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## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of APEX SPINNING & KNITTING MILLS LIMITED will be held at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206 on Saturday the September 25, 2010 at 09.00 A.M. to transact the following business:

### AGENDA

1. To receive and adopt the Accounts for the year ended 31<sup>st</sup> March 2010 and report of the Auditors and Directors thereon.
2. To declare Dividend @ 15% for the year 2009-10 as recommended by the Board of Directors.
3. To elect Directors.
4. To appoint Auditors for the year 2010-11 and fix their remuneration.

Dated: Dhaka  
July 26, 2010

By Order of the Board

Sd/-  
**Serazul Hoq**  
Company Secretary

### NOTES:

1. The record date shall be on **Monday, August 16, 2010**.
2. The Shareholders whose name will appear in the Register of Members of the Company or in the Depository on the "Record Date" will be eligible to attend the Annual General Meeting and be entitled to the Dividend.
3. A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead as per Para 99 of the Articles of Association of the Company. The Proxy Form must be affixed with "Revenue Stamp" of Tk. 10/- only must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
4. Members are requested to inform change of address, if any.
5. In pursuance of SEC's Notification No. SEC/SRMI/2000-953/1950 dated October 24, 2000 gazetted on November 07, 2000, the Company shall hold discussions in the Annual General Meeting strictly in conformity with the provisions of the Companies Act, 1994 and no benefit in cash or kind, other than in the form of Cash dividend or Stock dividend, shall be paid to the holders of equity securities.
6. For the sake of convenience, Shareholders are requested to submit their queries on the Directors' Report and the Audited Accounts for the year 2009-10, if any, at the Registered Office of the Company preferably 3 days before the day of the Annual General Meeting.
7. Admittance to the meeting venue will be strictly on production of the Attendance Slip sent with the Notice.

# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Chairman	:	Mr. Zafar Ahmed
Managing Director	:	Mr. Zahur Ahmed PhD
Director	:	Mrs. Shawkat Ara Ahmed
Director	:	Mr. Shahriar Ahmed
Director (ICB Representative)	:	Mr. Md. Moshir Rahman
Independent Director	:	Mr. Kazi Faruq Kader

## AUDIT COMMITTEE

Chairman	:	Mr. Shahriar Ahmed, Director
Member	:	Mr. Zahur Ahmed PhD, Director
Member	:	Mr. Md. Moshir Rahman, Director
Member	:	Mr. Kazi Faruq Kader, Independent Director

## SENIOR CORPORATE OFFICIALS

Chief Financial Officer	:	Mr. S. K. Halder
Company Secretary	:	Mr. Serazul Hoq
Head of Internal Audit	:	Mr. M. Kamruzzaman ACA

## LEGAL ADVISORS

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

## AUDITORS

Howladar Yunus & Co.  
Chartered Accountants

## BANKERS

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

## REGISTERED OFFICE

Biman Bhaban, 5<sup>th</sup> floor  
100 Motijheel C/A, Dhaka-1000  
Bangladesh

## FACTORY

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

## Five Years Statistics

Figure in Thousand Taka

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
<b>Results of Operations:</b>					
Turnover	1,586,094	1,649,533	1,718,675	1,601,979	1,924,904
Gross Profit	151,918	155,273	191,455	200,895	190,223
Operating Profit	17,917	21,005	56,436	50,654	58,340
Net Profit before Tax	18,168	21,094	77,762	54,718	60,507
Net Profit after Tax	13,815	13,118	66,393	48,959	47,892
Basic Earning Per Share	16.45	15.62	56.93	58.28	57.01
*Dividend Per Share	15.00	15.00	20.00	20.00	18.00
<b>Financial Positions:</b>					
Total Assets	833,306	914,796	990,650	864,363	789,904
Fixed Assets-Gross	999,165	952,079	905,252	852,957	663,085
Fixed Assets- Net	342,492	362,481	392,205	423,877	326,767
Gross Working Capital	481,193	542,694	588,824	395,527	423,337
Net Working Capital	54,237	54,348	60,029	(25,657)	4,644
Working Capital Loan	96,812	121,585	23,601	102,586	48,433
Share Capital	84,000	84,000	84,000	84,000	84,000
Share Premium	15,000	15,000	15,000	15,000	15,000
Reserve and Surplus	297,171	297,657	284,539	234,946	202,787
Share Holders Equity	396,171	396,657	400,339	350,746	316,907
Long Term Loan	19,211	50,298	79,746	107,983	93,433
<b>Key Financial Ratios:</b>					
Current Ratio	1.13	1.11	1.11	0.94	1.01
Debt to Total Assets	52.46	56.64	59.59	60.77	59.88
Return on Equity (%)	3.49	3.31	16.58	13.96	15.11
Net Asset Value Per Share	472	472	477	418	377
Payout Ratio	91.21	96.05	35.13	34.31	31.57
Interest Service Coverage Ratio	2.04	2.00	3.57	2.75	5.35
<b>Others:</b>					
Market Price Per Share	790	584	547	218	255
Price Earnings Multiple	48.04	37.37	9.61	3.73	4.47
Number of Employees	4,208	4,177	4,150	4,371	3,929
Capacity Utilization (%)	78.31	78.08	94.14	90.84	100

\* The Board of Directors recommended Cash Dividend @Tk.15.00 per Share for the year 2009-10.

## Corporate Governance Compliance Status Report

Status of compliance with the conditions imposed by the Securities and Exchange Commission's Notification No. SEC/CMRCD/2006-158/Admin/02-08 dated February 20, 2006

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board members should not be less than 5 (Five) and more than 20 (Twenty)	Complied	
1.2 (i)	Independent Director: At least 1/10 <sup>th</sup>	Complied	
1.2 (ii)	Appointment of Independent Director by elected Directors	Complied	
1.3	Individual Chairman of the Board, Chief Executive, clearly defined roles and responsibilities	Complied	
1.4	The Directors report to Shareholders on:		
1.4 (a)	Fairness of Financial Statements	Complied	
1.4 (b)	Maintenance of proper books of account	Complied	
1.4 (c)	Adaptation of appropriate Accounting policies and estimates	Complied	
1.4 (d)	Compliance with International Accounting Standards	Complied	
1.4 (e)	Soundness of Internal Control System	Complied	
1.4 (f)	Ability to Continue as Going Concern	Complied	
1.4 (g)	Significant deviation from last year	Complied	
1.4 (h)	Presentation of last three years data	Complied	
1.4 (i)	Declaration of Dividend	Complied	
1.4 (j)	Details of Board Meeting	Complied	
1.4 (k)	Shareholding Pattern	Complied	
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties.	Complied	
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting	Complied	

3.00	Audit Committee	Complied	
3.1 (i)	Constitution of Committee	Complied	
3.1 (ii)	Constitution of Committee with Board members including one Independent Director	Complied	
3.1 (iii)	Filling of Casual Vacancy in Committee	Complied	
3.2 (i)	Chairman of the Committee	Complied	
3.2 (ii)	Professional Qualification and experience of the Chairman of the committee	Complied	
3.3.1 (i)	Reporting to the Board of Directors	Complied	
3.3.1(ii)(a)	Reporting of Conflict of Interest to the Board of Directors	Not applicable	There was no such event to report
3.3.1(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	Not applicable	There was no such event to report
3.3.1(ii)(c)	Reporting of violation of laws to the Board of Directors	Not applicable	There was no such event to report
3.3.1(ii)(d)	Reporting of any other matter to the Board of Directors	Not applicable	There was no such event to report
3.3.2	Reporting of Qualified point to Commission	Not applicable	There was no such event to report
3.4	Reporting of activities to the Shareholders and General Investors	Not applicable	There was no such event to report
4.00	External/Statutory Auditors:		
4.00 (i)	Non-engagement in appraisal or valuation	Complied	
4.00 (ii)	Non-engagement in designing of Financial Information System	Complied	
4.00 (iii)	Non-engagement in Book-Keeping	Complied	
4.00 (iv)	Non-engagement in Broker-dealer service	Complied	
4.00 (v)	Non-engagement in Actuarial Services	Complied	
4.00 (vi)	Non-engagement in Internal Audit	Complied	
4.00 (vii)	Non-engagement in any other services	Complied	

## MESSAGE FROM THE CHAIRMAN

### Dear Shareholders,

It is an honor and pleasure for me to welcome you all to the Nineteenth Annual General Meeting of your Company and to present the Annual Report for the year ended 31<sup>st</sup> March 2010.

The contagion affects of the global economic crisis, which originated from the collapse of the United States sub prime mortgage market and the subsequent global crisis, has now deepened and broadened its adverse impacts across countries and in different forms. An economic downturn has now degenerated into recession and while developed countries were the first to feel the heat, developing and least developed countries (LDCs) have also now started to suffer from the consequences of the crisis to various degrees.

The performance of the Bangladesh economy continues to bear the lagged negative effects of the global financial crisis. The global economic recession belatedly affected Bangladesh economy in the first half (July–December) of FY2009-10. Investment was sluggish, and exports – one of the key drivers of growth – performed poorly. While remittances, the other major growth driver, held up well, its growth rate slowed down. The economy suffered substantial job losses, mainly as a result of increased number of migrant returnees, contraction of out-migration and lay-offs in export-led sectors.

In the FY of 2009-10 the increasingly globalizing economy of Bangladesh had to address the adverse impacts and implications of the global economic crisis by putting in place counter-cyclical measures, coming up with stimulus packages and taking measures to revive the domestic demand.

As is known, FY2009-10 ended with a 5.9 percent GDP growth performance; the year was also able to record stellar performance of the agriculture sector and ended with historically highest record level of Forex reserves. However, the year 2009-10 also experienced significant volatility in export earnings, less job opportunities in the overseas market, inflationary trends gaining steam and depressed investment trends.

Manufacturing activities are expected to pick up during the second half of 2010, buoyed by rising investment and trade activities. Uncertainties about availability of electricity and the looming gas rationing have discouraged investors to go for large-scale expansion, stalling decisions about adding new capacities or building new enterprises. In particular, the acute power and gas shortages are key constraints on growth.

The export sector is potentially the most vulnerable in Bangladesh since it depends heavily on U.S. and EU economies. The Readymade Garment (RMG) industry accounts for over three quarters of export earnings and depends almost entirely on U.S. and EU markets. There is growing concern that a deep and prolonged recession in these countries will reduce consumer spending significantly, thus reducing the demand for Bangladesh's exportables. Although demand for Bangladesh's export is not too sensitive to income, exports may decline and this could have significant effect on our export earnings even if export volumes remain largely unaffected.

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

Dhaka  
25<sup>th</sup> July, 2010

Sd/-  
**Zafar Ahmed**  
Chairman

## REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Auditors' Report and Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2010.

### Statement of Directors on Financial Reports:

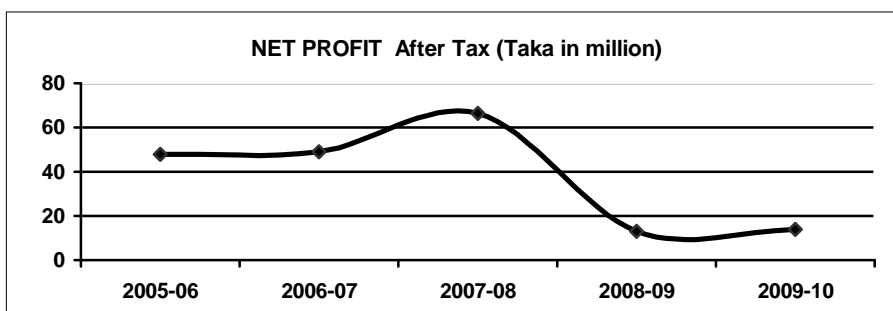
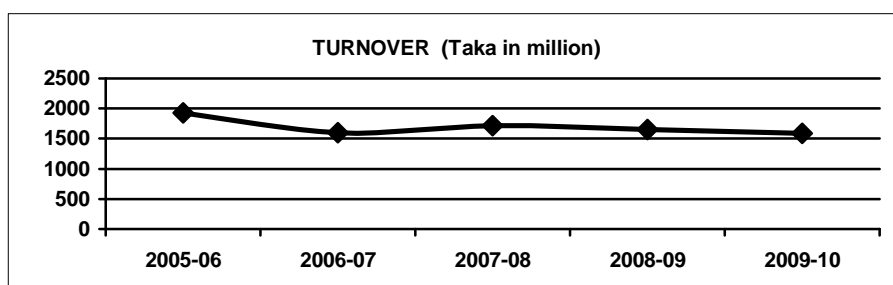
- The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Bangladesh, has been followed in preparations of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.

### Operating results of the company:

#### Economy & Operation:

Your Company achieved an export turnover of Tk. 1,586.09 million during the year ended 31<sup>st</sup> March 2010. Last year's turnover was BDT 1,649.53 million. The decrease in turnover is 3.85% with a 13.87% decrease in profit (before tax). Net profit (after tax) earned during the year was Tk. 13.81 million as compared to last year's Net Profit (after tax) of 13.12 million. This is due to the fact that on an average 20 to 30 percent price has declined depending on the item of export.

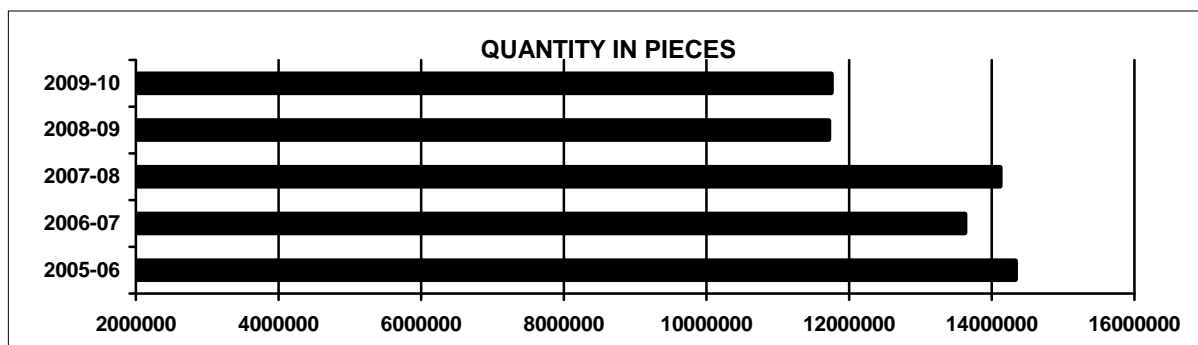
#### KEY FINANCIAL DATA:



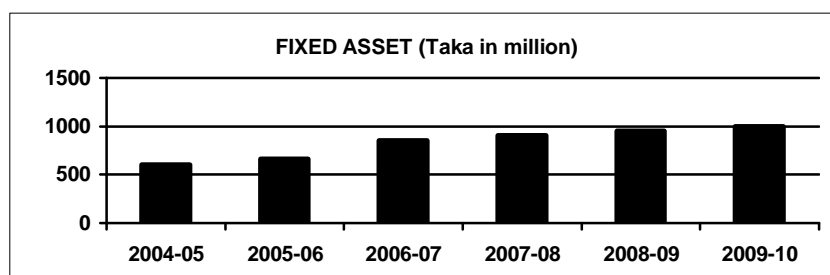


**Productivity:**

During the year, your Company produced 11.75 million pieces of apparel, an increase of 0.30% over that of last year. 78.31% of the production capacity was utilized during the year as against 78.08% in the previous year. The following graph reflects your Company's productivity.



During the year BDT 53.09 million was invested in fixed assets. The company has reached its optimum level of production capacity. Machineries are getting old and need to be replaced. In future, to keep pace with the market trend, we need to replace the machineries gradually. This replacement of machinery will require substantial amount of investment in future but may not increase the production capacity. The continuity of investment in fixed assets is reflected in the following graph.

**Key operating and financial data:****Value in thousand Taka**

	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
<b>Net Profit Before PPF &amp; Tax</b>	<b>19,077</b>	<b>22,149</b>	<b>81,650</b>
Less: Provision for PPF & Tax	(5,262)	(9,031)	(15,257)
<b>Net Profit For The Year</b>	<b>13,815</b>	<b>13,118</b>	<b>66,393</b>
Profit Brought Forward	152,605	152,087	102,494
<b>Profit Available For Appropriations</b>	<b>166,420</b>	<b>165,205</b>	<b>168,887</b>
<b>The Directors recommended the following appropriations</b>			
Statutory reserve for re-investment	-	-	-
Proposed Dividend	12,600	12,600	16,800
Profit Carried Forward	153,820	152,605	152,087
	<b>166,420</b>	<b>165,205</b>	<b>168,887</b>

**Dividend:**

Your Board of Directors has recommended Cash Dividend of Tk. 15.00 per Share of Tk. 100.00 each for the year 2009-10. Upon your approval in this General Meeting, the dividend will be paid to the Shareholders whose names appear in the Share Registers of the Company or in the Depository Register as on 16<sup>th</sup> August 2010 at the close of office.

**Board meetings:**

During the year 5 Board Meetings were held. The attendance record of the Directors is as follows:

<i>Name of Directors</i>	<i>Meeting attended</i>
Mr. Zafar Ahmed	5
Mr. Zahur Ahmed PhD	5
Mrs. Shawkat Ara Ahmed	5
Mr. Shahriar Ahmed	5
Mr. Kazi Faruq Kader	4
Mr. Muhammad Bazlush Shahid (Representative Director of ICB)	NIL

**Pattern of shareholdings:**

Name wise details	No. Shares
I. Parent/subsidiary/Associated Companies and other related parties	
Apex Foods Limited	226,320
Apex Lingerie Limited	14,300
Apex Yarn Dyeing Limited	13,640
II. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit:	
Mr. Zafar Ahmed – Director	84,240
Mr. Zahur Ahmed PhD – Director	94,440
Mrs. Shawkat Ara Ahmed – Director	12,600
Mr. Shahriar Ahmed – Director	4,740
Mr. Muhammad Bazlush Shahid (Representative Director of ICB)	NIL
Mr. Kazi Faruk Kader – Independent Director	NIL
Mr. Serazul Hoq – Company Secretary	20
Mr. S.K. Halder – Chief Financial Officer	NIL
Mr. M. Kamruzzaman ACA–Head of Internal Audit	NIL

Name wise details	No. Shares
III. Senior Corporate Executives	NIL
IV. Shareholders holding ten percent (10%) or more voting interest in the Company	
Mr. Zafar Ahmed	84,240
Mr. Zahur Ahmed PhD	94,440
Apex Foods Limited	226,320
ICB Unit Fund	123,980

**Director:**

Mr. Zahur Ahmed PhD and Mr. Kazi Fauq Kader retire from the Board in terms of the Articles of Association of the Company and being eligible, offer themselves for re-election.

Mr. Md. Moshir Rahman has been inducted in the Board as ICB representative in the Board of Directors in place of ICB earlier nominated Director Mr. Muhammad Bazlush Shahid.

**Auditors:**

As per Order of the Securities & Exchange Commission, existing auditors M/s. Howladar Yunus & Co., Chartered Accountants, retires being the auditors of the Company for three consecutive years. Being eligible, M/s. M.A.Malek Siddique Wali & Co., Chartered Accountants offer themselves for appointment as Auditors of the Company for the year 2010 -2011.

**Corporate Governance Compliance Report:**

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Report" is annexed.

Dhaka  
25<sup>th</sup> July, 2010

On behalf of the Board

Sd/-  
**Zafar Ahmed**  
Chairman

## পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১০ সালের ৩১শে মার্চ তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও কোম্পানীর নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করে আনন্দিত।

আর্থিক প্রতিবেদনের উপর পরিচালকগণের বিবৃতি:

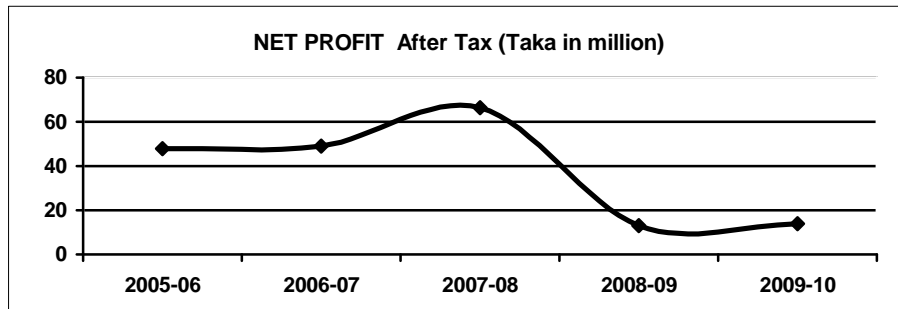
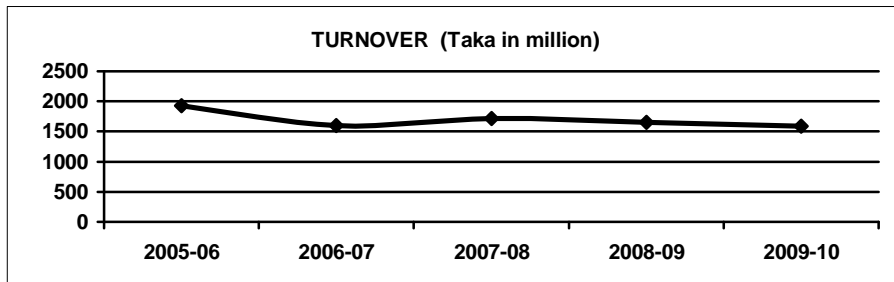
- (ক) কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর আর্থিক অবস্থা, কার্যক্রমের ফলাফল, নগদ প্রবাহ, মূলধনের পরিবর্তন সঠিক ভাবে উপস্থাপন করা হয়েছে।
- (খ) কোম্পানীর হিসাব বহি সমূহ যথাযথ ভাবে সংরক্ষণ করা হয়েছে।
- (গ) আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিকভাবে প্রয়োগ করা হয়েছে এবং হিসাবগত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।
- (ঘ) আর্থিক বিবরণী প্রস্তুতিতে বাংলাদেশে প্রযোজ্য আন্তর্জাতিক হিসাব মান অনুসৃত হয়েছে এবং যেকোন ব্যত্যয় যথাযথভাবে ব্যক্ত করা হয়েছে।
- (ঙ) অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত ও কার্যকরভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।
- (চ) কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।

কোম্পানীর কার্যক্রমগত ফলাফল:

অর্থনীতি ও কার্যক্রম:

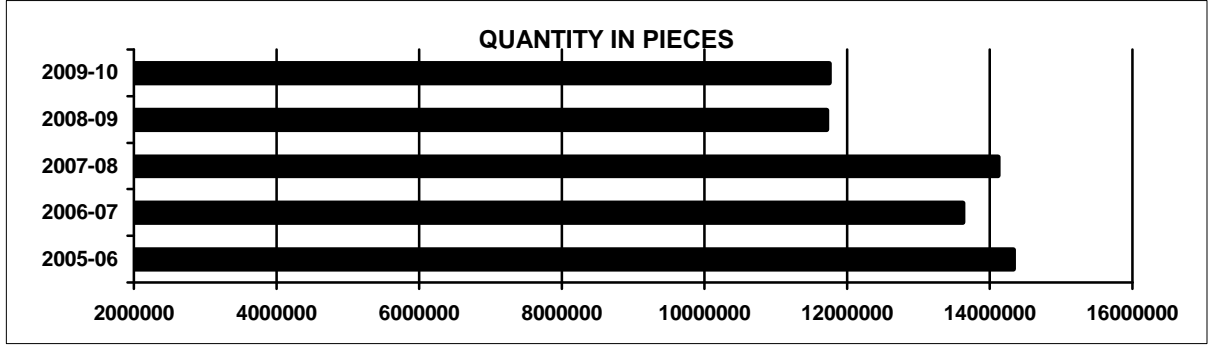
৩১শে মার্চ ২০১০ সমাপ্ত বৎসরে আপনাদের কোম্পানী মোট ১,৫৮৬.০৯ মিলিয়ন টাকা বিক্রয় করেছে। গত বৎসরের বিক্রয় ছিল ১,৬৪৯.৫৩ মিলিয়ন টাকা। বিক্রয় হ্রাস পেয়েছে ৩.৮৫% এবং মুনাফা হ্রাস পেয়েছে ১৩.৮৭% (কর পূর্ব)। এ বৎসর নীট মুনাফা (কর পরবর্তী) হয়েছে ১৩.৮১ মিলিয়ন টাকা যা গত বছর ছিল ১৩.১২ মিলিয়ন টাকা। কারণ রপ্তানীমুখী পণ্য ভেদে গড়ে ২০-৩০ শতাংশ মূল্য হ্রাস পেয়েছে।

মূল আর্থিক উপাত্ত:

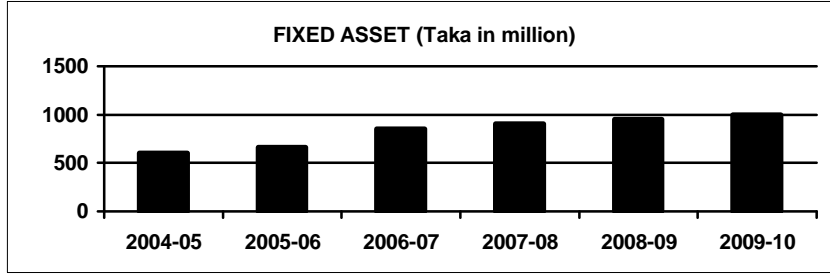


উৎপাদনশীলতা:

এ বৎসর আপনাদের কোম্পানী ১১.৭৫ মিলিয়ন পিস তৈরী পোষাক উৎপাদন করেছে যা গত বৎসরের তুলনায় ০.৩০% বেশী। এ বৎসর উৎপাদন ক্ষমতার ৭৮.৩১% ব্যবহার করতে সক্ষম হয়েছি যা গত বৎসর ছিল ৭৮.০৮%। নিম্নোক্ত রেখা চিত্রে কোম্পানীর উৎপাদনশীলতা প্রতিফলিত হয়েছে।



এ বৎসর ৫৩.০৯ মিলিয়ন টাকা স্থায়ী সম্পদে বিনিয়োগ করা হয়েছে। আপনাদের কোম্পানী তার কাম্য উৎপাদনশীলতায় পৌছেছে। এর যন্ত্রপাতি সমূহ অনেক পুরানো হয়েছে এবং প্রতিস্থাপন করা প্রয়োজন। ভবিষ্যতে বাজারের গতিবিধির সাথে সামঞ্জস্য রেখে পর্যায়ক্রমে আস্তে আস্তে পুরানো যন্ত্রপাতি গুলো প্রতিস্থাপন করতে হবে। এই প্রতিস্থাপনে একটি বিশাল অংকের বিনিয়োগ প্রয়োজন হবে কিন্তু প্রতিস্থাপিত যন্ত্রপাতি দ্বারা উৎপাদন ক্ষমতা নাও বাড়তে পারে। স্থায়ী সম্পদের নিরবিচ্ছিন্ন বিনিয়োগের প্রতিফলন নিম্নোক্ত চিত্রে রয়েছে।

মুখ্য পরিচালন ও অর্থনৈতিক উপাত্ত:

	(টাকা সহস্র মূল্যে)		
	২০০৯-১০	২০০৮-০৯	২০০৭-০৮
পিপিএফ ও করপূর্ব মুনাফা	১৯,০৭৭	২২,১৪৯	৮১,৬৫০
পিপিএফ ও কর সঞ্চিতি	(৫,২৬২)	(৯,০৩১)	(১৫,২৫৭)
নীট মুনাফা	১৩,৮১৫	১৩,১১৮	৬৬,৩৯৩
পূর্ববর্তী বৎসরের মুনাফার জের	১৫২,৬০৫	১৫২,০৮৭	১০২,৪৯৪
কটনযোগ্য মুনাফা	১৬৬,৪২০	১৬৫,২০৫	১৬৮,৬৮৭
পরিচালকদের সুপারিশকৃত কটন			
পুন: বিনিয়োগের জন্য সংবিধিবদ্ধ সংরক্ষন	-	-	-
প্রস্তাবিত লভ্যাংশ	১২,৬০০	১২,৬০০	১৬,৮০০
পরবর্তী বৎসরের জন্য স্থানান্তর	১৫৩,৮২০	১৫২,৬০৫	১৫২,০৮৭
	১৬৬,৪২০	১৬৫,২০৫	১৬৮,৬৮৭

লভ্যাংশ:

আপনাদের কোম্পানীর পরিচালকমন্ডলী ২০০৯-১০ হিসাব বৎসরে প্রতি ১০০/- (একশত) টাকার শেয়ারের জন্য ১৫.০০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করছেন। এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে সেই সমস্ত শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করা হবে যাদের নাম কোম্পানীর সদস্য বহিতে অথবা ডিপোজিটরি রেজিস্টারে ১৬ আগস্ট ২০১০ ইং তারিখে কার্য সমাপ্ত সময়ে অন্তর্ভুক্ত থাকবে।

বোর্ডের সভা:

এ বৎসর বোর্ডের ৫ টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

<u>পরিচালকবৃন্দের নাম</u>	<u>সভায় উপস্থিতি</u>
জনাব জাফর আহমেদ	৫
জনাব জহুর আহমেদ পিএইচডি	৫
জনাবা শওকত আরা আহমেদ	৫
জনাব শাহরিয়ার আহমেদ	৫
জনাব কাজী ফারুক কাদের	৪
জনাব মুহম্মদ বজলুস শহীদ(আই সি বি - প্রতিনিধি)	-

শেয়ারহোল্ডিংস সংক্রান্ত বিবরণ:

<u>নাম অনুসারে বিবরণ</u>	<u>শেয়ার সংখ্যা</u>	
১. প্যারেন্ট/ সাবসিডিয়ারী/ এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টিসমূহ:		
এপেক্স ফুডস লিমিটেড	২২৬,৩২০	
এপেক্স ল্যানজারী লিমিটেড	১৪,৩০০	
এপেক্স ইয়ার্ন ডাইং লিমিটেড	১৩,৬৪০	
২. পরিচালকবৃন্দ, প্রধান নির্বাহী কর্মকর্তা, কোম্পানী সচিব, প্রধান অর্থ কর্মকর্তা, অভ্যন্তরীণ নিরীক্ষা প্রধান:		
জনাব জাফর আহমেদ	পরিচালক	৮৪,২৪০
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	৯৪,৪৪০
জনাবা শওকত আরা আহমেদ	পরিচালক	১২,৬০০
জনাব শাহরিয়ার আহমেদ	পরিচালক	৪,৭৪০
জনাব মুহম্মদ বজলুস শহীদ	পরিচালক (আই সি বি - প্রতিনিধি)	-
জনাব কাজী ফারুক কাদের	ইনডিপেন্ডেন্ট ডাইরেক্টর	-
জনাব সিরাজুল হক	কোম্পানী সচিব	২০
জনাব এস. কে. হালদার	প্রধান অর্থ কর্মকর্তা	-
জনাব এম. কামরুজ্জামান, এসিএ	অভ্যন্তরীণ নিরীক্ষা প্রধান	-
৩. উর্ধ্বতন করপোরেট নির্বাহীগণ		-

নাম অনুসারে বিবরণ

শেয়ার সংখ্যা

৪. কোম্পানীতে ১০ শতাংশ অথবা তার চেয়ে

বেশী ভোটের অধিকারী শেয়ারহোল্ডার:

জনাব জাফর আহমেদ	৮৪,২৪০
জনাব জহুর আহমেদ পিএইচডি	৯৪,৪৪০
এপেক্স ফুডস লিমিটেড	২২৬,৩২০
আই সি বি ইউনিট ফান্ড	১২৩,৯৮০

পরিচালক:

জনাব জহুর আহমেদ পিএইচডি এবং জনাব কাজী ফারুক কাদের কোম্পানীর সংঘ বিধি মোতাবেক বোর্ড থেকে পদত্যাগ ও যোগ্য বিধায় পুনঃ নির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন।

আইসিবি এর সাবেক মনোনীত পরিচালক জনাব বজলুস শহিদ এর পরিবর্তে জনাব মো: মশিউর রহমান কে আইসিবি এর প্রতিনিধি হিসাবে পরিচালক মন্ডলীর পর্ষদে অন্তর্ভুক্ত করা হয়েছে।

নিরীক্ষক:

দি সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর আদেশ অনুযায়ী বর্তমান নিরীক্ষক মেসার্স হাওলাদার ইউনুস এন্ড কোম্পানী, চার্টার্ড একাউন্ট্যান্টস পর পর তিন বৎসর নিরীক্ষা কার্য সম্পাদন করেছে। যোগ্য বিধায় ২০১০-১১ হিসাব বৎসরের জন্য মেসার্স এম.এ. মালেক সিদ্দিকী ওয়ালী এন্ড কোম্পানী, চার্টার্ড একাউন্ট্যান্টস তাহাদেরকে নিরীক্ষক নিয়োগের জন্য আবেদন করেছেন।

করপোর্টেট গভর্নেন্স প্রতিবেদন:

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের চাহিদা অনুযায়ী করপোর্টেট গভর্নেন্স প্রতিবেদন সংযুক্ত করা হল।

ঢাকা

২৫ জুলাই, ২০১০

বোর্ডের পক্ষে

স্বা/-

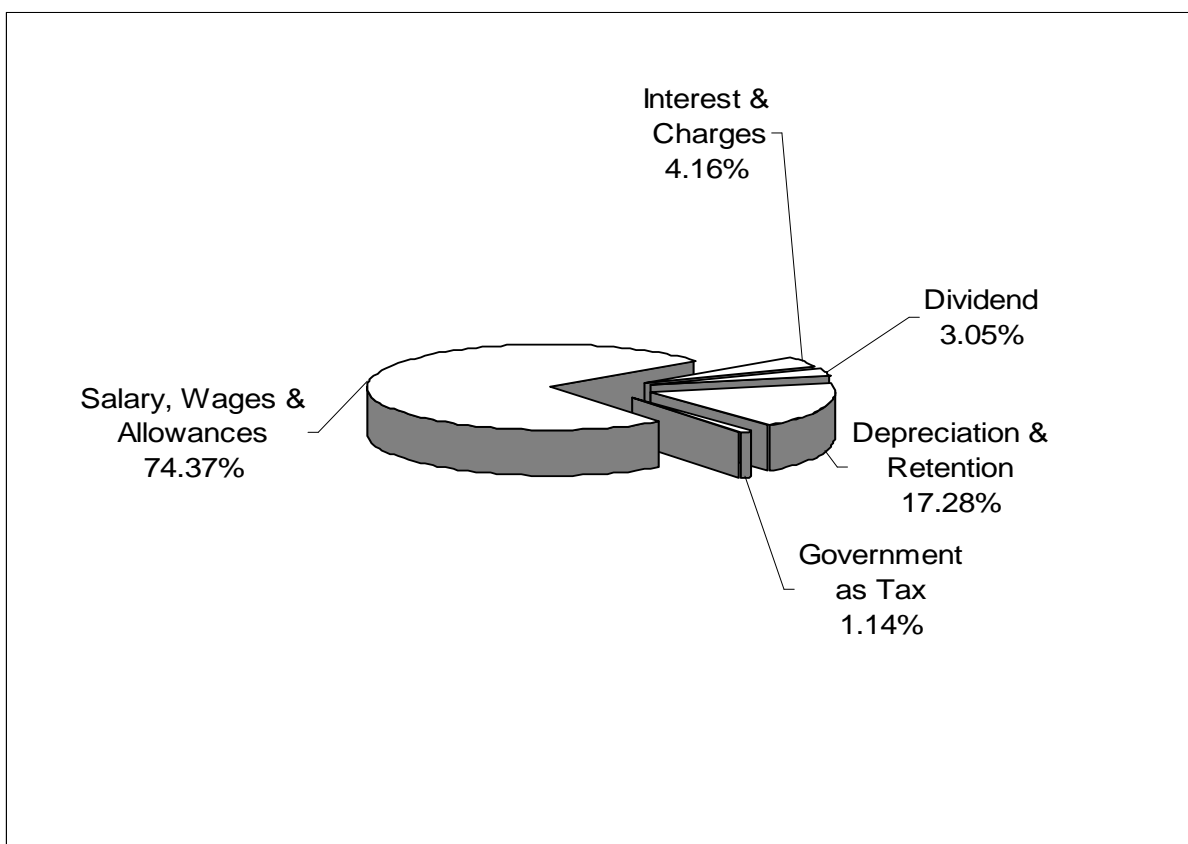
জাফর আহমেদ

সভাপতি

## VALUE ADDED STATEMENT

Value in Taka

PARTICULARS	2009-10	%	2008-09	%
<b>VALUE ADDED:</b>				
Turnover	1,586,094,474		1,649,533,126	
Less: Bought in Materials & Services	1,172,873,045		1,257,989,065	
	-----		-----	
	<b>413,221,429</b>		<b>391,544,061</b>	
	=====		=====	
<b>APPLICATIONS:</b>				
Government as Tax	4,719,952	1.14	8,381,061	2.14
Employees as Salary Wages & Allowances	307,311,884	74.37	274,045,846	69.99
Providers of Loan as Interest & Charges	17,176,247	4.16	20,989,240	5.36
Providers of Capital as Dividend	12,600,000	3.05	12,600,000	3.22
Depreciation & Retention	71,413,346	17.28	75,527,914	19.29
	-----	-----	-----	-----
	<b>413,221,429</b>	<b>100.00</b>	<b>391,544,061</b>	<b>100.00</b>
	=====	=====	=====	=====





## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of the Apex Spinning & Knitting Mills Limited as at 31<sup>st</sup> March, 2010 and its Profit and Loss Account for the year ended as on that date together with the accompanying Cash Flow Statement, Statement of Changes in Equity and Notes thereto as prepared by the Company in due conformance with generally accepted accounting principles, procedures and also the applicable Bangladesh Accounting Standards (BAS) and produced to us by it for our examination in due conformance with the applicable Bangladesh Standards on Auditing and we report that;

- (i) we have conducted the audit as per applicable Bangladesh Standards on Auditing (BSA);
- (ii) our examination and checking of records, relevant books of account, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the accounts and financial statements;
- (iii) we have obtained all the information, explanations and documents as required by us;
- (iv) the Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and that proper books of account, records and other statutory books have been properly maintained;
- (v) the Balance Sheet, Profit and Loss Account are in agreement with the said books of account maintained by the company and examined by us while the Cash Flow Statement conforms with the presentation laid out in the relevant Bangladesh Accounting Standards and
- (vi) the expenditure incurred and payments made were for the purpose of the company's business for the year.

And in our opinion the annexed Balance Sheet, Profit and Loss Account represent a true and fair view of the state of the Company's affairs as at 31<sup>st</sup> March, 2010 and of the profit earned for the year ended on that date and that these financial statements have been drawn up in accordance with the requirement of applicable laws and rules containing all the information in the manner required by relevant laws and rules and the Bangladesh Accounting Standards (BAS) as applicable in Bangladesh including BAS 24.

Sd/-  
**Howladar Yunus & Co.**  
Chartered Accountants

Dated; Dhaka  
July 25, 2010

## BALANCE SHEET

### AS AT 31<sup>st</sup> MARCH, 2010

	Notes	31.03.2010	Value in Taka 31.03.2009
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets:</b>			
Gross Block	2	999,164,631	952,079,158
Less: Accumulated Depreciation		656,673,021	589,598,657
<b>Net Block</b>		<b>342,491,610</b>	<b>362,480,501</b>
<b>Investment</b>	<b>3</b>	<b>9,621,112</b>	<b>9,621,112</b>
<b>Current Assets:</b>			
Inventories	4	150,077,244	199,761,636
Trade Debtors	5	235,362,912	266,670,031
Advance, Deposits & Prepayments	6	39,899,671	47,822,480
Other Receivable	7	5,456,246	1,865,469
Cash & Bank Balances	8	50,396,719	26,574,432
		<b>481,192,792</b>	<b>542,694,048</b>
<b>Less: Current Liabilities</b>			
Working Capital Loan	9	96,811,848	121,585,184
Long Term Loan-Current Maturity	10	18,910,375	31,047,725
Short Term Loan	11	29,726,089	45,669,309
Trade Creditors	12	234,573,811	232,987,648
Sundry Creditors	13	46,933,315	57,056,006
		<b>426,955,438</b>	<b>488,345,872</b>
<b>Net Current Assets</b>		<b>54,237,354</b>	<b>54,348,176</b>
<b>Less: Deferred Tax Liability</b>		<b>9,878,206</b>	<b>10,541,713</b>
<b>TOTAL ASSETS</b>		<b><u>396,471,870</u></b>	<b><u>415,908,076</u></b>
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders' Fund:</b>			
Share Capital	14	84,000,000	84,000,000
Share Premium	15	15,000,000	15,000,000
Reserve and Surplus	16	297,170,995	297,657,495
		<b>396,170,995</b>	<b>396,657,495</b>
<b>Loan Fund (Secured):</b>			
Long Term Loan	17	300,875	19,250,581
<b>TOTAL LIABILITIES</b>		<b><u>396,471,870</u></b>	<b><u>415,908,076</u></b>
<b>Net Asset Value per Share</b>		<b>472</b>	<b>472</b>

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

Sd/-  
**Shahriar Ahmed**  
Director

Sd/-  
**Serazul Hoq**  
Company Secretary

Note: Annexed notes form part of these Accounts.

This is the Balance Sheet referred to in our report to the Shareholders of even date.

Dated: Dhaka  
July 25, 2010

Sd/-  
**Howladar Yunus & Co.**  
Chartered Accountants

## PROFIT AND LOSS ACCOUNT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

		Value in Taka	
	Notes	2009-10	2008-09
<b>TURNOVER</b>	<b>18</b>	<b>1,586,094,474</b>	<b>1,649,533,126</b>
Cost of goods sold	19	1,434,176,589	1,494,260,018
<b>GROSS PROFIT</b>		<b>151,917,885</b>	<b>155,273,108</b>
<b>OPERATING EXPENSES:</b>			
Administrative & selling overhead	21	116,824,901	113,278,974
Financial expenses	22	17,176,247	20,989,240
		<b>134,001,148</b>	<b>134,268,214</b>
<b>OPERATING PROFIT</b>		<b>17,916,737</b>	<b>21,004,894</b>
Other Income	23	1,159,433	1,143,717
<b>PROFIT BEFORE PPF &amp; WF</b>		<b>19,076,170</b>	<b>22,148,611</b>
Provision for contribution to PPF & WF		908,389	1,054,696
<b>PROFIT BEFORE TAX</b>		<b>18,167,781</b>	<b>21,093,915</b>
<b>Tax Expenses:</b>	<b>24</b>		
Current Tax		5,016,469	8,652,122
Deferred tax expenses/(income)		(663,507)	(676,575)
<b>NET PROFIT AFTER TAX</b>		<b>13,814,819</b>	<b>13,118,368</b>
<b>Retained earnings transferred to reserve and surplus</b>		<b>13,814,819</b>	<b>13,118,368</b>
<b>Basic Earning per share</b>	<b>28</b>	<b><u>16.45</u></b>	<b><u>15.62</u></b>

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

Sd/-  
**Shahriar Ahmed**  
Director

Sd/-  
**Serazul Hoq**  
Company Secretary

Note: Annexed notes form part of these Accounts.

This is the Profit and Loss Account referred to in our report to the Shareholders of even date.

Dated; Dhaka  
July 25, 2010

Sd/-  
**Howladar Yunus & Co.**  
Chartered Accountants

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

	Value in Taka	
	2009-10	2008-09
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Collection from turnover	1,617,401,593	1,534,005,995
Other income	628,534	651,320
Payment for costs and expenses	(1,451,020,269)	(1,630,330,668)
<b>Net cash generated from operating activities (a)</b>	<b>167,009,858</b>	<b>(95,673,353)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, Plant and Equipment acquired	(53,085,160)	(46,841,697)
Sale of assets	1,880,000	500,000
<b>Net cash used in investing activities (b)</b>	<b>(51,205,160)</b>	<b>(46,341,697)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Working capital loan receive/(repaid)	(24,773,336)	97,984,143
Term loan receive/(repaid)	(47,030,276)	(32,439,601)
Dividend Paid	(20,178,799)	(8,763,310)
<b>Net cash generated from financing activities (c)</b>	<b>(91,982,411)</b>	<b>56,781,232</b>
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>23,822,287</b>	<b>(85,233,818)</b>
Cash and cash equivalents on opening	26,574,432	111,808,250
<b>Cash and cash equivalents on closing</b>	<b>50,396,719</b>	<b>26,574,432</b>
<b>Net Operating Cash Flow per Share</b>	<b>199</b>	<b>(114)</b>

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

Sd/-  
**Shahriar Ahmed**  
Director

Sd/-  
**Serazul Hoq**  
Company Secretary

Note: Annexed notes form part of these Accounts.

This is the Cash Flow Statement referred to in our report to the Shareholders of even date.

Dated; Dhaka  
July 25, 2010

Sd/-  
**Howladar Yunus & Co.**  
Chartered Accountants

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Total
<b>As at 31<sup>st</sup> March, 2009</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>165,204,978</b>	<b>2,751,818</b>	<b>396,657,495</b>
Net profit after tax of 2009-10	-	-	-	13,814,819	-	13,814,819
Dividend paid during the year	-	-	-	(12,600,000)	-	(12,600,000)
Prior Years Adjustment*	-	-	-	(1,701,319)	-	(1,701,319)
<b>As at 31<sup>st</sup> March'2010</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>164,718,478</b>	<b>2,751,818</b>	<b>396,170,995</b>

\* Please refer to Note No. 25 for Prior Years adjustment.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Total
<b>As at 31<sup>st</sup> March, 2008</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>168,886,610</b>	<b>2,751,818</b>	<b>400,339,127</b>
Net profit after tax of 2008-09	-	-	-	13,118,368	-	13,118,368
Dividend paid during the year	-	-	-	(16,800,000)	-	(16,800,000)
<b>As at 31<sup>st</sup> March, 2009</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>165,204,978</b>	<b>2,751,818</b>	<b>396,657,495</b>

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

Sd/-  
**Shahriar Ahmed**  
Director

Sd/-  
**Serazul Hoq**  
Company Secretary

Note: Annexed notes form part of these Accounts.

This is the Statement of Changes in Equity referred to in our report to the Shareholders of even date.

Dated: Dhaka  
July 25, 2010

Sd/-  
**Howladar Yunus & Co.**  
Chartered Accountants

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH,  
2010 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:**

**a. Legal Form of the Enterprise:**

The Apex Spinning & Knitting Mills Limited is a public limited company registered under the Companies Act, 1913. The Company was incorporated in Bangladesh on 25.11.1990. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

**b. Address of Registered Office and Principal Place of Business:**

The principal place of business is the Registered Office at Biman Bhaban, 5<sup>th</sup> Floor, 100 Motijheel Commercial Area, Dhaka-1000 and the Factory is located at Chandora, P.O. Chandora, P.S. Kaliakoir, Dist. Gazipur.

**c. Nature of Business Activities:**

The Company owns and operates a 100% export oriented vertically integrated knitting, dyeing, finishing and garment factory.

**d. Accounting Convention and Basis:**

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable Bangladesh Accounting Standards which does not vary from the requirements of the Companies Act 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

**e. Fixed Assets:**

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

**f. Depreciation:**

Depreciation is charged on all fixed assets except land and land development on reducing balance method.

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

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

**g. Accounting for Lease:**

Due to adoption of lease accounting by the Institute of Chartered Accountants of Bangladesh (ICAB) accounting for lease has been made as per BAS 17, "Leases", and accordingly all the Operating Leases have been treated as Financial Lease for the reporting period.

**h. Inventories:**

Inventories in hand as at 31<sup>st</sup> March, 2010 have been valued at lower of cost and net realizable value in accordance with BAS 2 "Inventories" after making due allowance for any obsolete or slow moving items.

**i. Income Tax:**

The Company is a Publicly Traded Company, as per the Income Tax Ordinance, 1984. Since the company is 100% export oriented Ready Made Garment Industry the tax has been deducted at source @ 0.25% on the export proceeds and provision has been made accordingly. However, the tax provision has been made @ 27.50% on interest earned and 20% on dividend income as per provision of the Income Tax Ordinance, 1984.

**j. Deferred Tax:**

Deferred tax assets or deferred tax liabilities have been accounted for in accordance with BAS 12 "Income Taxes". Deferred tax arises due to temporary difference, deductible or taxable for the events or transactions recognized in the profit and loss account. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financials statement. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax asset/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

**k. Trade Debtors:**

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

**l. Creditors and Accrued Expenses:**

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

**m. Earning Per Share:**

The Company calculates Earnings Per Share (EPS) in accordance with BAS 33 “Earnings Per Share” which has been shown on the face of profit and loss account and the computation of EPS is stated in Note 28.

**i. Basic Earnings:**

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

**ii. Weighted Average Number of Ordinary Shares Outstanding During The Year:**

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

**iii. Basic Earnings Per Share:**

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

**iv. Diluted Earnings Per Share:**

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

**n. Cash Flow Statement:**

Cash Flow statement has been prepared in accordance with BAS 7 “Cash Flow Statements” and the cash flow from the operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions of paragraph 19 of BAS 7 which provides that “Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method”.

**o. Foreign Exchange:**

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Balance Sheet date in accordance with BAS 21 “The Effects of Changes in Foreign Exchange Rates”.

**p. Revenue Recognition:**

Exports are made against confirmed L/C and firm contracts. The sale proceeds are accounted for upon shipments and after satisfying all the conditions for revenue recognition as provided in BAS 18 “Revenue”.



**q. Employee Benefit Obligations:**

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

**r. Contribution to PPF & WF:**

This is being calculated @ 5% of the net profit after such contribution provided as per provisions of the Company's profit (Workers' Participation) Act, 1968 and is payable to workers' as defined in the said Act.

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

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

**t. Responsibility for preparation and presentation of financial statements:**

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per the provision of "The Framework for the Preparation and Presentation of Financial statements" issued by the International Accounting Standard Committee (IASC) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

**u. Comparative information:**

Comparative information have been disclosed in respect of the year 2008-09 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current periods financial statements.

Last year's figures have been rearranged where considered necessary to conform to current year's presentation.

**v. Reporting currency and level of precision:**

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

**w. Reporting period:**

Financial Statements of the Company cover one year from 1<sup>st</sup> April to 31<sup>st</sup> March consistently.

**x. General:**

- The Financial Statements include the following components as per BAS 1 "Presentation of Financial Statements".
  - i) Balance Sheet as at 31<sup>st</sup> March, 2010
  - ii) Profit and Loss account for the year ended 31<sup>st</sup> March, 2010
  - iii) Cash Flow Statement for the year ended 31<sup>st</sup> March, 2010
  - iv) Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2010 and
  - v) Accounting Policies and explanatory notes.

**2. FIXED ASSETS: TK. 342,491,610**

SL. NO.	PARTICULAR	COST				RATE %	DEPRECIATION				W.D.V as at 31.03.10
		Balance as at 01.04.09	Addition During the year	(Deletion) During the year	Balance as at 31.03.10		Balance as at 01.04.09	(Adjustment) for the year	Charged for the year	Balance as at 31.03.10	
1	Land & Land Development	21,423,102		-	21,423,102		-	-	-	-	21,423,102
2	Factory Building	150,717,070	34,525,863	-	185,242,933	20	82,406,822	-	20,567,222	102,974,044	82,268,889
3	Civil Construction	41,820,939	4,649,132	-	46,470,071	10	18,350,644		2,811,943	21,162,587	25,307,484
4	Plant & Machinery	565,119,801	1,300,675	(4,717,098)	561,703,378	20	392,089,134	(3,632,648)	34,649,378	423,105,864	138,597,514
5	Effluent Treatment Plant	10,006,794	5,668,554	-	15,675,348	20	6,478,311	-	1,839,407	8,317,718	7,357,630
6	Gas Installation	7,208,772	-	-	7,208,772	15	6,237,982	-	145,619	6,383,601	825,171
7	Electric Installation	10,459,604	304,669	-	10,764,273	15	5,607,646	-	773,494	6,381,140	4,383,133
8	Boiler	10,786,943	-	-	10,786,943	15	8,535,758	-	337,678	8,873,436	1,913,507
9	Generator	71,493,374	440,000	(1,282,589)	70,650,785	15	34,322,385	(1,017,938)	5,601,951	38,906,398	31,744,387
10	Water Treatment Plant	5,493,083	1,809,270	-	7,302,353	20	2,935,596	-	873,351	3,808,947	3,493,406
11	Factory Equipments	11,401,916	278,200	-	11,680,116	15	6,593,441	-	763,001	7,356,442	4,323,674
12	Other Equipments	5,128,021	126,347	-	5,254,368	15	2,433,977	-	423,059	2,857,036	2,397,332
13	Deep Tube-Well & Tanks	3,976,357	3,176,081	-	7,152,438	15	2,348,671	-	720,565	3,069,236	4,083,202
14	Motor Vehicles	8,511,244	-	-	8,511,244	20	5,781,636	-	545,922	6,327,558	2,183,686
15	Furniture & Fixtures	15,385,698	388,139	-	15,773,837	10	7,632,842	-	814,099	8,446,941	7,326,896
16	Laboratory Equipments	576,027	-	-	576,027	15	492,027	-	12,600	504,627	71,400
17	Office Equipments	12,529,788	418,230	-	12,948,018	15	7,313,798	-	845,133	8,158,931	4,789,087
18	Motor Cycles	40,625	-	-	40,625	20	37,987	-	528	38,515	2,110
		<b>952,079,158</b>	<b>53,085,160</b>	<b>(5,999,687)</b>	<b>999,164,631</b>		<b>589,598,657</b>	<b>(4,650,586)</b>	<b>71,724,950</b>	<b>656,673,021</b>	<b>342,491,610</b>

**Charged to:**

Manufacturing Accounts	69,519,269
Profit & Loss Accounts	<u>2,205,681</u>
	<b><u>71,724,950</u></b>

- Due to adoption of BAS 17, "Leases" by ICAB, the leased asset has been considered as assets of the Company.

	<b><u>2009-10</u></b>	<b><u>2008-09</u></b>
<b>3. INVESTMENT: TK. 9,621,112</b>		
Apex Foods Limited (Public Limited Company) 16,475 Shares.	8,621,112	8,621,112
Central Depository Bangladesh Limited 200,000 Share of Tk. 10/- each including 100,000 Bonus Shares.	1,000,000	1,000,000
	<b>=====</b> <b>9,621,112</b> <b>=====</b>	<b>=====</b> <b>9,621,112</b> <b>=====</b>

**Market Price of Listed Companies Shares (As on 31.03.2010)**

Apex Foods Limited	1,070	993
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		<u>2009-10</u>	<u>2008-09</u>
<b>4. INVENTORIES: TK. 150,077,244</b>			
<b>Finished Goods</b>	<b>Quantity</b>		
T Shirts	2,531 Doz	2,954,870	893,445
Polo Shirts	- Doz	-	87,646
Others	2,016 Doz	4,025,532	762,165
	<b><u>4,547</u> Doz</b>	<b>6,980,402</b>	<b>1,743,256</b>
<b>Work in Process</b>			
Dyed Fabric	55,002 Kg	21,133,623	49,276,889
Knitted Fabric	- Kg	-	19,947,223
Greige Fabric	20,985 Kg	6,198,600	3,853,894
	<b><u>75,987</u> Kg</b>	<b>27,332,223</b>	<b>73,078,006</b>
<b>Raw Materials</b>			
Yarn	221,240 Kg	40,630,914	10,647,122
Dyes & Chemicals	161,828 Kg	58,724,660	78,364,969
	<b><u>383,068</u> Kg</b>	<b>99,355,574</b>	<b>89,012,091</b>
<b>Accessories</b>		16,409,045	35,928,283
		-----	-----
		<b>150,077,244</b>	<b>199,761,636</b>
		=====	=====

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

**5. TRADE DEBTORS: TK 235,362,912**

Export Bills Receivable	<b><u>235,362,912</u></b>	<b><u>266,670,031</u></b>
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Invoice wise break up of export bills receivable as on 31.03.2010 are given below:

Invoice No.	LC No.	Amount in Taka
ASKML-0296/2010	EWM/APEX/A049/TS10/002	1,582,350
ASKML-0297/2010	EWM/APEX/A049/TS10/001	682,534
ASKML-0176/2010	ASKML/CONT/02/09	140,425
ASKML-0143/2010	ASKML/CONT/02/09	30,010
ASKML-0141/2010	ASKML/CONT/02/09	16,440
ASKML-0120/2010	ASKML/CONT/02/09	1,087,074
ASKML-0133/2010	ASKML/CONT/02/09	2,179,944
ASKML-0166/2010	ASKML/CONT/02/09	1,495,355
ASKML-0157/2010	ASKML/CONT/02/09	238,380
ASKML-0154/2010	ASKML/CONT/02/09	609,102
ASKML-0180/2010	ASKML/CONT/02/09	69,253
ASKML-0179/2010	ASKML/CONT/02/09	167,688
ASKML-0174/2010	ASKML/CONT/02/09	1,189,160
ASKML-0171/2010	ASKML/CONT/02/09	8,830,198
ASKML-0159/2010	ASKML/CONT/02/09	3,670,941
ASKML-0153/2010	ASKML/CONT/02/09	512,928
ASKML-0119/2010	ASKML/CONT/02/09	86,173

ASKML-0152/2010	ASKML/CONT/02/09	4,399,961
ASKML-0186/2010	ASKML/CONT/02/09	12,275
ASKML-0156/2010	ASKML/CONT/02/09	492,652
ASKML-0161/2010	ASKML/CONT/02/09	779,701
ASKML-0173/2010	ASKML/CONT/02/09	2,013,900
ASKML-0165/2010	ASKML/CONT/02/09	1,024,075
ASKML-0160/2010	ASKML/CONT/02/09	4,635,189
ASKML-0163/2010	ASKML/CONT/02/09	1,874,160
ASKML-0172/2010	ASKML/CONT/02/09	2,349,887
ASKML-0177/2010	ASKML/CONT/02/09	252,765
ASKML-0138/2010	ASKML/CONT/02/09	390,388
ASKML-0140/2010	ASKML/CONT/02/09	601,087
ASKML-0220/2010	ASKML/CONT/02/09	1,482,176
ASKML-0217/2010	ASKML/CONT/02/09	30,435
ASKML-0215/2010	ASKML/CONT/02/09	24,550
ASKML-0210/2010	ASKML/CONT/02/09	2,052,945
ASKML-0204/2010	ASKML/CONT/02/09	20,276
ASKML-0201/2010	ASKML/CONT/02/09	5,393,382
ASKML-0199/2010	ASKML/CONT/02/09	1,859,364
ASKML-0197/2010	ASKML/CONT/02/09	2,885,220
ASKML-0196/2010	ASKML/CONT/02/09	392,437
ASKML-0195/2010	ASKML/CONT/02/09	614,856
ASKML-0190/2010	ASKML/CONT/02/09	3,915,803
ASKML-0189/2010	ASKML/CONT/02/09	643,215
ASKML-0207/2010	ASKML/CONT/02/09	13,714
ASKML-0185/2010	ASKML/CONT/02/09	230,160
ASKML-0188/2010	ASKML/CONT/02/09	413,411
ASKML-0264/2010	ASKML/CONT/02/09	18,968
ASKML-0219/2010	ASKML/CONT/02/09	498,680
ASKML-0247/2010	ASKML/CONT/02/09	197,311
ASKML-0236/2010	ASKML/CONT/02/09	354,316
ASKML-0216/2010	ASKML/CONT/02/09	515,582
ASKML-0193/2010	ASKML/CONT/02/09	202,633
ASKML-0202/2010	ASKML/CONT/02/09	564,611
ASKML-0223/2010	ASKML/CONT/02/09	24,524
ASKML-0237/2010	ASKML/CONT/02/09	179,747
ASKML-0232/2010	ASKML/CONT/02/09	78,615
ASKML-0198/2010	ASKML/CONT/02/09	593,073
ASKML-0250/2010	ASKML/CONT/02/09	614,445
ASKML-0253/2010	ASKML/CONT/02/09	745,280
ASKML-0256/2010	ASKML/CONT/02/09	438,606
ASKML-0258/2010	ASKML/CONT/02/09	726,648
ASKML-0259/2010	ASKML/CONT/02/09	207,761
ASKML-0209/2010	ASKML/CONT/02/09	64,828
ASKML-0200/2010	ASKML/CONT/02/09	3,782,296
ASKML-0213/2010	ASKML/CONT/02/09	1,265,020
ASKML-0187/2010	ASKML/CONT/02/09	10,357
ASKML-0203/2010	ASKML/CONT/02/09	630,429
ASKML-0211/2010	ASKML/CONT/02/09	12,231,497
ASKML-0191/2010	ASKML/CONT/02/09	5,702,625
ASKML-0192/2010	ASKML/CONT/02/09	950,438
ASKML-0194/2010	ASKML/CONT/02/09	93,903

ASKML-0205/2010	ASKML/CONT/02/09	8,987
ASKML-0206/2010	ASKML/CONT/02/09	111,573
ASKML-0208/2010	ASKML/CONT/02/09	6,144
ASKML-0243/2010	ASKML/CONT/02/09	266,808
ASKML-0240/2010	ASKML/CONT/02/09	191,203
ASKML-0239/2010	ASKML/CONT/02/09	12,023,668
ASKML-0238/2010	ASKML/CONT/02/09	351,991
ASKML-0231/2010	ASKML/CONT/02/09	967,905
ASKML-0229/2010	ASKML/CONT/02/09	34,962
ASKML-0228/2010	ASKML/CONT/02/09	44,180
ASKML-0227/2010	ASKML/CONT/02/09	18,753
ASKML-0225/2010	ASKML/CONT/02/09	45,522
ASKML-0224/2010	ASKML/CONT/02/09	57,384
ASKML-0245/2010	ASKML/CONT/02/09	31,072
ASKML-0246/2010	ASKML/CONT/02/09	1,900,875
ASKML-0168/2010	ASKML/CONT/02/09	601,088
ASKML-0218/2010	ASKML/CONT/02/09	19,591
ASKML-0295/2010	ASKML/CONT/01/10	11,316
ASKML-0226/2010	ASKML/CONT/02/09	23,402
ASKML-0230/2010	ASKML/CONT/02/09	17,958
ASKML-0293/2010	ASKML/CONT/02/09	130,424
ASKML-0233/2010	ASKML/CONT/02/09	34,952
ASKML-0234/2010	ASKML/CONT/02/09	13,152
ASKML-0241/2010	ASKML/CONT/02/09	4,157
ASKML-0242/2010	ASKML/CONT/02/09	1,151,485
ASKML-0244/2010	ASKML/CONT/02/09	21,906
ASKML-0251/2010	ASKML/CONT/02/09	55,485
ASKML-0252/2010	ASKML/CONT/02/09	2,384,896
ASKML-0255/2010	ASKML/CONT/02/09	1,338,901
ASKML-0257/2010	ASKML/CONT/02/09	63,252
ASKML-0212/2010	ASKML/CONT/02/09	5,413,692
ASKML-0260/2010	ASKML/CONT/02/09	50,976
ASKML-0261/2010	ASKML/CONT/02/09	120,020
ASKML-0263/2010	ASKML/CONT/02/09	10,686
ASKML-0265/2010	ASKML/CONT/02/09	149,637
ASKML-0266/2010	ASKML/CONT/02/09	293,596
ASKML-0268/2010	ASKML/CONT/02/09	328,091
ASKML-0269/2010	ASKML/CONT/02/09	191,228
ASKML-0271/2010	ASKML/CONT/02/09	8,757
ASKML-0274/2010	ASKML/CONT/02/09	763,912
ASKML-0278/2010	ASKML/CONT/02/09	738,704
ASKML-0279/2010	ASKML/CONT/02/09	49,170
ASKML-0283/2010	ASKML/CONT/02/09	9,880,736
ASKML-0284/2010	ASKML/CONT/02/09	554,395
ASKML-0286/2010	ASKML/CONT/02/09	1,631,978
ASKML-0288/2010	ASKML/CONT/02/09	44,354
ASKML-0289/2010	ASKML/CONT/02/09	9,566
ASKML-0290/2010	ASKML/CONT/02/09	29,297
ASKML-0291/2010	ASKML/CONT/02/09	17,262
ASKML-0254/2010	ASKML/CONT/02/09	122,971
ASKML-0287/2010	ASKML/CONT/02/09	101,654
ASKML-0277/2010	ASKML/CONT/02/09	300,852

ASKML-0282/2010	ASKML/CONT/02/09	76,720
ASKML-0249/2010	ASKML/CONT/02/09	1,962,525
ASKML-0248/2010	ASKML/CONT/02/09	71,853
ASKML-0273/2010	ASKML/CONT/02/09	9,695
ASKML-0262/2010	ASKML/CONT/02/09	23,345
ASKML-0294/2010	ASKML/CONT/01/10	143,970
ASKML-0315/2010	ASKML/CONT/02/09	7,387
ASKML-0334/2010	ASKML/CONT/01/10	25,917
ASKML-0335/2010	ASKML/CONT/01/10	26,013
ASKML-0336/2010	ASKML/CONT/01/10	60,762
ASKML-0332/2010	ASKML/CONT/01/10	285,326
ASKML-0312/2010	ASKML/CONT/02/09	7,156
ASKML-0313/2010	ASKML/CONT/02/09	8,772
ASKML-0314/2010	ASKML/CONT/02/09	7,639
ASKML-0316/2010	ASKML/CONT/02/09	1,008,320
ASKML-0317/2010	ASKML/CONT/02/09	236,325
ASKML-0318/2010	ASKML/CONT/02/09	1,271,360
ASKML-0321/2010	ASKML/CONT/02/09	493,919
ASKML-0322/2010	ASKML/CONT/02/09	786,380
ASKML-0324/2010	ASKML/CONT/02/09	12,275
ASKML-0325/2010	ASKML/CONT/02/09	965,836
ASKML-0326/2010	ASKML/CONT/02/09	622,768
ASKML-0328/2010	ASKML/CONT/02/09	2,000,844
ASKML-0329/2010	ASKML/CONT/02/09	6,362,479
ASKML-0330/2010	ASKML/CONT/02/09	1,154,136
ASKML-0299/2010	ASKML/CONT/02/09	1,903,547
ASKML-0300/2010	ASKML/CONT/02/09	317,258
ASKML-0301/2010	ASKML/CONT/02/09	158,952
ASKML-0302/2010	ASKML/CONT/02/09	1,821,375
ASKML-0303/2010	ASKML/CONT/02/09	352,638
ASKML-0304/2010	ASKML/CONT/02/09	169,747
ASKML-0305/2010	ASKML/CONT/02/09	1,149,945
ASKML-0307/2010	ASKML/CONT/02/09	183,394
ASKML-0308/2010	ASKML/CONT/02/09	2,166,998
ASKML-0267/2010	ASKML/CONT/02/09	205,500
ASKML-0272/2010	ASKML/CONT/02/09	277,014
ASKML-0275/2010	ASKML/CONT/02/09	1,397,400
ASKML-0276/2010	ASKML/CONT/02/09	122,971
ASKML-0280/2010	ASKML/CONT/02/09	1,053,379
ASKML-0309/2010	ASKML/CONT/02/09	1,482,683
ASKML-0310/2010	ASKML/CONT/02/09	21,427
ASKML-0285/2010	ASKML/CONT/02/09	2,686,207
ASKML-0292/2010	ASKML/CONT/02/09	13,066
ASKML-0319/2010	ASKML/CONT/02/09	297,975
ASKML-0298/2010	ASKML/CONT/02/09	2,239,947
ASKML-0311/2010	ASKML/CONT/02/09	10,248
ASKML-0331/2010	ASKML/CONT/02/09	1,771,298
ASKML-0323/2010	ASKML/CONT/02/09	38,360
ASKML-0306/2010	ASKML/CONT/02/09	381,408
ASKML-0270/2010	ASKML/CONT/02/09	149,056
ASKML-0320/2010	ASKML/CONT/02/09	766,008
ASKML-0281/2010	ASKML/CONT/02/09	1,328,174

ASKML-0333/2010	ASKML/CONT/01/10	230,160
ASKML-0298/2010	ASKML/CONT/02/09	2,239,947
ASKML-0378/2010	EWM/APEX/A049/TS10/001	2,142,666
ASKML-0337/2010	EWM/APEX/A049/TS10/001	5,674,074
ASKML-0375/2010	ASKML/CONT/02/09	15,837
ASKML-0370/2010	ASKML/CONT/02/09	103,885
ASKML-0338/2010	ASKML/CONT/02/09	2,075,619
ASKML-0376/2010	ASKML/CONT/02/09	21,427
ASKML-0369/2010	ASKML/CONT/02/09	1,680,350
ASKML-0367/2010	ASKML/CONT/01/10	2,709
ASKML-0366/2010	ASKML/CONT/01/10	74,346
ASKML-0365/2010	ASKML/CONT/01/10	187,108
ASKML-0364/2010	ASKML/CONT/02/09	86,310
ASKML-0363/2010	ASKML/CONT/02/09	148,193
ASKML-0362/2010	ASKML/CONT/02/09	117,532
ASKML-0361/2010	ASKML/CONT/02/09	6,464
ASKML-0360/2010	ASKML/CONT/02/09	4,848
ASKML-0341/2010	ASKML/CONT/02/09	280,508
ASKML-0344/2010	ASKML/CONT/02/09	150,974
ASKML-0347/2010	ASKML/CONT/02/09	1,204,546
ASKML-0351/2010	ASKML/CONT/02/09	21,442
ASKML-0327/2010	ASKML/CONT/02/09	68,062
ASKML-0354/2010	ASKML/CONT/02/09	1,065,747
ASKML-0356/2010	ASKML/CONT/02/09	1,622,518
ASKML-0358/2010	ASKML/CONT/02/09	1,162,637
ASKML-0359/2010	ASKML/CONT/02/09	694,590
ASKML-0355/2010	ASKML/CONT/02/09	472,650
ASKML-0346/2010	ASKML/CONT/02/09	179,897
ASKML-0345/2010	ASKML/CONT/02/09	1,326,982
ASKML-0339/2010	ASKML/CONT/02/09	80,659
ASKML-0343/2010	ASKML/CONT/02/09	235,947
ASKML-0342/2010	ASKML/CONT/02/09	1,650,987
ASKML-0357/2010	ASKML/CONT/02/09	1,260,400
ASKML-0340/2010	ASKML/CONT/02/09	273,379
ASKML-0368/2010	ASKML/CONT/01/10	1,942
ASKML-0348/2010	ASKML/CONT/02/09	243,312
ASKML-0349/2010	ASKML/CONT/02/09	190,088
ASKML-0350/2010	ASKML/CONT/02/09	108,806
ASKML-0352/2010	ASKML/CONT/02/09	9,885
ASKML-0353/2010	ASKML/CONT/02/09	140,589
ASKML-0371/2010	ASKML/CONT/02/09	55,337
ASKML-0377/2010	ASKML/CONT/02/09	10,214,295
ASKML-0372/2010	ASKML/CONT/02/09	937,107
ASKML-0373/2010	ASKML/CONT/02/09	1,406,764
ASKML-0374/2010	ASKML/CONT/02/09	170,154
ASKML-0409/2010	ASKML/CONT/02/09	5,874
ASKML-0408/2010	ASKML/CONT/02/09	2,086
ASKML-0407/2010	ASKML/CONT/02/09	318,060
ASKML-0411/2010	ASKML/CONT/01/10	2,702,736
ASKML-0387/2010	ASKML/CONT/02/09	1,298,349
ASKML-0396/2010	ASKML/CONT/02/09	13,714
ASKML-0413/2010	ASKML/CONT/01/10	3,469,354

ASKML-0415/2010	ASKML/CONT/01/10	53,266
ASKML-0389/2010	ASKML/CONT/02/09	937,628
ASKML-0390/2010	ASKML/CONT/02/09	7,878
ASKML-0393/2010	ASKML/CONT/02/09	15,344
ASKML-0384/2010	ASKML/CONT/02/09	35,060
ASKML-0403/2010	ASKML/CONT/01/10	4,589,067
ASKML-0400/2010	ASKML/CONT/01/10	65,491
ASKML-0410/2010	ASKML/CONT/01/10	232,917
ASKML-0406/2010	ASKML/CONT/02/09	220,964
ASKML-0414/2010	ASKML/CONT/01/10	487,343
ASKML-0412/2010	ASKML/CONT/01/10	185,640
ASKML-0405/2010	ASKML/CONT/01/10	1,048,269
ASKML-0416/2010	ASKML/CONT/01/10	573,405
ASKML-0404/2010	ASKML/CONT/01/10	378,452
ASKML-0402/2010	ASKML/CONT/01/10	1,187,464
ASKML-0401/2010	ASKML/CONT/01/10	30,110
ASKML-0398/2010	ASKML/CONT/02/09	90,653
ASKML-0397/2010	ASKML/CONT/02/09	6,144
ASKML-0395/2010	ASKML/CONT/02/09	111,573
ASKML-0394/2010	ASKML/CONT/02/09	6,795
ASKML-0392/2010	ASKML/CONT/02/09	77,672
ASKML-0391/2010	ASKML/CONT/02/09	2,915
ASKML-0388/2010	ASKML/CONT/02/09	365,516
ASKML-0386/2010	ASKML/CONT/02/09	544,986
ASKML-0399/2010	ASKML/CONT/01/10	683,403
ASKML-0235/2010	ASKML/CONT/01/10	652,750
		<b><u>235,362,912</u></b>

- The above debtors are considered good and subsequently realized in full.

**2009-10****2008-09****6. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 39,899,671**

Advance Income Tax	26,282,587	32,877,071
Staff Advance	1,067,099	1,718,816
Securities & Deposits	7,759,066	8,237,896
Advance against expenses	4,790,919	4,988,697
	<b><u>39,899,671</u></b>	<b><u>47,822,480</u></b>

- Staff Advances are regularly adjusted.
- Advance Income Tax, securities and deposits are made to statutory bodies and hence secured.
- No amount was due by Directors and other Officers of the Company or by Associated Undertaking.

**7. OTHER RECEIVABLES: TK. 5,456,246**

Cash incentive Receivable	<b><u>5,456,246</u></b>	<b><u>1,865,469</u></b>
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- This represents the audited certificate amount receivable from Bank against cash incentive.



	<u>2009-10</u>	<u>2008-09</u>
<b>8. CASH &amp; BANK BALANCES: TK. 50,396,719</b>		
<b>Cash and Bank Balances</b>		
<b>Cash in hand</b>	<b>20,000</b>	<b>20,000</b>
<b>Cash at bank :</b>		
CD Account with Eastern Bank Ltd., Dhaka	235,680	105,663
CD Account with DBL, Dhaka	30,952	33,072
CD Account with SCB, Dhaka	109,277	110,572
CD Account with Mutual Trust Bank, Chandora	87,399	88,899
CD Account with Mutual Trust Bank, Dilkusha, Dhaka	94,495	95,765
Foreign Currency Account with EBL, Dhaka-USD	2,346,533	522,287
Foreign Currency Account with HSBC, Dhaka-USD	814,284	927,042
STD Account with SCB, Dhaka	294,142	444,492
STD Account with EBL, Principal Branch, Dhaka	65,879	64,518
Margin Account with EBL-USD	36,152,174	15,121,126
Margin Account with HSBC-USD	10,145,904	9,040,996
	<b><u>50,376,719</u></b>	<b><u>26,554,432</u></b>
	<b><u>50,396,719</u></b>	<b><u>26,574,432</u></b>

- Cash in hand was physically verified. All Bank balances were reconciled and confirmed by bank statements.

#### 9. WORKING CAPITAL LOAN: TK. 96,811,848

Cash Credit-Eastern Bank Ltd, Principal Br. Dhaka	78,519,984	73,662,933
Demand Loan-Eastern Bank Ltd, Principal Br. Dhaka	-	35,000,000
Overdraft-HSBC, Dhaka	18,291,864	12,922,251
	<b><u>96,811,848</u></b>	<b><u>121,585,184</u></b>
	=====	=====

- The Working Capital Loan was taken from Eastern Bank Ltd, Principal Branch, Dhaka and HSBC against hypothecation as Cash Credit basis. The loan is secured against Inventories and Trade Debtors of the Company. The Loan of Eastern Bank Limited bears interest @ 13.00% p.a. The rate of interest of HSBC is 12.75% p.a.

#### 10. LONG TERM LOAN- CURRENT MATURITY (SECURED): TK. 18,910,375

Term Loan	12,648,233	18,013,630
Lease Liabilities	<u>6,262,142</u>	<u>13,034,095</u>
	<b><u>18,910,375</u></b>	<b><u>31,047,725</u></b>

This represents the current portion of Long Term Loan (including lease liabilities) payable in next one year (Payable during the year 2010-11).

#### 11. SHORT TERM LOAN: TK. 29,726,089

Time Loan	4,011,886	9,808,885
Import Loan	<u>25,714,203</u>	<u>35,860,424</u>
	<b><u>29,726,089</u></b>	<b><u>45,669,309</u></b>

	<u>2009-10</u>	<u>2008-09</u>
<b>12. TRADE CREDITORS: TK. 234,573,811</b>		
	<b>234,573,811</b>	<b>232,987,648</b>
	=====	=====

- This represents local procurement and import of Raw Materials (Yarn, Dyes & Chemicals) under Back-to-Back L/C on 90 to 120 days deferred payment and Sight L/C, which has been subsequently adjusted and moves in cycle in this trade and considered secured.

### 13. SUNDRY CREDITORS: TK. 46,933,315

Clearing & Forwarding	2,609,593	1,744,261
Creditors against capital work	2,195,818	103,485
Creditors against Sub-contract	1,028,172	3,448
Creditors for Advertisement	3,357	-
Creditors for material & accessories	151,212	151,212
Creditors for repairs & maintenance	1,527,123	1,582,323
Creditors for printing & stationery	384,805	152,400
Creditors for vehicle maintenance	10,400	10,400
Insurance Premium	497,838	-
Power, Fuel and Water	2,581,324	3,902,108
Telephone, Telex & Fax	52,430	21,925
Salary, Wages and Overtime	10,094,056	10,236,281
Audit Fees	60,000	55,000
Income Tax Payable	20,553,237	26,459,653
Contribution to PPF & WF	908,389	1,054,696
Provident Fund Payable	1,464,321	1,188,774
Unclaimed Dividend	<u>2,811,240</u>	<u>10,390,040</u>
	<b><u>46,933,315</u></b>	<b><u>57,056,006</u></b>

- Unclaimed dividend represents the dividend warrants issued but not presented to the Bank by the Shareholders within 31<sup>st</sup> March, 2010 and as on June 30, 2010 the unclaimed dividend was Tk. 2,800,843.20.
- The breakup of unclaimed dividend as on 30.06.2010 is as follows:

Year	Taka
1994-95 to 2005-06	1,987,385.20
2006-07	273,704.00
2007-08	282,864.00
2008-09	<u>256,890.00</u>
	<b><u>2,800,843.20</u></b>

### 14. SHARE CAPITAL : TK. 84,000,000

<b>Authorized Capital:</b>		
3,000,000 Ordinary Shares of Tk. 100/= each.	<b>300,000,000</b>	<b>300,000,000</b>
	=====	=====
<b>Issued, Subscribed &amp; Paid up Capital:</b>		
840,000 Ordinary Shares of Tk. 100/= each fully paid	<b><u>84,000,000</u></b>	<b><u>84,000,000</u></b>

- There was no preference share issued by the Company.

	<u>2009-10</u>	<u>2008-09</u>
<b>Composition of Shareholdings:</b>		
Sponsors	50.28%	50.28%
Institution	29.76%	32.85%
Foreign Shareholders	0.30%	0.30%
Public - Local	19.66%	16.57%
	-----	-----
	<b>100.00%</b>	<b>100.00%</b>
	=====	=====

The Company had the following non-resident Shareholders on 31.03.2010:

<u>NAME</u>	<u>FOLIO NO.</u>	<u>NO. OF SHARE</u>
Smith New Court Far East Ltd.	00011	60
-do-	03777	200
Hong Kong Bank Int'l Trustee Ltd.	04037	636
Somers Nominees ( Far East ) Ltd.	04038	1,080
Investors Bank & Trust Company	04065	20
UBS Securities (East Asia) Ltd.	04689	92
Merrill Lynch, Pierce, Fenner & Smith Inc.	06797	396
		-----
		<b>2,484</b>
		=====

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

Distribution of each class of equity, setting out the member of holders and percentage, in the following categories:

<u>No. of Share Holder</u>	<u>Holdings</u>	<u>Total Holdings</u>	<u>In %</u>
2,198	Less than & equal 500 Shares	117,412	13.98
66	501 to 5,000 Shares	91,196	10.86
1	5001 to 10,000 Shares	5,900	0.70
5	10,001 to 20,000 Shares	64,500	7.68
0	20,001 to 30,000 Shares	0	0.00
1	30,001 to 40,000 Shares	38,520	4.59
0	40,001 to 50,000 Shares	0	0.00
2	50,001 to 100,000 Shares	178,680	21.27
1	100,001 to 200,000 Shares	117,472	13.98
1	200,001 to 300,000 Shares	226,320	26.94
0	Over 300,000 Shares	0	0.00
		-----	-----
<b>2,275</b>		<b>840,000</b>	<b>100.00</b>
		=====	=====

	<u>2009-10</u>	<u>2008-09</u>
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**15. SHARE PREMIUM: TK. 15,000,000**

	15,000,000	15,000,000
	=====	=====

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

**16. RESERVE AND SURPLUS: TK 297,170,995**

Reserve for Re-Investment	129,700,699	129,700,699
Retained Earnings	164,718,478	165,204,978
Capital Gain	2,751,818	2,751,818
	<b><u>297,170,995</u></b>	<b><u>297,657,495</u></b>

- Reserve for Re-Investment represents Tax Holiday Reserve made up to the Tax Holiday period of the Company as per requirements of the Income Tax Ordinance, 1984.

**17. LONG TERM LOAN: TK. 300,875**

Eastern Bank Limited-Term Loan	300,875	12,949,108
Lease liabilities	-	6,301,473
	-----	-----
	<b>300,875</b>	<b>19,250,581</b>
	=====	=====

- The Company is paying installments against term loan as per schedule.
- The term loans are fully secured against equitable mortgage over the inventories, trade debtors, property including Factory Building and all other structures thereon existing and future assets. Interest rate of Eastern Bank Limited is 13.00% p.a.
- Lease liability is with Industrial and Infrastructure Development Finance Company Limited (IIDFC) and the rate of interest is 16.50% (From April to September 2009) & 14.25% (From October 2009 to March 2010) p.a.

**18. TURNOVER: TK 1,586,094,474**

	<u>Quantity in Doz.</u>	<u>USD</u>		
T, Polo, Sweat Shirts & others	978,551	23,154,355	<b>1,586,094,474</b>	<b>1,649,533,126</b>
			=====	=====

**19. COST OF GOODS SOLD: TK. 1,434,176,589**

	<u>Quantity</u>	<u>Notes</u>		
Opening Stock of Finished Goods	4,241Doz		1,743,256	34,602,347
Add: Cost of Production	978,857Doz	<b>20</b>	1,439,413,735	1,461,400,927
	<b>983,098Doz</b>		<b>1,441,156,991</b>	<b>1,496,003,274</b>
Less: Closing Stock of Finished Goods	4,547Doz		6,980,402	1,743,256
	-----		<b><u>1,434,176,589</u></b>	<b><u>1,494,260,018</u></b>

		<u>2009-10</u>	<u>2008-09</u>
<b>20. COST OF PRODUCTION: TK. 1,439,413,735</b>			
<b>OPENING STOCK:</b>			
<b>Raw Materials:</b>			
Yarn	56,524 Kg	10,647,122	36,370,540
Dyes & Chemicals	330,916 Kg	78,364,969	55,539,565
		<b>89,012,091</b>	<b>91,910,105</b>
<b>Work in Process:</b>			
Fabric	184,146 Kg	<b>73,078,006</b>	<b>52,916,881</b>
<b>Accessories</b>		<b>35,928,283</b>	<b>40,525,053</b>
		<b>198,018,380</b>	<b>185,352,039</b>
<b>ADD: PURCHASE FOR THE YEAR</b>			
<b>Raw Materials(Imported) :</b>			
Yarn	314,313 Kg	92,170,690	186,967,023
Dyes & Chemicals	2,323,145 Kg	51,783,830	71,373,220
Accessories		39,644,066	41,792,483
		<b>183,598,586</b>	<b>300,132,726</b>
<b>Raw Materials (Local) :</b>			
Yarn	2,571,850 Kg	384,223,689	374,563,523
Dyes & Chemicals	598,500 Kg	99,398,894	218,983,252
Accessories		286,905,119	177,304,016
		<b>770,527,702</b>	<b>770,850,791</b>
		<b>954,126,288</b>	<b>1,070,983,517</b>
		<b>1,152,144,668</b>	<b>1,256,335,556</b>
<b>LESS : CLOSING STOCK</b>			
<b>Raw Materials:</b>			
Yarn	221,240 Kg	40,630,914	10,647,122
Dyes & Chemicals	161,828 Kg	58,724,660	78,364,969
		<b>99,355,574</b>	<b>89,012,091</b>
<b>Work in Process:</b>			
Dyed & Knitted, Greige Fabric	75,987 Kg	<b>27,332,223</b>	<b>73,078,006</b>
<b>Accessories</b>		<b>16,409,045</b>	<b>35,928,283</b>
		<b>143,096,842</b>	<b>198,018,380</b>
<b>Raw Materials Consumed</b>		<b>1,009,047,826</b>	<b>1,058,317,176</b>
<b>Factory Overhead :</b>			
Wages & Salaries		279,165,519	248,237,121
Telephone Charges		134,452	76,093
Carriage		3,429,689	4,526,959
Electricity		1,167,133	900,223
Gas, Fuel & Lubricant		47,448,291	45,775,499
Insurance		3,649,667	4,502,636
Repairs & Maintenance		21,749,830	21,277,603
Vehicle Maintenance		3,832,534	3,631,923
Uniform & Liveries		269,525	61,875
Depreciation		69,519,269	74,093,819
		<b>1,439,413,735</b>	<b>1,461,400,927</b>

- During the year 2009-10 the Company has imported goods on C & F basis.
- Cash incentive has been adjusted with the local yarn cost.

	<u>2009-10</u>	<u>2008-09</u>
<b>21. ADMINISTRATIVE &amp; SELLING OVERHEAD: TK. 116,824,901</b>		
AGM Expenses	253,538	222,832
Audit Fee	60,000	55,000
Bank Charges & Commission	3,781,574	6,059,238
Board Meeting Fees	12,000	13,500
Depreciation	2,205,681	2,464,959
Directors Remuneration	3,600,000	3,600,000
Entertainment	624,313	566,762
Export Processing & Handling Expenses	1,907,675	1,180,053
F.C. Charges	31,965,691	25,487,528
Freight & Forwarding Expenses	16,086,323	22,209,908
Insurance Premium	251,850	-
Legal & Professional Fees	973,060	280,475
Newspapers & Periodicals	35,754	34,270
Postage & Stamp	38,216	34,779
Power & Fuel	386,900	425,600
Printing & Stationery	4,658,060	3,698,644
Publicity & Advertisement	194,480	83,377
Renewal & Fees	981,716	746,596
Rent & Rates	1,958,231	1,017,836
Repairs & Maintenance	5,219,247	4,178,965
Salary & Allowances	27,237,976	24,754,029
Sales Promotional Expenses	6,383,462	9,903,729
Subscription & Donation	393,540	136,500
T. A & Conveyance	611,857	628,109
Telephone, Fax and Radio Link	838,993	932,757
Transportation	4,145,815	3,567,453
Vehicles Maintenance	<u>2,018,949</u>	<u>996,075</u>
	<b><u>116,824,901</u></b>	<b><u>113,278,974</u></b>

- Directors Remuneration paid to following Directors for their full time service :

(a) Mr. Zahur Ahmed PhD	1,800,000
(b) Mr. Shahriar Ahmed	1,200,000
© Mr. Kazi Faruq Kader	<u>600,000</u>
	<b><u>3,600,000</u></b>

- Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.
- There are 5 (five) meetings held during the year.

## 22. FINANCIAL EXPENSES: TK. 17,176,247

Interest on Term Loan	7,000,446	7,208,749
Interest on Lease Finance	2,280,118	4,380,679
Interest on Overdraft	7,895,683	9,399,812
	-----	-----
	<b><u>17,176,247</u></b>	<b><u>20,989,240</u></b>
	=====	=====

	<u>2009-10</u>	<u>2008-09</u>
<b>23. OTHER INCOME: TK. 1,159,433</b>		
Interest earned on STD Account	4,736	71,820
Dividend Income	297,700	579,500
Foreign Exchange Gain	326,098	-
Profit on sale of Assets	530,899	492,397
	<u>1,159,433</u>	<u>1,143,717</u>

**24. PROVISION FOR TAX FOR THE YEAR: TK. 5,016,469**

This represents estimated Income Tax on net profit for the period from 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010. The provision for deferred tax expenses/(income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

**25. PRIOR YEARS ADJUSTMENT: TK. 1,701,319**

This represents the adjustment for assessed tax up to income year 2005-06 as the assessments have been completed by the tax authority.

**26. GENERAL:**

**a) Production Capacity (Quantity in pieces):**

	%	Quantity	%	Quantity
Capacity	100	15,000,000	100	15,000,000
Production	78.31	<b>11,746,288</b>	78.08	<b>11,712,232</b>

**b) Production (Quantity in Dozen):**

T, Polo, Sweat Shirts & others	<u>978,857</u>	<u>976,019</u>
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**c) Consumption:**

Items	Value	Percentage
Imported Yarn	104,085,226	10.31%
Imported Dyes & Chemicals	53,138,887	5.27%
Imported Accessories	44,699,827	4.43%
Local Yarn	379,899,369	37.65%
Local Dyes & Chemicals	125,855,921	12.47%
Local Accessories	<u>301,368,596</u>	<u>29.87%</u>
	<u>1,009,047,826</u>	<u>100.00%</u>

**d) Export (Quantity in Dozen):**

T, Polo, Sweat Shirts & others	<u>978,551</u>	<u>1,002,264</u>
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**e) Salaries & Wages:**

	<u>No. of Employees</u>	<u>Taka</u>
Above Tk. 3,000.00 per month	1,653	188,879,037
Up to Tk. 3,000.00 per month	2,555	117,524,458

**27. PAYMENTS /PERQUISITES TO DIRECTORS/OFFICERS:**

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

	<u>Directors</u>	<u>Officers</u>
Board Meeting Fees	12,000	-
Salary and Allowance	3,600,000	30,226,466
Provident Fund Contribution	--	3,972,858
Bonus	--	2,441,236
Perquisites	--	5,815,363

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

Earnings attributable to Ordinary Shareholders

**Basic EPS** =  $\frac{\text{Earnings attributable to Ordinary Shareholders}}{\text{Weighted average number of shares outstanding during the year 2009-10}}$

**13,814,819**

**Basic EPS** =  $\frac{13,814,819}{840,000} = 16.45$

**840,000**

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

**29. EVENTS AFTER BALANCE SHEET DATE:**

The Board of Directors recommended cash Dividend of Tk. 15/- per Share for the year 2009-10 at the Board meeting held on 25<sup>th</sup> July 2010. The total amount of Dividend is Tk. 12,600,000/-.

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

**30. RELATED PARTY TRANSACTIONS:**

During the year transactions of Tk. 55,501,053/- with Matex Bangladesh Limited and Tk. 46,755,599/- with Apex Yarn Dyeing Limited were made.

**31. CAPITAL EXPENDITURE COMMITMENT:**

- There was no capital expenditure contracted or incurred or provided for as at 31<sup>st</sup> March 2010.
- There was no material capital expenditure authorized by the Board or contracted for as at 31<sup>st</sup> March 2010.



**32. DURING THE YEAR UNDER REVIEW:**

- No amount of money was spent by the Company for compensating any member of the Board for special service rendered except as stated above.
- There was no claim against the Company not acknowledged as debt on 31<sup>st</sup> March 2010.
- There was no Bank Guarantee issued by the Company on behalf of the Directors.
- There is Tk. 8.71 million as Bank guarantee for which the Company is contingently liable as on 31<sup>st</sup> March 2010.
- There was no credit facility available to the Company under any contract, or availed of as on 31<sup>st</sup> March 2010 other than trade credit available in the ordinary course of business.
- There were no expenses incurred in foreign exchange on account of Royalty, Technical Experts, Professional & Advisory Fee, Interest, and Brokerage & Commission etc.
- There was no expense on account of Miscellaneous/General Expenses.

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

Sd/-  
**Shahriar Ahmed**  
Director

Sd/-  
**Serazul Hoq**  
Company Secretary

## PROXY FORM

**The Director**  
**Apex Spinning & Knitting Mills Limited**  
**Biman Bhaban, 5<sup>th</sup> Floor**  
**100 Motijheel C/A, Dhaka-1000**  
**Bangladesh**

BO ID:   
 Register Folio No.....  
 No. of Shares.....

I/We.....  
 of.....  
 Being a member of APEX SPINNING & KNITTING MILLS LIMITED hereby appoints  
 Mr./Mrs./Miss.....  
 of.....  
 as my/our proxy to attend and vote for me/us and on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company will be held at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206 on Saturday the September 25, 2010 at 09.00 A.M. and or at any adjournment thereof. Signed this.....day of.....2010.

**AFFIX TEN  
 TAKA  
 REVENUE  
 STAMP**

(Signature of the Proxy)  
 BO ID:   
 Register Folio No.....  
 Dated.....

Signature verified

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

Authorized Signatory

**Note:** A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead. The Proxy Form duly stamped with Revenue Stamp of Tk. 10.00 only, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

### APEX SPINNING & KNITTING MILLS LIMITED

Biman Bhaban, 5<sup>th</sup> floor, 100 Motijheel Commercial Area  
 Dhaka-1000, Bangladesh

### SHAREHOLDERS' ATTENDANCE SLIP

**Please complete the attendance slip and hand it over at the entrance of the meeting venue.**

I/We record my attendance at the NINETEENTH ANNUAL GENERAL MEETING being held on Saturday the September 25, 2010 at 9.00 A.M. at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206.

Name of Member (s) .....

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

Signature of Shareholder(s)

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

