

# APEX SPINNING & KNITTING MILLS LIMITED

Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212.  
UN-AUDITED HALF YEARLY (Q2) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30TH SEPTEMBER 2015

## STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2015

## STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015

	Value in Taka '000'		
	As on 30.09.2015	As on 31.03.2015	Growth %
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	274,120	284,237	(4)
Investment	25,361	17,883	42
	<b>299,481</b>	<b>302,120</b>	
<b>Current Assets:</b>			
Inventories	223,670	190,620	17
Trade Debtors	360,112	596,858	(40)
Advances, Deposits & Pre- Payments	61,109	51,904	18
Other Receivables	34,890	33,146	5
Cash & Cash Equivalents	357,716	199,624	79
	<b>1,037,497</b>	<b>1,072,152</b>	
<b>TOTAL ASSETS</b>	<b>1,336,978</b>	<b>1,374,272</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>			
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	306,296	313,838	(2)
Fair Valuation Surplus of Investment	13,337	7,341	82
	<b>418,633</b>	<b>420,179</b>	
<b>Non-Current Liabilities:</b>			
Deferred Tax Liability	3,095	2,001	55
	<b>3,095</b>	<b>2,001</b>	
<b>Current Liabilities:</b>			
Working Capital Loan (Secured)	39,822	81,131	(51)
Short Term Loan	37,306	36,735	2
Trade Creditors	741,456	755,636	(2)
Sundry Creditors	96,666	78,590	23
	<b>915,250</b>	<b>952,092</b>	
<b>Total Liabilities</b>	<b>918,345</b>	<b>954,093</b>	(4)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,336,978</b>	<b>1,374,272</b>	
<b>Net Asset Value Per Share</b>	<b>49.84</b>	<b>50.02</b>	

## STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015

	Value in Taka '000'		
	01.04.2015 to 30.09.2015	01.04.2014 to 30.09.2014	Growth %
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Collection from turnover	1,849,477	1,410,083	31
Other Income	1,866	2,210	(16)
Interest and financial charges paid	(47,445)	(38,666)	23
Income tax paid	(9,292)	(7,101)	31
Payment for costs and expenses	(1,581,086)	(1,277,921)	24
<b>Net cash generated from operating activities (a)</b>	<b>213,520</b>	<b>88,605</b>	<b>141</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Property, Plant and Equipment acquired	(14,230)	(27,589)	(48)
<b>Net cash used in investing activities (b)</b>	<b>(14,230)</b>	<b>(27,589)</b>	<b>(48)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Working Capital Loan received/(repaid)	(41,309)	(8,327)	396
Term loan received/(repaid)	571	(51,840)	(101)
Dividend Paid	(460)	(10)	4,321
<b>Net cash generated from financing activities (c)</b>	<b>(41,198)</b>	<b>(60,177)</b>	<b>(32)</b>
<b>Net increase/(decrease) in cash and cash equivalents(a+b+c)</b>	<b>158,092</b>	<b>839</b>	<b>18,743</b>
Cash & cash equivalents on opening	199,624	254,995	(22)
<b>Cash &amp; cash equivalents on closing</b>	<b>357,716</b>	<b>255,834</b>	<b>40</b>
<b>Net Operating Cash Flow Per Share</b>	<b>25.42</b>	<b>10.55</b>	

	Value in Taka '000'			Value in Taka '000'		
	01.04.2015 to 30.09.2015	01.04.2014 to 30.09.2014	Growth %	01.07.2015 to 30.09.2015	01.07.2014 to 30.09.2014	Growth %
<b>TURNOVER</b>	<b>1,612,731</b>	<b>1,336,265</b>	<b>21</b>	<b>679,661</b>	<b>695,002</b>	<b>(2)</b>
Cost of Goods Sold	1,483,078	1,221,435	21	617,911	634,943	(3)
<b>GROSS PROFIT</b>	<b>129,653</b>	<b>114,830</b>	<b>13</b>	<b>61,750</b>	<b>60,059</b>	<b>3</b>
<b>OPERATING EXPENSES:</b>						
Administrative & Selling Overhead	110,038	97,437	13	52,392	51,689	1
Financial Expenses	2,643	3,591	(26)	1,033	1,930	(46)
	<b>112,681</b>	<b>101,028</b>	<b>12</b>	<b>53,425</b>	<b>53,619</b>	<b>(0)</b>
<b>OPERATING PROFIT</b>	<b>16,972</b>	<b>13,802</b>	<b>23</b>	<b>8,325</b>	<b>6,440</b>	<b>29</b>
Other Income	2,205	2,549	(14)	1,313	1,198	10
<b>PROFIT BEFORE PPF &amp; WF</b>	<b>19,177</b>	<b>16,351</b>	<b>17</b>	<b>9,638</b>	<b>7,638</b>	<b>26</b>
Provision for Contribution to PPF & WF	959	818	17	482	382	26
<b>PROFIT BEFORE TAX</b>	<b>18,218</b>	<b>15,533</b>	<b>17</b>	<b>9,156</b>	<b>7,256</b>	<b>26</b>
<b>TAX EXPENSES:</b>						
Current Tax	9,346	6,953	34	5,330	3,713	44
Deferred Tax Expenses/(Income)	(388)	(89)	334	(121)	(33)	262
<b>NET PROFIT AFTER TAX</b>	<b>9,260</b>	<b>8,669</b>	<b>7</b>	<b>3,947</b>	<b>3,576</b>	<b>10</b>
<b>OTHER COMPREHENSIVE INCOME:</b>						
Fair Valuation Surplus / ( Deficit ) of Investment	7,477	(2,989)	(350)	6,833	(2,989)	(329)
Deferred Tax (Exp.)/Income on share valuation Surplus	(748)	299	(350)	(683)	299	(329)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>15,990</b>	<b>5,979</b>	<b>167</b>	<b>10,097</b>	<b>886</b>	<b>1,040</b>
<b>EPS with fair valuation surplus/deficit</b>	<b>1.90</b>	<b>0.71</b>	<b>167</b>	<b>1.20</b>	<b>0.11</b>	<b>1,040</b>
<b>EPS without fair valuation surplus/deficit</b>	<b>1.10</b>	<b>1.03</b>	<b>7</b>	<b>0.47</b>	<b>0.43</b>	<b>10</b>

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
<b>As at 31st March 2015</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>181,386</b>	<b>7,341</b>	<b>2,752</b>	<b>420,179</b>
Net Profit for the six months ended on 30th September 2015	-	-	-	9,260	-	-	9,260
Final dividend for the year 2014-15	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	6,730	-	6,730
Previous year adjustment of deferred tax	-	-	-	-	(734)	-	(734)
<b>As at 30th September 2015</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>173,846</b>	<b>13,337</b>	<b>2,752</b>	<b>418,633</b>

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2014

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
<b>As at 31st March 2014</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>174,982</b>	<b>11,477</b>	<b>2,752</b>	<b>417,912</b>
Net Profit for the six months ended on 30th September 2014	-	-	-	8,669	-	-	8,669
Final dividend for the year 2013-14	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	(2,690)	-	(2,690)
<b>As at 30th September 2014</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>166,851</b>	<b>8,787</b>	<b>2,752</b>	<b>407,091</b>

### Explanatory Notes:

- (1) These financial statements have been prepared under the historical cost convention and going concern basis.
- (2) No interim dividend paid during the interim period ended on 30th September 2015.
- (3) No diluted EPS is required to be calculated as there was no dilution during this period.
- (4) Last year's 2nd quarter figures have been re-arranged where considered necessary to confirm to current 2nd quarter presentation.
- (5) Figures were rounded-off to the nearest thousand Taka.

Note: The details of the published half yearly financial statements can be available in the web-site of the Company .  
The address of the web-site is [www.apexknitting.com](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/-  
Jesmin Sultana  
Assistant Company Secretary

## SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED ON SEPTEMBER 30, 2015

	Value in Taka '000'	
	As on 30.09.2015	As on 31.03.2015
<b>1. Property, Plant and Equipment (WDV):</b>	<u>274,120</u>	<u>284,237</u>

During the period, fixed assets have been increased by Tk. 1,42,29,893/- mainly for construction of new Effluent Treatment Plant for Tk. 60,11,359/- but depreciation charged during the period is Tk. 2,43,45,543/-. Depreciation has been charged on additions made during the period from the month in which that assets are ready for used as per BAS 16.

<b>2. Trade Debtors:</b>	<u>360,112</u>	<u>596,858</u>
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During the period, trade debtors have been decreased due to prompt realization

<b>3. Advance, Deposits &amp; Pre-payments:</b>		
Advance Income Tax	53,441	44,149
Securities & Deposits	6,208	6,208
Advance against expenses	1,460	1,547
	<u>61,109</u>	<u>51,904</u>

The growth of 17.73% mainly due to deduction of tax at source on export proceeds which is realised more than that of last half year .

<b>4. Other Receivable:</b>		
Cash Incentive Receivable	33,976	32,594
FDRs Interest Receivable	576	552
Dividend Receivable	338	-
	<u>34,890</u>	<u>33,146</u>

The growth of 5.26% in Other receivables due to increase of cash incentive & dividend receivable .Cash incentive receivable from the Bank which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

### 5. Cash and Cash Equivalents:

	20	20
<b>Cash in hand</b>	<b>14</b>	<b>15</b>
CD Account with Eastern Bank Ltd., Dhaka	29	29
CD Account with DBL, Dhaka	175	168
CD Account with SCB, Dhaka	71	72
CD Account with Mutual Trust Bank, Chandora	87	86
CD Account with MTB, Dilkusha, Dhaka	43	44
CD Account with AB Bank, Dhaka	439	445
CD Account with DBBL, Dhaka	0	0
CD Account with HSBC-Dividend, Dhaka	0	0
CD Account with EBL-Dividend, Dhaka	52,357	50,972
Fixed Deposit A/C with EBL	8,469	3,593
Foreign Currency Account with EBL, Dhaka-USD	566	602
Foreign Currency Account with HSBC-USD	738	738
STD Account with SCB, Dhaka	207	205
STD Account with EBL, Principal Branch, Dhaka	1	1
STD Account with HSBC, Dhaka	28	29
CC Accounts with EBL, Dhaka	294,471	142,605
Margin Account with EBL-USD	<u>357,696</u>	<u>199,604</u>
	<u>357,716</u>	<u>199,624</u>

The increase of cash & cash equivalents due to increase of margin balance -USD for payment of BTB Liabilities.

### 6. Working Capital Loan:

Eastern Bank Ltd, Principal Br. Dhaka	33,631	69,953
HSBC, Dhaka	6,191	11,178
	<u>39,822</u>	<u>81,131</u>

The working capital loan decreased to 50.92% due to repayment of the outstanding balance of the loan.

### 7. Short Term Loan :

Time loan-EBL	17,108	14,468
Import loan-EBL	20,198	22,267
	<u>37,306</u>	<u>36,735</u>

The increase of short term loan due more utilization of time loan.

<b>8. Trade Creditors:</b>	<u>741,456</u>	<u>755,636</u>
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The decrease of trade creditors due to payment of BTB liabilities & dues of local suppliers as per schedule.

<b>9. Sundry Creditors:</b>	<u>96,666</u>	<u>78,590</u>
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The increase of 23.00% in sundry creditors mainly for provision income tax and unclaimed dividend (Unclaimed dividend upto 2013-14 and 2014-15 which has been approved in the last AGM but not distributed within 30.09.15) as compare to last period.

	April to Sep' 2015	April to Sep' 2014
<b>10. Turnover:</b>	<u>1,612,731</u>	<u>1,336,265</u>

Turnover has been increased by 20.69% as compared to the turnover of same period of 2013-2014 due to increase of quantity sold during this period.

	Value in Taka '000'	
	April to Sep' 2015	April to Sep' 2014

<b>11. Cost of Goods Sold:</b>		
Opening Stock of Finished Goods	31,968	2,494
Add: Cost of Production ( note # 11.a)	1,468,818	1,242,688
Less: Closing Stock of Finished Goods	(17,708)	(23,747)
	<u>1,483,078</u>	<u>1,221,435</u>

### 11.a. Cost of Production:

Opening Raw Materials & WIP	158,652	193,475
Add: Raw Materials purchase during the year	1,002,568	807,852
Add: Factory Overhead (Note # 11.a.a)	513,561	421,725
Less: Closing Raw Materials & WIP	(205,963)	(180,364)
	<u>1,468,818</u>	<u>1,242,688</u>

### 11.a.a Factory Overhead:

Wages & Salaries	402,478	346,094
Telephone Charges	15	33
Carriage	5,501	2,980
Electricity	591	689
Gas, Fuel & Lubricant	27,160	18,821
Insurance	4,525	5,324
Repairs & Maintenance	38,801	21,963
Vehicle Maintenance	1,631	1,330
Tent Rent	60	200
Uniform & Liveries	24	3
Fire fighting Expenses	127	156
Testing Bill	7,424	1,149
Depreciation	23,423	22,628
VAT Expenses	1,801	355
	<u>513,561</u>	<u>421,725</u>

### 12. Administration & Selling Overhead:

Audit Fees	13	-
Bank Charges & Commission	7,398	6,907
Board Meeting Fees	7	4
Depreciation	922	1,014
Directors Remuneration	1,800	1,800
Entertainment	1,110	820
Export Processing & Handling Expenses	1,654	1,771
F.C. Charges	37,403	28,168
Freight & Forwarding Expenses	9,014	7,509
Insurance Premium	482	508
Legal & Professional Fees	343	370
Newspapers & Periodicals	8	10
Courier ,Postage & Stamp	23	14
Printing & Stationery	919	2,727
Publicity & Advertisement	176	183
Renewal & Fees	1,182	2,144
Rent & Rates	2,472	3,166
Repairs & Maintenance	1,630	1,199
Salary & Allowances	34,669	32,812
Sales Promotional Expenses	3,437	1,799
Subscription & Donation	1,036	14
T. A & Conveyance	682	635
Telephone, Fax and Radio Link	287	334
Transportation	2,754	2,510
Vehicles Maintenance	617	1,019
	<u>110,038</u>	<u>97,437</u>

### 13. Financial Expenses:

Interest on Term Loan	1,635	2,658
Interest on Overdraft	1,008	933
	<u>2,643</u>	<u>3,591</u>

The decrease of financial expenses due to the efficient fund management of the company.

### 14. Other Income:

Interest earned on STD Account	11	17
Interest earned on FDR Account	1,563	1,874
Dividend Income	339	339
Foreign Exchange Gain/(Loss)	292	319
	<u>2,205</u>	<u>2,549</u>

The decrease of 13.50% is mainly for decrease of lower bank interest rate on time deposits.

### 15. Provision for Tax:

	<u>9,346</u>	<u>6,953</u>
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The increased 34.41% for provision for tax is mainly for deduction of TDS on export proceeds from .30% to .60% as compare to last period with effect from 01st July, 2015.

### 16. Related Party Transactions:

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 BAS 24 "Related Party Transaction" . The transactions are occurred during the period with an arm length transaction as per other normal buying & selling of dyes & chemical and yarn dyeing cost.

Sd/-  
Zafar Ahmed  
Chairman

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

Sd/-  
Jesmin Sultana  
Assistant Company Secretary