

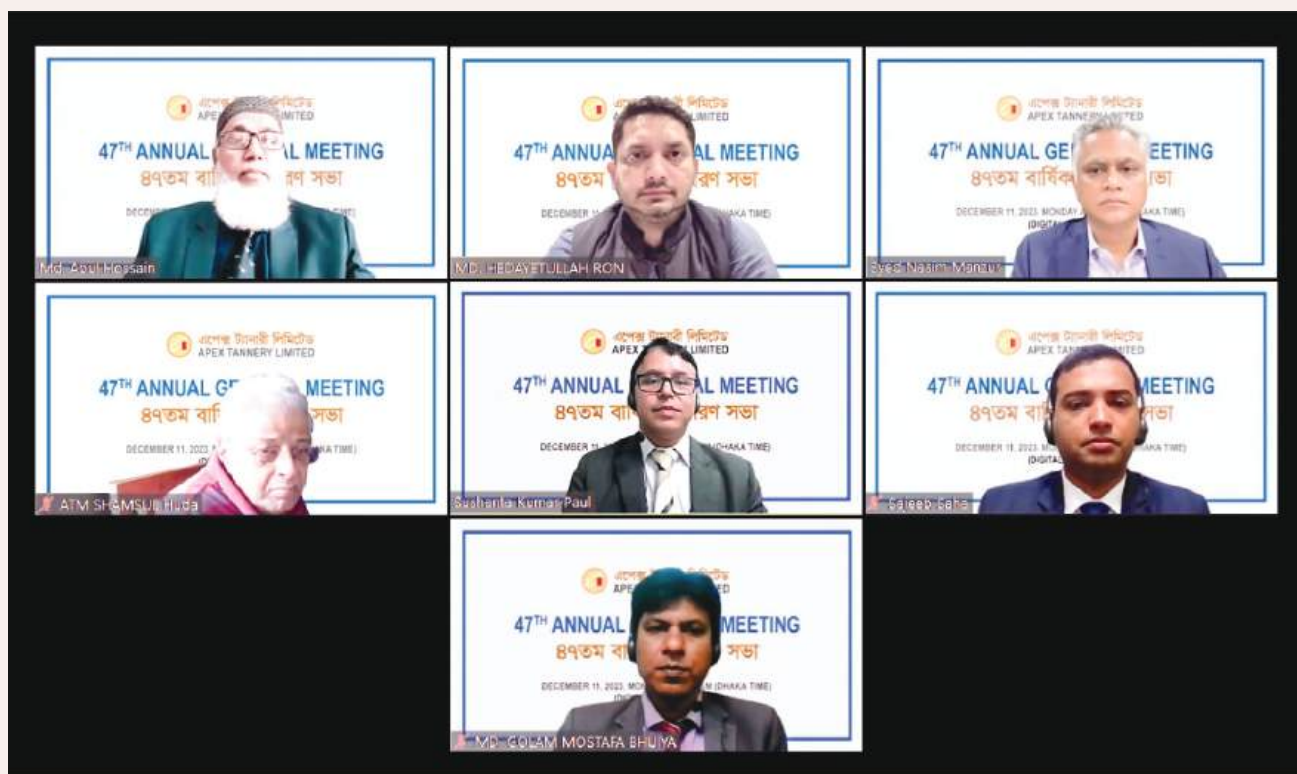
ANNUAL REPORT

2023-2024



Apex Tannery Limited

47th Annual General Meeting of the Company held on December 11, 2023





CONTENTS



Our Vision, Mission, Values and Objectives	04
Corporate Directory	05
Directors and Management Team	06
Profile of Directors	07
Profile of Management Team	10
Report of the Directors	11
Report on Management's Discussion and Analysis	20
Financial Highlights	22
Financial Highlights (Graphical presentation)	23
Value Added Statement	24
Report on Corporate Social Responsibilities (CSR)	25
Report on Corporate Governance	26
Corporate Governance Compliance Report	29
Pattern of Shareholding	43
Audit Committee Report	44
Nomination and Remuneration Committee Report	47
Independent Auditors' Report	50
Statement of Financial Position	56
Statement of Profit or Loss and Other Comprehensive Income	57
Statement of Changes in Equity	58
Statement of Cash Flows	59
Notes to the Financial Statements	60
Schedule of Fixed Assets	80
Notice of the 48 th Annual General Meeting	84
Proxy form	85



Vision

Mission

Values

& Objectives

OUR VISION, MISSION, VALUES AND OBJECTIVES

Our Vision

Our vision is to attain 100% customer satisfaction worldwide through continual quality improvement of our products.

Our Mission

To understand and satisfy customer's wants and needs, we always try to add value, reduce costs and provide innovative thinking for improvement of our product quality, with world class compliance and working standards.

Our Values

To our customers we offer

- A commitment to provide best quality product and timely delivery
- Production of world-class quality leather, meet the requirements of customers with competitive price and up to date fashion trends
- Quick response to the expectations of our valued customers in terms of quality and product development

To our employees we offer

- A desirable and rewarding place to work
- Provide motivation for team work and career development
- The opportunity to grow to employee's maximum potential
- Sufficient offsite and on the job training

To our shareholders we offer

- Attractive return with minimum risk of their investment
- A commitment to continuous improvement and adding value through all activities and managing resources

To our suppliers we offer

- Easy terms of trade
- Payment within due time

Our Objectives

- 100% on time delivery of the services to our valued customers
- 100% accuracy in documentation
- 100% customers acceptance of our services as valid and usable in accordance with their requirements
- Overall reduction of cost by 2% every year
- Reduction of customer complaints by 10% every year.





CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman

Syed Nasim Manzur

Acting Managing Director

Syed Nasim Manzur

Directors

Md. Hedayetullah

Md. Abul Hossain

Dr. ATM Shamsul Huda

Fouzia Haque, FCA

AUDIT COMMITTEE

Chairman

Dr. ATM Shamsul Huda

Members

Md. Abul Hossain

Fouzia Haque, FCA

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Dr. ATM Shamsul Huda

Members

Md. Abul Hossain

Fouzia Haque, FCA

MANAGEMENT COMMITTEE

Chairman

Syed Nasim Manzur

Members

Md. Hedayetullah

Sajeeb Saha, ACA

Sushanta Kumar Paul FCS

HUMAN RESOURCES COMMITTEE

Chairman

Syed Nasim Manzur

Members

Sajeeb Saha, ACA

Sushanta Kumar Paul FCS

CHIEF FINANCIAL OFFICER

Sajeeb Saha, ACA

COMPANY SECRETARY

Sushanta Kumar Paul FCS

STATUTORY AUDITORS

M/s. Shafiq Basak & Co.

Chartered Accountants

CORPORATE GOVERNANCE AUDITOR

ARTISAN

Chartered Accountants

INDEPENDENT SCRUTINIZER

Jesmin & Associates

Chartered Secretary

TAX ADVISER

Md. Abu Amzad

LEGAL ADVISER

Mohsen Rashid

Advocate, Supreme Court of Bangladesh

BANKERS

Agrani Bank Ltd.

State Bank of India

Uttara Bank Ltd.

Mutual Trust Bank Ltd.

Dutch Bangla Bank Ltd.

CORPORATE & REGISTERED OFFICE

Plot # XA1, XA2, XA3 and XS8

BSCIC Tannery Industrial Estate

Harindhara, Hemayetpur, Savar, Dhaka-1340

FACTORY

Unit I

Plot # XA1, XA2, XA3 and XS8

BSCIC Tannery Industrial Estate

Harindhara, Hemayetpur, Savar, Dhaka-1340

Unit II

Shafipur

Kaliakoir, Gazipur



DIRECTORS AND MANAGEMENT TEAM



Syed Nasim Manzur
Chairman and Acting Managing Director



Md. Hedayetullah
Director



Md. Abul Hossain
Director



Dr. ATM Shamsul Huda
Independent Director



Fouzia Haque, FCA
Independent Director



Sajeeb Saha ACA
Chief Financial Officer



Sushanta Kumar Paul FCS
Company Secretary



Md. Sayeed Hossain
General Manager (Commercial)

PROFILE OF DIRECTORS



Syed Nasim Manzur
Chairman and Acting Managing Director

Chairman

- Pioneer Insurance Company Ltd.
- Landmark Footwear Ltd.

Managing Director

- Apex Footwear Ltd.

Founding Director

- Quantum Consumer Solutions Ltd.
- Blue Ocean Footwear Ltd.
- Apex Investments Ltd.
- Sunbeams School Ltd.

Director

- Grey Advertising Bangladesh Ltd.
- International Publications Ltd.
- FRIENDSHIP (An Internationally acclaimed NGO)
- Apex Enterprises Ltd.
- Apex Pharma Ltd.
- Progeny Technologies Ltd.

President

- Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)

Trustee

- Society for Promotion of Bangladesh Art (SPBA)
- BRAC University

Education

- BSc. Economics, Wharton School, University of Pennsylvania, USA in 1990

PROFILE OF DIRECTORS



Md. Hedayetullah
Director

Chairman

- Hedayetullah Securities Ltd.

Managing Director

- FB Footwear Ltd.
- Footbed Footwear Ltd.
- Nuovo Shoes (BD) Ltd.

Director

- Mutual Trust Bank Ltd.
- Apex Property Development Ltd.

Education

- B.Sc (Honors) in Leather Technology from the British School of Leather Technology, Northampton, UK.
- M. A. in international Business from Webster University, Regents College, London, United Kingdom.



Md. Abul Hossain
Director

Chairman

- ICB Capital Management Ltd.
- ICB Securities Trading Company Ltd.

Managing Director

- Investment Corporation of Bangladesh (ICB)

Director

- British American Tobacco Bangladesh Co. Ltd. (BATBC)
- Unilever Consumer Care Ltd.
- Standard Bank Ltd.
- National Tea Company Ltd. (NTC)
- United Power Generation & Distribution Company Ltd. (UPGDCL)
- Apex Footwear Ltd.
- Heidelberg Cement Bangladesh Ltd.
- Padma Bank Ltd.

Past Responsibilities

- Chairman, ICB Asset Management Company Ltd.
- Managing Director, Karmasangsthan Bank (KB)
- Managing Director (Additional Charge) and Deputy Managing Director, BKB
- DGM & GM, ICB

Education

B.Sc (Hon's) and M.Sc degree in Statistics from Jahangirnagar University.

PROFILE OF DIRECTORS



Dr. ATM Shamsul Huda
Independent Director

Former Chairman

- Bangladesh Water Development Board

Former Managing Director

- Bangladesh Agricultural Development Bank

Retired Secretary to the Govt. of Bangladesh

- Banking Division, Ministry of Finance
- Ministry of Water Resources

Former Teacher

- The University of Dhaka in the department of History

Former Adviser

- Dhaka Bank Ltd.

Former Member

- Public Administration Training center
- Board of Trustee, Transparency International Bangladesh

Former Chief Election Commissioner

- Appointed as Chief Election Commissioner on February 05, 2007 for tenure of 5 years

Director

- GSP Finance Ltd.

Chairman

- Board of Trustees, Central Kanchikachar Mela

Trustee

- Head and Neck Cancer Foundation

Fellow

- Bangla Academy

Education

B.A (Honors) and M.A in History from the University of Dhaka. Masters in Public Administration and PhD from Syracuse University, New York, USA in 1975 and 1979 respectively.



Fouzia Haque, FCA
Independent Director

Professional Engagement

- Currently working as a Managing Partner of FAMES & R, Chartered Accountants
- Joined Zaman Hoque & Co., Chartered Accountants as Partner on dated January 01, 2012 and continued till June 2015

Past responsibilities

- joined at BRAC University the post of Chief Accountant
- Joined an International NGO (England based) named Action on Disability and Development in Bangladesh (ADD) as Deputy Finance Manager
- Joined ACNABIN, Chartered Accountants as Director (Audit & Consultancy)
- Associates with Verulam Associates Bangladesh Ltd, UK based consulting firm and CBSG, a local consultancy firm as Financial Consultant
- Financial Consultant of World Bank Bangladesh from March 2009 to September 2010 and directly supervised for Financial & Administrative capacity building of Social Development Foundation (SDF)
- Worked as Consultant with Engender Health Bangladesh
- Organizational Review of DFID funded partner NGOs in Bangladesh managed by MJF
- Financial System Review of 17 partner NGOs of JICA and developed each NGOs Financial & Administrative capacity
- Gender audit of UCEF funded by DFID
- Conducted External Audit of Pathfinder funded by USAID for the year ended 2009-2010
- Organizational Review (Spot Checking) of 23 partner NGOs funded by UNICEF and all NGOs were working in Health sector in Bangladesh
- Financial Consultant of WARPO for World Bank project.



PROFILE OF MANAGEMENT TEAM



Sajeeb Saha ACA
Chief Financial Officer

Past Responsibilities

- Group Head of Internal Control & Compliance (ICC), Industrial and Infrastructure Development Finance Company (IIDFC) Limited
- Group Head of Internal Control & Compliance (ICC), Bangladesh Finance Limited
- Internal Auditor, Infrastructure Development Company Limited (IDCOL)

Education

BBA (Accounting), MBA (Accounting).
Chartered Accountant



Sushanta Kumar Paul FCS
Company Secretary

Past Responsibilities

- Company Secretary, Dhaka Insurance Ltd.
- Company Secretary Continental Insurance Ltd.
- Senior Executive Officer, Pragati Life Insurance Ltd.
- Senior Executive Officer, Progressive Life Insurance Ltd.

Education

B.Com (Hon's), M.Com (Management)
Chartered Secretary



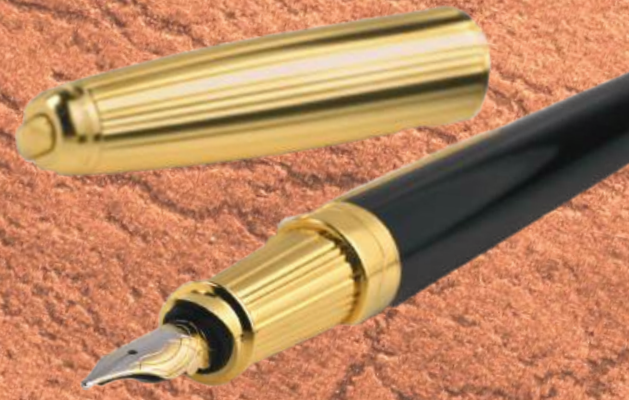
Md. Sayeed Hossain
General Manager (Commercial)

Past Responsibilities

- Principal Officer, Agrani Bank Ltd.

Education

M.Com (Management)



পরিচালকমন্ডলীর প্রতিবেদন

সুধী শেয়ারহোল্ডারবৃন্দ,

আপনাদের পরিচালকমন্ডলীর পক্ষে আমি ২০২৪ইং সালের জুন ৩০, সমাপ্ত আর্থিক বছরের প্রতিবেদন ও নিরীক্ষিত হিসাব আনন্দের সাথে উপস্থাপন করছি।

কার্যক্রম পর্যালোচনা

২০২৩-২০২৪ সালে কোম্পানীর মোট রাজস্ব আয় ছিল টাকা ৮০৪.৩৯ মিলিয়ন (যা ২০২২-২০২৩ সালে ছিল টাকা ৮৩৭.২৮ মিলিয়ন)। পর্যালোচনায় দেখা যায় যে, গত বছরের তুলনায় এ বছর কোম্পানীর রপ্তানি আয় ৩.৯৩% হ্রাস পেয়েছে। বৈশ্বিক বাজারে চাহিদা হ্রাস এর কারণে নিম্নমানের চামড়ার চাহিদা দ্রুত বৃদ্ধি পেয়েছে পাশাপাশি বিক্রয় মূল্য তুলনামূলকভাবে কম যা উদ্বেগজনক।

তুলনামূলক বার্ষিক ফলাফল

	চলতি বছর	পূর্ববর্তী বছর	+ বৃদ্ধি - হ্রাস %
• বিক্রয় (হাজার টাকায়)	৮০৪,৩৮৮	৮৩৭,২৭৯	-৩.৯৩
• মোট মুনাফা	১০০,৪৫২	৫৮,৭৯৬	৭০.৮৫
• পরিচালন ব্যয়	(৫২,৬৩৯)	৬৫,৪৯৮	-১৯.৬৩
• কর পূর্ব মুনাফা	(১১৪,৬২৪)	(১০২,৯৮৩)	-১১.৩০
• কর পরবর্তী নীট মুনাফা	(১২৬,৬৩৬)	(১২৪,৪৬৮)	-১.৭৪
• শেয়ার প্রতি আয় (টাকা)	(৮.৩১)	(৮.১৭)	-১.৭৪

কাঁচামালের মজুদ

আমরা সাধারণত ঈদ-উল-আযহার সময় বিপুল পরিমাণ কাঁচা চামড়া ক্রয় করে থাকি। যার ফলে ঈদ-উল-আযহা ব্যতীত বছরের অন্যান্য সময়ে কাঁচা চামড়ার স্বল্প যোগান আমাদের উৎপাদনকে ব্যাহত করতে পারে না।

মুনাফার বন্টন

	সমাপনী বছর জুন ৩০, ২০২৪ ইং	হাজার টাকায় সমাপনী বছর জুন ৩০, ২০২৩ ইং
কর পরবর্তী নীট মুনাফা	(১২৬,৬৩৬)	(১২৪,৪৬৮)
বিগত বছর সমূহের রিটেইন্ড মুনাফা (লভ্যাংশ পরবর্তী)	২০৭,৫৭৫	৩৩৯,৬৬৩
(-) ডিভিডেন্ড ইকুয়ালাইজেশন ফান্ড এ স্থানান্তর	-	-
	<u>৮০,৯৩৯</u>	<u>২১৫,১৯৫</u>
প্রস্তাবিত নগদ লভ্যাংশ	৭,২০৩	৭,৬২০
চলতি বছরের মুনাফা হতে প্রদান	-	-
ডিভিডেন্ড ইকুয়ালাইজেশন/রিটেইন্ড আর্নিংস ফান্ড হতে প্রদান	<u>৭,২০৩</u>	<u>৭,৬২০</u>

লভ্যাংশ

এবছর আপনাদের কোম্পানীর ই.পি.এস ছিল (৮.৩১) টাকা। পরিচালক পর্ষদ ৮ই অক্টোবর ২০২৪ইং তারিখের সভায় প্রতিটি ১০ টাকার শেয়ারের উপর ০.৫০ টাকা হারে লভ্যাংশ প্রস্তাব করেছে (স্পন্সর শেয়ারহোল্ডার ছাড়া)। এই সাধারণ সভায় আপনাদের সম্মতিতে উক্ত লভ্যাংশ প্রদান করা হবে।

কর্মসংস্থান

চামড়া শিল্প প্রতিষ্ঠানে শ্রমিকদের সার্বিক পরিস্থিতি শান্ত ও সন্তোষজনক ছিল। আপনাদের কোম্পানীর শ্রমিক এবং কর্মচারীদের সাথে সৌহার্দ্যপূর্ণ সুসম্পর্ক ও উচ্চ নৈতিকতা বজায় রয়েছে। প্রতিষ্ঠানের শ্রম শক্তি নিম্নরূপঃ





	বর্তমান বছরের মোট	পূর্ববর্তী বছরের মোট
শ্রমিক	৫১৭	৬১০
কর্মচারী	১৬০	১৬২
ব্যবস্থাপনা	১০	১১

চামড়া শিল্পের ভবিষ্যত

বর্তমানে চামড়া শিল্পের অবস্থা আশানুরূপ ভাল নয়, এর প্রধান কারণ হলো ফ্যাশনে চামড়ার জুতো/চামড়াজাতীয় পণ্য থেকে সিনথেটিকে পরিবর্তন। এছাড়াও রপ্তানিমুখী শিল্পের জন্য পরিবেশগত কমপ্লায়েন্স একটি গুরুত্বপূর্ণ উপাদান। এ শিল্পের প্রধান কমপ্লায়েন্স সিইটিপি (CETP) কার্যকর না হওয়ায় এবং এলডাব্লিউজি (LWG) সনদ ছাড়া বিদেশী ক্রেতাগণ শিল্পের কমপ্লায়েন্স গ্রহণ করছে না।

আশাকরি সিইটিপি (CETP) কার্যকরী হলে বিক্রয় বৃদ্ধি পাবে।

ব্যবসায়িক ঝুঁকি এবং বিবেচ্য বিষয়

আমাদের বৃহত্তম ঝুঁকি ও উদ্বেগের বিষয় হলো বিসিক (BSCIC) কর্তৃক নির্মিত সিইটিপি (CETP) কার্যকরী না হওয়া। শোধনাগার কার্যকর করতে বিসিক (BSCIC) সম্পূর্ণভাবে ব্যর্থ হয়েছে। এ বিষয়ে আমরা শিল্প মন্ত্রণালয়ের সাথে কয়েকবার বৈঠক করেছি যা এখন পর্যন্ত অমীমাংসিত অবস্থায় আছে। যদি নিকট ভবিষ্যতে এ পরিস্থিতির উন্নতি না হয় তাহলে বাংলাদেশের পুরো চামড়া শিল্প ভবিষ্যতে মারাত্মক সমস্যার সম্মুখীন হবে।

যাহোক, আমরা নিজস্ব শোধনাগার তৈরীর অনুমতির জন্য মন্ত্রণালয়ে যোগাযোগ রাখছি এবং সম্প্রতি মন্ত্রণালয় কিছু শর্ত সাপেক্ষে আমাদের অনুমতি দেয়। আমরা শর্তগুলো খতিয়ে দেখছি।

পরিচালক নির্বাচন

জনাব সৈয়দ নাসিম মঞ্জুর আর্টিকেলস্ অব এসোসিয়েশনের ধারা অনুযায়ী পরিচালনা পর্ষদ থেকে অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার প্রস্তাব করেছেন। বার্ষিক প্রতিবেদন এর ৭ নং পাতায় অবসরপ্রাপ্ত পরিচালকের সংক্ষিপ্ত জীবন বৃত্তান্তসহ স্বার্থসংশ্লিষ্ট প্রতিষ্ঠানের তথ্য উল্লেখিত আছে।

পরিচালক পর্ষদের সভা ও উপস্থিতি

আলোচ্য বছরে পরিচালক পর্ষদের ছয়টি সভা অনুষ্ঠিত হয়। উক্ত সভাসমূহে পরিচালকগণের উপস্থিতি ছিল নিম্নরূপ:

পরিচালকগণের নাম	সভায় উপস্থিতি
এ.কে.এম. রহমতুল্লাহ	৬
সৈয়দ নাসিম মঞ্জুর	৩
মোঃ হেদায়েতউল্লাহ	৬
মোঃ আবুল হোসেন	৬
ডঃ এটিএম শামসুল হুদা	৬



নিরীক্ষা কমিটি

কোম্পানীর আর্থিক অবস্থান, নিরীক্ষা এবং সংবিধিবদ্ধ ও নিয়ন্ত্রনকারী সংস্থাসমূহের প্রয়োজনীয় শর্তাবলী পরিপালনের লক্ষ্যে নিরীক্ষা কমিটি গঠিত হয়েছিল। কোম্পানীর নিরীক্ষক নিয়োগের ক্ষেত্রে কমিটি পরিচালক পর্ষদকে সুপারিশ করেছেন এবং অভ্যন্তরীণ নিরীক্ষার ক্ষেত্রসমূহ মূল্যায়ন করেছেন। নিরীক্ষা কমিটির প্রতিবেদন সংযুক্ত করা হল।

নিম্নে বর্ণিত পরিচালকগণের সমন্বয়ে নিরীক্ষা কমিটি গঠিত হয়েছিল:

১. ডঃ এটিএম শামসুল হুদা	ইনডিপেনডেন্ট পরিচালক	চেয়ারম্যান
২. সৈয়দ নাসিম মঞ্জুর	পরিচালক	সদস্য
৩. মোঃ আবুল হোসেন	পরিচালক	সদস্য

নমিনেশন এবং রিমিউনর্যাশন কমিটি

কোম্পানীর সংবিধিবদ্ধ ও নিয়ন্ত্রনকারী সংস্থাসমূহের প্রয়োজনীয় শর্তাবলী পরিপালনের লক্ষ্যে নমিনেশন এবং রিমিউনর্যাশন কমিটি গঠিত হয়েছিল। নমিনেশন এবং রিমিউনর্যাশন কমিটির প্রতিবেদন সংযুক্ত করা হল।

নিম্নে বর্ণিত পরিচালকগণের সমন্বয়ে নমিনেশন এবং রিমিউনর্যাশন কমিটি গঠিত হয়েছিল:

১. ডঃ এটিএম শামসুল হুদা	ইনডিপেনডেন্ট পরিচালক	চেয়ারম্যান
২. সৈয়দ নাসিম মঞ্জুর	পরিচালক	সদস্য
৩. মোঃ আবুল হোসেন	পরিচালক	সদস্য

কোম্পানীর বিষয়াবলী ও আর্থিক প্রতিবেদন

কোম্পানীর কর্পোরেট গভর্নেন্স বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের প্রয়োজনীয় দিক নির্দেশনার সাথে একাত্ম হয়েছে এবং তদানুযায়ী পরিচালকমন্ডলী আনন্দের সাথে নিশ্চিত করেছেন যে:

- আর্থিক বিবরণী ও তদসংক্রান্ত টীকাসমূহ কোম্পানী আইন ১৯৯৪ এবং বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের নীতিমালা ২০২০ এর আলোকে প্রস্তুত করা হয়েছে। এই সকল বিবরণীসমূহে কোম্পানী সংক্রান্ত বিষয়াবলী, এর পরিচালনা নীতিমালা, অর্থ প্রবাহ এবং তারল্যের পরিবর্তন সঠিকভাবে উপস্থাপিত হয়েছে।
- আর্থিক বছরে কোন অসাধারণ লাভ বা ক্ষতি হয়নি।
- সাধারণ ব্যবসায়িক কার্যক্রমের লেনদেনের বিস্তারিত তথ্য আর্থিক প্রতিবেদন এর নোট নং ৪৩-এ উপস্থাপন করা হয়েছে।
- কোম্পানীর আইপিও, রাইট শেয়ার যথাক্রমে ১৯৮৫ এবং ১৯৯৩, ১৯৯৬ইং সালে ইস্যু করা হয়েছে। চলতি বছর আর কোন ধরনের শেয়ার ইস্যু করা হয়নি।
- কোম্পানীর হিসাব বহি যথাযথভাবে রক্ষিত হয়েছে।
- আর্থিক বিবরণীসমূহ প্রস্তুতকালে হিসাবসংক্রান্ত নীতিমালা যথাযথভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত প্রাক্কলনসমূহ যৌক্তিকতা ও বিচক্ষণতার আলোকে করা হয়েছে।
- আর্থিক বিবরণী আইএএস/আইএফআরএস এর আলোকে প্রস্তুত করা হয়েছে এবং এর তথ্য উপাত্ত যথাযথভাবে প্রকাশ করা হয়েছে।
- অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা ছিল যথাযথ এবং এর কার্যকর প্রয়োগ নিশ্চিত করা হয়েছে।
- সংখ্যালঘু শেয়ারহোল্ডারদের অধিকার এবং স্বার্থ সুরক্ষিত হয়েছে।
- চলমান প্রতিষ্ঠান হিসাবে কোম্পানীর সক্ষমতা নিঃসন্দেহে প্রমানিত।
- কোম্পানী পরিচালনার ক্ষেত্রে যে সকল খাতে পূর্ববর্তী বছরের তুলনায় উল্লেখযোগ্য বিচ্যুতি হয়েছে তা উল্লেখ করা হয়েছে এবং এর কারণ আর্থিক বিবরণীতে ব্যাখ্যা করা হয়েছে।
- পূর্ববর্তী পাঁচ বছরের কার্যকারিতা ও আর্থিক ফলাফলসমূহের উপাত্ত বার্ষিক প্রতিবেদন এর ২২ নং পৃষ্ঠায় উল্লেখ করা হয়েছে।
- এ বছর অন্তর্বর্তী লভ্যাংশ হিসাবে কোন বোনাস বা স্টক লভ্যাংশ ঘোষণা করা হয়নি।
- ব্যবস্থাপনা কর্তৃপক্ষের আলোচনা ও বিশ্লেষণ সম্পর্কিত একটি প্রতিবেদন বার্ষিক প্রতিবেদন এর ২০ নং পৃষ্ঠায় উপস্থাপন করা হয়েছে।
- কর্পোরেট গভর্নেন্স কোডের অধীনে আর্থিক প্রতিবেদনের উপর চিফ এক্সিকিউটিভ অফিসার এবং প্রধান আর্থিক কর্মকর্তার প্রতিবেদন বার্ষিক প্রতিবেদন এর ৪২ নং পৃষ্ঠায় উপস্থাপন করা হয়েছে।
- বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের ৩ জুন ২০১৮ইং তারিখের কর্পোরেট গভর্নেন্স কোড অনুযায়ী সার্টিফিকেট বার্ষিক প্রতিবেদন এর ৪৯ নং পৃষ্ঠায় উপস্থাপন করা হয়েছে।





লভ্যাংশ ঘোষণা নীতি

গুরু থেকেই এপেক্স ট্যানারী লিমিটেড শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করে। তালিকাভুক্তির পর থেকে কোম্পানী সুপারিশযোগ্য এবং আশানুরূপ হারে লভ্যাংশ প্রদান করে। লভ্যাংশ ঘোষণা করা হবে লাভের অংশ থেকে অর্থাৎ চলতি বছরের লাভ এবং বিগত বছরের সংরক্ষিত মুনাফা থেকে।

লভ্যাংশ বিতরণ সম্পর্কিত প্রকাশনা

এপেক্স ট্যানারী লিমিটেড লভ্যাংশ ঘোষণা বা অনুমোদনের ৩০ দিনের মধ্যে শেয়ারহোল্ডারদের লভ্যাংশ পরিশোধ করে এবং ৭ কার্যদিবসের মধ্যে লভ্যাংশ প্রদানের উপর এক্সচেঞ্জ ও কমিশনে একটি কমপ্লায়েন্স প্রতিবেদন জমা দেয়।

BEFTN এর মাধ্যমে লভ্যাংশ জমা করা হয়েছে এ সংবাদ সকল শেয়ারহোল্ডারদের অবহিত করার লক্ষ্যে ২টি জাতীয় দৈনিক পত্রিকায় বিজ্ঞপ্তি প্রকাশ করা হয়েছে।

দাবীহীন/অপরিশোধিত/অবন্টনকৃত লভ্যাংশ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ১৪/০১/২০২১ ইং তারিখের নির্দেশিকা নং-BSEC/CMRRCD/ ২০২১-৩৮৬/০৩ অনুসারে কোম্পানী সুনির্দিষ্ট একটি ব্যাংক হিসাব পরিচালনা করে, যেখানে লভ্যাংশ ঘোষণা অথবা অনুমোদন অথবা রেকর্ড ডেট থেকে কার্যকরী ৩ বছরের অপরিশোধিত অথবা অদাবীকৃত লভ্যাংশ রাখা হয়। উল্লিখিত সময় অতিবাহিত হবার পর যদি কোন লভ্যাংশ অপরিশোধিত/ অদাবীকৃত/অবন্টনকৃত/ অমীমাংসিত লভ্যাংশ থাকে তাহলে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক পরিচালিত তহবিলে স্থানান্তর করা হয়।

শেয়ারহোল্ডিং

কোম্পানীর পরিচালকদের ৩০শে জুন ২০২৪ইং তারিখে শেয়ারহোল্ডিং বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের দিক নির্দেশনা অনুযায়ী সংযুক্ত করা হল (Annexure - I)।

পরিচালকগণের পারিতোষিক

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের প্রজ্ঞাপন অনুযায়ী ৩০শে জুন, ২০২৪ইং সমাপ্ত বছরের জন্য পরিচালকগণকে প্রদত্ত পারিতোষিক নোট নং ৩৯-এ দেখানো হয়েছে।

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের ৩ জুন ২০১৮ইং তারিখের কর্পোরেট গভর্নেন্স কোড অনুযায়ী “কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট” বার্ষিক প্রতিবেদন এর ২৯ নং পৃষ্ঠায় উপস্থাপন করা হয়েছে।

বহিঃনিরীক্ষক নিয়োগ

নিরীক্ষক মেসার্স শফিক বসাক এন্ড কোং, চার্টার্ড এ্যাকাউন্ট্যান্টস এর নিয়োগ মেয়াদ ৪৮তম বার্ষিক সাধারণ সভায় শেষ হয়ে যাবে এবং যোগ্য বিধায় ২০২৪-২০২৫ইং অর্থ বছরের জন্য পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত তারা নিয়োগ লাভের আশ্রয় প্রকাশ করেছেন। পরিচালক পর্ষদ মেসার্স শফিক বসাক এন্ড কোং, চার্টার্ড এ্যাকাউন্ট্যান্টস এর পুনঃনিয়োগ অনুমোদনের সুপারিশ করেছেন।

কর্পোরেট গভর্নেন্স নিরীক্ষক নিয়োগ

নিরীক্ষক মেসার্স আর্টিশান, চার্টার্ড এ্যাকাউন্ট্যান্টস, ২০২৪-২০২৫ইং অর্থ বছরের জন্য পুনঃনিয়োগ লাভের আশ্রয় প্রকাশ করেছেন। পরিচালক পর্ষদ মেসার্স আর্টিশান, চার্টার্ড এ্যাকাউন্ট্যান্টস এর পুনঃনিয়োগ অনুমোদনের সুপারিশ করেছেন।

ইনডিপেনডেন্ট স্কুটিনাইজার নিয়োগ

পরিচালক পর্ষদ ৩১৪তম পরিচালক পর্ষদ সভায় মেসার্স জেসমিন এন্ড এসোসিয়েটস্, চার্টার্ড সেক্রেটারী ৪৮তম বার্ষিক সাধারণ সভা পর্যবেক্ষণের জন্য স্বাধীন স্কুটিনাইজার হিসেবে নিয়োগ প্রদান করেন। নির্বাচনের যথাযথ প্রক্রিয়া এবং ভোটের বিস্তারিত তথ্য তার দ্বারা প্রমানিত হবে।

স্বীকৃতি

পরিচালক পর্ষদ কোম্পানীর সকল সদস্য, গ্রাহক, সরবরাহকারী এবং অন্যান্য সংশ্লিষ্ট ব্যক্তিবর্গের অব্যাহত সমর্থন ও প্রচেষ্টা প্রদানের জন্য আন্তরিকভাবে ধন্যবাদ জানাচ্ছে। তাদের সমর্থন ছাড়া এই সাফল্য অর্জন করা কখনই সম্ভব হতো না।

অক্টোবর ৮, ২০২৪ইং
ঢাকা।

পরিচালকমন্ডলীর পক্ষে,

এ.কে.এম. রহমতুল্লাহ
চেয়ারম্যান



REPORT OF THE DIRECTORS

DEAR SHAREHOLDERS,

On behalf of your Directors, I have the pleasure in submitting the Report and Audited Financial Statements for the year ended June 30, 2024.

PERFORMANCE REVIEW

Total revenue reported in 2023-2024 was Tk. 804.39 million (2022-2023: Tk. 837.28 million). In the period under review, the company export sales value decreased by 3.93% compared to the same period of last year, due to the reduce demand in international market. Low grade leather demand increased rapidly as well as sales price also a concern for decreasing of sales value.

PERFORMANCE SUMMARY YEAR ON YEAR

	This Year	Previous Year	+ Increase - Decrease %
• Sales (Taka in thousand)	804,388	837,279	-3.93
• Gross Profit “	100,452	58,796	70.85
• Operating expenses “	(52,639)	65,498	-19.63
• Profit before Tax “	(114,624)	(102,983)	-11.30
• Net profit after Tax “	(126,636)	(124,468)	-1.74
• Earnings Per Share (Taka)	(8.31)	(8.17)	-1.74

INVENTORIES

We normally purchase huge quantities of raw hides and skins during the Eid-ul-Azha festival, so that our production is not adversely affected due to low supply during the rest of the year.





APPROPRIATION OF PROFITS

	Year Ended June 30, 2024	Taka in Thousand Year Ended June 30, 2023
Profit after tax	(126,636)	(124,468)
Prior year's retained earnings (Post dividend)	207,575	339,663
Less : Transferred to dividend equalization fund	-	-
Balance of profit available for Appropriation	80,939	215,195
Proposed cash dividend	7,203	7,620
Amount to be used from current year's profit	-	-
Amount to be used from dividend equalization fund/retained earnings	7,203	7,620

DIVIDENDS

During the year EPS of your Company was Taka (8.31). Directors decided in the Board Meeting held on October 8, 2024 to recommend dividend of Taka 0.50 per share of Taka 10/- each (for other than Sponsor Shareholders). After your approval in this General Meeting, the dividend will be paid to the Shareholders.

EMPLOYMENT

The labour environment in the leather sector was quiet and satisfactory. Labour relation in your Company was cordial and morale of the workers was high. The breakdown of your Company's human resources are:

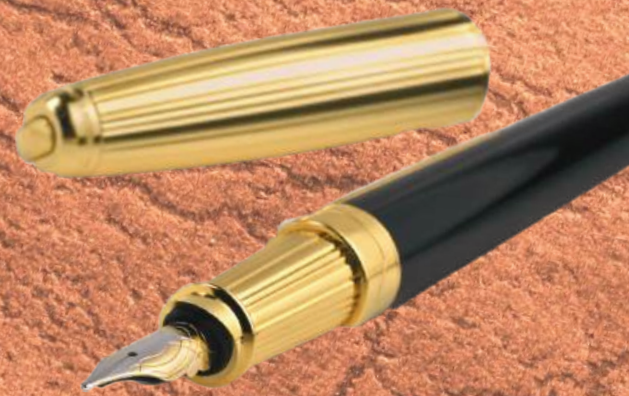
	This Year Total	Previous Year Total
Workers	517	610
Staff	160	162
Management	10	11

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

Presently, the industry outlook is not good due mainly to change in fashion from leather shoes/leather goods to synthetic. Also environmental compliance is an important factor for export oriented industries. The compliance of the industry is not accepted by the foreign customers due to non-functioning of CETP and LWG Certification.

However, if the problem of CETP is solved, sales may improve.





RISKS AND CONCERNS

Our biggest risks and concerns are the non-functioning of the CETP built by BSCIC. The treatment plant is a total failure by BSCIC. We have had several meetings with the Ministry of Industries regarding this matter which is unsettled still now. If the situation does not improve in the near future, the future of entire leather industry of Bangladesh will face severe problems.

However, we are trying to convince the Ministry to give us permission to build our own treatment plant and recently the Ministry give us permission subject to considering some conditions. We are looking into the conditions.

DIRECTORS ELECTION

Mr. Syed Nasim Manzur retire from the Board in terms of Articles of Association and being eligible, offer themselves for re-election. A brief resume of the retiring Director and the names of the Companies where he has interest is mentioned in the Annual Report on page No. 07.

BOARD MEETINGS AND ATTENDANCE

During the year six Board Meetings were held and the attendance by each Director was as follow:

Name of Directors	No. of meetings attended
A.K.M. Rahmatullah	6
Syed Nasim Manzur	3
Md. Hedayetullah	6
Md. Abul Hossain	6
Dr. ATM Shamsul Huda	6

AUDIT COMMITTEE

The Audit Committee was set up to review the financial results, audit and compliance with the statutory and regulatory requirements. The Committee recommended to the Board of Directors, the appointment of the Company's auditors and reviewed the scope of internal audit. Audit Committee report is annexed.

1. Dr. ATM Shamsul Huda	Independent Director	Chairman
2. Syed Nasim Manzur	Director	Member
3. Md. Abdul Hossain	Director	Member



NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was set up compliance with the statutory and regulatory requirements. Nomination and Remuneration Committee report is annexed.

1. Dr. ATM Shamsul Huda	Independent Director	Chairman
2. Syed Nasim Manzur	Director	Member
3. Md. Abul Hossain	Director	Member

CORPORATE & FINANCIAL REPORTING

The Company has complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission.

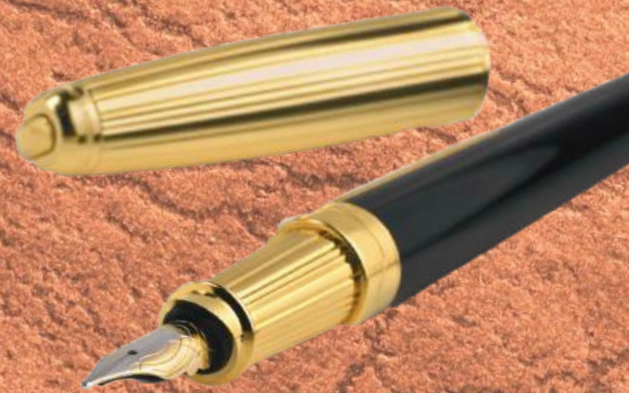
Accordingly the Directors are pleased to confirm the following:

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 2020. These statements present fairly the Company's state of affairs, the results of its operations, cash flows and changes in equity.
- There is no extraordinary gain or loss occurred during the financial year.
- Details of related party transactions has been presented in Note no. 43 in the Notes to the financial statements.
- The Company's IPO and Right share issue were made in 1985 and 1993, 1996 respectively. No further issue of any instrument was made during the year.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- The financial statements were prepared in accordance with IAS/IFRS and any departure thereof has been adequately disclosed.
- The internal control system is sound in design and has been effectively implemented and monitored.
- Right and interest of minority shareholders have been protected.
- There are no significant doubts about the Company's ability to continue as a going concern.
- Significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained in the financial statements.
- Key operating and financial data of at least preceding 5 (five) years have been summarized on page No. 22 of this Annual Report.
- No bonus or stock dividend has been declared as interim dividend during the year.
- A report on Management's Discussion and Analysis has been presented on page No. 20 of this Annual Report.
- Declaration under the Corporate Governance Code the Chief Executive Officer and Chief Financial Officer on the financial reporting has been presented on page No. 42 of this Annual Report.
- Certificate regarding compliance condition of BSEC's Corporate Governance Code dated 03 June 2018 has been presented on page No. 49 of this Annual Report.

DIVIDEND DECLARATION POLICY

Since incorporation, Apex Tannery Limited paying dividend consistently to its shareholders. After listing, the Company provided recommendable and sustainable rate of dividend to its shareholders. Dividend shall be declared out of profit i.e. from current year's profit and from previous years' retained profit.





DISCLOSURE ON DIVIDEND DISTRIBUTION

Apex Tannery Limited pay off the dividend to the shareholders within 30 (thirty) days of declaration or approval and submit a compliance report to the Exchange and to the Commission in respect of dividend payment within 7 (seven) working days.

With a view to inform all shareholders, we have arranged to publish in 2 (two) national dailies regarding dividend credit through BEFTN.

UNCLAIMED/UNPAID/UNDISTRIBUTED DIVIDEND

Pursuant to the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the Company maintain a dedicated Bank Account for dividend, where unpaid or unclaimed dividend are kept for a period of 3(three) years from the date of declaration or approval date or record date. After elapse of the aforesaid period, if any dividend remains unpaid/unclaimed/undistributed/unsettled, such dividend are transferred to a Fund maintained by Bangladesh Securities and Exchange Commission.

SHAREHOLDING

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, pattern of shareholdings as of 30th June 2024 are given in Annexure- I.

REMUNERATION OF DIRECTORS

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, remuneration of directors for the year ended 30th June 2024 are given in note number 39.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of compliance of conditions of BSEC's Corporate Governance Code dated 3 June 2018 has been presented on page No. 29 of this Annual Report.

STATUTORY AUDITORS APPOINTMENT

M/s. Shafiq Basak & Co., Chartered Accountants, Auditors retires at this Annual General Meeting and being eligible, offer themselves for re-appointment for the year 2024-2025. The Board of Directors recommends M/s. Shafiq Basak & Co., Chartered Accountants for re-appointment.

CORPORATE GOVERNANCE AUDITORS APPOINTMENT

M/s. ARTISAN, Chartered Accountants, offer themselves for re-appointment for the year 2024-2025. The Board of Directors recommends M/s. ARTISAN, Chartered Accountants for re-appointment.

APPOINTMENT OF INDEPENDENT SCRUTINIZER

The Board of Directors in its 314th meeting appointed M/s Jesmin & Associates, Chartered Secretary as an Independent Scrutinizer to observe the 48th AGM. The due process of election and detailed information of voting results shall be authenticated by the entity.

ACKNOWLEDGEMENT

The Directors take this opportunity to acknowledge the continued support and efforts of all members of the Company, as well as all customers, suppliers and associates during the past year. Our performance would not have been possible without their support.

October 8, 2024
Dhaka.

On behalf of the Board,

A.K.M. Rahmatullah
Chairman

Report on Management's Discussion and Analysis

Apex Tannery is the biggest tannery in Bangladesh and one of the biggest in South Asia. It has been setting industry standards in Bangladesh leather exports since 1976, using modern machineries from Europe.

Financial Highlights

Total revenue reported in 2023-2024 was Tk. 804.39 million (2022-2023: Tk. 837.28 million). In the period under review, the company export sales value decreased by 3.93% compared to the same period of last year, due to the reduce demand in international market. Low grade leather demand increased rapidly as well as sales price also a concern for decreasing of sales value.

Profitability Growth

Our gross profit percentage increased to 12.49% for the year ended 30 June 2024 which was 7.02% compared to same period of last year. Gross profit increased due mainly the company focused on low grade leather as demand is so high now as naturally consumption in cow hides, goat skin and chemical also reduced. Also, factory overhead decreased in compared with last year same period.

Operating profit incurred during the period due to mainly increase in gross margin. Also, operating expenses decreased by 19.63% compared with last year same period.

The Company reported Net Loss and negative earnings per share in the current year. Significant increase of financial expenses causes to net loss during the year.

Net operating cash flow per share

There was significant variance in net operating cash flow per share. The net operating cash flow per share stood to Tk. 1.87 during the year which was due mainly to decrease cash inflow from sales proceed.

Balance Sheet

Overall asset base increased to Tk. 3,165.68 million in 2023-2024 (2022-2023: Tk. 3,026.99 million) mainly due to full payment made for land at savar factory increased inventory and advance deposit and pre payments. Total liabilities increased due to mainly increased in Bank liability.

Accounting policies and estimation for preparation of financial statements

Apex Tannery Limited has prepared its financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission and other applicable laws in Bangladesh. Detail description of accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the notes to the financial statements.

Changes in accounting policies and estimation

The accounting policies applied are consistent with those applied in the previous financial year, except otherwise disclose in the financial statements. Providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's we have rearrange some information in the Financial Statements.



Comparative analysis of financial performance, financial position and cash flows

Major areas of financial performance, financial position as well as cash flows for current financial year with immediately preceding five years are as follows:

Taka in Thousand

Particulars	2023-2024	2022-23	2021-22	2020-21	2019-20	2018-19
Sales	804,388	837,279	1,282,955	1,266,054	1,260,054	2,041,083
Gross profit	100,452	58,796	241,344	236,042	208,417	289,489
Profit before tax	(114,624)	(102,983)	37,856	25,105	10,710	43,292
Net profit after tax	(126,636)	(124,468)	12,507	5,222	-18,172	21,522
Paid up capital	152,400	152,400	152,400	152,400	152,400	152,400
Shareholders' equity	692,372	835,944	966,049	962,658	973,756	1,054,693
Total Assets	3,165,678	3,026,995	3,207,820	3,185,264	3,073,789	2,749,987
Current Assets	2,244,471	2,140,005	2,253,476	2,151,106	1,940,747	1,492,010
Current Liabilities	2,358,024	2,071,508	2,116,937	2,061,615	1,937,874	1,543,929
Non-Current Assets	921,205	886,991	954,345	1,034,158	1,133,042	1,257,977
Non-Current Liabilities	115,281	119,543	124,834	160,991	162,159	151,365
Dividend	7,203	7,620	15,240	15,240	18,288	53,340
Earnings Per Share (Taka)	(8.31)	(8.17)	0.82	0.34	-1.19	1.41
Net Assets Value Per Share (Taka)	45.43	54.85	63.39	63.17	63.89	69.21
Net operating Cash Flows Per Share (Taka)	1.87	5.38	5.45	7.13	-3.34	-8.65
Dividend Per Share (Taka)	0.50	0.50	1	1	1.2	3.5

Risks and Concerns

The internal key risk is significant amount of Bank borrowing. Doing business with high leverage is very difficult right now.

The external biggest risks and concerns are the non-functioning of the CETP built by BSCIC. The treatment plant is a total failure by BSCIC. We have had several meetings with the Ministry of Industries regarding this matter which is unsettled still now. If the situation does not improve in the near future, the future of entire leather industry of Bangladesh will face severe problems.

However, we are trying to convince the Ministry to give us permission to build our own treatment plant and recently the Ministry give us permission subject to considering some conditions. But have not proceeded as yet.

Industry outlook and possible future developments

Presently, the industry outlook is not good due mainly to change in fashion from leather shoes/leather goods to synthetic. Also environmental compliance is an important factor for export oriented industries. The compliance of the industry is not accepted by the foreign customers due to non-functioning of CETP and LWG Certification.

However, if the problem of CETP is solved, sales may improve.

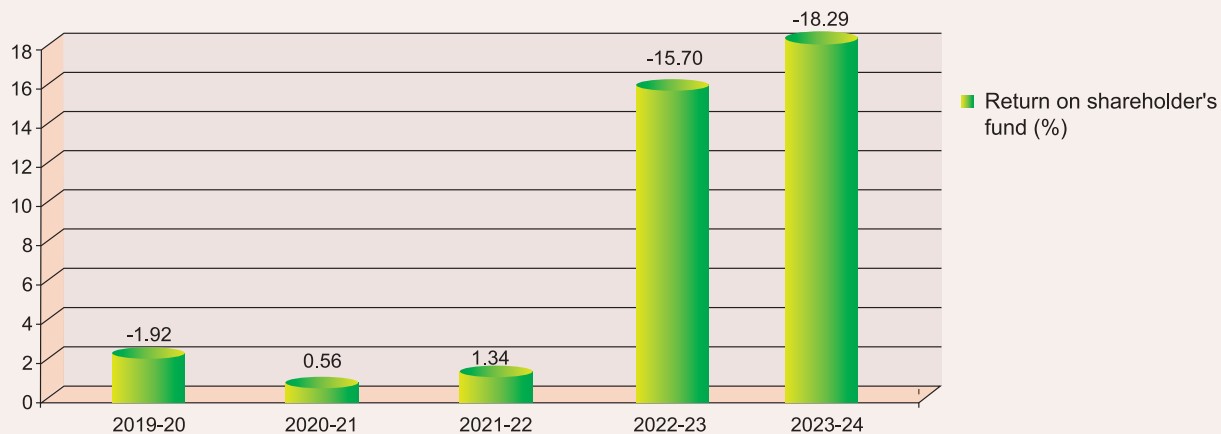
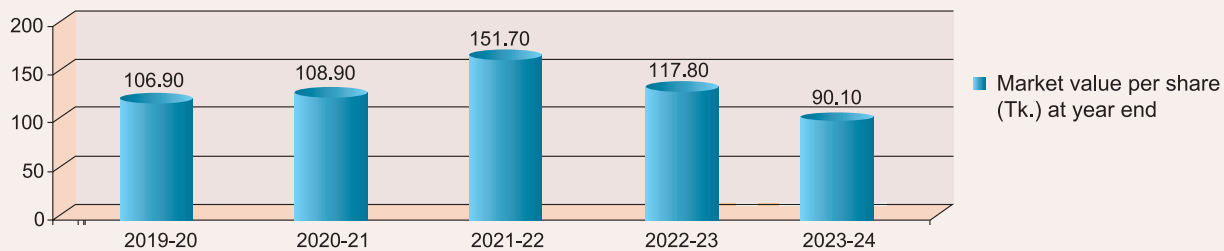
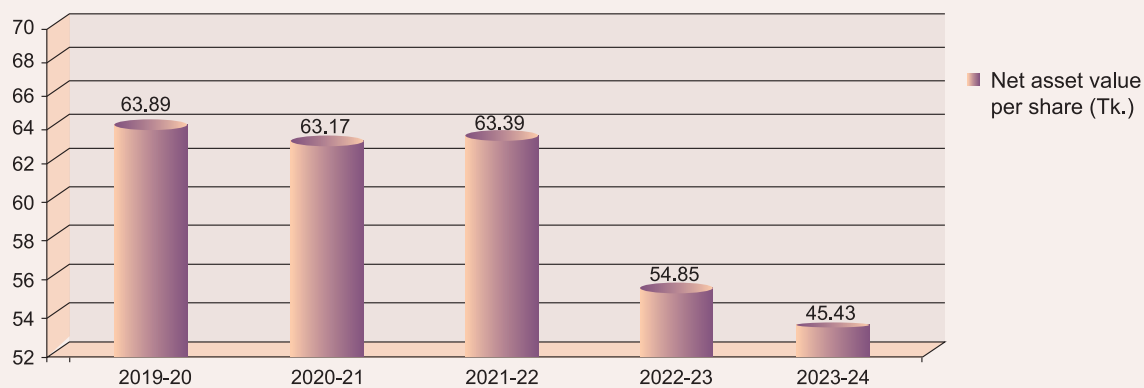
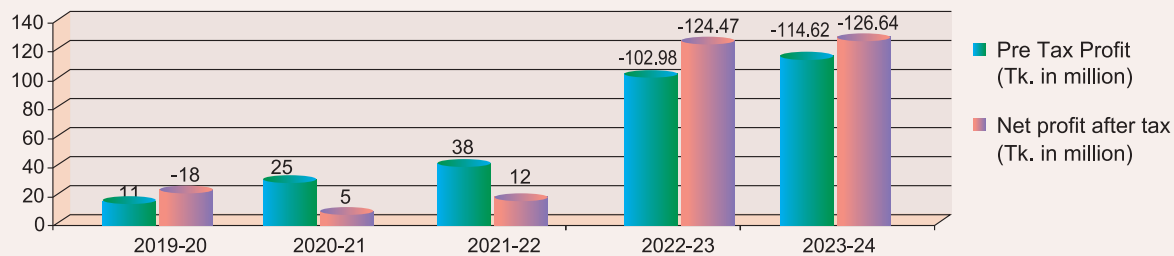

Md. Hedayetullah
 Managing Director

FINANCIAL HIGHLIGHTS

Taka in Thousand

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Sales	804,388	837,279	1,282,955	1,266,054	1,260,054
Gross Profit	100,452	58,796	241,344	236,042	208,417
Pre Tax Profit	(114,624)	(102,983)	37,856	25,105	10,710
Net Profit after Tax	(126,636)	(124,468)	12,507	5,222	(18,172)
Property, Plant & Equipment	712,400	774,207	852,232	938,849	1,039,920
Authorised Capital	500,000	500,000	500,000	500,000	500,000
Issued and Paid up capital	152,400	152,400	152,400	152,400	152,400
Current Assets	2,244,471	2,140,005	2,253,476	2,151,106	1,940,747
Current Liabilities	2,358,024	2,071,508	2,116,937	2,061,615	1,937,874
Non Current Investment	921,205	886,991	954,345	1,034,158	1,133,042
Dividend	7,203	7,620	15,240	15,240	18,288
Dividend Per Share-Taka	0.50	0.50	1.00	1.00	1.20
Earnings Per Share- Taka	(8.31)	(8.17)	0.82	0.34	(1.19)
Market Value per Share at year end-Taka	90.1	117.80	151.70	108.90	106.90
Net Asset Value per Share- Taka	45.43	54.85	63.39	63.17	63.89
Net Operating Cash flow per Share-Taka	1.87	5.38	6.62	7.13	(3.34)
Price Earning Ratio	(10.84)	(14.42)	184.85	317.83	(89.65)
Dividend Yield Ratio	0.55	0.42	0.66	0.92	1.12
Current Ratio	0.95	1.03	1.06	1.04	1.00
Quick Ratio	0.21	0.21	0.20	0.20	0.18
Return on shareholders fund %	-18.29%	-15.70%	1.34%	0.56%	-1.92%
Interest Coverage Ratio	-0.22	(0.05)	1.02	0.96	0.80

FINANCIAL HIGHLIGHTS (GRAPHICAL PRESENTATION)



FINANCIAL HIGHLIGHTS (GRAPHICAL PRESENTATION)



VALUE ADDED STATEMENT

For the period ended 30 June 2024

Taka in Thousand

Year Ended
June 30, 2024

Year Ended
June 30, 2023

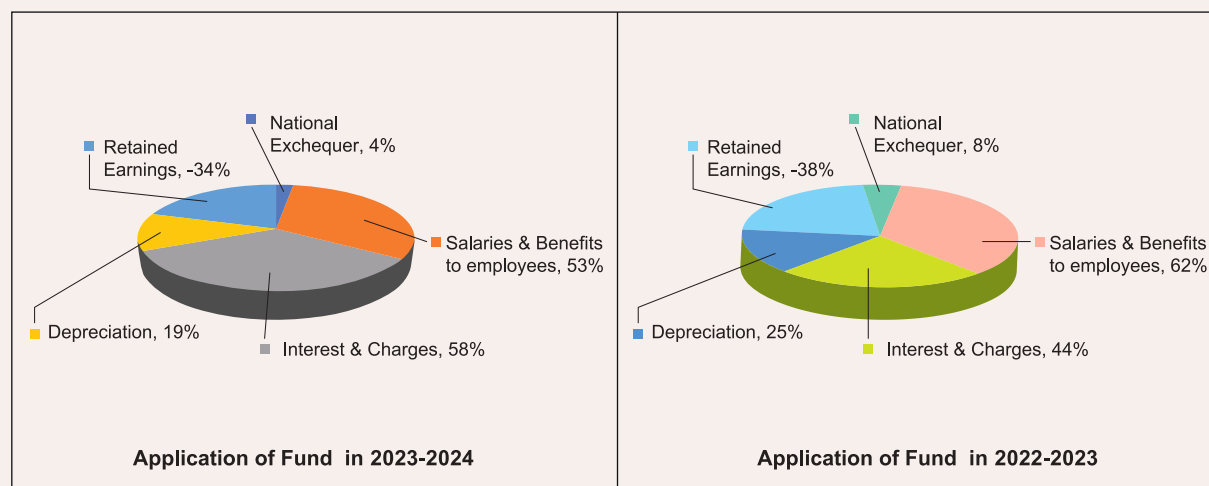
Source of Fund

Turn-over	804,388	837,279
Bought in materials and services	(483,552)	(558,419)
Other Income	54,072	47,610
	374,908	326,470

Application of Fund

National Exchequer	15,398	4%	25,940	8%
Salaries & Other Benefits to Employees	199,483	53%	201,051	62%
Interest and charges	216,509	58%	143,890	44%
Depreciation	70,154	19%	80,057	25%
Retained Earnings	(126,636)	-34%	(124,468)	-38%
	374,908	100%	326,470	100%

VALUE ADDED STATEMENT





REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Apex Tannery Limited believes in commitment to society by achieving sustainable growth, protect interest of stakeholders, continual quality improvement of business, enhance shareholders value and manage risks in an improved way.

Apex Tannery Limited maintain relationship, trust and commitment to stakeholder's interest through:

- Health care assistance to workers and people living in poverty
- Provide training on occupational health and safety for its employees
- Disaster relief to poor community people and slum dwellers
- Assist in education for poor community people and workers
- Donate to needy women for their marriage
- Donate to charitable organizations like mosques, graveyards etc.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance clearly defines the rights and responsibilities of the Board of Directors, Management, Shareholders and other Stakeholders. The Board supports Management, Internal and External Auditors and other related parties including the Shareholders. A good corporate reputation is the most valuable and competitive asset of a company. Apex Tannery Limited believes in the continued improvement of corporate governance. The Board of Directors and the Management Team of Apex Tannery Limited is committed to maintaining effective corporate governance through a culture of accountability and transparency.

Board of Directors

The Board of Directors comprises of 05 (Five) members including Independent Directors. All Directors have sound knowledge in the area of tannery, managerial expertise and sound academic and professional knowledge. They are well conversant with corporate governance.

Appointment of Board Members

The Directors of the Board are appointed by the Shareholders in the Annual General Meeting who are accountable to the Shareholders.

Appointment of Independent Directors

The Board of Directors appointed Independent Director. The Board of Directors nominated Fouzia Haque, FCA for appointment as an Independent Director w.e.f. November 20, 2024, her appointment require approval in this AGM according to BSEC Corporate Governance Code Notification. A brief resume of the Independent Director and the names of the Companies where she has interest is mentioned in the Annual Report on page no. 09. Shareholders will approve appointment of Independent Director in its 48th Annual General Meeting to be held on December 26, 2024. In selecting Independent Director, the Company always look for individuals who possess experience; strong inter personal skill and independence. Independent Director is considered by the Board to be independent of the Company and free of any business or other relationship that could interfere with the exercise of their independent judgment. The Board believes that his experience and knowledge assist in providing both effective and constructive contribution to the Board.

The Role of the Chairman and Managing Director

Position of the Chairman and Managing Director are clearly identified. The Chairman is responsible for leading the Board and its effectiveness. The Managing Director serves as the Chief Executive of the Company.

Mr. Syed Nasim Manzur elected as Chairman w.e.f. November 20, 2024; which will be approved in this Annual General Meeting due to resignation of Mr. A.K.M. Rahmatullah from the Board of Directors as well as Chairman due to his ongoing health challenges and advanced age. Mr. Syed Nasim Manzur appointed as Acting Managing Director w.e.f. November 20, 2024 in terms of section 109 & 110 of Companies Act 1994; which will be approved in this Annual General Meeting due to resignation of Mr. Md. Hedayetullah from the Managing Director due to his prsonal and family reason.

Audit Committee

The Audit Committee was established as a sub-committee of the Board and has jurisdiction over Apex Tannery Limited. The Audit Committee is comprised of three members of the Board including an Independent Director who is the Chairman of the Committee. The Audit Committee assists the Board.

Nomination And Remuneration Committee

The Nomination and Remuneration Committee was established as a sub-committee of the Board of Apex Tannery Limited. The Nomination and Remuneration Committee is comprised of three members of the board including an Independent Director who is the Chairman of the Committee. The Nomination and Remuneration Committee assists the Board.





Company Secretary

Sushanta Kumar Paul has been appointed as the Company Secretary of the Company. He provides legal matters to the Board. Among other functions, the Company Secretary:

- Bridges between the Board of Directors and Shareholders on strategic and statutory decision.
- Acts as a quality assurance agent in all information towards the Shareholders and the Board.
- Is responsible for ensuring that the appropriate Board procedures are followed.
- Acts as the “Disclosure Officer” of the Company and monitors the compliance of the Acts, rules, regulations, notifications, guidelines, orders/directives etc. issued by the Bangladesh Securities and Exchange Commission, Stock Exchange (s) applicable to the conduct of the business activities of the Company.

The Company Secretary keeps the records of the Company’s compliance / noncompliance status of the conditions imposed by BSEC which has been shown in the compliance report on BSEC Notification.

Chief Financial Officer

Sajeeb Saha has been appointed as the Chief Financial Officer of the Company. He looks after the overall financial affairs of the Company. Among other functions, the Chief Financial Officer:

- Prepares quarterly and annual financial statements.
- Financial reporting procedures in line with the requirement of International Financial Reporting Standards.
- Reports financial position of the Company in its Board meeting.

Financial Reporting and Transparency

Financial Statements have been prepared in line with the International Financial Reporting Standards and other legislations as applicable in Bangladesh. Timely publication of quarterly and annual financial statements with comprehensive details beyond the statutory requirement.

Compliance with Applicable Rules and Regulations

The Company’s business activities are guided and supervised by local laws and regulations:

- The Companies Act 1994.
- The Bangladesh Securities and Exchange Commission.
- Listing rules of Dhaka and Chittagong Stock Exchange Limited.
- International Financial Reporting Standards.

Purchase Committee

A purchase committee is functioning with a group of executives, headed by a senior most executive to examine the purchase proposal of goods. Among others, the followings are the main responsibilities of the Committee:

- To evaluate the received proposal and find out the effectiveness of each proposal.
- To prepare a report on the basis of evaluation of the purchase proposal with recommendation and sent to concerned departments for obtaining approval from the competent authority.
- To supervise the entire activities against procurement.

Statutory Audit

Statutory Audit of the Company is governed by the Companies Act 1994. The Company Act provides guidelines for the appointment, scope of work and retirement of auditors. Shareholders appoint auditors and fix their remuneration in the Annual General Meeting.

Internal Audit

Internal Audit support the Company to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management and control. Internal Audit activity is governed by the Internal Team, which is approved by the Board.



Internal Control

The Company has an Internal Audit department consisting of five members and headed by the Head of Internal Auditor. The Internal control system is maintained and reviewed by an internal audit function that reports to Management and the Audit Committee.

Internal Control mechanism is built by the Company's systems and procedures to reduce the risk of error and fraud. It may be able to reduce the risk that financial statements contains. The Board of Directors ensures sound internal control to provide reasonable assurance regarding the achievement of the Company's objectives in the areas of:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with laws and regulations.

Code of Conduct

Apex Tannery Limited has adopted Codes of Conduct for securing good business ethics and conduct in all aspects of the Company's activities. The Code of Conduct is properly communicated to and with all employees and other activities and is strictly required to abide by it.

Management Committee

The day-to-day Management of the Company is entrusted with the Managing Director and the Management Committee. The Management Committee serves the interest of the Company and achieves sustainable growth. The members of the Management Committee are jointly accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategies.

Restrictions on dealing in the Company's share by insiders

The Company has established policy relating to trading shares by Directors, Employees and other insiders. The securities laws also impose restrictions on similar sort of transaction.

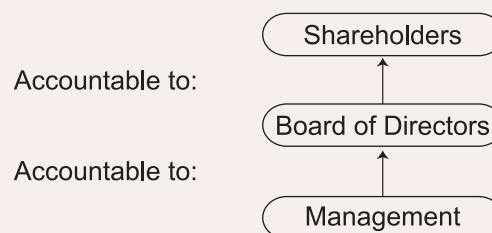
Group Term Life Insurance Policy

The Board of Directors has approved for group term life insurance policy for employees of Apex Tannery Limited with Guardian Life Insurance Limited.

Going Concern

The Company has adequate resources to continue operational existence for the future. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.

Communication with Shareholders



The Company encourages communication with shareholders throughout the year and welcomes their participation at shareholders meeting. The Company is transparent with the stakeholders, including the owners of the Company. Four times each year, Apex Tannery Limited reports to its shareholders regarding its business, financial position and earnings. These include:

- Quarterly and annual financial statements
- Annual General Meeting
- Price sensitive disclosure and other disclosure to the BSEC and Stock Exchanges

In additional information, the Company is under a legal and regulatory requirement to publish via the newspaper. Apex Tannery Limited believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance procedure.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of compliance with the conditions imposed by the Commission's Notification on Corporate governance code No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (Report under Condition No. 9.00):

Condition No.	Title	Compliance status	Remarks (If any)
1	Board of Directors:		
1.1	Board's Size: The number of the Board members shall not be less than 5 (five) and more than 20 (twenty);	Complied	The Apex Tannery Limited Board is comprised of 5(Five) Directors.
1.2	Independent Directors:		
(a)	At least 2 (two) or one fifth (1/5) of total number of directors whichever is higher shall be Independent Director; The Board shall appoint at least 1 (one) female Independent Director in the Board of Directors of the Company;	Complied Complied	There are two Independent Directors in the Board of Apex Tannery Limited, namely: Dr. ATM Shamsul Huda and Fouzia Haque, FCA.
(b)	Independent Director means a Director:		
(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the Company;	Complied	The Independent Directors has declared their compliances.
(ii)	Not a sponsor of the company or not connected with the company's any sponsor / director / nominated director / shareholder / 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/her family members also shall not hold above mentioned shares in the company;	Complied	Do
(iii)	Not been an executive of the company in immediately preceding 2 (two) financial years;	Complied	Do
(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	Complied	Do
(v)	Not a member or TREC holder, director or officer of any stock exchange;	Complied	Do
(vi)	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;	Complied	Do
(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or conducting special audit or professional certifying compliance of this code;	Complied	Do
(viii)	Not independent director in more than 5 (Five) listed companies;	Complied	Do

Condition No.	Title	Compliance status	Remarks (If any)
(ix)	Not been as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a Financial Institution;	Complied	The Independent Directors has declared their compliances.
(x)	Not been convicted for a criminal offence involving moral turpitude;	Complied	Do
(c)	Appointed by the Board of Directors subject to prior consent of the Commission, after due consideration of Nomination and Remuneration Committee (NRC) and approved by the shareholders in the AGM;	Complied	In practice
(d)	The post of Independent Director can not remain vacant for more than 90 (ninety) days;	Complied	There was no vacancy in the position of Independent Director.
(e)	Tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	Complied	
1.3	Qualification of Independent Director (ID)		
(a)	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;	Complied	The qualification and background of Independent Directors justify their ability as such.
(b)	Independent director shall have following qualifications:		
(i)	Business Leader: 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; or	Not applicable	
(ii)	Corporate Leader: Top level executive not lower than Chief Executive Officer / Managing Director / Deputy Managing Director / Chief Financial Officer / Head of Finance or Accounts / Company Secretary / Head of Internal Audit and Compliance / 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; or	Not applicable	
(iii)	Former Govt. Official: Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, having at least educational background of bachelor degree in economics or commerce or business or law; or In case of appointment of existing official as Independent Director, it requires clearance from the organization where he or she is in service; or	Complied	



Condition No.	Title	Compliance status	Remarks (If any)
(iv)	University Teacher: Having educational background in economics or commerce or business studies or law; or	Not applicable	
(v)	Professional: 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;	Complied	
(c)	Shall have at least 10 (ten) years of experiences in any field mentioned in clause 1(3)(b)(i) to (v);	Complied	
(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;	Not applicable	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer :		
(a)	Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	Complied	
(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	Complied	
(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	Complied	
(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and /or Chief Executive Officer;	Complied	
(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;	Complied	No such case occurred in the year
1.5	The Directors' Report to Shareholders		
(i)	Industry outlook & possible future developments in the industry;	Complied	The Directors' report complies with the guidelines.
(ii)	Segment- wise or product- wise performance;	Complied	Do
(iii)	Risks and Concerns;	Complied	Do
(iv)	Discussion on cost of goods sold, Gross Profit Margin and Net profit Margin;	Complied	Do

Condition No.		Title	Compliance status	Remarks (If any)
(v)		Discussion on continuity of any Extra-ordinary gain or loss;	Not applicable	The Directors' report complies with the guidelines.
(vi)		Disclosure for related party transactions;	Complied	
(vii)		Utilization of proceeds from public issues, rights issues and/or through any others;	Not applicable	
(viii)		Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer and Direct Listing;	Not applicable	
(ix)		Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements;	Complied	Do
(x)		Remuneration to directors including independent directors;	Complied	Do
(xi)		Fairness of financial statements;	Complied	Do
(xii)		Maintenance of proper books of account;	Complied	Do
(xiii)		Application of appropriate accounting policies and estimates;	Complied	Do
(xiv)		Followed IAS or IFRS as applicable in preparation of the financial statements;	Complied	Do
(xv)		Soundness of internal control system;	Complied	Do
(xvi)		The interest of the minority shareholders have been duly protected;	Complied	Do
(xvii)		Ability to continue as a going concern;	Complied	Do
(xviii)		Significant deviations from the last year;	Complied	Do
(xix)		Key operating and financial data of at least preceding 5(five) years;	Complied	Do
(xx)		Reasons for not declared dividend;	Complied	Dividend has been declared and details are mentioned in the Directors' Report.
(xxi)		No bonus share or stock dividend has been declared as interim dividend during the year;	Complied	As confirmed in the Directors' Report.
(xxii)		Number of Board meetings held during the year and attendance;	Complied	Disclosed in the Directors' Report.
(xxiii)	Pattern of shareholding and name wise details disclosing aggregate number of shares:			
	(a)	Parent/Subsidiary/Associated Companies and other related parties (Name wise Details);	Complied	Attached in Annexure-I
	(b)	Directors, CEO, CS, CFO, HIAC and their spouses and minor children (Name wise details);	Complied	Attached in Annexure-I
	(c)	Executives (name wise details);	Complied	Attached in Annexure-I
	(d)	Shareholders holding ten percent (10%) or more voting interest (Name wise details);	Complied	Attached in Annexure-I



Condition No.	Title		Compliance status	Remarks (If any)
(xxiv)	In case of appointment/re-appointment of a Director, disclose:			
	(a)	A brief resume of the Director;	Complied	Disclosed in the Annual Report
	(b)	Expertise in specific functional areas;	Complied	Do
	(c)	Holding the directorship and the membership of committees of the board other than this company;	Complied	Do
(xxv)	Management's Discussion and Analysis			
	(a)	Accounting policies and estimation for preparation of financial statements;	Complied	
	(b)	Changes in accounting policies and estimation, if any, disclose the effect on financial performance or results and financial position as well as cash flows;	Complied	
	(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 thereof;	Complied	
	(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	Complied	
	(e)	Briefly explain the financial and economic scenario of the country and the globe;	Complied	
	(f)	Risks and concerns issues related to the financial statements;	Complied	
	(g)	Future plan or projection or forecast for company's operation, performance and financial position;	Complied	
(xxvi)		Declaration or certification by the CEO and the CFO to the Board on Financial Statements for the year ended 30th June 2024;	Complied	CEO and CFO certified to the Board regarding financial statements.
(xxvii)		The report as well as certificate regarding compliance of conditions of Corporate Governance Code;	Complied	Certified by ARTISAN, Chartered Accountants.
(xxviii)		The report does not require to include the business strategy or technical specification related to product or service, which have business confidentiality;	Complied	
1.6	Meetings of the Board of Directors			
		Meeting of the Board of Directors 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);	Complied	
1.7	Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer			
(a)		The Board shall lay down a Code of Conduct for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company;	Complied	

Condition No.	Title	Compliance status	Remarks (If any)
(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;	Complied	Posted on the website of the Company.
2	Governance of Board of Directors of Subsidiary Company		
(a)	Composition of the Board of Directors;	Not applicable	Apex Tannery Limited does not have any subsidiary company.
(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not applicable	
(c)	Submission of minutes to the holding company;	Not applicable	
(d)	Review of minutes by the holding company;	Not applicable	
(e)	Review of Financial Statements by holding company;	Not applicable	
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)		
3.1	Appointment		
(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);	Complied	
(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	Complied	
(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; Provided that CFO of CS of any listed Company may be appointed for the same position in any other listed or non-listed Company under the same group for reduction of cost, with prior approval of the Commission;	Complied	No such case occurred in the year
(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	
(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);	Complied	No such case occurred in the year
3.2	Requirement to attend Board of Directors' Meetings		
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board except such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters;	Complied	In practice



Condition No.	Title		Compliance status	Remarks (If any)
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
(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:			
	(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
	(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
(b)		The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Code of Conduct for the Company's Board or its members;	Complied	
(c)		The certification of the MD or CEO and CFO shall be disclosed in the Annual Report;	Complied	
4	Board of Directors' Committee			
(i)		Audit Committee;	Complied	
(ii)		Nomination and Remuneration Committee;	Complied	The Board in its 287th Board Meeting held on 13 November, 2018 constituted the NRC.
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
	(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	Complied	Already in place
	(b)	Assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	Complied	In practice
	(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing;	Complied	Do
5.2	Constitution of the Audit Committee			
	(a)	Shall be composed of at least 3 (three) members;	Complied	The Audit Committee is composed of 3 (Three) members.
	(b)	The Board shall appoint members of the Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	Complied	The members of the Audit Committee are appointed by the Board who are non-executive directors and which includes 1 (One) Independent Director.

Condition No.	Title	Compliance status	Remarks (If any)
(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	Complied	Based on the academic qualification and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are “Financially Literate” and they have “Related Financial Management experience” as per BSEC notification.
(d)	Casual vacancy in Audit Committee shall be filled by the Board immediately or not later than 60 (sixty) days;	Complied	The Board appointed Audit Committee member in due time.
(e)	The Company Secretary shall act as the Secretary of the committee;	Complied	In practice
(f)	The quorum of the Audit Committee (AC) meeting shall not constitute without at least 1 (one) Independent Director;	Complied	Do
5.3	Chairperson of the Audit Committee		
(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;	Complied	Dr. ATM Shamsul Huda has been appointed as Independent Director who is also Chairperson of Audit Committee.
(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 and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Complied	No such case in the year
(c)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM);	Complied	In practice
5.4	Meeting of the Audit Committee		
(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	Complied	In practice
(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must;	Complied	In practice



Condition No.	Title		Compliance status	Remarks (If any)
5.5	Role of Audit Committee			
	(a)	Oversee the financial reporting process;	Complied	In practice
	(b)	Monitor choice of accounting policies and principles;	Complied	Do
	(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Complied	Do
	(d)	Oversee hiring and performance of external auditors;	Complied	Do
	(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval;	Complied	Do
	(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	Complied	Do
	(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	Complied	Do
	(h)	Review the adequacy of internal audit function;	Complied	Do
	(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	Do
	(j)	Review all related party transactions;	Complied	Do
	(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	Complied	Do
	(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;	Complied	Do
	(m)	Oversee whether IPO proceeds utilized as per the published Prospectus;	Not applicable	
5.6	Reporting of the Audit Committee			
5.6(a)	Reporting to the Board of Directors			
	(i)	The Audit Committee shall report on its activities to the Board;	Complied	
	(ii)	The Audit Committee shall immediately report on the following findings to the Board:		
	(ii)(a)	Report on conflicts of interest to the Board of Directors;	Not applicable	There was no reportable case of conflict of interest in the year 2023 - 2024.
	(ii)(b)	Will report any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements to the Board;	Not applicable	Do

Condition No.	Title		Compliance status	Remarks (If any)
	(ii)(c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board;	Not applicable	There was no reportable case of conflict of interest in the year 2023 - 2024.
	(ii)(d)	Will report any other matter which deems necessary shall be disclosed to the Board of Directors immediately;	Not applicable	Do
5.6(b)		Reporting to the Authorities (BSEC): If any materials impact on the financial condition & results of operation, unreasonably ignored by the Board of Directors;	Not applicable	Do
5.7		Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 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;	Complied	The Audit Committee report is disclosed in the Annual Report and signed by the Chairperson of the Audit Committee.
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
	(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	Complied	The Board in its 287th Board Meeting held on 13 November 2018 constituted the NRC.
	(b)	Assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	
	(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing;	Complied	In practice
6.2	Constitution of the NRC			
	(a)	The Committee shall comprise of at least three members including an independent director;	Complied	The NRC is composed of 3 (Three) members.
	(b)	At least 2(two) members of the Committee shall be non- executive directors;	Complied	
	(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	
	(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	
	(e)	Casual vacancy in NRC shall be filled by the Board;	Complied	The Board appointed NRC member in due time.



Condition No.	Title	Compliance status	Remarks (If any)
(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;	Complied	No such case in the year
(g)	The Company Secretary shall act as the Secretary of the committee;	Complied	In practice
(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an Independent Director;	Complied	Do
(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;	Complied	
6.3	Chairperson of the NRC		
(a)	The Board of Directors shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director;	Complied	Dr. ATM Shamsul Huda has been appointed as Independent Director who is also Chairperson of NRC.
(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Complied	No such case in the year
(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders;	Complied	In practice
6.4	Meeting of the NRC		
(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	In practice
(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Complied	No such case in the year
(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;	Complied	In practice
(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	Complied	Do

Condition No.	Title		Compliance status	Remarks (If any)
6.5	Role of the NRC			
(a)		NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	
(b)		NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		
	(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:		
	(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Complied	
	(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	Complied	
	(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	Complied	
	(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	
	(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;	Complied	
	(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	
	(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	Complied	
	(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Complied	
(c)		Disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report;	Complied	The NRC report is disclosed in the Annual Report and signed by the Chairperson of the NRC.
7.	External or Statutory Auditors:			
7.1	(i)	Non-engagement in Appraisal or valuation services or fairness opinions;	Complied	In practice
	(ii)	Non-engagement in designing Financial information systems and implementation;	Complied	Do



Condition No.	Title	Compliance status	Remarks (If any)
	(iii) Non-engagement in Book-keeping;	Complied	In practice
	(iv) Non-engagement in Broker-dealer services;	Complied	Do
	(v) Non-engagement in Actuarial services;	Complied	Do
	(vi) Non-engagement in Internal Audit or Special Audit services;	Complied	Do
	(vii) Non-engagement in services that the Audit Committee determines;	Complied	Do
	(viii) Non-engagement in Audit or certification services on compliance of Corporate Governance as required under condition No. 9(1);	Complied	Do
	(ix) Non-engagement of any other service that creates conflict of interest;	Complied	Do
7.2	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their audit assignment; his or her family members also shall not hold any shares in the said company;	Complied	Do
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	Complied	Do
8.	Maintaining a website by the Company		
8.1	The company shall have an official website linked with the website of the stock exchange;	Complied	
8.2	The company shall keep the website functional from the date of listing;	Complied	
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	Complied	
9.	Reporting and Compliance of Corporate Governance		
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost 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;	Complied	Certified by ARTISAN, Chartered Accountants
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting;	Complied	A separate agenda to be provided in the ensuing 48 th AGM.
9.3	The directors of the company shall attach the compliance status in the directors' report whether the company has complied with these conditions or not;	Complied	





APEX TANNERY LIMITED

DECLARATION BY CEO AND CFO'S TO THE BOARD

Dated: 8 October, 2024

The Board of Directors
Apex Tannery Limited
Plot # XA1, XA2, XA3 and XS8
BSCIC Tannery Industrial Estate
Harindhara, Hemayetpur
Savar, Dhaka - 1340

Subject: Declaration on Financial Statements for the year ended on June 30, 2024

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:


- (1) The Financial Statements of Apex Tannery Limited for the year ended on June 30, 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments 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, 2024 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,


Md. Hedayetullah
Managing Director


Sajeeb Saha, ACA
Chief Financial Officer

CEO AND CFO'S DECLARATION TO THE BOARD





PATTERN OF SHAREHOLDING

As of June 30, 2024

Annexure – I

(a) Parent/Subsidiary/Associated companies and other related parties (name wise details): N/A

(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and compliance their spouses and minor children (name wise details):

SL. No.	Name	Number of Shareholding	Name of Spouse/ Children	Shares held by the Spouse/ Children
01	Directors			
i	A.K.M. Rahmatullah	3,04,800	Mrs. Halima Rahmatullah	1,43,500
ii	Syed Nasim Manzur	3,24,100	Mrs. Samia Huq	-
iii	Md. Hedayetullah	3,04,950	Mrs. Afia Hedayetullah	-
iv	Md. Abul Hossain, MD of ICB	31,69,748	Mrs. Ferdowshi Begum	-
v	Dr. ATM Shamsul Huda (Independent Director)	-	Mrs. Nilufar Huda	-
02	Chief Executive Officer Md. Hedayetullah	3,04,950	Mrs. Afia Hedayetullah	-
03	Chief Financial Officer Sajeeb Saha, ACA	-	Mrs. Sejuti Rani Dey	-
04	Company Secretary Sushanta Kumar Paul FCS	-	Mrs. Munni Paul	-
05	Head of Internal Audit and Compliance Md. Golam Mostafa Bhuiya	-	Mrs. Dilruba Akter	-

(c) Executives (Top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance):

Name	Designation	Shares held
Md. Sayeed Hossain	General Manager (Commercial)	-
Mirza Anowarul Kabir	General Manager (Operations)	-
Md. Sohel Rana	Head of Business	-
Md. Shamsul Alam	Deputy Manager (Production)	-
Md. Monirul Islam	Leather Technologist	-

(d) Shareholders who are holding 10% or above shares: Nil

PATTERN OF SHAREHOLDING

AUDIT COMMITTEE REPORT

Background

In accordance to the best practices of Corporate Governance, the Board of Directors of Apex Tannery Limited established an Audit Committee on April 24, 2006 in its 19th Board Meeting as per Circulation of BSEC vide order no. SEC/CMRRCD/2006-158/Admin/02-06 dated 9th January, 2006 and status of compliance with the conditions imposed by the Commission's Notification on Corporate Governance Code No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

The Audit Committee supports the Board in fulfilling its responsibilities more efficiently.

Composition of the Audit Committee

The Audit Committee is now composed of the following members:

Dr. ATM Shamsul Huda	Independent Director	Chairman
Syed Nasim Manzur	Director	Member
Md. Abul Hossain	Director	Member
Sushanta Kumar Paul FCS	Company Secretary	Secretary

The Chief Financial Officer attends the meeting by invitation only as and when necessary. The Company Secretary functions as the Secretary of the Audit Committee.

Meeting

During the year ended 30th June 2024, the Audit Committee held four meetings. Proceedings of the Audit Committee Meetings were reported regularly to the Board of Directors. The details of attendance of the Audit Committee Members have been shown below:

Audit committee meeting and attendance during the year ended 30th June 2024

Name of Members	No. of meeting held	No. of meeting attended
Dr. ATM Shamsul Huda	4	4
Syed Nasim Manzur	4	1
Md. Abul Hossain	4	4

The Members who could not attend the meetings were granted leave of absence.

Role of the Audit Committee

The Audit Committee assisted the Board of Directors in fulfilling its responsibilities regarding the Company's accounting and financial reporting process by monitoring the following:



- The fairness and reliability of the Company's financial statements
- The independence, qualifications and performance quality of its external auditors
- The Company's system of internal controls
- The performance of the Company's internal audit process
- The Company's compliance with laws, regulations and codes of conduct with a view to safeguard the interest of all stakeholders of the Company

Summary of Activities

The Audit Committee carried out the following activities during the financial year ended June 30, 2024

Regulatory Compliance

The Committee examined whether the Company's procedures, rules and regulations are in place to ensure compliance with

- the laws and regulations framed by the Regulatory Authorities (BSEC, DSE, CSE and RJSC).
- internal regulations approved by the Board of Directors.

The Committee is satisfied that the Company is duly following the rules and regulations of the Regulatory bodies and is also strictly follows laws and regulations related to issues involving conflict of interest. The Committee was satisfied that the Company has diligently complied with these regulatory requirements.

Financial Reporting

The Committee assisted the Board of Directors and the management to carryout their responsibilities of preparing true and fair financial statements in accordance with the books of accounts and Bangladesh Accounting Standards by:

- Reviewing the adequacy and effectiveness of the internal control system and procedures in order to provide reasonable assurance that all transactions are accurately and completely recorded in the books of accounts.
- Reviewing the integrity of the process by which financial statements are prepared from the books of accounts.
- Reviewing the process by which provisions of International Accounting Standards as adopted in Bangladesh are complied.

The Committee also reviewed

- The quarterly and annual financial statements of the Company prior to recommending them for the approval by the Board.
- The annual audited financial statements of the company with external auditors prior to submission to the Board for approval. The review focused particularly on changes of accounting policy and compliance with applicable accounting standards as adopted in Bangladesh and other legal & regulatory requirements.

Internal Control

The Committee examined whether the Management has set up and created an appropriate compliance culture across the Company in order to ensure that all employees have a clear understanding of their roles and responsibilities. The Committee reviewed the arrangements made by the management for building up a suitable Management Information System (MIS) including computerized systems and its applications thereof.

Internal Audit

The Committee reviewed and discussed the relevant reports of the special investigating Audit Team which were submitted. They are as follows:

- The annual audit plan for adequacy of scope and comprehensive coverage of these activities of the Company.



- The audit programs, along with the resources requirements for the year. It also assessed the performance of the internal audit functions.
- The internal audit reports, audit recommendations and management responses linked to these recommendations and actions taken to improve the system of internal control and procedures.
- Reviewed the internal audit system of Apex Tannery Limited focusing on its effectiveness in influencing performance and compliance with professional standards. Examined the audit findings and its weakness or shortcomings indicated there, along with the plans for monitor implementation of audit action plans.

The Committee advised the management to take effective steps for rectification of all the lapses and weaknesses identified by internal audit and to take utmost care, so that such weaknesses and lapses shall not be repeated in future. Department heads attended the meetings when their reports were discussed.

External Audit

The Committee met with the external auditors at the conclusion of the annual audit and exchanged views on their Audit Report. The Committee reviewed the findings and recommendations made by the external auditors for resolving and to remove the weaknesses as detected in the external auditing process.

The Committee reviewed the performance of the External Auditors and recommended to the Board for their appointment and payment of their fees.

Approval of Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements for the year ended 30th June, 2024 prepared by the Management and audited by the External Auditors M/s. Shafiq Basak & Co., Chartered Accountants and recommended to place the same before the Board for consideration.

The Board approved the same at its 314th Meeting held on 8th October 2024.

Acknowledgement

The Audit Committee expressed their sincere thanks to the Chairman and Members of the Board, Management and the Auditors for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee,

Dr. ATM Shamsul Huda

Chairman of the Audit Committee



NOMINATION AND REMUNERATION COMMITTEE REPORT

NOMINATION AND REMUNERATION COMMITTEE REPORT

In compliance with the Commission's Notification on Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/88 dated June 3, 2018, the Board of Directors of Apex Tannery Limited in its 287th Board Meeting held on 13th November 2018 constituted the Nomination and Remuneration Committee ("NRC").

Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is now composed of the following members:

Dr. ATM Shamsul Huda	Independent Director	Chairperson
Syed Nasim Manzur	Director	Member
Md. Abul Hossain	Director	Member
Sushanta Kumar Paul FCS	Company Secretary	Secretary

Members of the Senior Management team will also attend the meetings by invitation only as and when necessary. The Company Secretary functions as the Secretary of the Nomination and Remuneration Committee.

Meeting

During the year ended 30th June 2024, the Nomination and Remuneration Committee held One meetings. Proceeding of the Nomination and Remuneration Committee meetings were reported to the Board of Directors. The details of attendance of the Nomination and Remuneration Committee members are shown below:

Nomination and Remuneration Committee Meeting attendance during the year ended 30th June 2024

Name of Members	No. of meeting held	No. of meeting attended
Dr. ATM Shamsul Huda	1	1
Syed Nasim Manzur	1	1
Md. Abul Hossain	1	1

Role of the Nomination and Remuneration Committee

Major responsibilities of the Nomination and Remuneration Committee are as follows:

- Recommend a policy on Board's diversity taking into consideration age, gender, experience, education, ethnicity and nationality;
- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors and top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors and top level executives;

- Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
- Evaluate that remuneration to Directors and top level executives 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;
- Identify the company's needs for employees at different levels and lay down the criteria of their selection, transfer or replacement and promotion;
- Review annually the Company's human resources and training policies; and
- Recommend the Code of Conduct for the Chairman of the Board, other Board Members and Chief Executive Officer of the Company.

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 personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support right decision making. Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values.

Evaluation

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

Top Level Executive Selection and Remuneration Policy

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

The recruitment process for Top Level Executives shall be transparent.

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

Acknowledgement

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

On behalf of the Nomination and Remuneration Committee



Dr. ATM Shamsul Huda

Chairperson of the Nomination and Remuneration Committee

REPORT TO THE SHAREHOLDERS OF
APEX TANNERY LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by APEX TANNERY LIMITED for the year ended on June 30, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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 in the above mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provisions of the 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; and
- d) The Governance of the company is satisfactory.

Dhaka, 04 November 2024



Md. Selim Reza FCA FCS
Partner
ARTISAN
Chartered Accountants





Independent Auditor's Report
To the Shareholders of
Apex Tannery Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Apex Tannery Limited** (the "Company"), which comprise the statement of financial position as at 30 June 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow 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, in all material respects, of the financial position of the Company as of 30 June 2024, and 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 the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' 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 the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. We have identified 'Revenue, Inventory and banks' borrowing as key audit matters and our response to these items is as follows.

Risk	Our response
Revenue Recognition	
Revenue of Tk. 804,387,753 is recognised in the statement of profit or loss and other comprehensive income for the year ended June 30, 2024 by the Company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of revenue recognition, International Financial Reporting Standard 15 "Revenue from Contracts with Customers".	We have tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none">• Policy of revenue recognition.• Issuance of VAT challan returns.• Segregation of duties (SoD) in generating invoices and revenue recognition. Our substantive procedures in relation to revenue recognition comprise the following





<p>There is also a risk that revenue may be overstated due to wrong recognition or may be understated due to fraudulent financial reporting.</p>	<ul style="list-style-type: none"> • Vouch the transaction to obtain the source documents in support of revenue recognition. • Reconciliation with VAT returns of the revenue so recognised. • Cut off test to ascertain the completeness of the revenue so recognised. • Finally assessed the appropriateness and presentation of revenue.
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Please see note # 25 to the financial statements.

Inventory

<p>Inventory is valued a lower of cost and net realizable value (NRV). There is a chance of applying judgement in determining value of inventory and overstatement. Inventory disclosed at Tk. 1,754,793,897 for the year ended June 30, 2024, and Tk. 1,696,224,786 for the year ended June 30, 2023.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company • Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data. • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete inventories are valid and complete. • Checking the cost of Raw materials purchase and valuation method applied for raw materials and work in process. • Finally, we were satisfied with the outcome of our audit procedures.
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Please see note # 7 to the financial statements

Banks' Borrowing

As at 30 June 2024, the reported amount of total borrowing from various banks is Tk. 2,143,137,091.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of the loan.
- We verified the sanction letter, loan schedule, and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately. We also received balance confirmation from the respective banks.
- We also checked the financial expenses and classification of the loan and repayment schedule as well.
- We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid for its installments within due time.

Please see note # 15, 16, 17 and 18 to the financial statements

Other Information included in the Company's June 30, 2024, Annual Report

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' 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 of the Company, 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. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, 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 of the Company in accordance with IFRSs as explained in notes, 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 of the Company, management is responsible for assessing the Company'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 the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company'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 judgement 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





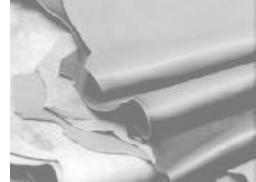
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that 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 the Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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, the Securities and Exchange Rules 2020, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditures incurred were for the purpose of the Company's business for the year.

Dated, Dhaka
October 15, 2024


Md. Shafiqul Islam, FCA
Partner
Enrolment # 595
Shafiq Basak & Co.
Chartered Accountants
DVC: 2410150595AS214144

Apex Tannery Limited

Statement of Financial Position

As at June 30, 2024

Amount in Taka

Particulars	Notes	As at	
		30 June 2024	30 June 2023
Assets			
Non Current Assets			
Property, Plant and Equipment	4	712,400,296	774,207,352
Advance for Land at Savar Factory	5	161,601,893	57,431,401
Investments	6	47,203,006	55,351,797
		921,205,195	886,990,550
Current Assets			
Inventories	7	1,754,793,897	1,696,224,786
Trade and Other Receivables	8	39,908,922	76,854,066
Advances, Deposits and Prepayments	9	397,834,330	322,049,585
Cash & Cash Equivalents	10	51,934,235	44,876,347
		2,244,471,384	2,140,004,784
Total Assets		3,165,676,579	3,026,995,334
Equity and Liabilities			
Shareholders' equity			
Share Capital	11	152,400,000	152,400,000
Share Premium		425,332,695	425,332,695
Retained Earnings		80,938,987	215,195,260
Fair Valuation Surplus of Investment	12	33,700,046	43,016,314
		692,371,728	835,944,269
Non current liabilities			
Retirement Benefit Obligation	13	94,619,011	96,661,662
Deferred Tax Liabilities	14	20,662,172	22,880,914
		115,281,183	119,542,576
Current Liabilities			
Short Term Borrowings	15	293,905,385	291,192
Short-term borrowings from Stimulus Fund	16	190,044,519	194,540,151
Working Capital Borrowings	17	1,289,054,938	1,274,455,330
Time Borrowings	18	370,132,249	327,096,923
Trade Payables	19	61,998,414	122,940,611
Other Payables	20	28,410,980	20,411,781
Unclaimed Dividend	21	1,639,827	1,988,675
Provision for Income Tax	22	122,837,356	129,783,826
		2,358,023,668	2,071,508,489
Total Equity and Liabilities		3,165,676,579	3,026,995,334
Net Asset Value Per Share (NAVPS)	23	45.43	54.85

The annexed notes form an integral part of these financial statements.
For and on behalf of the Board of Directors


Md. Hedayetullah
Managing Director


Md. Abul Hossain
Director


Sushanta Kumar Paul FCS
Company Secretary

Signed in terms of our report of even date

Dated, Dhaka
October 08, 2024


Md. Shafiqul Islam, FCA
Enrolment # 595
Partner

Shafiq Basak & Co.
Chartered Accountants
DVC:2410150595AS214144



Apex Tannery Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		For the year ended	
		30 June 2024	30 June 2023
Revenue	25	804,387,753	837,279,272
Cost of Sales	26	(703,936,222)	(778,483,176)
Gross Profit		100,451,531	58,796,096
Operating Expenses	27	(52,638,582)	(65,498,248)
Operating Profit		47,812,949	(6,702,152)
Financial Expenses	29	(216,508,799)	(143,890,321)
Other Income	30	54,071,726	47,609,572
Profit/(Loss) before WPPF and Tax		(114,624,124)	(102,982,901)
Contribution to Workers' Profit Participation Fund		-	-
Profit Before Tax		(114,624,124)	(102,982,901)
Provision for Tax		(12,012,149)	(21,485,017)
Current Tax	31	(15,398,368)	(25,939,612)
Deferred Tax		3,386,219	4,454,595
Net Profit after Tax		(126,636,273)	(124,467,918)
Other Comprehensive Income			
Fair Valuation Surplus of Investments, Net of tax	12	(9,316,268)	9,603,211
Total Comprehensive Income		(135,952,541)	(114,864,707)
Earnings Per Share:			
Earnings Per Share(EPS)	32	(8.31)	(8.17)
(Per value Taka 10)			

The annexed notes form an integral part of these financial statements.



Md. Hedayetullah
 Managing Director


Md. Abul Hossain
 Director


Sushanta Kumar Paul FCS
 Company Secretary

Signed in terms of our report of even date

Dated, Dhaka
 October 08, 2024


Md. Shafiqul Islam, FCA
 Enrolment # 595
 Partner
 Shafiq Basak & Co.
 Chartered Accountants
 DVC:2410150595AS214144

Apex Tannery Limited

Statement of Changes in Equity

For the year ended 30 June 2024

Amount in Taka

Particulars	Share Capital	Share Premium	Dividend Equalization Fund	Retained Earnings	Fair Valuation Surplus	Total
Balance as on 01 July 2023	152,400,000	425,332,695	-	215,195,260	43,016,314	835,944,269
Net Profit during the Year	-	-	-	(126,636,273)	-	(126,636,273)
Cash Dividend for 2022-2023	-	-	-	(7,620,000)	-	(7,620,000)
Fair Valuation Surplus	-	-	-	-	(9,316,268)	(9,316,268)
Balance as at 30 June 2024	152,400,000	425,332,695	-	80,938,987	33,700,046	692,371,728

For the year ended 30 June 2023

Amount in Taka

Particulars	Share Capital	Share Premium	Dividend Equalization Fund	Retained Earnings	Fair Valuation Surplus	Total
Balance as on 01 July 2022	152,400,000	425,332,695	15,240,000	339,663,178	33,413,103	966,048,976
Net Profit during the Year	-	-	-	(124,467,918)	-	(124,467,918)
Fund Transfer to Dividend Equalization Fund	-	-	-	-	-	-
Cash Dividend for 2021-2022	-	-	(15,240,000)	-	-	(15,240,000)
Fair Valuation Surplus	-	-	-	-	9,603,211	9,603,211
Balance as at 30 June 2023	152,400,000	425,332,695	-	215,195,260	43,016,314	835,944,269

The annexed Notes form an integral part of these financial statements
For and on behalf of the Board of Directors


Md. Hedayetullah
Managing Director


Md. Abul Hossain
Director


Sushanta Kumar Paul FCS
Company Secretary

Apex Tannery Limited

Statement of Cash Flows

For the year ended 30 June 2024



Particulars	Note	Amount in Taka	
		For the year ended	
		30 June 2024	30 June 2023
A. Cash Flow from Operating Activities:			
Cash received from customers and others		890,778,528	893,857,447
Cash paid to suppliers, employees and others		(844,596,900)	(781,244,492)
Other income from operational foreign exchange gain/ (loss)		2,872,878	1,681,552
Cash generated from operations		49,054,506	114,294,507
Payments to workers' profit participation fund		-	(1,892,808)
Income tax paid		(20,570,645)	(30,418,133)
Net cash generated from/(used in) operating activities		28,483,861	81,983,566
B. Cash Flow from Investing Activities:			
Acquisition of property, plant and equipment		(14,994,492)	(2,032,612)
Capital work-in-progress		(35,810,316)	-
Dividend received		1,695,175	1,930,453
Advance Payment for Land at Savar Factory		(104,170,492)	-
Proceeds from disposal of assets		9,578,304	-
Net cash used in investing activities		(143,701,821)	(102,159)
C. Cash Flow from Financing Activities :			
Loans received/ (paid)		346,753,495	57,613,968
Interest paid		(216,508,799)	(143,890,321)
Dividend paid		(7,968,848)	(21,454,169)
Net cash generated from financing activities		122,275,848	(107,730,522)
Increase / (decrease) in cash and cash equivalents (A+B+C)		7,057,888	(25,849,115)
Opening cash and cash equivalents		44,876,347	70,255,882
Effects of exchange rate fluctuations on cash held		-	469,580
Closing Cash and Cash Equivalents		51,934,235	44,876,347
Net Operating Cash Flows Per Share (NOCFPS) Tk.	33	1.87	5.38

The annexed notes form an integral part of these financial statements.

For and on behalf of the Board of Directors


Md. Hedayetullah
 Managing Director


Md. Abul Hossain
 Director


Sushanta Kumar Paul FCS
 Company Secretary

Statement of Cash Flows



Apex Tannery Limited

Notes to the Financial Statements

As at and for the year ended 30 June 2024

1.0 Reporting entity

a) Company profile

Apex Tannery Limited is the biggest tannery in Bangladesh and one of the biggest in South Asia. It is a 100% export oriented company. The Company is using modern machineries from Europe. The company was incorporated as a private limited company on 26th day of July 1976 under Companies Act 1913 and was converted into a public limited company in 1981. The shares of the Company are publicly traded at Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office is Plot No.: XA1, XA2, XA3 & XS8, BSCIC Tannery Industrial Estate, Harindhara, Hemayetpur, Savar, Dhaka-1340.

b) Nature of business

The principal activities of Apex Tannery Limited are to produce high quality leather, by using Italian chemicals, technology, complying with world fashion standards and specifications. Its annual capacity is about 32 million Sft. of finished goat and cow leather. Apex exports to Europe, China, South America and all major leather market of the world. It has two manufacturing facilities; Unit I situated at BSCIC Tannery Industrial Estate, Harindhara, Hemayetpur, Savar and Unit II situated at Shafipur, Gazipur, both engaged in processing and finishing cow and goat leather for 100% export. Unit II has been leased out to Apex Footwear Ltd. with effect from 01.10.2021.

2.0 Basis of preparation of financial statements

a) Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as adopted in Bangladesh, the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 2020, Listing regulations of Dhaka and Chittagong Stock Exchanges and other applicable laws and regulations.

b) Basis of measurement

The financial statements have been prepared on historical cost basis except

- i. Note- 06: Investment in Marketable Securities which is measured at fair value.
- ii. Note- 13 : Retirement benefit obligation.

c) Date of authorization

The Board of Directors has authorized these financial statements on October 08, 2024.

d) Functional and presentation currency

These financial statements are presented in Bangladeshi Taka which is the company's functional currency.

e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an on going basis. Revisions of accounting estimates are recognized in the period in which the estimates are revised or any future periods affected.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:





Note	4	Property, plant and equipment
Note	7	Inventory valuation
Note	8	Accounts receivable
Note	14	Deferred tax liabilities/(assets)
Note	20	Provisions
Note	22	Provision for income tax

f) Reporting period

The reporting period of the company covers one year from July 1, 2023 to June 30, 2024.

g) 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.

3.0 Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

a) Current versus non-current classification

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

An asset is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) expected to be realised within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

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

b) Offsetting

The company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.



c) **Property, plant & equipment**

- i) **Recognition and measurement:** Property, plant & equipment (PPE) are initially measured at cost. After initial recognition an item of PPE carried at cost less accumulated depreciation in accordance with IAS 16 "Property plant & equipment". Cost of PPE represents cost of purchase price, import duties and non refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.
- ii) **Subsequent cost:** The costs of the day-to-day servicing of PPE are recognized in the Statement of Profit or Loss and other Comprehensive Income. The costs of replacing of PPE are recognized 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.
- iii) **Depreciation:** The Company uses reducing balance method to depreciate property, plant & equipment. No depreciation is charged on Land and Land development. Full month depreciation is charged on assets when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and no depreciation is charged in the month of disposal. The rates of depreciation and category of property, plant and equipment are as follows:

Building	10%
Plant & machinery	15%
Furniture & fittings	10%
Vehicles	20%

Depreciation has been charged to cost of goods sold & administrative expenses consistently.

- iv) The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised as non-operating income or loss and reflected in the statement of profit or loss and other comprehensive income.

d) **Financial instruments**

IFRS 9 sets out requirements for recognising 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.

Under IFRS 9, on initial recognition, a financial asset is classified three principal categories as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI); or Fair Value Through Profit or Loss (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.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.



The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial liability

The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

e) Inventories

Inventories comprise of raw materials, work-in-process and finished goods, chemicals and spare-parts. They are stated at a lower of cost and net realizable value, in accordance with IAS 2 "Inventories". The cost of inventories is measured by using the weighted average cost formula. The cost of inventories represents all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

f) Trade and other receivables

These are carried at original invoice value considered good and collectible.

g) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, cash at Bank and FDR which is readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

h) Trade and other payables

These are recognized for amounts to be paid in the future for goods and services.

i) Income Taxes

i) Current Tax

The company is a Public Limited and 100% export oriented leather manufacturing company, the applicable tax rate is 12.00% on business/operating profit (as per SRO no. 158-Law/Income Tax/2022 dated 01 June, 2022). The tax expense has been made on dividend income, capital gain and all other income as per provision of the Income Tax Act 2023 and all other applicable provisions have been made accordingly. The tax expense has been made based on the highest of 12.00% on business/operating profit or TDS on export proceeds realized U/S 163 (2) or tax on gross receipts during the period U/S 163 (4) and provision has been made accordingly.

ii) Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities for financial reporting purpose and the corresponding tax bases used for taxation purpose. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

j) Employee Benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

i) Defined contribution plan (Provident fund)

The Company operates a contributory Provident fund for its eligible permanent employees. The fund is approved by the National Board of Revenue (NBR). The fund is administered by a Board of Trustee and is funded by contribution partly from the employee and partly from the Company at predetermined rates. The contribution is invested separately from the Company's assets.

ii) Defined benefit plan (Gratuity)

The Company maintains an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

iii) Contribution to workers' profit participation/ welfare funds

The Company provides 5% of its profit before tax as a contribution to workers profit participation/ welfare funds in accordance with the Bangladesh Labour Act 2006 (as amendment in 2018).

iv) Other employees benefit obligation

Employees of the Company are covered under group insurance scheme.

k) Statement of Cash Flows

Statement of Cash flow is prepared in accordance with IAS-7 under direct method and as outlined in the Bangladesh Securities and Exchange Rule, 1987.

In accordance with the gazette notification dated 08 August 2018 by Bangladesh Securities and Exchange Commission, an additional disclosure on reconciliation of net profit with cash flows from operating activities making adjustments for non-cash items, non-operating and net changes in operating accruals has been provided under note-40 in the notes to the accompanying financial statements.

l) Leases

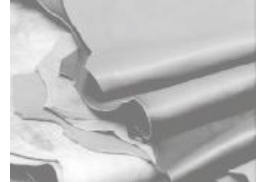
IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

m) Foreign currency transaction

Transactions in foreign currencies are converted into Bangladeshi Taka at the exchange rate prevailing on the date of transaction in accordance with provisions of IAS 21 "The effects of changes in foreign exchange rates".

n) Financial Risk Management**i) Market risk**

Market risk refers to the risk adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the Company. Apex Tannery Ltd. is an export oriented company and market of those products are various countries of EU, China, South America, India, Japan and all other major leather markets in the World. As there are very few suppliers from Bangladesh (in terms of exporting in large quantity) ATL is less exposed to Market risk.



ii) Credit risk

Credit risk represents the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. Credit risk arises mainly from trade debtors, advances and prepayments. The management of ATL carefully manages its exposure to credit risk. Credit risks are managed through the credit policies of the Company.

iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations as they fall due. The management of ATL carefully manages its exposure to liquidity risk. The management of the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses and its financial obligations.

o) Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable from export, incentive net of any direct cost. The Company recognizes revenue when a contractual performance obligation is fulfilled by transferring control over the promised goods to a customer provided that collectability of the consideration is probable. The following is a description of the principal activities from which the company generates its revenue:

i) Sales of Goods

Company revenue is only recognised when it meets the following five steps model framework.

- a) identify the contract(s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

ii) Dividend income is recognized when the right to received payment is established.

iii) Interest income is recognized when accrued on a time proportion basis.

iv) Rental income recognition when accrued on the tenancy agreement basis.

p) Earnings per share (EPS)

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.

Basic Earnings

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the period

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

Basic earnings per share

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





Diluted Earnings Per Share

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

q) Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at June 30, 2024.
- ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended June 30, 2024.
- iii) Statement of Changes in Equity for the year ended June 30, 2024.
- iv) Statement of Cash Flows for the year ended June 30, 2024.
- v) Accounting policies and explanatory notes.

r) Impairment

The carrying amount of assets other than inventories and deferred tax assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognized in the Statement of Profit or Loss and Other Comprehensive Income when the carrying amount of the asset exceeds its recoverable amount.

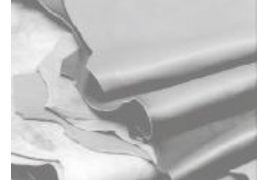
s) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with IAS 37- "Provisions, Contingent Liabilities and Contingent Assets". The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

t) Segment Reporting

As there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.





4.0 Property, Plant & Equipment

A. Cost

Opening Balance
Add: Addition during the year
Less: Disposal during the year

Closing balance at cost

Amount in Taka	
30 June 2024	30 June 2023

2,032,030,147	2,029,997,535
14,994,492	2,032,612
(54,067,237)	-
1,992,957,402	2,032,030,147

B. Depreciation:

Opening balance
Add: Addition during the year
Less: Adjustment on disposal

Accumulated Depreciation

Written Down Value (A-B)

1,257,822,795	1,177,765,776
70,154,164	80,057,019
(47,419,853)	-
1,280,557,106	1,257,822,795
712,400,296	774,207,352

Details of Property, Plant and Equipment and depreciation as of June 30, 2024 are shown in the annexed "Schedule -A"

5.0 Advance for Land at Savar Factory

161,601,893	57,431,401
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The amount paid to Bangladesh Small and Cottage Industries Corporation (BSCIC) against 300,000 SFT Land at BSCIC Tannery Industrial Estate, Savar, Dhaka.

6.0 Investments

Apex Footwear Limited (173,676 shares @ 238.90)
Central Depository Bangladesh Limited (571,181 shares @ 10.00)

41,491,196	49,639,987
5,711,810	5,711,810
47,203,006	55,351,797

Investment in shares of Apex Footwear Limited has been recorded at fair value as per IFRS-9. The quoted price was Taka 238.90 per Taka 10 each share as at June 30, 2024 and company's cost price for 173,676 shares was Taka 10.62 per Taka 10 each share. Investment in shares of Central Depository Bangladesh Limited has been recorded at cost price as the security is not traded in stock exchanges. In this case impairment test has been carried out at the end of the reporting period and there is no indication of impairment loss.

7.0 Inventories

Goatskins

Raw Leather
Wetblue Leather
Work in Process Leather
Crust / Finished Leather

Cowhides

Raw Leather
Wetblue Leather
Work in Process Leather
Crust / Finished Leather
Chemicals
Spare-parts

Taka	Taka
777,504	-
6,249,300	798,761
-	4,428,600
123,591,750	114,712,650
30,741,000	1,096,524
54,171,000	38,265,864
48,288,000	37,268,000
1,154,414,181	1,278,045,440
314,134,547	200,969,509
22,426,615	20,639,438
1,754,793,897	1,696,224,786



- Inventories are valued at lower of cost price and net realizable value.
Inventories increased due to increase in chemicals compared to last year.
- A team, consisting of Auditors and Management staff, carried out physical verification of the inventories as of June 30, 2024.
- Inventories were hypothecated to Agrani Bank Ltd., Amin Court Corporate branch as security of working capital loan.

8.0 Trade and other Receivables

	Amount in Taka	
	30 June 2024	30 June 2023
Export bills receivable	36,958,268	73,937,153
Rental income receivable	2,750,000	2,750,000
Interest on FDR	200,654	166,913
	39,908,922	76,854,066

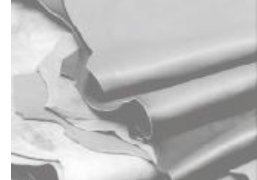
- Most of the above bills receivable remained from the sales of June 2024 and were considered goods which will be collected within 90 days.
- Rental income receivable from Apex Footwear Limited.

Age of receivable:

Particulars	Amount in Taka 2023-2024	Amount in Taka 2022-2023
Age of receivable within 90 days	37,829,338	68,011,232
Age of receivable over 90 days	2,079,584	8,842,834

9.0 Advance, Deposit & Prepayments

Advance income-tax	162,221,174	163,995,367
Advance to suppliers & contractors	24,454,670	21,613,327
Bank guarantee margin	9,765,687	2,357,418
Insurance premium	6,289,584	9,783,791
L/C accounts (Goods in transit)	139,408,441	68,604,908
Capital Work in Process	40,997,251	40,997,251
Security deposit	14,697,523	14,697,523
	397,834,330	322,049,585



- L/C accounts (goods-in-transit) represent cost incurred on import of chemicals and spare parts which will be adjusted against respective inventory items and property, plant & equipment.
- Advance income taxes are made to statutory authorities.
- In the opinion of the Directors, all current assets, investments, loans and advances have, on realization in the ordinary course of business, a value at least equal to the amounts at which they are stated in the Statement of Financial Position.
- There are no claims against the company, which can be acknowledged as bad debt.

10.0 Cash and Cash Equivalents

Cash in hand

Head Office	600,745	144,291
Factory	662,299	465,306

Cash at Banks

Agrani Bank Ltd.	29,054,094	16,997,874
Mutual Trust Bank Ltd.	6,496,808	14,985,979
Jamuna Bank Ltd.	-	378
Dutch Bangla bank Ltd.	97,353	357,299
Uttara Bank Ltd.	226,211	302,669
State Bank of India	1,238,511	1,169,789

FDR	13,558,214	10,452,762
	51,934,235	44,876,347

- Cash balances were physically verified and bank balances were reconciled.

Amount in Taka	
30 June 2024	30 June 2023

11.0 Share Capital

Authorized Capital

(50,000,000 ordinary share of Tk. 10 each)

500,000,000	500,000,000
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Issued, subscribed & fully paid-up capital

(15,240,000 ordinary share of Tk. 10 each)

152,400,000	152,400,000
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Distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below:

Number of share holders	Range of holdings	Total holdings	%
5,788	Less than 500 shares	662,202	4.35%
1,738	500 shares to 5,000 shares	1,928,252	12.65%
68	5,001 shares to 10,000 shares	497,928	3.27%
30	10,001 shares to 20,000 shares	428,621	2.81%
16	20,001 shares to 30,000 shares	397,729	2.61%
6	30,001 shares to 40,000 shares	199,416	1.31%
2	40,001 shares to 50,000 shares	90,552	0.59%
13	50,001 shares to 100,000 shares	917,702	6.02%
20	100,001 shares to 1000,000 shares	6,283,501	41.23%
2	Over 1000,000 shares	3,834,097	25.16%
7,683		15,240,000.00	100.00%



Amount in Taka

12.0 Fair valuation surplus of investments

Investment in Apex Footwear Limited:

Fair valuation surplus as of 30-06-2023 **43,016,314**

Fair value of 173,676 shares @ 238.90 as of 30-06-2024	41,491,196	
Fair value of 157,888 shares @ 314.4 as of 30-6-2023	(49,639,987)	
	(8,148,791)	
Less. Deferred tax income/(expenses) on available for sale investments	(1,167,477)	(9,316,268)
Fair valuation surplus as of 30-06-2024		33,700,046

Fair market value of Apex Footwear Ltd share price based on 30 June 2024 decreased compared to last audited period ended on 30 June 2023 which effects on fair valuation surplus of investment.

13.0 Retirement benefit obligations

Opening balance	96,661,662	98,566,011
Provision for the year (Note-13a)	7,333,028	12,065,992
Payments during the year	(9,375,679)	(13,970,341)
Closing balance	94,619,011	96,661,662

13a. Provision for the year

Factory Overhead	1,578,954	6,219,038
Direct Labour	5,261,874	3,887,663
Administrative Expenses	492,200	1,959,291
	7,333,028	12,065,992

14. Deferred tax liabilities/ (Assets)

	30 June 2024	30 June 2023
Property, plant and equipment excluding land (Note#14a)	26,069,386	29,700,723
Provision for gratuity (Note#14a)	(11,354,281)	(11,599,399)
Valuation surplus of investment (Note#14b)	5,947,067	4,779,590
	20,662,172	22,880,914

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of IAS 12 Income Taxes. Related deferred tax expenses/(income) have been disclosed below:

14a. Deferred tax expenses / (income) for the period ended 30 June 2024

	Carrying amount	Tax base	Taxable/ (deductable)
Property, plant and equipment excluding land	542,905,045	325,660,162	217,244,883
Provision for gratuity	94,619,011	-	(94,619,011)
Net temporary difference			122,625,872
Applicable tax rate			12.00%
Deferred tax liabilities/ (Assets) as at 30 June 2024			14,715,105
Deferred tax liabilities/ (Assets) as at 30 June 2023			18,101,324
Deferred tax expenses/(income) for the year ended 30 June 2024			(3,386,219)



Deferred tax expenses / (income) for the year ended 30 June 2023

	Carrying amount	Tax base	Taxable/ (deductible)
Property, plant and equipment excluding land	604,712,101	357,206,075	247,506,026
Provision for gratuity	96,661,662	-	(96,661,662)
Net temporary difference			150,844,364
Applicable tax rate			12%
Deferred tax liabilities/ (Assets) as at 30 June 2023			18,101,324
Deferred tax liabilities/ (Assets) as at 30 June 2022			22,555,919
Deferred tax expenses/(income) for the year ended 30 June 2023			(4,454,595)

14b. Deferred tax expenses / (income) related with OCI for the year ended 30 June 2024

	Carrying amount	Tax base	Taxable/ (deductible)
Valuation surplus of investment	41,491,196	1,844,083	39,647,113
Net temporary difference			39,647,113
Applicable tax rate on available for sale investments			15%
Deferred tax liabilities/ (Assets) as at 30 June 2024			5,947,067
Deferred tax liabilities/ (Assets) as at 30 June 2023			4,779,590
Deferred tax expenses/(income) for the year ended 30 June 2024			1,167,477

Deferred tax expenses / (income) related with OCI for the year ended 30 June 2023

	Carrying amount	Tax base	Taxable/ (deductible)
Valuation surplus of investment	49,639,987	1,844,083	47,795,904
Net temporary difference			47,795,904
Applicable tax rate on available for sale investments			10%
Deferred tax liabilities/ (Assets) as at 30 June 2023			4,779,590
Deferred tax liabilities/ (Assets) as at 30 June 2022			3,712,567
Deferred tax expenses/(income) for the year ended 30 June 2023			1,067,023

15.0 Short term borrowings

Amount in Taka	
30 June 2024	30 June 2023
293,905,385	291,192

The amount represents short-term loan taken from Agrani Bank Ltd., Amin Court Corporate Branch, Motijheel C/A, Dhaka-1000 as KORBANI ADVANCE for procurement of raw hides and skins after the Korbani. This loan was sanctioned by Agrani Bank Ltd. against existing fixed assets and inventory as securities.

16.0 Short-term borrowings from Stimulus Fund

Agrani Bank Limited	190,044,519	194,540,151
Less. Long Term Maturity	-	-
	190,044,519	194,540,151

The amount represents loan taken from Agrani Bank Ltd., Amin Court Corporate Branch, Motijheel C/A, Dhaka-1000 for working capital under stimulus package. This loan was sanctioned by Agrani Bank Ltd. as per terms and conditions imposed by Bangladesh Bank. The amount will repay by the company within one year.

	Amount in Taka	
	30 June 2024	30 June 2023
17.0 Working capital borrowings		
Agrani Bank Ltd.	1,289,054,938	1,274,455,330

The company has taken cash-credit (hypothecation) facilities from Agrani Bank Ltd., Amin Court Corp. Branch, Motijheel C/A, Dhaka-1000 against existing fixed assets and inventories as securities.

18.0 Time borrowings		
Uttara Bank Ltd.	370,132,249	327,096,923

In order to meet further cost of capital work-in progress at Savar factory, the Company has taken Time Loan from Uttara Bank Ltd. Corporate Branch, Dhaka, against existing inventories as securities.

19.0 Trade payables		
Suppliers, Contractors & Others	61,998,414	122,940,611

This represents the amount payable for raw skins & hides and bills payable.

20.0 Other payables		
Audit fees	235,750	201,250
Liabilities for freights, spare parts & other expenses	28,175,230	20,210,531
	28,410,980	20,411,781

Payment against outstanding expenses were made subsequently in due time. For other credits, payments are generally made by due date.

There are no liabilities for expenses due for more than 12 months.

In the opinion of the Directors, no liabilities in the Statement of Financial Position are at a value less than the amount at which it is repayable at the date of the Statement of Financial Position.

21.0 Unclaimed Dividend	1,639,827	1,988,675
--------------------------------	------------------	------------------

Year wise breakup of unclaimed dividend is as follows:

2019-2020	-	669,692
2020-2021	470,233	474,058
2021-2022	840,473	844,925
2022-2023	329,122	-
	1,639,827	1,988,675

- As per Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2021-391/20/Admin/121 dated 01 June 2021 the company has transferred unclaimed dividend to Capital Market Stabilization Fund.

22.0 Provision for income tax		
Opening Balance	129,783,826	147,814,267
Addition during the year	15,398,368	25,939,612
Adjustment of income tax	(22,344,838)	(43,970,053)
Closing Balance	122,837,356	129,783,826



Amount in Taka	
30 June 2024	30 June 2023

23.0 Net asset value per share

Net Asset	692,371,728	835,944,269
Weighted average number of ordinary share outstanding during the period	15,240,000	15,240,000
Net asset value per share (Tk.)	45.43	54.85

Number of ordinary share of Taka 10 each at Balance Sheet Date

24.0 Proposed dividend	7,203,075	7,620,000
-------------------------------	------------------	------------------

The Board of Directors proposed cash dividend @ 5% other than sponsor shareholders for the year at the Board Meeting held on October 08, 2024.

The proposed dividend is not recognized as a liability at the Statement of Financial Position date in accordance with International Accounting Standard (IAS) 10 "Events after the Reporting Period".

International Accounting Standard (IAS) 1 "Presentation of Financial Statements" also requires that the dividend proposed after the Statement of Financial Position date but before the financial statements are authorized for issue, be disclosed either on the face of the Statement of Financial Position as a separate component of equity or in the notes to the financial statements.

The provision of the Companies Act, 1994, requires that dividend stated to be in respect of period covered by the financial statements and that are proposed or declared after the Statement of Financial Position date but before approval of the financial statements should be either adjusted or disclosed.

Considering the requirements of IAS-1, IAS-10 and the Companies Act 1994, proposed dividend has been disclosed in the financial statements.

25.0 Revenue

Finished Cow Leather	716,307,530	719,513,464
Finished Goat Leather	71,823,055	48,933,569
Cash Incentive	16,257,168	68,832,239
	804,387,753	837,279,272

26.0 Cost of Sales

Opening stock	1,392,758,090	1,299,348,240
Add: Cost of production	589,184,063	871,893,026
Less: Closing stock	1,278,005,931	1,392,758,090
Cost of Sales	703,936,222	778,483,176

Cost of production

	Notes		
Goatskins consumed	34	4,897,874	54,385,331
Cowhides consumed	35	76,625,885	246,857,696
Chemicals	36	191,565,367	240,453,679
Spare parts	37	6,178,239	12,644,807
Packing materials		75,690	160,500
Direct labour		109,078,068	105,551,963
Factory overhead	38	200,762,940	211,839,050
		589,184,063	871,893,026

27.0 Operating Expenses

27a. Administrative expenses	39,326,438	44,824,340
27b. Marketing and Selling expenses	13,312,144	20,673,908
	52,638,582	65,498,248

Notes to the Financial Statements



Amount in Taka	
Year ended 30 June 2024	Year ended 30 June 2023

27a. Administrative Expenses

Salary & allowances	15,095,285	14,860,536
Gratuity	492,200	1,959,291
Staff welfare	1,433,113	1,354,694
Telephone, telex & fax	82,200	64,910
Repairs & maintenance	19,100	54,260
Printing & stationery	123,777	113,845
Postage	36,775	32,846
Conveyance	192,775	159,685
Vehicles maintenance	303,779	208,205
Fuel & lubricant	1,557,016	1,385,054
Vehicles Fitness, Insurance & Others	1,439,106	1,954,964
Electricity & water	1,532,749	1,340,108
Social responsibilities (CSR)	59,402	64,239
Renewal & registration	978,531	969,518
Advertisement	291,344	357,176
Medical Expenses	4,000	44,870
Entertainment	297,146	1,254,578
AGM expenses	740,278	889,340
Forms & fees	164,855	174,200
Membership subscription	377,720	369,352
Board meeting fees	364,000	367,000
Directors remuneration	10,800,000	13,050,000
Legal & audit fees (Note-28)	734,500	961,750
Depreciation (Schedule-A-01)	2,206,787	2,833,919
	39,326,438	44,824,340

- Salary & allowance slightly increased as compare to previous year due to mainly one new recruitment.
- Gratuity and staff welfare decrease due to normal retirement.
- Depreciation expenses decrease due mainly to decrease in assets written down value.

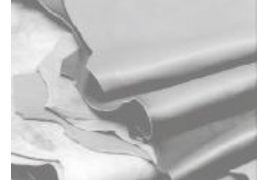
27b. Marketing and Selling Expenses

Sales commission	3,804,541	6,605,470
Sales promotion	4,145,591	3,782,579
Freight & forwarding expenses	5,362,013	10,285,859
	13,312,144	20,673,908

- Sales commission decreased due to increase direct sales.
- Sales promotion cost increased compare to last year on account of promotional activities during this period.
- Freight & forwarding expenses decreased due to increase sales under deemed export.

28.0 Legal and audit fees

Legal fees (Professional fees)	412,500	760,500
Audit fees	322,000	201,250
	734,500	961,750



29.0 Financial Expenses

Bank interest	216,729,512	141,941,057
Bank charges	2,101,912	4,100,396
Exchange Loss / (Gain)	(2,322,625)	(2,151,132)
	216,508,799	143,890,321

30.0 Other Income

		Amount in Taka	
		Year ended 30 June 2024	Year ended 30 June 2023
Dividend income-Cash		1,695,175	1,930,453
Profit on sale of PPE		2,930,920	-
Interest on FDR		1,857,023	595,337
Rental income	49,204,032		
Less: Depreciation (Schedule-A-02)	1,142,607		
Rent, rates & taxes	195,800		
Insurance premium	277,017	47,588,608	45,083,782
	1,615,424	54,071,726	47,609,572

- Cash dividend amounting Taka 1,695,175 included cash dividend received from Apex Footwear Limited Tk. 552,813 and Tk. 1,142,362 from Central Depository Bangladesh Limited. Rental income of Unit II was received / receivable from Apex Footwear Limited as monthly rent @ Tk. 2,750,000.

31.0 Income tax expenses

Current tax expenses	15,398,368	25,939,612
Deferred tax expenses / (income) (Note # 14a)	(3,386,219)	(4,454,595)
	12,012,149	21,485,017

31a. Current tax expenses

Tax on dividend income	339,035	386,091
Tax on other income	7,711,459	9,135,823
Tax on business income	10,942,648	14,998,404
Tax on previous year assessment	(3,594,774)	1,419,294
	15,398,368	25,939,612

32.0 Earnings per share

Earnings attributable to the ordinary shareholders	(126,636,273)	(124,467,918)
Weighted average number of ordinary share outstanding during the period	15,240,000	15,240,000
Basic Earnings per share (Tk.)	(8.31)	(8.17)

No diluted EPS is required to be calculated for the period as there was no scope for dilution of shares.

The Company reported net loss and negative EPS in the current year due to mainly reduction of sales volume, increased chemical cost and direct labour. In addition, significant increase of finance expenses cause to net loss.

**33.0 Net operating cash flow per share**

Net operating cash flow	28,483,861	81,983,566
Weighted average number of ordinary share outstanding during the period	15,240,000	15,240,000
Net operating cash flow per share (Tk.)	1.87	5.38

Number of ordinary share of Taka 10 each at Balance Sheet Date

There was significant variance in net operating cash flow per share. The net operating cash flow per share stood to Tk. 1.87 during the year which was due mainly to cash paid to suppliers, employees increased 8.11% from the last year whereas Cash received from sales proceeds not increased.

34.0 Goatskins consumed (Raw & Wetblue Leather)

Opening stock (Raw leather)	-	1,174,573
Add: Purchase this year	6,697,317	1,587,759
Less: Closing stock	777,504	-
	5,919,813	2,762,332
Add: Opening stock (Wet blue leather)	798,761	42,072,521
Less: Closing stock	6,249,300	798,761
	469,274	44,036,092
Add: Opening WIP Leather	4,428,600	14,777,839
Less: Closing WIP Leather	-	4,428,600
	4,897,874	54,385,331

Amount in Taka	
Year ended 30 June 2024	Year ended 30 June 2023

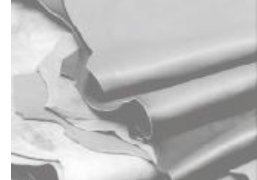
35.0 Cowhides Consumed (Raw & Wetblue Leather)

Opening stock (Raw Leather)	1,096,524	23,230,404
Add: Purchase this year	132,288,213	105,158,016
Less: Closing stock	30,741,000	1,096,524
	102,643,737	127,291,896
Add: Opening stock (Wet blue Leather)	38,265,864	73,417,482
Add: Purchase this year	907,284	-
Less: Closing stock	54,171,000	38,265,864
	87,645,885	162,443,514
Add: Opening WIP Leather	37,268,000	121,682,182
Less: Closing WIP Leather	48,288,000	37,268,000
	76,625,885	246,857,696

36.0 Chemical consumed

Opening Stock	200,969,509	219,288,568
Add: Purchase this year	304,730,405	222,134,620
Less: Closing stock	314,134,547	200,969,509
	191,565,367	240,453,679





Chemical purchase during the year:

	MT	US\$	Euro		
Imported	1,568	1,692,614	1,216,838	301,977,178	219,628,167
Local	21	-	-	2,753,227	2,506,453
	1,589	1,692,614	1,216,838	304,730,405	222,134,620

37.0 Spare parts consumed

Opening stock	20,639,438	23,553,914
Add: Purchase this year	7,965,416	9,730,331
Less: Closing stock	22,426,615	20,639,438
	6,178,239	12,644,807

38.0 Factory Overhead

Salary & allowances	62,126,394	64,824,816
Gratuity	1,578,954	6,219,038
Staff welfare	949,845	1,409,225
Entertainment	45,623	248,885
Postage	12,175	7,659
Printing & stationery	99,289	428,504
Repair & maintenance	1,907,282	1,325,958
Insurance premium	10,123,564	11,458,352
Telephone & fax	40,296	50,427
Vehicle Maintenance	202,420	1,133,730
Fuel & Lubricants	1,453,609	1,646,088
Car Fitness, Insurance & Others	134,209	308,714
Carriage inward	-	134,507
Power, gas & water	54,170,697	45,315,172
Consumable store	119,333	340,343
Rent, rates & taxes	288,750	518,250
Conveyance	705,730	533,386
Depreciation (Schedule A-01)	66,804,770	75,935,996
	200,762,940	211,839,050

- Repair & maintenance increased due to Maintenance of old Machineries .
- Gratuity expenses decreased during the year due mainly to normal retirement.
- Depreciation expenses decreased due mainly to decrease in assets written down value.

39.0 Aggregate amount paid to Directors and Key management personnel

Directors

Meeting Fees	364,000	367,000
Remuneration of Managing Director	4,800,000	5,200,000
Remuneration of other Directors	6,000,000	7,850,000

Key Management Personnel

Short term employee benefits	10,903,272	11,615,627
Post employee benefits	983,014	928,366
Other long term benefits	-	-
	11,886,286	12,543,993



40.0 Reconciliation of net operating cash flow

	Amount in Taka	
	Year ended 30 June 2024	Year ended 30 June 2023
Profit after tax	(126,636,273)	(124,467,918)
Adjustment for non-cash items and others:		
Depreciation & Amortization	70,154,164	80,057,019
Gain on sale of fixed assets	(2,930,920)	-
Dividend received	(1,695,175)	-
Provisions	7,333,028	12,065,992
Financial Expenses	216,508,799	143,890,321
Tax expenses	12,012,149	21,485,017
Contribution to WPPF	-	-
Changes in:		
Inventories	(58,569,111)	122,320,937
Trade and other receivables	36,945,144	10,899,056
Advances, deposits and prepayments	(75,784,745)	(45,128,355)
Trade and other payables, Employment benefits	(48,853,200)	(139,138,503)
Net cash from operating activities	28,483,861	81,983,566

41.0 Disclosure as per schedule XI part II of the Companies Act 1994**41a. Employee Position**

The Company engaged 687 employees of which 315 is permanent employees and 372 is casual and temporary workers as required. Each employee received total salary of above Tk. 36,000.00 per annum..

41b. Production capacity and utilization

Particulars	Sft per year	%
Capacity per year (Calculated on weighted average method)	32,000,000	
Actual Production	8,126,957	25.40%

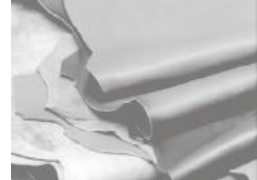
42.0 Quantity Analysis for the year ended June 30, 2024

	Cow Sft.	Goat Sft.	Total Sft.
Opening Raw Leather	28,600	-	28,600
Add: Purchase Raw Leather during this year	8,766,859	1,054,788	9,821,647
Less: Closing Raw Leather	768,525	27,768	796,293
	8,026,934	1,027,020	9,053,954
Add: Opening Wet Blue Leather	390,468	15,485	405,953
Less: Closing Wet Blue Leather	902,850	208,310	1,111,160
	7,514,552	834,195	8,348,747
Add: Opening WIP Leather	308,000	73,810	381,810
Less: Closing WIP Leather	603,600	-	603,600
Total Production	7,218,952	908,005	8,126,957
Add: Opening Crust/Finished Leather	9,000,320	1,764,810	10,765,130
Less: Sales	7,099,956	1,024,925	8,124,881
Closing Crust/Finished Leather	9,119,316	1,647,890	10,767,206

43.0 Related party disclosures

The Company carried out a number of transactions with related parties in the normal course of business, The nature of transactions and their values are shown below:

Name of the Related Parties	Relationship	Nature of Transactions	Value In Taka			
			Opening June 30, 2023	Transaction during the year		Closing June 30, 2023
				DR	CR	
Apex Footwear Ltd.	Common Director	Lease Rental	2,750,000	33,000,000	33,000,000	2,750,000
Pioneer Insurance Company Ltd.		Fixed Assets & L/C Related	-	13,377,975	-	-
Mutual Trust Bank Ltd.		Current Deposit	14,985,979	638,263,440	646,752,611	6,496,808
FB Footwear Limited		Supply of products	37,347,375	165,729,773	179,770,609	23,306,539
Footbed Footwear Limited		Supply of products	(1,070,068)	120,586,037	109,415,106	10,100,863
Nuovo Shoes (BD)		Supply of products	-	4,231,284	3,526,883	704,401
Guardian Life Insurance Ltd.		Group Insurance	-	565,123	-	-



44.0 Foreign currency transaction

During the year foreign currency transaction was as follows:

	2023-2024		2022-2023	
	Euro	USD	Euro	USD
Material and Others	1,216,838	1,692,614	658,587	1,387,644
Export Earnings	-	6,904,695	-	7,791,690

45.0 Meeting Status

Name of the Meeting	Number of Meeting Held during the year
Board Meeting	6
Audit Committee Meeting	4
Nomination and Remuneration Committee (NRC) Meeting	1

Name of the Directors	Position in the Board	Number of Meeting Attended		
		Board Meeting	Audit Committee	NRC
Mr. A.K.M. Rahmatullah	Chairman	6	N/A	N/A
Mr. Md. Hedayetullah	Managing Director	6	N/A	N/A
Mr. Syed Nasim Manzur	Director & Member of the Audit Committee & NRC	3	1	1
Mr. Md. Abul Hossain	Director (Representative of ICB) & Member of the Audit Committee & NRC	6	4	1
Dr. ATM Shamsul Huda	Independent Director & Chairman of the Audit Committee & NRC	6	4	1

46.0 General

- 46a. All financial information presented in Taka have been rounded off to the nearest Taka.
- 46b. Figures of the previous year have been rearranged/reclassified whenever considered necessary to ensure comparability with the current period presentation.
- 46c. Providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's we have rearranged some information in the statement of cash flows of this financial statements.

47.0 Event after the reporting period

The Board of Directors of the company has approved the Financial Statements as on October 08, 2024 recommended 5% cash dividend for the financial year ended June 30, 2024 subject to approval of the shareholders' in the Annual General Meeting. Except the fact stated above, no circumstances has arisen that to be disclosed as note or adjusted in the financial statements.

48.0 Contingent liabilities

There is Tk. 11.98 million as bank guarantee for which the company is contingently liable as on June 30, 2024.



Schedule of Fixed Assets As at 30 June, 2023-2024 Property, Plant and Equipment

Schedule -A
Amount in Taka

Particulars	Cost				Rate (%)	Depreciation			Written Down Value as on 30 June 2024
	Balance as on 01 July 2023	During the period		Balance as on 30 June 2024		Balance as on 01 July 2023	During the period		
		Additon	Adjustment /Disposal				Charged	Adjustment /Disposal	
Land	169,495,251	-	-	169,495,251	-	-	-	-	169,495,251
Building	914,415,606	-	-	914,415,606	10	497,958,561	41,645,705	-	539,604,266
Plant and Machinery	837,623,038	-	-	837,623,038	15	665,346,833	25,841,431	-	691,188,264
Furniture and Fixture	30,047,015	62,650	-	30,109,665	10	26,128,895	396,872	-	26,525,767
Vehicles	80,449,237	14,931,842	54,067,237	41,313,842	20	68,388,506	2,270,156	47,419,853	23,238,809
Total 2022-2023	2,032,030,147	14,994,492	54,067,237	1,992,957,402	-	1,257,822,795	70,154,164	47,419,853	1,280,557,106
									712,400,296

Property, plant & equipment-Unit I

Schedule –A-01
Amount in Taka

Particulars	Cost				Rate (%)	Depreciation			Written Down Value as on 30 June 2024
	Balance as on 01 July 2023	During the period		Balance as on 01 July 2023		During the period		Balance as on 30 June 2024	
		Additon	Adjustment /Disposal			Charged	Adjustment /Disposal		
Land	156,726,005	-	-	-	-	-	-	-	156,726,005
Building	793,219,265	-	-	10	385,442,477	40,777,679	-	426,220,156	366,999,109
Plant and Machinery	723,682,626	-	-	15	553,195,560	25,573,060	-	578,768,620	144,914,006
Furniture and Fixture	29,163,974	62,650	-	10	25,307,949	390,662	-	25,698,611	3,528,013
Vehicles	80,449,237	14,931,842	54,067,237	20	68,388,506	2,270,156	47,419,853	23,238,809	18,075,033
Total 2022-2023	1,783,241,107	14,994,492	54,067,237	-	1,032,334,492	69,011,557	47,419,853	1,053,926,196	690,242,166

Charged to:

Cost of Production
Profit & Loss Account

2023-2024

66,804,770
2,206,787
69,011,557

Schedule of Fixed Assets

- 1 Addition of plant & machinery represents purchase of transformer equipments and other imported machineries parts etc.
- 2 Addition of furniture & fittings represents purchase of computer, printer and ancillaries.
- 3 There are no intangible assets.
- 4 Depreciation has been charged on reducing balance method.

Schedule -A-02 Amount in Taka

Property, plant & equipment- Unit II

Particulars	Cost				Rate (%)	Depreciation				Written Down Value as on 30 June 2024
	Balance as on 01 July 2023	During the period		Balance as on 30 June 2024		Balance as on 01 July 2023	During the period		Balance as on 30 June 2024	
		Additon	Adjustment /Disposal				Charged	Adjustment /Disposal		
Land	12,769,246	-	-	12,769,246	-	-	-	-	12,769,246	
Building	121,196,341	-	-	121,196,341	10	112,516,084	868,026	113,384,110	7,812,231	
Plant and Machinery	113,940,412	-	-	113,940,412	15	112,151,273	268,371	112,419,644	1,520,768	
Furniture and Fixture	883,041	-	-	883,041	10	820,946	6,210	827,156	55,885	
Vehicles	-	-	-	-	20	-	-	-	-	
Total 2022-2023	248,789,040	-	-	248,789,040		225,488,303	1,142,607	226,630,910	22,158,130	

Depreciation of Unit-II Tk. 1,142,607 charged against rental income.





**Schedule of Fixed Assets
As at 30 June, 2022-2023
Property, Plant and Equipment**

Schedule -A
Amount in Taka

Particulars	Cost				Rate (%)	Depreciation			Written Down Value as on 30 June 2023
	Balance as on 01 July 2022	During the period		Balance as on 01 July 2022		During the period		Balance as on 30 June 2023	
		Additon	Adjustment /Disposal			Charged	Adjustment /Disposal		
Land	169,495,251	-	-	-	-	-	-	-	169,495,251
Building	912,469,294	1,946,312	-	10	451,747,082	46,211,479	-	497,958,561	416,457,045
Plant and Machinery	837,623,038	-	-	15	634,945,149	30,401,684	-	665,346,833	172,276,205
Furniture and Fixture	29,960,715	86,300	-	10	25,700,222	428,673	-	26,128,895	3,918,120
Vehicles	80,449,237	-	-	20	65,373,323	3,015,183	-	68,388,506	12,060,731
Total 2021-2022	2,029,997,535	2,032,612	-	-	1,177,765,776	80,057,019	-	1,257,822,795	774,207,352

Property, plant & equipment-Unit I

Schedule –A-01
Amount in Taka

Particulars	Cost				Rate (%)	Depreciation			Written Down Value as on 30 June 2023
	Balance as on 01 July 2022	During the period		Balance as on 01 July 2022		During the period		Balance as on 30 June 2023	
		Additon	Adjustment /Disposal			Charged	Adjustment /Disposal		
Land	156,726,005	-	-	-	-	-	-	-	156,726,005
Building	791,272,953	1,946,312	-	10	340,195,471	45,247,006	-	385,442,477	407,776,788
Plant and Machinery	723,682,626	-	-	15	523,109,607	30,085,953	-	553,195,560	170,487,066
Furniture and Fixture	29,077,674	86,300	-	10	24,886,176	421,773	-	25,307,949	3,856,025
Vehicles	80,449,237	-	-	20	65,373,323	3,015,183	-	68,388,506	12,060,731
Total 2021-2022	1,781,208,495	2,032,612	-	-	953,564,577	78,769,915	-	1,032,334,492	750,906,615

Charged to:

Cost of Production
Profit & Loss Account

2022-2023
75,935,996
2,833,919
78,769,915

Schedule of Fixed Assets

- 1 Addition of plant & machinery represents purchase of 1 Nos. Grinding Wheel , 3 Nos Shaving Blade and other imported machineries parts etc.
- 2 Addition of furniture & fittings represent purchase of computer, printer and ancillaries.
- 3 There are no intangible assets.
- 4 Depreciation has been charged on reducing balance method.

Schedule -A-02 Amount in Taka

Property, plant & equipment- Unit II

Particulars	Cost				Rate (%)	Depreciation			Written Down Value as on 30 June 2023
	Balance as on 01 July 2022	During the period		Balance as on 01 July 2022		Charged	Adjustment /Disposal	Balance as on 30 June 2023	
		Additon	Adjustment /Disposal						
Land	12,769,246	-	-	12,769,246	-	-	-	-	12,769,246
Building	121,196,341	-	-	121,196,341	10	111,551,611	964,473	-	112,516,084
Plant and Machinery	113,940,412	-	-	113,940,412	15	111,835,542	315,731	-	112,151,273
Furniture and Fixture	883,041	-	-	883,041	10	814,046	6,900	-	820,946
Vehicles	-	-	-	-	20	-	-	-	-
Total 2021-2022	248,789,040	-	-	248,789,040	-	224,201,199	1,287,104	-	225,488,303
									23,300,737

Depreciation of Unit-II Tk. 1,287,104 charged against rental income.



NOTICE OF THE 48th ANNUAL GENERAL MEETING

Notice is hereby given that the 48th Annual General Meeting of Apex Tannery Limited will be held on Thursday, December 26, 2024 at 11:00 a.m. (Dhaka Time) by Hybrid System (both Physical and Digital Platform) in compliance with the BSEC's Order through the link: <https://apextanneryltd.bdvirtualagm.com> or attend in the venue at Apex Tannery Limited, Plot # XA1, XA2, XA3 and XS8, BSCIC Tannery Industrial Estate, Harindhara, Hemayetpur, Savar, Dhaka - 1340 to transact the following business:

1. To receive, Consider and adopt the Audited Financial Statements for the year ended June 30, 2024 and the Reports of the Auditors and Directors thereon.
2. To declare dividend for the year ended June 30, 2024.
3. To elect Director.
4. To elect Chairman
5. To appoint Acting Managing Director
6. To appoint Independent Director
7. To appoint Statutory Auditors for the year 2024-2025 and fix their remuneration.
8. To appoint Corporate Governance Auditors for the year 2024-2025 and fix their remuneration.

Special Resolution:

1. To consider and approve the proposal and contract of FB Footwear Ltd., Footbed Footwear Ltd. and Nuovo Shoes (BD) Ltd. to purchases finished leather from the company and to pass the following resolution: "Resolved that the decision of the Board to enter into a contract to sell its finished leather with FB Footwear Ltd., Footbed Footwear Ltd. and Nuovo Shoes (BD) Ltd. an exporter of footwear, as some directors of the company are also directors of FB Footwear Ltd., Footbed Footwear Ltd. and Nuovo Shoes (BD) Ltd. for greater interest of the Company and its stakeholders.

The contract is for sale of finished leather by the Company in its usual course of business at market prices of various grades and quality as mentioned in the contract. It is estimated that the annual sale to FB Footwear Ltd., Footbed Footwear Ltd. and Nuovo Shoes (BD) Ltd. by the Company will be more or less Tk.10,00,00,000/-, Tk.5,00,00,000/- and Tk.1,00,00,000/-(it may exceed or may be below the contracted amount depending on the market demand) respectively be and are hereby unanimously approved and passed by the shareholders."

December 02, 2024

Plot # XA1, XA2, XA3 and XS8

BSCIC Tannery Industrial Estate

Harindhara, Hemayetpur

Savar, Dhaka - 1340

By Order of the Board



Sushanta Kumar Paul FCS
Company Secretary

Notes:

1. November 04, 2024 is the record date. Shareholders whose names will appear in the Members register of the Company or in the Depository Register on that date will eligible to attend at the Annual General Meeting and receive dividend.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy in his stead. The proxy form, duly stamped must be deposited at the Corporate Office of the Company not later than 48 (forty eight) hours before the time fixed for the meeting. Annual report and proxy form can be available on the website www.apextannery.com.
3. In compliance with the Bangladesh Securities and Exchange Commission Circular No. BSEC/ CMRRCD/2009-193/154 dated 24 October, 2013 no Gift/Gift Coupon/Food Box/Biscuit Box/Cash or Cash kinds shall be distributed at the Annual General Meeting.
4. In compliance with the BSEC Notification No. BSEC/ CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, **Annual Report 2023-2024 will be duly sent in soft form to the Members/shareholders e-mail addresses** available in their Beneficial Owner (BO) accounts maintained with the Depository. In case of non-receipt of Annual Report 2023-2024 through e-mail, shareholders may collect the same from the registered office of the Company or Investor's Relation Department.
5. The shareholders will be able to submit their questions / comments electronically 24 hours before the AGM and shareholders may submit their questions in advance by email to ird@apextannery.com
6. Members are requested to notify e-mail address, through their respective depository Participants well in time.





APEX TANNERY LIMITED

PROXY FORM

I/We.....
of.....
being a Member of **Apex Tannery Limited**, hereby appoint
Mr./Ms.
of.....
as my /our proxy to attend and vote for me/us and on my/our behalf at the 48th Annual General Meeting of the company to be held on Thursday, December 26, 2024 at 11:00 a.m. and/or at any adjournment thereof.

As witness my hand this day of 2024.

Signature of Proxy

Affix
Revenue
Stamp of
Tk. 100.00

Signature of the Shareholder

No. of shares held

Register Folio/BO ID No.

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Note: A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his behalf. The proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time fixed for the meeting.

PROXY FORM

APEX TANNERY LIMITED

ATTENDANCE SLIP

I hereby record my attendance at the 48th Annual General Meeting being held on Thursday, December 26, 2024 at 11:00 a.m. at Apex Tannery Limited, Plot # XA1, XA2, XA3 and XS8, BSCIC Tannery Industrial Estate, Harindhara, Hemayetpur, Savar, Dhaka - 1340.

Name of member/proxy

Register Folio/BO ID No.

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Signature

Note: Shareholders attending meeting in person or proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

ATTENDANCE SLIP





Apex Tannery Limited

Factory And Registered Office :

Plot # XA1, XA2, XA3 & XS8, BSCIC Tannery Industrial Estate, Harindhara,
Hemayetpur, Savar, Dhaka-1340

Phone # 01714299096, E-mail : info@apextannery.com, apex@accesstel.net

Website : www.apextannery.com