u>2,364,712</u>

**24.a. Cost of Production:**

Opening Raw Materials & WIP	189,869	163,250
Add: Raw Materials purchase during the period	1,126,887	1,484,436
Add: Factory Overhead (Note # 24.a.a)	1,027,673	877,074
Less: Closing Raw Materials, WIP & Accessories	(174,720)	(172,685)
	<u>2,169,709</u>	<u>2,352,075</u>

**24.a.a Factory Overhead:**

Carriage	4,509	5,226
Electricity	1,427	929
Gas, Fuel & Lubricant	97,128	57,148
Insurance	5,208	5,769
Repairs & Maintenance	47,866	27,046
Telephone Charges	31	15
Wages & Salaries	813,169	720,432
Bank Charges & Commission	10,111	6,225
Central Fund - RMG Sector	728	801
Depreciation	25,114	29,626
Fire Fighting Exp.	213	248
Travelling & Conveyance	3,857	5,006
Testing Bill	9,767	11,715
Uniform & Liveries	288	211
ETP Chemical	2,510	682
Entertainment	1,467	1,620
UD & UP Expenses	407	509
Printing Expenses	2,615	2,720
Stationeries Expenses	1,256	1,145
	<u>1,027,673</u>	<u>877,074</u>

**13. Share Capital :**

Authorized Capital:  
 30,000,000 Ordinary Shares of Tk. 10/= each. 300,000 300,000

Issued, Subscribed & Paid up Capital:  
 8,400,000 Ordinary Shares of Tk. 10/= each fully paid  
 There was no preference share issued by the Com. 84,000 84,000

**13.a Composition of Shareholdings :**

	No. of Share	%	No. of Share	%
Sponsors & Directors	4,603,751	54.81	4,603,751	54.81
Institutions	1,895,857	22.57	1,906,525	22.70
Public - Local	1,879,712	22.37	1,648,557	19.62
Foreign Shareholders	20,680	0.25	241,167	2.87
	<u>8,400,000</u>	<u>100.00</u>	<u>8,400,000</u>	<u>100.00</u>

**14. Share Premium:**

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

**15. Reserve & Surplus :**

Reserve for Re-Investment	129,701	129,701
Retained Earnings	212,489	212,546
Capital Gain	2,752	2,752
	<u>344,942</u>	<u>344,999</u>

**16. Fair valuation surplus of Investments ( Net of Tax):**

Opening Balance	18,672	23,790
Fair valuation surplus/(deficit) during the period (net of tax)	(8,454)	(5,118)
	<u>10,218</u>	<u>18,672</u>

**17. Deferred Tax Liability:**

a) <b>Book Value of Depreciable Assets</b>	201,718	224,142
Tax Base of Depreciable Assets	192,651	212,315
Net Taxable Temporary Difference	9,067	11,827
Effective Tax Rate	12%	12%
Closing Deferred tax (Assets)/Liabilities arising from assets	<u>1,088</u>	<u>1,419</u>
Opening Deferred Tax Balance	1,419	1,755
Deferred Tax Income/(Expense)	331	336
b) <b>Unrealised Interest on FDRs</b>	1,033	1,861
Effective Tax Rate	25%	25%
Closing Deferred tax (Assets)/Liabilities arising from Unrealised FDRs Interest	<u>258</u>	<u>465</u>
Opening Deferred Tax Balance	465	484
Deferred Tax Income/(Expense)	207	20
c) <b>Unrealised Foreign Exchange Gain/(Loss) from translation</b>	(7,010)	(675)
Effective Tax Rate	25%	25%
Closing Deferred tax (Assets)/Liabilities arising from Exchange Gain/(Loss) from translation	<u>(1,753)</u>	<u>(169)</u>
Opening Deferred Tax Balance	(169)	171
Deferred Tax Income/(Expense)	<u>1,584</u>	<u>340</u>
d) <b>Dividend Receivable</b>	-	-
Effective Tax Rate	20%	20%
Closing Deferred tax (Asst)/Liab. arising from Dividend Receiv.	-	-
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	-	-
e) <b>Cash Incentive Receivable</b>	-	47,818
Effective Tax Rate	5%	10%
Closing Def. tax (Asst)/Liab. arising from cash incentive Receiv.	-	<u>4,782</u>
Opening Deferred Tax Balance	4,782	510
Deferred Tax Income/(Expense)	<u>4,782</u>	<u>(4,272)</u>
Total Deferred Tax Income/(Expense) from (a+b+c+d+e)	<u>6,904</u>	<u>(3,577)</u>
f) <b>Deferred Tax (Assets)/Liabilities arising from Other</b>		
Comprehensive Income- surplus from fair value of share :	<u>11,354</u>	<u>20,747</u>
Tax for (Losses)/gains on available for sale investments @ 10%	<u>1,135</u>	<u>2,075</u>
Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments	1,135	2,075
Opening Deferred Tax Balance	2,075	2,643
Deferred Tax Income/(Expense)	939	568
<b>Deferred Tax Closing Liability (a+b+c+d+e+f)</b>	<u>729</u>	<u>8,572</u>

Sd/-  
**Zafar Ahmed**  
 Chairman

Sd/-  
**Zahur Ahmed Ph D**  
 Managing Director

Sd/-  
**Shahriar Ahmed**  
 Director

Sd/-  
**Kamruzzaman FCA**  
 Chief Financial Officer

Sd/-  
**Md. Delour Hossen**  
 Acting Company Secretary

	Value in Taka '000'	
	July'19 to March' 2020	July'18 to March' 2019
<b>25. Other Operating Income/(loss):</b>		
Foreign exchange gain/(loss) from operations	11,515	333
Foreign exchange gain/(loss) from translation	(7,010)	640
	<u>4,505</u>	<u>973</u>
<b>26. Administrative &amp; Selling Overhead:</b>		
AGM Expenses	117	149
Audit Fess ( including VAT)	302	173
Bank Charges & Commission	4,660	5,328
Board Meeting Fees	15	18
Depreciation	982	968
Directors' Remuneration	2,700	2,700
Entertainment	539	2,048
Export Processing & Handling Expenses	3,157	7,894
F.C. Charges	48,879	49,275
Freight & Forwarding Expenses	18,831	25,571
Insurance Premium	1,332	375
Legal & Professional Fees	743	289
Medical Expenses	74	-
Newspapers & Periodicals	12	8
Postage & Stamp	51	53
Power & Fuel	538	481
Printing Expenses	239	1,699
Stationery Expenses	562	502
Publicity & Advertisement	148	149
Renewal & Fees	4,274	5,337
Rent & Rates	3,374	4,140
Repairs & Maintenance	3,761	7,792
Salary & Allowances	57,335	55,256
Sales Promotional Expenses	4,035	3,602
Subscription & Donation	27	206
Travelling & Conveyance	3,825	1,148
Telephone, Fax and Radio Link	397	415
Transportation Expenses	8,012	7,859
	<u>168,921</u>	<u>183,430</u>
<b>27. Finance Income:</b>		
Dividend Income	1,766	1,766
Interest earned on SND Account	4	4
Interest earned on FDRs Account	4,260	3,469
	<u>6,030</u>	<u>5,239</u>

The increase of 15.10% is mainly for increase interest rate of time deposits.

<b>28. Financial Expenses:</b>		
Interest on Time Loan	1,044	3,826
Interest on Overdraft	581	122
	<u>1,625</u>	<u>3,948</u>

The decrease of financial expenses due to early settlement of import loan for the period.

<b>29. Provision for contribution to PPF &amp; WF:</b>	<u>1,655</u>	-
This is being calculated @ 5.00% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labor Law 2006 and Bangladesh Labor Rules 2015 and is payable to Workers' & government as defined in the said Act.		

<b>30. Current Tax:</b>	<u>23,251</u>	<u>15,596</u>
This represents the deduction of TDS on export proceeds, tax on exchange gain/(loss) from operations, TDS on cash incentive realization and tax on finance Income .		

**Calculation of Current tax:**

<b>a) Regular Tax</b>		
Profit before tax	33,090	33,221
Accounting Depreciation	26,096	30,593
Capital Allowance	(23,336)	(28,497)
Other Operating Income/(Loss)	(4,505)	(973)
Finance Income	(6,030)	(5,239)
<b>Adjusted Income/(Loss) from Business</b>	<u>25,315</u>	<u>29,105</u>
Tax on Business Income @ 12%	<u>3,038</u>	<u>3,493</u>

<b>b) Minimum Tax U/S -82c(2)</b>		
TDS on export proceeds	<u>13,402</u>	<u>13,049</u>

<b>c) Minimum Tax U/S -82c(4)</b>	%	
Realized from turnover	0.288	7,093
Realized from other operating Income	0.600	69
Realized from finance Income	0.600	41
		<u>7,203</u>
		<u>7,873</u>

<b>So. Current tax</b>		
Business tax- Higher of a,b & c	13,402	13,049
Tax on Finance Income @ 25%	1,273	1,189
Tax on other operating Income @ 25%	2,879	83
Tax on Dividend Income @ 20%	353	286
Tax on Cash Incentive @ 10% on realised amount	5,344	990
	<u>23,251</u>	<u>15,596</u>

<b>31. Deferred Tax (Expenses)/Income:</b>	<u>6,904</u>	<u>14</u>
The provision for deferred tax (expense)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable, Foreign exchange translation gain/(loss) & WDV of fixed assets. ( Please see the details in note # 17 for total deferred tax income/(expense) from above mentioned temporary differences).		

	Value in Taka '000'	
	July'19 to March' 2020	July'18 to March' 2019

<b>32. Fair Valuation Surplus/(deficit) of Investment (net of tax):</b>	<u>(8,454)</u>	<u>(5,575)</u>
Fair valuation surplus/(deficit) of investments represents the difference of market value of the listed Company's share on the closing date and the last audited Balance Sheet price.		

<b>33. Basic Earning Per Share (EPS):</b>		
Earnings after tax Attributable to the Owners of the Company	16,743	17,639
Number of Ordinary Shares	8,400	8,400
<b>Basic Earning Per Share (EPS)</b>	<u>1.99</u>	<u>2.10</u>
EPS for Q3 of 2018-19 has been restated from Tk. 2.16 to Tk. 2.10 due to accounted for deferred tax on cash incentive receivable as on 31.03.2019 by Tk. 500,658/-.		

<b>34. Disclosure Regarding Restated:</b>		
Retained earnings as on 30 June 2018 has been restated due to accounted for deferred tax on cash incentive receivable by Tk. 509,847/-.		

<b>35. Net Operating Cash Flows (NOCF) Per Share:</b>		
Net cash generated from/(used in) operating activities	76,372	123,295
Number of Ordinary Shares	8,400	8,400
<b>Net Operating Cash Flows (NOCF) Per Share</b>	<u>9.09</u>	<u>14.68</u>

Net operating cash flows was Tk. 9.09 per share for the 3rd quarter ended on 31st March 2020 but it was Tk. 14.68 for the same period of last year, this is mainly decreased of collection from revenue & payment for cost and expenses. This scenario is changeable time to time depending on different issues.

<b>36. Disclosure Regarding Rearrangement:</b>		
Some expenses of factory overhead and administrative & selling overhead for the same quarter of 2018-19 have been rearranged due to current period presentation.		

<b>37. Related Party Transactions:</b>		
<b>(a) Intercompany Transactions:</b>		
Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited and Matex Bangladesh Limited. These transactions are considered as related party transactions as per IAS 24 "Related Party Disclosures". The transactions are occurred during the period with an arms length price as per normal business policy for buying & selling of dyes & chemical and yarn dyeing.		
<b>(b) Key management personnel compensation:</b>		
Refer to Note # 26; we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.		

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

<b>38. Reconciliation of Net Profit with Cash Flows from Operating Activities: **</b>		
Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/ CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.		

	July'19 to March' 2020	July'18 to March' 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before Tax</b>	33,092	33,221
Add: Depreciation during the period	26,096	30,593
Less: Unadjusted foreign exchange gain/(loss) from translation	(2,145)	165
Less: Finance Income adjustment	(6,026)	(5,235)
Add: Interest & Other Financial Charges adjustment	1,625	3,948
(Increase)/Decrease in Inventories	(2,232)	3,202
(Increase)/Decrease in Trade Receivables	125,724	143,553
(Increase)/Decrease in Other Receivables	47,818	(16,689)
(Increase)/Decrease in Advances, Deposits & Prepayments	(3,729)	(1,677)
Income Tax Paid during the period	(23,341)	(20,057)
Increase/(Decrease) in Trade Payables	(74,088)	(61,992)
Increase/(Decrease) in Other Payables	(46,421)	14,263
<b>Net cash generated from/(used in) operating activities</b>	<u>76,372</u>	<u>123,295</u>
<b>RECONCILIATION</b>		
Net cash generated from/(used in) operating activities-Indirect Method	76,372	123,295
Net cash generated from/(used in) operating activities-Direct Method	76,372	123,295
<b>Differences</b>	<u>(0.00)</u>	<u>(0.00)</u>

<b>39. Contingent Liability:</b>	
There is Tk. 16.07 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" for which the Company is contingently liable as on 31st March, 2020.	

<b>40. Events after Reporting Period:</b>	
a) Effects of COVID-19:	
Due to Corona Virus (COVID -19) pandemic from January 2020 & worldwide lockdown , our industry has been badly effected. Foreign buyers have cancelled contracts indiscriminately. As a result, to keep the factory running & not sack workers & employees, we have been/are being complied to maintained production & export at even lower than our cost which has/is causing us financial loss. We are trying our best to overcome theses extremely difficult situation. Such situation is being faced by all types of industries in our country & abroad.	
b) There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.	

Sd/-  
Zafar Ahmed  
Chairman

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

Sd/-  
Md. Delour Hossen  
Acting Company Secretary