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## **TRANSMITTAL LETTER**

To  
The Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited

Subject: **Annual Report for the year ended on June 30, 2017**

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report of Apex Spinning & Knitting Mills Limited together with the Audited Financial statements comprising of Statement of Financial Position as at June 30, 2017, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on June 30, 2017 along with Notes thereon for your kind information and record.

Yours sincerely,

Sd/-  
Kamrul Islam  
Assistant Company Secretary

## **NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of **APEX SPINNING & KNITTING MILLS LIMITED** will be held at the Spectra Convention Centre Limited, House No. 19, Road No. 07, Gulshan-1, Dhaka-1212, Bangladesh on **Thursday the December 21, 2017 at 9.00 A.M.** to transact the following business:

### **AGENDA**

1. To receive and adopt the Audited Financial Statements for the year ended on 30 June 2017 and report of the Auditors and Directors thereon.
2. To declare Dividend for the year 2016-17.
3. To elect Directors.
4. To appoint Auditors for the year 2017-18 and fix their remuneration.
5. To transact any other business of the Company, with permission of the Chair.

Date: Dhaka  
October 30, 2017

By order of the Board of Directors

Sd/-  
**Kamrul Islam**  
Assistant Company Secretary

### **NOTES:**

1. The record date shall be on **November 15, 2017**.
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 duly filed in, signed and stamped, must be submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
4. In pursuance of BSEC'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.
5. Admittance to the meeting venue will be strictly on production of the Attendance Slip sent with the Notice.
6. Shareholders bearing BO ID are requested to update their respective BO ID with 12 digits Taxpayer's Identification Number (**e-TIN**) and address through Depository Participant (DP) and Shareholders bearing Folio Numbers are requested to submit their 12 digit **e-TIN** certificate to the Share Department of the Company by **November 15, 2017** latest. Failing which Income Tax at source will be deducted from cash dividend @15% instead of 10%.

**Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013** অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/উপহার কুপন/খাবার/যাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।

## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

Chairman	:	Mr. Zafar Ahmed
Managing Director	:	Mr. Zahur Ahmed PhD
Director (Representative of Apex Foods Ltd.)	:	Mr. Shahriar Ahmed
Director (ICB Representative)	:	Mr. Tarek Nizamuddin Ahmed
Independent Director	:	Mr. Kazi Faruq Kader

### AUDIT COMMITTEE

Chairman	:	Mr. Kazi Faruq Kader, Independent Director
Member	:	Mr. Zahur Ahmed PhD, Managing Director
Member	:	Mr. Shahriar Ahmed, Director
Member	:	Mr. Tarek Nizamuddin Ahmed, Director

### SENIOR CORPORATE OFFICIALS

Chief Financial Officer	:	Mr. Kamruzzaman FCA
Head of Internal Audit	:	Mr. Ashish Kumar Paul FCA
Assistant General Manager (Process Control)	:	Mr. Md. Golam Kibria FCMA
Assistant Company Secretary	:	Mr. Kamrul Islam

### LEGAL ADVISORS

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

### AUDITORS

Malek Siddiqui Wali  
Chartered Accountants

### BANKERS

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

### REGISTERED OFFICE

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

### FACTORY

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

## Five Years Statistics

Figure in Thousand Taka

Particulars	2016-17	2015-16 (Fifteen months**)	2014-15	2013-14	2012-13
<b>Results of Operations:</b>					
Revenue	3,205,557	4,319,335	2,989,846	2,511,696	2,445,606
Gross Profit	254,718	338,619	243,140	221,196	207,910
Operating Profit	43,166	53,366	31,823	36,786	35,693
Net Profit before Tax	47,270	56,012	35,921	41,597	40,167
Net Profit after Tax	23,163	28,765	23,204	18,796	18,487
Earnings Per Share (EPS)	2.76	3.42	2.76	2.24	2.20
Dividend Per Share*	2.00	2.20	2.00	2.00	1.80
<b>Financial Positions:</b>					
Total Assets	1,325,340	1,461,496	1,374,272	1,136,263	1,181,592
Property, Plant and Equipment-Gross	1,343,392	1,248,060	1,220,670	1,160,317	1,141,895
Property, Plant and Equipment - Net	296,161	250,630	284,236	273,063	307,546
Gross Working Capital	994,046	1,183,939	1,072,153	841,181	861,399
Net Working Capital	115,834	160,401	120,061	124,047	95,307
Working Capital Loan	16,178	83,790	81,131	3,653	35,631
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	330,071	325,388	313,838	307,435	313,188
Share Holders Equity	443,289	434,056	420,179	417,912	414,292
<b>Key Financial Ratios:</b>					
Current Ratio	1.13	1.16	1.13	1.17	1.12
Debt to Total Assets (%)	66.55	70.30	69.28	63.11	64.84
Return on Equity (%)	5.34	6.85	5.52	4.50	4.46
Net Asset Value Per Share	52.77	51.67	50.02	49.75	49.32
Dividend Payout Ratio (%)	72.46	64.33	72.40	89.38	81.79
Interest Service Coverage Ratio	7.34	7.43	6.61	5.89	4.62
<b>Others:</b>					
Market Price Per Share (30 <sup>th</sup> June)	111.93	92.74	69.11	96.67	56.00
Price Earnings Multiple	40.55	27.08	25.02	43.20	25.45
Number of Employees	5,900	5,621	4,948	4,574	4,690
Capacity Utilization (%)	90.90	92.25	87.13	89.11	78.20

\* The Board of Directors recommended Cash Dividend @Tk. 2/- per Share for the year ended on 30<sup>th</sup> June 2017.

\*\* Statistics data of 2015-16 (Fifteen months) represents the period from 01<sup>st</sup> April 2015 to 30<sup>th</sup> June 2016.

## Corporate Governance Compliance Status Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
<b>1.</b>	<b>BOARD OF DIRECTORS:</b>		
1.1	Board's Size: Board members should not be less than 5 (Five) and more than 20 (Twenty).	Complied	
<b>1.2</b>	<b>Independent Directors:</b>		
1.2 (i)	Independent Director: At least 1/5 <sup>th</sup> (We have four Directors and One Independent Director)	Complied	
1.2 (ii)a)	Less than 1% Shares	Complied	
1.2 (ii)b)	Not a Sponsor of The Company	Complied	
1.2 (ii)c)	Does not have other relationship	Complied	
1.2 (ii)d)	Not a Member, Director or Officer of any Stock Exchange.	Complied	
1.2 (ii)e)	Not a Shareholder, Director or Officer of any Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (ii)f)	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.	Complied	
1.2 (ii)g)	Not an Independent Director more than three listed Companies.	Complied	
1.2 (ii)h)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBFI)	Complied	
1.2 (ii)i)	Not convicted for a Criminal offence	Complied	
1.2 (iii)	Appointment by the Board and approved in AGM.	Complied	
1.2 (iv)	Post can not remain vacant more than 90 days	Complied	
1.2 (v)	Lay down a code of conduct and annual compliance.	Complied	
1.2 (vi)	Tenure of the Independent Director.	Complied	
<b>1.3</b>	<b>Qualification of Independent Director (ID):</b>		
1.3 (i)	Independent Director shall be knowledgeable	Complied	
1.3 (ii)	Should be a Corporate Leader/Business Leader	Complied	
1.3 (iii)	Special cases for relaxation of qualifications.	Not Applicable	
1.4	<b>Chairman of the Board and Chief Executive Officer:</b> Individual Chairman of the Board, Chief Executive and clearly defined roles and responsibilities.	Complied	
<b>1.5</b>	<b>The Directors' Report to Shareholders:</b>		
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	
1.5 (ii)	Segment-wise or product-wise performance	Complied	
1.5 (iii)	Risks and concerns	Complied	
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not applicable	

1.5 (vi)	Basis for related party transactions- a statement of all related party transactions.	Complied	
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	Not applicable	There was no such event during the year.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	Not applicable	There was no such event during the year.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied	
1.5 (x)	Remuneration to directors including independent directors.	Complied	
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	
1.5 (xii)	Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	Complied	
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Not applicable	
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	
1.5 (xxi)	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details):</b>		
1.5 (xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	
1.5 (xxi)c)	Executives;	Complied	

1.5 (xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxii)	<b>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:</b>		
1.5 (xxii)a)	A brief resume of the director;	Complied	
1.5 (xxii)b)	Nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
<b>2</b>	<b>CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):</b>		
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	
<b>3</b>	<b>AUDIT COMMITTEE:</b>		
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied	
3 (ii)	The Audit Committee shall assist the Board of Directors 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	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>		
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members	Complied	
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied	
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	Complied	
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service.	Not applicable	
3.1(v)	The company secretary shall act as the secretary of the Committee	Complied	
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	Complied	
<b>3.2</b>	<b>Chairman of the Audit Committee:</b>		
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	Will remain present.



<b>3.3</b>	<b>Role of Audit Committee:</b>		
3.3(i)	Oversee the financial reporting process	Complied	
3.3(ii)	Monitor choice of accounting policies and principles.	Complied	
3.3(iii)	Monitor Internal Control Risk management process.	Complied	
3.3(iv)	Oversee hiring and performance of external auditors	Complied	
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
3.3(vii)	Review the adequacy of internal audit function.	Complied	
3.3(viii)	Review statement of significant related party transactions submitted by the management	Complied	
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by Statutory auditors.	Complied	
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee, on a quarterly basis and annual basis.	Not applicable	
<b>3.4</b>	<b>Reporting of the Audit Committee:</b>		
3.4.1	Reporting to the Board of Directors		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	Complied	
3.4.1(ii)	<b>The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:</b>		
3.4.1(ii)a)	Report on conflicts of interests;	Not applicable	There was no such event to report
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	Not applicable	There was no such event to report
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	Not applicable	There was no such event to report
3.4.2	Reporting to the Authorities	Not applicable	There was no such event to report
3.5	Reporting to the Shareholders and General Investors.	Not applicable	There was no such event to report
<b>4</b>	<b>EXTERNAL/STATUTORY AUDITORS:</b>		
	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:		
4 (i)	Appraisal or valuation services or fairness opinions.	Complied	
4 (ii)	Financial information systems design and implementation	Complied	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	Complied	
4 (iv)	Broker-dealer services	Complied	
4 (v)	Actuarial services.	Complied	
4 (vi)	Internal audit services.	Complied	
4 (vii)	Any other service that the Audit Committee determines.	Complied	

4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	Complied	
4 (ix)	Audit/Certification services on Compliance of Corporate Governance as required under clause (i) of condition No. 7.	Complied	
<b>5</b>	<b>SUBSIDIARY COMPANY:</b>		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Not applicable	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding Company shall be a director on the Board of Directors of the subsidiary company.	Not applicable	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Not applicable	
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Not applicable	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not applicable	
<b>6</b>	<b>DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):</b>		
6.(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	Complied	
6 (i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i)b)	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	
6 (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 violation of the company's code of conduct.	Complied	
<b>7</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>		
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines.	Complied	
7(ii)	The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report regarding compliance.	Complied	

## **To the shareholders Of Apex Spinning & Knitting Mills Limited**

### **Certificate on compliance of conditions of corporate governance guidelines**

We have examined the compliance of the conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) of Apex Spinning & Knitting Mills Limited for the year ended on June 30 2017 as stipulated in clause 7(i) of the BSEC notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

The compliance of the conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Apex Spinning & Knitting Mills Limited. Our examination for the purpose of issuing this certification was limited to the checking the procedures and implementation thereof, adopted by Apex Spinning & Knitting Mills Limited for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, except as reported on the attached status of compliance statement, Apex Spinning & Knitting Mills Limited has complied with conditions of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

Dated: Dhaka  
October 19, 2017

Sd/-  
**Shiraz Khan Basak & Co.**  
Chartered Accountants

## AUDIT COMMITTEE REPORT

The audit committee of APEX SPINNING & KNITTING MILLS LIMITED was formed as per the terms of reference approved by the Board in accordance with the notification of Bangladesh Securities and exchange commission no. SEC/CMRRCD/2006-158/134/Admin/44, dated 7<sup>th</sup> August 2012.

The Audit committee of the company comprises of four Directors, nominated by the Board of Directors of the Company, headed by the Independent Director, Mr. Kazi Faruq Kader. The other members of the committee are, Mr. Zahur Ahmed PhD, Mr. Shahriar Ahmed and Mr. Tarek Nizamuddin Ahmed, ICB nominated Director who is replacement of Mr. Md. Moshir Rahman.

The committee has worked closely with the company's financial term to ensure that the audit processes adopted in connection with the financial statements are deal with best practice. The committee was empowered to examine the matter related to financial and other affairs of the Company. This committee ensures a sound financial reporting system and updated information to the Board of Directors.

The committee normally meets in the next month of every quarter. During the year 2016-17, six Audit Committee meetings were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of the Member	Number of Audit Committee Meeting held	Attended
Mr. Kazi Faruq Kader	6	6
Mr. Zahur Ahmed PhD	6	6
Mr. Shahriar Ahmed	6	6
Mr. Md. Moshir Rahman	6	4
Mr. Tarek Nizamuddin Ahmed	6	1

During the year the Audit Committee review and carry out the following tasks:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Sufficient effectiveness of the internal financial controls.
- Compliance of all applicable legal and regulatory rules and regulations.
- Various reports of operational activities and streamlined the operations of the Company.
- The committee reviewed the audit plan for the year 2016-17 and oversees the performance of external auditors.
- Reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.

The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Dated Dhaka the 19<sup>th</sup> October 2017

On behalf of the Audit Committee  
Sd/-  
Kazi Faruq Kader  
Chairman

## **CEO & CFO's Declaration to the Board of Directors**

Date: October 19, 2017

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

**Subject:** CEO & CFO's Declaration to the Board of Directors

Dear Sirs:

In compliance with the condition no. 6 imposed by the Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued under Section 2CC of the Securities & Exchange Ordinance, 1969, we do hereby certify to the Board of Directors that:

- (i) We have reviewed that the financial statements for the year ended on 30<sup>th</sup> June 2017 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (b) 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:
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer (CFO)

## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

It is an honor and pleasure for me to welcome you all to the Twenty-sixth Annual General Meeting of your Company and to present the Annual Report for the year ended 30<sup>th</sup> June, 2017.

### **Global Economy:**

The global economy is poised for economic growth, compared to recent years' performance, but with a somewhat different texture. Prospects are looking positive with accelerating growth in Europe, Japan, China and the United States. The International Monetary Fund (IMF) has said the global economy's recent recovery may not last, despite a pickup in activity in all western countries except the UK. High asset prices, rapid credit growth in China, political turmoil in Catalonia and a cliff-edge Brexit are some of the risks to an improving global outlook, with a global output growth expected to rise to 3.60% this year.

This growth rate is attributable to the renewed increase in financial volatility in late January although market pressures were relatively broad based, countries with higher inflation and wider current account deficits were generally more affected. Overall, the IMF said global output growth would increase from 3.20% in 2016 to 3.60% this year and 3.70% in 2018. These positive developments give good cause for greater confidence.

A closer look suggests that the global recovery may not be sustainable. Not all countries are participating, inflation often remains below target, with weak wage growth, and the medium-term outlook still disappoints in many parts of the world. Some emerging economies have tightened macroeconomic policies to shore up confidence and strengthen their commitment to policy objectives. Many of the Asian economies, excluding Japan, have continued to experience accelerated economic growth.

### **Bangladesh Economy:**

Despite social unrest and general dissatisfaction in the popular mindset of the population of the country, according to the Asian Development Bank, Bangladesh's economy grew by 7.1% in 2016, the fastest expansion in 30 years. It was also the sixth year in a row that GDP growth was greater than 6%. Most analysts expect this run to continue and remain "robust". The economy is expected to continue to grow at a brisk pace.

Bangladesh has set target to be in the middle-income group status by the year 2021. This is expected to be achieved through simultaneous improvement of political, economic, social, technological, rule of law and the environment, leading to eradication of numbers of the absolute poor. Bangladesh's rapid growth wouldn't be so exciting if it didn't reach the poor. A recent World Bank report found that between 2005 and 2010, average incomes for the poorest 40% of households grew 0.5% faster than for the country as a whole.

As a result of this inclusive growth, poverty rates have plummeted. In 1991, well over 40% of the population lived below extreme poverty level. Today, the World Bank says that less than 14% still does live in extreme poverty. Bangladesh's recent success can be attributed to two major factors: the flourishing garment manufacturing industry and the country's robust NGO sector. Inflation was lower than projected, while larger exports and modest imports kept the current account in a larger surplus. Higher public-sector salaries had an offsetting effect on the decline in remittances in Bangladesh in FY2016-17. A rise in consumer and investor confidence as the political situation stabilized is also a stimulant for demand and has strengthened growth momentum.

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

Dhaka  
October 19, 2017

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 June 30, 2017.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's (BSEC) notification no- SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012.

### (i) Industry outlook and possible future developments in the industry:

Bangladesh Garments Manufacturers and Exporters Association (BGMEA) has announced an export goal three years ago in Apparel Summit 2014 for increasing annual export of readymade garments to USD 50 billion by 2021. The goal was literally ambitious, but it was not impossible. However, the path of the success has not been bed of roses for Bangladesh, as RMG sector began its historical journey over three decades ago.

Some of the problems that may impose possible threats to the remarkable success of Bangladesh garment sector are the foreign trade policy of the newly-elected American President has threatened to new additional taxes on import to American market. After Brexit Bangladesh garments will not automatically enjoy duty and quota-free access in the UK market as was the case when the country was a member of EU. India has already given several financial incentives to the sector to maintain its competitive edge.

Bangladesh has established its resilience or capacity to recover quickly from various difficulties, time and again in the past. Recovery after the Rana Plaza collapse in 2013 was the best example for Bangladesh's resilience. In the compliance issues the country has done tridimensional improvement. Since 2016 reports published in local and international media have highlighted improvements in safety and compliance of Bangladeshi RMG industries.

Bangladesh government has set an export target of USD 41 billion from the RMG sector for the fiscal year 2017-18.

### (ii) Segment-wise or product-wise performance:

As Apex Spinning & Knitting Mills Limited produces only Readymade Garment there is no scope for Product wise performance reporting. However, country wise export details are given in note 23 of the Annual Report.

### (iii) Risks and concerns:

Attempting to fulfil the different conditions is expensive, and may be seen by some as an extra burden, and affecting their global competitiveness. However, this is an investment that ensures sustainability. It is crucial to ensure workers' job security, and emerging risks like cancellation of orders, closure of factories and laying off workers in implementing various measures to improve compliances.

Infrastructure deficit, if not improved, might hamper the supply chain in the country, causing sluggish growth. The RMG sector also needs cash incentives and policy support from the government. The power problem has slightly eased off, but more uninterrupted power supply needs to be ensured throughout the year to run the industries efficiently. Considering the fast-approaching general election in Bangladesh and a likely post-Brexit economic slowdown in Europe, political turmoil may return, and security conditions could worsen, adversely affecting confidence, investment and growth.

Through last three decades Bangladesh constantly has been concentrating only on few traditional markets (EU countries and America). However, recent statistics illustrates that non-traditional markets are registering a healthy surge.

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

The reporting period's cost of goods sold was Tk. 2,951 million as compared to last year's cost of goods sold of Tk. 3,116 million. This is due to the fact that there has been a decrease in the gross turnover during the reporting period. During the reporting period 2,272,508 dozens of garments were produced as against last year's production of 2,286,541 dozens. The decrease in production quantity is 14,033 dozens over the last year. Production capacity utilized during the reporting period was 90.90%. There was an increase in Wages and Salaries to the tune of Tk. 78.27 million as against last year.

**(b) Gross Profit:**

The company has achieved an export turnover of Tk. 3,205.56 million during the year ended 30<sup>th</sup> June 2017. Last year's turnover was Tk. 3,386.26 million. The decrease in turnover is 5.34% over the last year. Gross profit earned during the period was Tk. 254.72 million as against last year's gross profit of Tk. 270.72 million.

**(c) Net Profit:**

Net profit (after tax) earned during the period was Tk. 23.16 million as compared to last year's Net Profit (after tax) of Tk. 23.45 million. There is no significant difference from last year's net profit.

**(v) Extra-Ordinary gain or loss:**

During the year there was no realized extra-ordinary gain or loss made by the company. An amount of Tk. 4.55 million has been shown as Fair Valuation surplus for Investment in the Statement of Profit or Loss and other Comprehensive Income which represents the difference between the closing price of investment in the Shares of Apex Foods Limited and the price shown in the last Statement of Financial Position. This accounting effect was given in order to comply with the latest requirement of Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standards (BFRS). Details are given in Note 17 of the Annual Report.

**(vi) Related party transactions:**

During the year the Company carried out a number of transactions with related parties in the normal course of business and the payments are made through Letter of Credits. The names of the related parties and nature of the transactions are given below:

Name of the Parties	Relationship	Nature of Transactions	2016-17	2015-16
i. Matex Bangladesh Ltd.	Common Director	Dyes Chemical	161,287,520	124,098,779
ii. Apex Yarn Dyeing Ltd.	Common Director	Yarn Dyeing & Threads	56,374,121	86,591,494

**(vii) Utilization of proceeds from public issues and/ or rights issues:**

There was no public issue and/ or right issue offered during the year.

**(viii) Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:**

Initial Public Offering was made on February 10, 1994. Since then the company is performing well.

**(ix) Variance between Quarterly Financial performance and Annual Financial Statements:**

There is a significant increase in EPS (i.e. up to 3<sup>rd</sup> Quarter, EPS from operational activities was Tk. 2.01 but annually it has been Tk. 2.76) is mainly due to consistency of turnover in last quarter of 2016-17.



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

The remunerations of Directors including Independent Director are as follows:

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

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

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

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

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

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

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

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

During the year turnover has slightly decreased. Though the turnover has slightly decreased but there is no significant deviation in operating result due to consistency of turnover.

**(xviii) Key operating and financial data of at least preceding 5 (five) years:**

Particulars	"Figure in thousand Taka"					
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	(Fifteen months)					
<b>Operational Data:</b>						
Revenue	3,205,557	4,319,335	2,989,846	2,511,696	2,445,606	2,524,441
Gross Profit	254,718	338,619	243,140	221,196	207,910	200,281
Operating Profit	43,166	53,366	31,823	36,786	35,693	30,089
Net Profit before Tax	47,270	56,012	35,921	41,597	40,167	30,068
Net Profit after Tax	23,163	28,765	23,204	18,796	18,487	16,827
Earnings Per Share (EPS)	2.76	3.42	2.76	2.24	2.20	2.00
Dividend Per Share	2.00	2.20	2.00	2.00	1.80	1.80
<b>Financial Data:</b>						
Total Assets	1,325,340	1,461,496	1,374,272	1,136,263	1,181,592	1,048,473
Property, Plant and Equipment-Gross	1,343,392	1,248,060	1,220,670	1,160,317	1,141,895	1,057,887
Property, Plant and Equipment - Net	296,161	250,630	284,236	273,063	307,546	287,050
Gross Working Capital	994,046	1,183,939	1,072,153	841,181	861,399	747,510
Net Working Capital	115,834	160,401	120,061	124,047	95,307	113,068
Working Capital Loan	16,178	83,790	81,131	3,653	35,631	23,858
Share Capital	84,000	84,000	84,000	84,000	84,000	84,000
Share Premium	15,000	15,000	15,000	15,000	15,000	15,000
Reserve and Surplus	330,071	325,388	313,838	307,435	313,188	309,821
Share Holders Equity	443,289	434,056	420,179	417,912	414,292	412,543

**(xix) Dividend:**

Board of Directors has recommended Cash Dividend of Tk. 2.00 per Share of Tk. 10.00 each for the year 2016-17. 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 as on 15<sup>th</sup> November 2017 at the close of office.

**(xx) Board meetings:**

During the year 6 (Six) Board Meetings were held. The attendance record of the Directors is as follows:

<b>Name of Directors</b>	<b>Meeting attended</b>
Mr. Zafar Ahmed	6
Mr. Zahur Ahmed PhD	6
Mr. Shahriar Ahmed	6
Mr. Md. Moshir Rahman	5
Mr. Kazi Faruq Kader	6
Mr. Tarek Nizamuddin Ahmed	1

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

<b>Name wise details</b>	<b>No. Shares</b>
<b>a) Parent/subsidiary/Associated Companies and other related parties</b>	
Apex Foods Limited	2,263,200
Apex Lingerie Limited	143,000
Apex Yarn Dyeing Limited	136,400
<b>b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit:</b>	
Mr. Zafar Ahmed – Director	842,400
Mr. Zahur Ahmed PhD – Director	944,400
Mr. Shahriar Ahmed – Director	47,400
Mr. Tarek Nizamuddin Ahmed- Director	NIL
Mr. Kazi Faruq Kader – Independent Director	NIL
Mr. Kamruzzaman FCA– Chief Financial Officer	NIL
Mr. Ashish Kumar Paul FCA– Head of Internal Audit	NIL
Mr. Kamrul Islam – Assistant Company Secretary	NIL
<b>c) Senior Corporate Executives</b>	<b>NIL</b>
<b>d) Shareholders holding ten percent (10%) or more voting interest in the Company</b>	
Mr. Zafar Ahmed	842,400
Mr. Zahur Ahmed PhD	944,400
Apex Foods Limited	2,263,200
ICB Unit Fund	1,195,000

**(xxii) Appointment/re-appointment of directors of the company:**

- (i) Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed are retiring from the Board in terms of the Articles of Association of the Company and being eligible, offer themselves for re-election. The detailed work profiles of Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed are given below:

**Mr. Zahur Ahmed PhD**

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

**Mr. Shahriar Ahmed**

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

**(ii) Mr. Tarek Nizamuddin Ahmed**

- a) Mr. Tarek Nizamuddin Ahmed joined in the Board of Apex Spinning & Knitting Mills Limited on April 27, 2017 as Director nominated by Investment Corporation of Bangladesh (ICB). He is a Post Graduate in management from the University of Chittagong. After completion of his education he joined as Officer in ICB, he held various important positions during his long career with ICB including his current position of Deputy General Manager.
- b) He has sound knowledge in this sector.
- c) He is also holding the Directorship of Kay & Que Ltd.,
- d) Presently, he is one of the members of the Audit Committee.

**(xxiii) Auditors:**

The retiring Auditors Malek Siddiqui Wali, Chartered Accountants, being eligible, offer themselves for re-appointment as Auditors of the Company for the year 2017-18.

**(xxiv) Corporate Governance Compliance Report:**

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

Dhaka  
October 19, 2017

On behalf of the Board

Sd/-  
**Zafar Ahmed**  
Chairman

## পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১৭ সালের ৩০ শে জুন তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আনন্দিত।

পরিচালনা পর্ষদের প্রতিবেদন প্রণয়নের ক্ষেত্রে কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং- এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ- আগস্ট ৭, ২০১২ অনুসরণ করা হয়েছে।

### ১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনাঃ

বাংলাদেশ তৈরী পোশাক প্রস্তুতকারী ও রপ্তানিকারক সমিতি (বিজিএমইএ) তিন বছর আগে পোশাক শীর্ষ সম্মেলন ২০১৪ তে একটি রপ্তানি লক্ষ্য মাত্রা ঘোষণা করেছে যে, ২০২১ সালের মধ্যে বার্ষিক তৈরী পোশাক রপ্তানি ৫০ বিলিয়ন মার্কিন ডলারে উন্নীত করার জন্য। লক্ষ্য মাত্রা যদিও উচ্চাকাঙ্ক্ষী, কিন্তু এটা অসম্ভব ছিল না। তবে, সাফল্যের পথটি বাংলাদেশের জন্য পুষ্প শয্যা ছিল না, কারণ মাত্র তিন দশক আগে RMG সেক্টরের ঐতিহাসিক যাত্রা শুরু হয়েছিল।

কিছু কিছু সমস্যা যা বাংলাদেশ পোশাক শিল্পের উল্লেখযোগ্য সাফল্যকে সম্ভাব্য হুমকিতে ফেলতে পারে, যেমন, নব নির্বাচিত মার্কিন প্রেসিডেন্টের বৈদেশিক বাণিজ্য নীতিতে আমেরিকার বাজারে আমদানির উপর নতুন অতিরিক্ত কর আরোপ। EU থেকে বের হওয়ার পর যুক্তরাজ্যের বাজারে বাংলাদেশের তৈরী পোশাক স্বয়ংক্রিয়ভাবে ডিউটি এবং কোটামুক্ত প্রবেশাধিকার ভোগ করবে না যেমনটা ছিল দেশটি EU এর সদস্য থাকা কালিন। ভারত ইতিমধ্যেই প্রতিযোগিতায় টিকে থাকার জন্য এই খাতে বেশ কয়েকটি আর্থিক প্রনোদনা প্রদান করেছে।

বাংলাদেশ স্বাভাবিক অবস্থায় প্রত্যাবর্তন করেছে বা চরম সমস্যা থেকে দ্রুত পুনরুদ্ধার করার সক্ষমতা অর্জন করেছে, অতীতে যা ঘটেছে ভবিষ্যতে যেন তা আর না ঘটে। ২০১৩ সালে রানা প্লাজা ট্রাজেডি পুনরুদ্ধারটি বাংলাদেশের স্বাভাবিক অবস্থায় প্রত্যাবর্তনের জন্য সর্বোত্তম উদাহরণ। কমপ্লায়েন্সের ক্ষেত্রে দেশ ত্রিমাত্রিক উন্নতি করেছে। ২০১৬ সাল থেকে স্থানীয় ও আন্তর্জাতিক সংবাদমাধ্যমে প্রকাশিত প্রতিবেদনগুলিতে বাংলাদেশে তৈরী পোশাক শিল্পে নিরাপত্তা ও কমপ্লায়েন্সের উন্নতি হয়েছে তা বলা হয়েছে।

বাংলাদেশ সরকার আগামী ২০১৭-২০১৮ অর্থ বছরে তৈরী পোশাক শিল্প খাত থেকে ৪১ বিলিয়ন মার্কিন ডলার রপ্তানীর লক্ষ্যমাত্রা নির্ধারণ করেছে।

### ২. খাতওয়ারি অথবা পণ্য ভিত্তিক ফলাফলঃ

যেহেতু এপেক্স স্পিনিং এন্ড নিটিং মিলস্ লিমিটেড শুধু মাত্র তৈরী পোশাক উৎপাদনকারী প্রতিষ্ঠান সেহেতু এখানে পণ্য ভিত্তিক ফলাফলের বিবরণ দেওয়ার কোন সুযোগ নেই। যা হোক বার্ষিক প্রতিবেদনের ২৩ নং নোটে প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

### ৩. ঝুঁকি ও উদ্ভিগ্নতা সমূহঃ

বিভিন্ন শর্তপূরণের চেষ্টা ব্যয় বহুল এবং কিছু কিছু ক্ষেত্রে এটি একটি অতিরিক্ত বোঝা এবং বৈশ্বিক প্রতিযোগিতায় এটা প্রভাবিত করে। তবে, এটি একটি বিনিয়োগ যা স্থায়িত্ব নিশ্চিত করে। কমপ্লায়েন্সের উন্নতি সাধনের জন্য বিভিন্ন পদক্ষেপ গ্রহন খুবই গুরুত্বপূর্ণ এ ক্ষেত্রে শ্রমিকদের কাজের নিরাপত্তা নিশ্চিত করণ, বিভিন্ন অকল্পনীয় ঝুঁকি যেমন ক্রয় আদেশ বাতিল, কারখানা বন্ধ ও শ্রমিক অব্যহতি বিবেচনায় রাখতে হবে।

অবকাঠামো ঘাটতি, যদি উন্নত না হয়, তাহলে দেশটিতে সরবরাহ পদ্ধতিতে ব্যাঘাত ঘটতে পারে, যা উন্নতিতে মন্থর গতি আসতে পারে। তৈরী পোশাক খাতে নগদ উৎসাহ ভাতা এবং সরকারের সঠিক নীতিমালা প্রয়োজন। বিদ্যুৎ সমস্যা সামান্য হ্রাস পেয়েছে, তবে দক্ষতার সাথে শিল্প পরিচালনার জন্য সারা বছর ব্যাপী আরও নিরবিচ্ছিন্ন ভাবে বিদ্যুৎ সরবরাহ নিশ্চিত করা প্রয়োজন। বাংলাদেশের আগত সাধারণ নির্বাচন এবং ইউরোপের Brexit পরবর্তী অর্থনৈতিক মন্দা, রাজনৈতিক অস্থিরতা ফিরে আসতে পারে এবং নিরাপত্তার অবস্থা আরও খারাপ হতে পারে, যা বিনিয়োগ এবং এই খাতের বিকাশের উপর প্রতিকূল প্রভাব ফেলতে পারে।

গত তিন দশক ধরে বাংলাদেশ নিয়মিত কয়েকটি চিরাচরিত বাজার (ই ইউর দেশ সমূহ এবং আমেরিকার) উপর গুরুত্ব দিয়েছে। তবে, সাম্প্রতিক পরিসংখ্যানে দেখা যাচ্ছে যে অ- চিরাচরিত বাজারগুলি একটি সুস্থ বৃদ্ধির ধারা গঠন করেছে।

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

## ক) বিক্রিত পণ্যের ব্যয়ঃ

প্রতিবেদন কালীন সময়ে বিক্রিত পণ্যের ব্যয় ছিল ২,৯৫১ মিলিয়ন টাকা, যা গত বৎসর ছিল ৩,১১৬ মিলিয়ন টাকা। এর কারণ প্রতিবেদন কালীন সময়ে মোট বিক্রয় কমেছে। প্রতিবেদন কালীন সময়ে ২,২৭২,৫০৮ ডজন তৈরি পোশাক উৎপাদন হয়েছে যা গত বৎসর ছিল ২,২৮৬,৫৪১ ডজন। গত বৎসরের তুলনায় ১৪,০৩৩ ডজন উৎপাদন হ্রাস পেয়েছে। প্রতিবেদন কালীন সময়ে কোম্পানীর উৎপাদন ক্ষমতার ৯০.৯০ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় প্রতিবেদন কালীন সময়ে মজুরী এবং বেতন ৭৮.২৭ মিলিয়ন টাকা বৃদ্ধি পেয়েছে।

## খ) মোট মুনাফাঃ

৩০ জুন ২০১৭ সমাপ্ত বছরে কোম্পানী মোট বিক্রয় করেছে ৩,২০৫.৫৬ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ৩,৩৮৬.২৬ মিলিয়ন টাকা। গত বৎসরের তুলনায় এ বছর ৫.৩৪ শতাংশ বিক্রয় হ্রাস পেয়েছে। এ বছর মোট মুনাফা অর্জিত হয়েছে ২৫৪.৭২ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৭০.৭২ মিলিয়ন টাকা।

## গ) নীট মুনাফাঃ

প্রতিবেদন কালীন সময়ে নীট মুনাফা (কর পরবর্তী) হয়েছে ২৩.১৬ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৩.৪৫ মিলিয়ন টাকা। গত বছরের নীট মুনাফার সহিত এ বছর কোন উল্লেখযোগ্য পার্থক্য নেই।

## ৫. অস্বাভাবিক লাভ বা ক্ষতিঃ

এ বছর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। তবে ৪.৫৫ মিলিয়ন টাকা বিনিয়োগের সুষ্ঠু মূল্যায়নের ফলে উদ্ধৃত হয়েছে যাহা সমন্বিত আয় বিবরণীতে দেখানো হয়েছে যাহা এপেক্স ফুডস্ লিমিটেড এর শেয়ারে বিনিয়োগের সমাপনী বাজার মূল্য এবং গত বৎসরের আর্থিক অবস্থার বিবরণীতে দেখানো মূল্যের পার্থক্য, এটা বাংলাদেশ এ্যাকাউন্টিং স্ট্যান্ডার্ডস্ (বি.এ.এস) / বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস্ (বি.এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে। বার্ষিক প্রতিবেদনে ১৭নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

## ৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহঃ

এ বৎসর আন্তঃ সম্পর্কিত কোম্পানী সমূহের মধ্যে অনেক গুলো স্বাভাবিক ব্যবসায়িক লেনদেন হয়েছে যাহা ঋণপত্রের মাধ্যমে সম্পন্ন এবং পরিশোধিত হয়েছে।

পার্টির নাম	সম্পর্ক	লেনদেনের ধরন	২০১৬-১৭	২০১৫-১৬
ক) ম্যাটেক্স বাংলাদেশ লিমিটেড	একই পরিচালক	রং এবং রাসায়নিক দ্রব্য ক্রয়	১৬১,২৮৭,৫২০	১২৪,০৯৮,৭৭৯
খ) এপেক্স ইয়ার্ন ডাইং লিমিটেড	একই পরিচালক	সুতার রং এবং সুতা ক্রয়	৫৬,৩৭৪,১২১	৮৬,৫৯১,৪৯৪

## ৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হইতে প্রাপ্ত তহবিলের ব্যবহারঃ

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

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

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

## ৯. বার্ষিক আর্থিক বিবরণী এবং ত্রৈমাসিক আর্থিক অবস্থার বিবরণীর মধ্যে পার্থক্যঃ

শেয়ার প্রতি আয় উল্লেখযোগ্য ভাবে বৃদ্ধি পেয়েছে (অর্থাৎ তৃতীয় প্রান্তিক পর্যন্ত পরিচালন কার্যক্রমে শেয়ার প্রতি আয় ছিল ২.০১ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ২.৭৬ টাকা) এটা মূলত ২০১৬-১৭ অর্থ বছরের শেষ ত্রৈমাসিক বিক্রয়ের ধারাবাহিকতা।

## ১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিকঃ

## স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্নরূপঃ

পরিচালকদের নাম	পরিচালক/স্বতন্ত্র পরিচালক	বাৎসরিক পারিশ্রমিক
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	১,৮০০,০০০/-
জনাব শাহরিয়ার আহমেদ	পরিচালক	১২,০০,০০০/-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	৬০০,০০০/-

১১. কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর আর্থিক অবস্থা, কার্যক্রমের ফলাফল, নগদ প্রবাহ, মূলধনের পরিবর্তন সঠিক ভাবে উপস্থাপন করা হয়েছে।

১২. কোম্পানীর হিসাব বহি সমূহ যথাযথ ভাবে সংরক্ষণ করা হয়েছে।

১৩. আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এবং হিসাবগত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।

১৪. ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস (আই.এ.এস)/বাংলাদেশ এ্যাকাউন্টিং স্ট্যান্ডার্ডস (বি.এ.এস)/ ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আই.এফ.আর.এস)/ বাংলাদেশ ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বি.এফ.আর.এস) যাহা বাংলাদেশে প্রযোজ্য তাহা অনুসরণ করে আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং কোথাও কোন ব্যত্যয় থাকলে তাহা যথাযথ ভাবে প্রকাশ করা হয়েছে।

১৫. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত ও কার্যকর ভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।

১৬. কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।

## ১৭. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধানঃ

চলতি বছর বিক্রয় সামান্য হ্রাস পেয়েছে। যদিও বিক্রয় সামান্য হ্রাস পেয়েছে কিন্তু পরিচালনগত ফলাফলে কোন উল্লেখযোগ্য ব্যবধান নেই বিক্রয়ের ধারাবাহিকতার জন্য।

## ১৮. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্তঃ

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০১৬-১৭	২০১৫-১৬ (১৫ মাস)	২০১৪-১৫	২০১৩-১৪	২০১২-১৩	২০১১-১২
<b>পরিচালন তথ্য:</b>						
বিক্রয়	৩,২০৫,৫৫৭	৪,৩১৯,৩৩৫	২,৯৮৯,৮৪৬	২,৫১১,৬৯৬	২,৪৪৫,৬০৬	২,৫২৪,৪৪১
মোট মুনাফা	২৫৪,৭১৮	৩৩৮,৬১৯	২৪৩,১৪০	২২১,১৯৬	২০৭,৯১০	২০০,২৮১
পরিচালন মুনাফা	৪৩,১৬৬	৫৩,৩৩৬	৩১,৮২৩	৩৬,৭৮৬	৩৫,৬৯৩	৩০,০৮৯
করপূর্ব মুনাফা	৪৭,২৭০	৫৬,০১২	৩৫,৯২১	৪১,৫৯৭	৪০,১৬৭	৩০,০৬৮
করপরবর্তী মুনাফা	২৩,১৬৩	২৮,৭৬৫	২৩,২০৪	১৮,৭৯৬	১৮,৪৮৭	১৬,৮২৭
শেয়ার প্রতি আয়	২.৭৬	৩.৪২	২.৭৬	২.২৪	২.২০	২.০০
প্রতি শেয়ারের জন্য লভ্যাংশ	২.০০	২.২০	২.০০	২.০০	১.৮০	১.৮০
<b>আর্থিক তথ্য:</b>						
মোট সম্পদ	১,৩২৫,৩৪০	১,৪৬১,৪৯৬	১,৩৭৪,২৭২	১,১৩৬,২৬৩	১,১৮১,৫৯২	১,০৪৮,৪৭৩
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	১,৩৪৩,৩৯২	১,২৪৮,০৬০	১,২২০,৬৭০	১,১৬০,৩১৭	১,১৪১,৮৯৫	১,০৫৭,৮৮৭
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	২৯৬,১৬১	২৫০,৬৩০	২৮৪,২৩৬	২৭৩,০৬৩	৩০৭,৫৪৬	২৮৭,০৫০
মোট চলতি মূলধন	৯৯৪,০৪৬	১,১৮৩,৯৩৯	১,০৭২,১৫৩	৮৪১,১৮১	৮৬১,৩৯৯	৭৪৭,৫১০
নীট চলতি মূলধন	১১৫,৮৩৪	১৬০,৪০১	১২০,০৬১	১২৪,০৪৭	৯৫,৩০৭	১১৩,০৬৮
চলতি মূলধন ঋণ	১৬,১৭৮	৮৩,৭৯০	৮১,১৩১	৩,৬৫৩	৩৫,৬৩১	২৩,৮৫৮
শেয়ার মূলধন	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০	৮৪,০০০
শেয়ার প্রিমিয়াম	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০	১৫,০০০
সংরক্ষণ এবং উদ্বৃত্ত	৩৩০,০৭১	৩২৫,৩৮৮	৩১৩,৮৩৮	৩০৭,৪৩৫	৩১৩,১৮৮	৩০৯,৮২১
শেয়ার মালিকদের ইকুইটি	৪৪৩,২৮৯	৪৩৪,০৫৬	৪২০,১৭৯	৪১৭,৯১২	৪১৪,২৯২	৪১২,৫৪৩

**১৯. লভ্যাংশ:**

কোম্পানীর পরিচালকমন্ডলী ২০১৬-১৭ হিসাব বছরে ১০/- (দশ) টাকার শেয়ারের জন্য ২.০০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করছেন। এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে সেই সমস্ত শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করা হবে যাদের নাম কোম্পানীর সদস্য বহিতে অথবা ডিপোজিটরিতে নভেম্বর ১৫, ২০১৭ ইং তারিখে কার্য সমাপ্ত সময়ে অন্তর্ভুক্ত থাকবে।

**২০. বোর্ডের সভা:**

এ বৎসর বোর্ডের ৬ (ছয়) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	৬
জনাব জহুর আহমেদ পিএইচডি	৬
জনাব শাহরিয়ার আহমেদ	৬
জনাব মুহম্মদ মশিউর রহমান	৫
জনাব কাজী ফারুক কাদের	৬
জনাব তারেক নিজামউদ্দিন আহমেদ	১

**২১. শেয়ারহোল্ডিংস সংক্রান্ত বিবরণ:**

নাম অনুসারে বিবরণ	শেয়ার সংখ্যা	
ক) প্যারেন্ট/ সাবসিডিয়ারী/ এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টিসমূহ:		
এপেক্স ফুডস্ লিমিটেড	২,২৬৩,২০০	
এপেক্স ল্যানজারী লিমিটেড	১৪৩,০০০	
এপেক্স ইয়ার্ন ডাইং লিমিটেড	১৩৬,৪০০	
খ) পরিচালকবৃন্দ, প্রধান নির্বাহী কর্মকর্তা, কোম্পানী সচিব, প্রধান অর্থ কর্মকর্তা, অভ্যন্তরীণ নিরীক্ষা প্রধান:		
জনাব জাফর আহমেদ	পরিচালক	৮৪২,৪০০
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	৯৪৪,৪০০
জনাব শাহরিয়ার আহমেদ	পরিচালক	৪৭,৪০০
জনাব তারেক নিজামউদ্দিন আহমেদ	পরিচালক	-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	-
জনাব কামরুজ্জামান এফসিএ	প্রধান অর্থ কর্মকর্তা	-
জনাব আশীষ কুমার পাল এফসিএ	অভ্যন্তরীণ নিরীক্ষা প্রধান	-
জনাব কামরুল ইসলাম	সহকারী কোম্পানী সচিব	-
গ) উর্ধ্বতন করপোরেট নির্বাহীগণ		-
ঘ) কোম্পানীতে ১০ শতাংশ অথবা তার চেয়ে বেশী ভোটের অধিকারী শেয়ারহোল্ডার:		
জনাব জাফর আহমেদ		৮৪২,৪০০
জনাব জহুর আহমেদ পিএইচডি		৯৪৪,৪০০
এপেক্স ফুডস্ লিমিটেড		২,২৬৩,২০০
আইসিবি ইউনিট ফান্ড		১,১৯৫,০০০

**২২. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগঃ**

(১) জনাব জহুর আহমেদ পিএইচডি এবং জনাব শাহরিয়ার আহমেদ কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন। জনাব জহুর আহমেদ পিএইচডি এবং জনাব শাহরিয়ার আহমেদ এর বিস্তারিত বিবরণ নিম্নরূপঃ-

**জনাব জহুর আহমেদ পিএইচডিঃ**

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

**জনাব শাহরিয়ার আহমেদঃ**

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

**(২) জনাব তারেক নিজামউদ্দিন আহমেদঃ**

- ক) জনাব তারেক নিজামউদ্দিন আহমেদ এপ্রিল ২৭, ২০১৭ সালে ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসিবি) এর মনোনীত পরিচালক হিসাবে এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এর পরিচালক পদে যোগদান করেন। তিনি ম্যানেজমেন্ট বিষয়ে চট্টগ্রাম বিশ্ববিদ্যালয় হইতে স্নাতকোত্তর ডিগ্রি অর্জন করেন। পড়াশোনা শেষে তিনি আইসিবিতে অফিসার পদে যোগদান করেন, তিনি দীর্ঘদিন ধরে বিভিন্ন গুরুত্বপূর্ণ পদে অধিষ্ঠিত থেকে বর্তমানে তিনি ডেপুটি জেনারেল ম্যানেজার পদে আছেন।
- খ) তিনি এই শিল্প খাত সম্পর্কে গভীর জ্ঞানের অধিকারী।
- গ) তিনি এই কোম্পানী ছাড়াও কে এন্ড কিউ লিমিটেড এর পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে তিনি অডিট কমিটির একজন সদস্য।

**২৩. নিরীক্ষকঃ**

অবসর গ্রহনকারী নিরীক্ষক মালেক সিদ্দিকী ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ যোগ্য বিধায় ২০১৭-২০১৮ হিসাব বৎসরের জন্য পুনঃ নিরীক্ষক হিসাবে নিয়োগের জন্য প্রস্তাব ও আবেদন করেছেন।

**২৪. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদনঃ**

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের চাহিদা অনুযায়ী কর্পোরেট গভর্নেন্স প্রতিবেদন সংযুক্ত করা হলো।

ঢাকা

১৯ অক্টোবর, ২০১৭

বোর্ডের পক্ষে

স্বা/-

জাফর আহমেদ

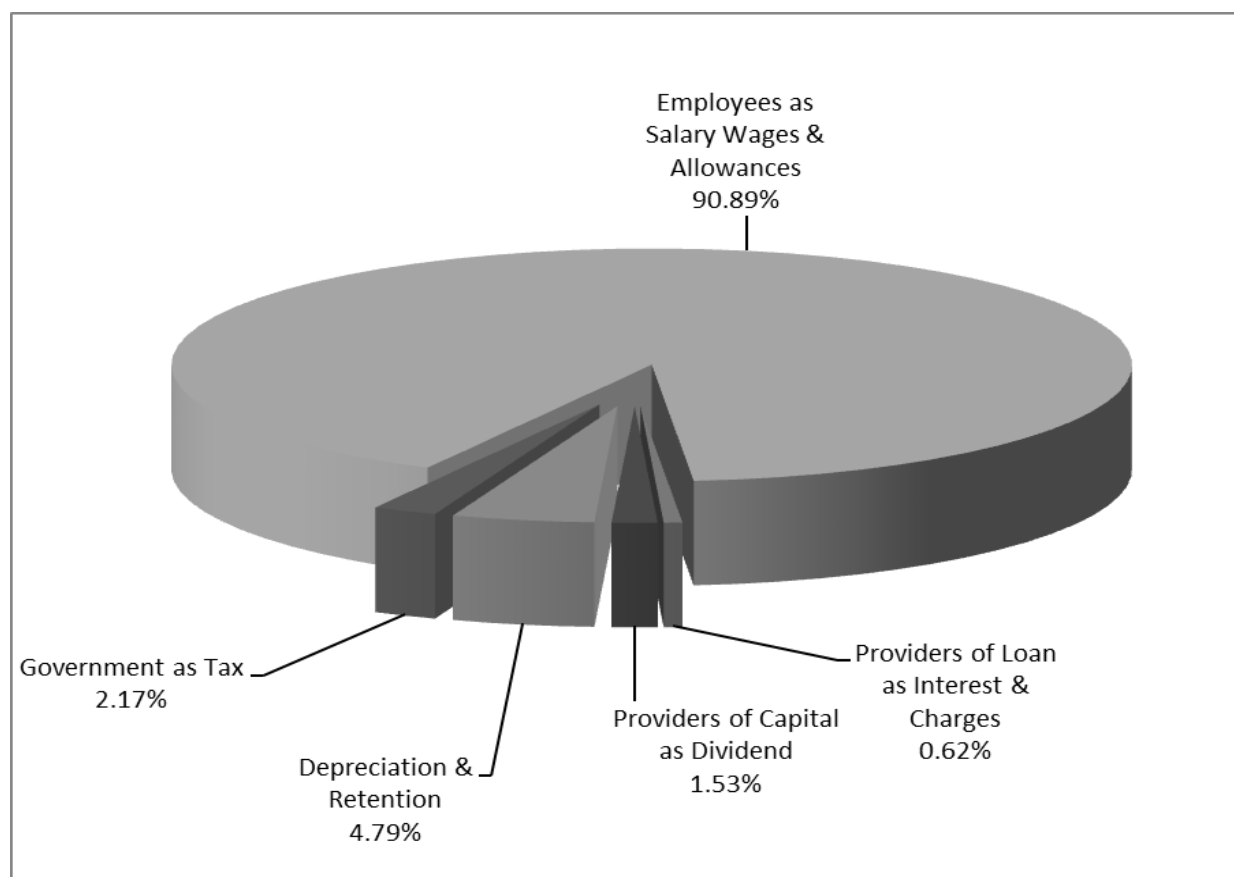
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## VALUE ADDED STATEMENT

Value in Taka

PARTICULARS	2016-17	%	2015-16 (Fifteen months)	%
<b>VALUE ADDED:</b>				
Revenue	3,205,556,644		4,319,334,564	
Less: Bought in Materials & Services	2,110,627,672		3,067,948,253	
	-----		-----	
	<b>1,094,928,972</b>		<b>1,251,386,311</b>	
	=====		=====	
<b>APPLICATIONS:</b>				
Government as Tax	23,738,491	2.17	25,196,863	2.01
Employees as Salary Wages & Allowances	995,154,077	90.89	1,131,670,109	90.31
Providers of Loan as Interest	6,808,117	0.62	8,302,093	0.65
Providers of Capital as Dividend	16,800,000	1.53	18,480,000	1.92
Depreciation & Retention	52,428,287	4.79	67,737,246	6.14
	-----	-----	-----	-----
	<b>1,094,928,972</b>	<b>100.00</b>	<b>1,251,386,311</b>	<b>100.00</b>
	=====	=====	=====	=====



## **Independent Auditors' Report to the Shareholders of Apex Spinning & Knitting Mills Limited**

We have audited the accompanying Financial Statements of Apex Spinning & Knitting Mills Limited, which comprises the statement of Financial Position as at June 30, 2017 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements:**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

### **Auditors' Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion:**

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

### **Emphasis of Matter:**

We draw attention to the note no. 5.01 of the Financial Statements which describes that due to the effect of changes in reporting date of the company as per direction of Finance Act 2015 the comparative statements for the Financial Statements June 30, 2017 were not specifically audited. The comparative figure has been reproduced from the last fifteen months audited financial statements for the period April 01, 2015 to June 30, 2016. Our opinion is not qualified in this respect.

### **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 Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;
- d) The expenditures incurred and payments made were for the purpose of the company's business.

Dated; Dhaka  
October 19, 2017

Sd/-  
**MALEK SIDDIQUI WALI**  
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30<sup>TH</sup> JUNE, 2017**

	Notes	30.06.2017	Value in Taka 30.06.2016
<b>ASSETS</b>			
<b>Non Current Assets:</b>		<b>331,293,631</b>	<b>277,556,922</b>
Property, Plant and Equipment	6	296,160,521	250,629,578
Investment	7	26,340,880	21,285,383
Security Deposits	8	8,792,230	5,641,961
<b>Current Assets:</b>		<b>994,046,480</b>	<b>1,183,939,212</b>
Inventories	9	194,630,209	193,149,524
Trade Receivables	10	385,678,040	437,865,870
Advances, Deposits & Prepayments	11	53,073,287	143,231,663
Other Receivable	12	3,916,399	21,762,955
Cash & Cash Equivalents	13	356,748,545	387,929,200
<b>TOTAL ASSETS</b>		<b>1,325,340,111</b>	<b>1,461,496,134</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>443,289,448</b>	<b>434,056,023</b>
Share Capital	14	84,000,000	84,000,000
Share Premium	15	15,000,000	15,000,000
Reserve and Surplus	16	330,071,235	325,387,757
Fair Valuation Surplus of Investment	17	14,218,213	9,668,266
<b>Non Current Liabilities</b>		<b>3,838,327</b>	<b>3,902,323</b>
Deferred Tax Liability	18	3,838,327	3,902,323
<b>Current Liabilities</b>		<b>878,212,336</b>	<b>1,023,537,788</b>
Working Capital Loan	19	16,177,942	83,790,102
Short Term Loan	20	80,597,984	54,616,007
Trade Payables	21	703,008,415	745,163,504
Other Payables	22	78,427,995	139,968,175
<b>Total Liabilities</b>		<b>882,050,663</b>	<b>1,027,440,111</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,325,340,111</b>	<b>1,461,496,134</b>
<b>Net Assets Value Per Share</b>		<b>52.77</b>	<b>51.67</b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 19,2017

Sd/-  
**MALEK SIDDIQUI WALI**  
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2017**

	Notes	2016-2017	Value in Taka 2015-2016
<b>REVENUE</b>	<b>23</b>	3,205,556,644	3,386,264,682
Cost of goods sold	<b>24</b>	(2,950,838,207)	(3,115,547,624)
<b>GROSS PROFIT</b>		<b>254,718,437</b>	<b>270,717,058</b>
<b>OPERATING EXPENSES:</b>		<b>(211,552,855)</b>	<b>(225,997,868)</b>
Administrative & selling overhead	<b>26</b>	(204,744,738)	(219,305,853)
Financial expenses	<b>27</b>	(6,808,117)	(6,692,015)
<b>OPERATING PROFIT</b>		<b>43,165,582</b>	<b>44,719,190</b>
Other income	<b>28</b>	4,104,690	4,702,103
<b>PROFIT BEFORE PPF &amp; WF</b>		<b>47,270,272</b>	<b>49,421,293</b>
Provision for contribution to PPF & WF		-	(2,471,065)
<b>PROFIT BEFORE TAX</b>		<b>47,270,272</b>	<b>46,950,228</b>
<b>Tax Expenses:</b>		<b>(24,106,794)</b>	<b>(23,497,708)</b>
Current tax	<b>29</b>	(24,676,341)	(22,404,538)
Deferred tax (expenses)/income	<b>18</b>	569,547	(1,093,170)
<b>NET PROFIT AFTER TAX</b>		<b>23,163,478</b>	<b>23,452,520</b>
<b>Other comprehensive income:</b>			
Fair valuation surplus/(deficit) of investment	<b>17</b>	<b>4,549,947</b>	<b>2,481,375</b>
Fair valuation surplus/(deficit) during the year		5,055,497	2,757,083
Less: Deferred tax		(505,550)	(275,708)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>27,713,425</b>	<b>25,933,895</b>
<b>Basic Earnings Per Share (EPS)</b>	<b>32</b>	<b><u>2.76</u></b>	<b><u>2.79</u></b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 19, 2017

**MALEK SIDDIQUI WALI**  
Chartered Accountants

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE, 2017**

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 30<sup>th</sup> June'16</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>192,935,240</b>	<b>2,751,818</b>	<b>9,668,266</b>	<b>434,056,023</b>
Net profit after tax for the period	-	-	-	23,163,478	-	-	23,163,478
Dividend Paid for 2015-16	-	-	-	(18,480,000)	-	-	(18,480,000)
Fair valuation surplus/(deficit) of investment	-	-	-	-	-	4,549,947	4,549,947
<b>As at 30<sup>th</sup> June'17</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>197,618,718</b>	<b>2,751,818</b>	<b>14,218,213</b>	<b>443,289,448</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE, 2016**

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 30<sup>th</sup> June'15</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>186,698,432</b>	<b>2,751,818</b>	<b>7,985,435</b>	<b>426,136,384</b>
Net profit after tax for the period	-	-	-	23,452,520	-	-	23,452,520
Dividend Paid for 2014-15	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investment	-	-	-	-	-	2,481,375	2,481,375
Prior years' adjustment	-	-	-	(415,712)	-	(798,544)	(1,214,256)
<b>As at 30<sup>th</sup> June'16</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>192,935,240</b>	<b>2,751,818</b>	<b>9,668,266</b>	<b>434,056,023</b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 19, 2017

Sd/-  
**MALEK SIDDIQUI WALI**  
Chartered Accountants

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE, 2017**

	2016-2017	Value in Taka 2015-2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Collection from revenue	3,257,744,474	3,441,675,999
Other income	4,093,616	4,575,826
Interest & other financial charges paid	(86,915,185)	(90,785,599)
Income tax paid	(31,059,240)	(25,590,167)
Payment for costs and expenses	(3,020,637,150)	(3,432,928,549)
<b>Net cash generated from/(used in) operating activities (a)</b>	<b>123,226,515</b>	<b>(103,052,490)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, plant and equipment acquired	(95,332,138)	(22,158,085)
<b>Net cash generated from/(used in) investing activities (b)</b>	<b>(95,332,138)</b>	<b>(22,158,085)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Working capital loan received/(repaid)	(67,612,160)	89,354,587
Short term loan received/(repaid)	25,981,977	28,450,737
Dividend paid	(17,444,849)	(16,077,724)
<b>Net cash generated from/(used in) financing activities (c)</b>	<b>(59,075,032)</b>	<b>101,727,600</b>
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>(31,180,655)</b>	<b>(23,482,975)</b>
Cash and cash equivalents on opening	387,929,200	411,412,175
<b>Cash and cash equivalents on closing</b>	<b>356,748,545</b>	<b>387,929,200</b>
<b>Net Operating Cash Flows Per Share</b>	<b>14.67</b>	<b>(12.27)</b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 19, 2017

Sd/-  
**MALEK SIDDIQUI WALI**  
Chartered Accountants

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flow per Share is Tk. 14.67 but it was Tk. (12.27) in 2015-16 which is mainly for decrease in payment for cost and expenses. This scenario changeable time to time depending on different issues.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2017  
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

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

**1.01 Legal Form of the Enterprise:**

The Apex Spinning & Knitting Mills Limited is a Public Limited Company registered under the Companies Act, 1913. 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

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

The Registered Office of the Company is located at Rupayan Golden Age, 5<sup>th</sup> & 6<sup>th</sup> Floor, 99 Gulshan Avenue, Gulshan, Dhaka-1212 and the Factory is located at Chandora, P.O. Chandora, P.S. Kaliakoir, Dist. Gazipur.

**1.03 Nature of Business Activities:**

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

**2. Basis of the preparation of the Financial Statements:**

**2.01 Accounting Convention and Basis:**

These Financial Statements have been prepared under the Historical Cost Convention 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.

**2.02 Application of Bangladesh Accounting Standards (BAS):**

**The following BASs are applicable for the financial statements for the year under review:**

BAS-1	Presentation of financial statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Period
BAS-12	Income Taxes
BAS-16	Property, Plant and Equipment
BAS-18	Revenue
BAS-21	The Effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-32	Financial Instruments: Presentation
BAS-33	Earnings Per Share
BAS-36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BAS-39	Financial Instruments: Recognition and Measurement

**2.03 Compliance with local laws:**

The Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities & Exchange Rules, 1987, the Income Tax Ordinance, 1984, Income Tax Rule 1984, The VAT Act 1991, VAT Rule 1991 and other relevant local laws and rules.

**2.04 Compliance with Bangladesh Accounting Standards (BAS):**

The Financial Statements have been prepared in compliance with requirements of BAS's.

**3. Significant Accounting Policy:****3.01 Property, Plant and Equipment:**

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

**3.01(i) Depreciation on Property, Plant and Equipment:**

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: "Property, Plant and Equipment". Depreciation is provided for the period in use of the assets. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation has been charged on additions made during the year from the month in which these assets are ready to use. Depreciation is provided on all fixed assets except land at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

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 Equipment	15 %
Other Equipment	15 %
Deep Tube-well & Tanks	15%
Motor Vehicles	20 %
Furniture & Fixtures	10 %
Laboratory Equipment	15%
Office Equipment	15 %
Motor Cycles	20%

**3.01(ii) Disposal of Property, Plant and Equipment:**

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and sales proceeds. There was no disposal of any Property, Plant and Equipment during the period ended 30<sup>th</sup> June, 2017.

**3.02 Inventories:**

Inventories in hand as at 30<sup>th</sup> June, 2017 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.

**3.03 Taxation:**

Provision for income tax has been made as per requirements of the Income Tax Ordinance, 1984 and Income Tax Rule, 1984.



**3.04 Income Tax:**

The company is a Public Limited Company. As per the Income Tax Ordinance, 1984 the rate of income tax is 25.00%. Since the company is a 100% export oriented (Knit & Oven Garments) industry, so applicable tax rate will be 12.00% on business profit (as per SRO no. 255-Law/Income Tax/2017 dated 01 August, 2017). The tax provision has been made based on the highest of 12% on business profit or tax deducted at source @ 0.70% on export proceeds or tax on gross receipts and provision has been made accordingly. However, the tax provision has been made @ 25.00% on interest income, exchange gain/(loss) and 20.00% on dividend income as per provision of the Income Tax Ordinance, 1984 and Income Tax Rule, 1984.

**3.05 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 statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financial statements. Deferred tax asset or liability is the amount of income tax 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.

**3.06 Trade Receivables:**

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

**3.07 Payables and Accrued Expenses:**

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

**3.08 Earnings 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 statement of profit or loss and other comprehensive income and the computation of EPS is stated in Note 32.

**3.08(i) Basic Earnings:**

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

**3.08(ii) Weighted Average Number of Ordinary Shares Outstanding During The Year:**

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

**3.08(iii) Basic Earnings Per Share:**

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

**3.08(iv) Diluted Earnings Per Share:**

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

**3.09 Statement of Cash Flows:**

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

**3.10 Foreign Exchange:**

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Statement of Financial Position date in accordance with BAS 21 “The Effects of Changes in Foreign Exchange Rates”. The closing conversion rate was Tk. 81.30 per US Dollar.

**3.11 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”.

**3.12 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.

**3.13 Non-recognition of Workers’ Profit Participation and Welfare Fund (WPP & WF):**

We are 100% export oriented Readymade Garment Industry (RMG) and as per Labour Rules 2015, section 214 Gazetted on 15th September 2015, the Government is deducting @ 0.03% on our export proceeds while realization as Central Fund RMG, so we believe that WPPWF is not required for our company.

**3.14 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.

#### 4. Financial Risk Management:

The company management has overall responsibility for the establishment and oversight of the company's risk management frame-work. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

##### 4.01 Credit risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. cash at bank and other external receivable are nominal.

##### 4.02 Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligation through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing but till to date this was not required as the Company has not faced such a situation.

##### 4.03 Market risk:

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

###### (a) Currency risk:

As at 30<sup>th</sup> June 2017 there was no exposure of currency risk which significantly affected the foreign currency transactions made during the year under review.

###### (b) Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no such foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**5. Others:****5.01 Comparative information:**

Comparative information have been disclosed in respect to the year 2015-16 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 period figures have been rearranged where considered necessary to conform to current year's presentation.

The company is used to report its financial information at 31 March each calendar year since the inception of the incorporation until 2016. The Section 9 of the Financial Act 2015 has stated that the tax payer companies other than bank, insurance and financial institutions shall have to follow, the uniform income year from July to June which is effective from 01 July 2016. To comply with this requirements, the company has change its reporting date from 31 march to 30 June and prepare its financial statements as on June 2016 (Fifteen months) on the base of BSEC directive no. SEC/SRMIC/2011/1240/445 dated; April 27, 2016 as well as subsequent meeting minutes amongst BSEC, DSE and CSE dated; May 09, 2016 and prepare financial statements for the period April 1, 2015 to June 30, 2016 (Fifteen months). As the financial statements for the period July 01, 2015 to June 30, 2016 were not specifically prepared/audited resulting the comparative statements for June 30, 2017 had to be reproduced from the financial statements for the period April 01, 2015 to June 30, 2016.

**5.02 Reporting currency and level of precision:**

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

**5.03 Reporting period:**

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

**5.04 Components of the Financial Statements:**

The Financial Statements include the following components as per BAS 1 "Presentation of Financial Statements".

- i) Statement of Financial Position as at 30<sup>th</sup> June, 2017
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30<sup>th</sup> June, 2017
- iii) Statement of Changes in Equity for the year ended 30<sup>th</sup> June, 2017
- iv) Statement of Cash Flows for the year ended 30<sup>th</sup> June, 2017 and
- v) Accounting Policies and explanatory notes.

**6. PROPERTY, PLANT AND EQUIPMENT: TK. 296,160,521**

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.17
		Balance as at 01.07.16	Addition During year	Balance as at 30.06.17		Balance as at 01.07.16	Charged for the year	Balance as at 30.06.17	
1	Land & Land Development	21,423,102	-	21,423,102		-	-	-	21,423,102
2	Factory Building	255,373,615	-	255,373,615	20	208,912,091	9,292,305	2,18,204,396	37,169,219
3	Civil Construction	53,665,771	-	53,665,771	10	36,015,303	1,765,047	37,780,350	15,885,421
4	Plant & Machinery	644,352,848	24,109,799	668,462,647	20	563,318,001	18,262,507	5,81,580,508	86,882,139
5	Effluent Treatment Plant	71,210,757	-	71,210,757	20	30,387,645	8,164,622	38,552,267	32,658,490
6	Gas Installation	7,208,772	15,991,064	23,199,836	15	6,909,230	796,463	7,705,693	15,494,143
7	Electric Installation	10,764,273	-	10,764,273	15	9,173,168	238,666	9,411,834	1,352,439
8	Boiler	13,367,693	-	13,367,693	15	11,736,249	244,717	11,980,966	1,386,727
9	Generator	79,573,674	53,199,125	132,772,799	15	63,687,861	7,695,499	71,383,360	61,389,439
10	Water Treatment Plant	8,262,353	-	8,262,353	20	6,495,566	353,358	6,848,923	1,413,430
11	Factory Equipments	13,311,916	1,450,700	14,762,616	15	10,721,187	552,606	11,273,793	3,488,823
12	Other Equipments	7,565,646	-	7,565,646	15	5,668,154	284,624	5,952,778	1,612,868
13	Deep Tube-Well & Tanks	10,464,959	-	10,464,959	15	6,985,881	521,862	7,507,743	2,957,216
14	Motor Vehicles	8,511,244	-	8,511,244	20	7,967,426	108,764	8,076,190	435,054
15	Furniture & Fixtures	28,434,002	233,450	28,667,452	10	17,216,573	1,139,689	18,356,262	10,311,190
16	Laboratory Equipments	576,027	-	576,027	15	550,109	3,888	553,997	22,030
17	Office Equipments	13,952,254	348,000	14,300,254	15	11,645,409	376,477	12,021,886	2,278,368
18	Motor Cycles	40,625	-	40,625	20	40,099	105	40,204	421
		<b>1,248,059,530</b>	<b>95,332,138</b>	<b>1,343,391,669</b>		<b>997,429,950</b>	<b>49,801,196</b>	<b>1,047,231,147</b>	<b>296,160,521</b>

**Charged to:**

Factory Overhead

48,176,161

Administrative &amp; Selling Overhead

1,625,035

**49,801,196****PROPERTY, PLANT AND EQUIPMENT FOR 2015-16**

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.16
		Balance as at 01.07.15	Addition During year	Balance as at 30.06.16		Balance as at 01.07.15	Charged for the year	Balance as at 30.06.16	
1	Land & Land Development	21,423,102	-	21,423,102		-	-	-	21,423,102
2	Factory Building	248,829,701	6,543,914	255,373,615	20	197,541,357	11,370,734	208,912,091	46,461,524
3	Civil Construction	53,665,771	-	53,665,771	10	34,054,140	1,961,163	36,015,303	17,650,468
4	Plant & Machinery	631,485,206	12,867,642	644,352,848	20	544,808,280	18,509,721	563,318,001	81,034,847
5	Effluent Treatment Plant	69,424,227	1,786,530	71,210,757	20	20,205,323	10,182,322	30,387,645	40,823,112
6	Gas Installation	7,208,772	-	7,208,772	15	6,856,370	52,860	6,909,230	299,542
7	Electric Installation	10,764,273	-	10,764,273	15	8,892,384	280,784	9,173,168	1,591,103
8	Boiler	13,367,693	-	13,367,693	15	11,448,347	287,902	11,736,249	1,631,444
9	Generator	79,573,674	-	79,573,674	15	60,884,482	2,803,379	63,687,861	15,885,813
10	Water Treatment Plant	7,302,353	960,000	8,262,353	20	6,214,870	280,696	6,495,566	1,766,787
11	Factory Equipments	13,311,916	-	13,311,916	15	10,264,000	457,187	10,721,187	2,590,729
12	Other Equipments	7,565,646	-	7,565,646	15	5,333,303	334,851	5,668,154	1,897,492
13	Deep Tube-Well & Tanks	10,464,959	-	10,464,959	15	6,374,692	611,189	6,985,881	3,479,078
14	Motor Vehicles	8,511,244	-	8,511,244	20	7,831,471	135,955	7,967,426	543,818
15	Furniture & Fixtures	28,434,002	-	28,434,002	10	15,970,192	1,246,381	17,216,573	11,217,429
16	Laboratory Equipments	576,027	-	576,027	15	545,535	4,574	550,109	25,918
17	Office Equipments	13,952,254	-	13,952,254	15	11,238,319	407,090	11,645,409	2,306,845
18	Motor Cycles	40,625	-	40,625	20	39,968	131	40,099	526
		<b>1,225,901,445</b>	<b>22,158,086</b>	<b>1,248,059,530</b>		<b>948,503,032</b>	<b>48,926,918</b>	<b>997,429,950</b>	<b>250,629,578</b>

**Charged to:**

Factory Overhead

47,137,361

Administrative &amp; Selling Overhead

1,789,557

**48,926,918**

	<u>30.06.2017</u>	<u>30.06.2016</u>
<b>7. INVESTMENT: TK. 26,340,880</b>		
(i) Apex Foods Limited (Public Limited Company) (Total number of Shares 169,250 and Total cost of Shares Tk. 8,973,415.)	24,771,430	19,715,933
(ii) Central Depository Bangladesh Limited (571,181 Share of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each.)	1,569,450	1,569,450
	----- <b>26,340,880</b> =====	----- <b>21,285,383</b> =====

**Market Price of Listed Companies Shares**

Apex Foods Limited	146.36	116.49
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- Investment in shares of Apex Foods Limited has been valued at market price in accordance with BAS 39 "Financial Instruments: Recognition & Measurement."

**8. SECURITY DEPOSITS : TK. 8,792,230**

Security Deposits	<u>8,792,230</u>	<u>5,641,961</u>
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- Security deposits are made to statutory bodies and hence secured

**9. INVENTORIES: TK. 194,630,209****Finished Goods**

	<u>Quantity</u>			
T Shirts	12,123	Doz	17,026,874	47,678,247
	<b>12,123</b>	<b>Doz</b>	<b>17,026,874</b>	<b>47,678,247</b>

**Work in Process**

Dyed Fabric	20,222	Kg	10,362,972	6,565,537
Knitted Fabric	48,359	Kg	15,183,382	16,483,280
Garments	197,695	Doz	27,424,914	38,725,745
			<b>52,971,268</b>	<b>61,774,562</b>

**Raw Materials**

Yarn	225,782	Kg	59,385,174	40,166,318
Dyes & Chemicals	138,457	Kg	28,367,001	22,140,156
	<b>364,239</b>	<b>Kg</b>	<b>87,752,175</b>	<b>62,306,474</b>

**Accessories**

			<b>36,879,892</b>	<b>21,390,241</b>
			----- <b>194,630,209</b> =====	----- <b>193,149,524</b> =====

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

**10. TRADE RECEIVABLES: TK 385,678,040**

Export Bills Receivable	<u>385,678,040</u>	<u>437,865,870</u>
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- The ageing of the trade debtors are maximum 30 (Thirty) days and these are considered good and subsequently realized in full.

	<u>30.06.2017</u>	<u>30.06.2016</u>
<b>11. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 53,073,287</b>		
Advance income tax	49,502,014	73,884,824
Advance against expenses	<u>3,571,273</u>	<u>69,346,839</u>
	<b><u>53,073,287</u></b>	<b><u>143,231,663</u></b>

- No amount was due by Directors and other Officers of the Company or by Associated Undertaking.

**12. OTHER RECEIVABLE: TK. 3,916,399**

Cash incentive receivable	3,557,900	21,415,530
FDRs interest receivable	358,499	347,425
	<u>3,916,399</u>	<u>21,762,955</u>

- Cash incentive receivable represents the audited certificate amount receivable from Bank against cash incentive. The amount has subsequently been received from the Bangladesh Bank through Eastern Bank Limited.
- The ageing of the Cash incentive receivable are maximum 06 (Six) months.

**13. CASH AND CASH EQUIVALENTS: TK. 356,748,545**

**Cash and Bank Balances:**

<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	11,454	13,524
CD Account with Dhaka Bank Ltd., Dhaka	28,582	28,732
CD Account with SCB, Dhaka	184,672	181,106
CD Account with Mutual Trust Bank, Chandora	61,434	66,639
CD Account with Mutual Trust Bank, Dilkusha, Dhaka	85,770	86,920
CD Account with AB Bank, Dhaka	40,398	41,698
CD Account with Dutch Bangla Bank Ltd., Dhaka	676,325	295,144
CD Account with HSBC-Dividend, Dhaka	-	430
CD Account with Eastern Bank Ltd. -Dividend, Dhaka	183	183
Fixed Deposit Receipts Account with Eastern Bank Ltd.	55,869,964	54,144,170
Foreign Currency Account with Eastern Bank Ltd., Dhaka-USD	32,873,432	15,885,091
Foreign Currency Account with HSBC, Dhaka-USD	381,016	488,699
STD Account with SCB, Dhaka	736,572	737,762
STD Account with Eastern Bank Ltd., Principal Branch, Dhaka	208,706	208,823
STD Account with HSBC, Dhaka	1,227	1,216
CC Accounts with Eastern Bank Ltd., Dhaka	25,375	27,020
Margin Account with Eastern Bank Ltd. -USD	265,543,435	315,702,043
	<b><u>356,728,545</u></b>	<b><u>387,909,200</u></b>
	<b><u>356,748,545</u></b>	<b><u>387,929,200</u></b>

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

<b>14. SHARE CAPITAL : TK. 84,000,000</b>	<b><u>30.06.2017</u></b>	<b><u>30.06.2016</u></b>
<b>Authorized Capital:</b> 30,000,000 Ordinary Shares of Tk. 10/= each.	<b>300,000,000</b> =====	<b>300,000,000</b> =====
<b>Issued, Subscribed &amp; Paid up Capital:</b> 8,400,000 Ordinary Shares of Tk. 10/= 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.

**Composition of Shareholdings as on 30.06.2017:**

<b>Sponsors &amp; Directors</b>	<b>57.29%</b>	<b>51.92%</b>
<b>Institutions</b>	<b>22.09%</b>	<b>23.53%</b>
<b>Foreign Shareholders</b>	<b>4.25%</b>	<b>4.25%</b>
<b>Public - Local</b>	<b>16.37%</b>	<b>20.30%</b>
	<b>100.00%</b>	<b>100.00%</b>
	=====	=====

The Company had the following non-resident Shareholders on 30.06.2017:

<u>NAME</u>	<u>FOLIO/BO NO.</u>	<u>NO. OF SHARE</u>
Smith New Court Far East Ltd.	00011	600
-do-	03777	2,000
Hong Kong Bank Int'l Trustee Ltd.	04037	6,360
Somers Nominees ( Far East ) Ltd.	04038	10,800
Investors Bank & Trust Company	04065	200
UBS Securities (East Asia) Ltd.	04689	720
BNYM AC ACADIAN FTRMKT EQT FD	1601620011443142	63,049
BNYM PNSN RSVS INVTRST FUND	1601620058175545	273,214
		-----
		<b>356,943</b>
		=====

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

The distribution showing the number of shareholders and their shareholdings in percentages are as follows:

<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>	<u>In %</u>
1,634	Less than & equal 500 Shares	260,573	3.10
416	501 to 5,000 Shares	630,713	7.51
31	5001 to 10,000 Shares	215,753	2.57
8	10,001 to 20,000 Shares	112,216	1.33
1	20,001 to 30,000 Shares	30,000	.36
0	30,001 to 40,000 Shares	-	-
4	40,001 to 50,000 Shares	182,501	2.17
1	50,001 to 100,000 Shares	63,049	.75
3	100,001 to 200,000 Shares	405,400	4.83
7	Over 200,000 Shares	6,499,795	77.38
		-----	-----
<b>2,105</b>		<b>8,400,000</b>	<b>100.00</b>
		=====	=====

<b>15. SHARE PREMIUM</b>	<b>15,000,000</b>	<b>15,000,000</b>
	=====	=====

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



	<u>30.06.2017</u>	<u>30.06.2016</u>
<b>16. RESERVE AND SURPLUS: TK 330,071,235</b>		
Reserve for Re-Investment	129,700,699	129,700,699
Retained Earnings	197,618,718	192,935,240
Capital Gain	2,751,818	2,751,818
	<b><u>330,071,235</u></b>	<b><u>325,387,757</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. The reserve and surplus is utilized in the Company's business.

**17. FAIR VALUATION SURPLUS/(DEFICIT) OF INVESTMENT: TK 14,218,213**

Opening Balance	9,668,266	7,985,435
Adjustment for fair valuation surplus/(deficit) during the year	4,549,947	2,481,375
Prior Year s' Adjustment	-	(798,544)
	-----	-----
	<b><u>14,218,213</u></b>	<b><u>9,668,266</u></b>
	=====	=====

- Fair valuation surplus of investments represents the difference of market value of the listed Company's share on the closing date and the last Balance Sheet price.

**18. DEFERRED TAX LIABILITY: TK. 3,838,327**

<b>a) Book Value of Depreciable Assets</b>	296,160,521	250,629,578
Tax Base of Depreciable Assets	<u>278,086,353</u>	<u>236,923,502</u>
Net Taxable Temporary Difference	<b>18,074,168</b>	<b>13,706,076</b>
Effective Tax Rate	<u>12.00%</u>	<u>20.00%</u>
<b>Closing Deferred tax (Assets)/Liability arising from assets</b>	<b>2,168,900</b>	<b>2,741,215</b>
Opening Deferred Tax Balance	<u>2,741,215</u>	<u>1,734,901</u>
<b>Deferred Tax (Income)/Expense</b>	<b><u>(572,315)</u></b>	<b><u>1,006,314</u></b>
<b>b) Unrealized Bank Interest on FDRs 2016-17</b>	358,499	347,425
Effective Tax Rate	<u>25.00%</u>	<u>25.00%</u>
<b>Closing Deferred tax (Assets)/Liability Arising from Unrealized FDRs Interest</b>	<b>89,625</b>	<b>86,856</b>
Opening Deferred Tax Balance	<u>86,856</u>	-
<b>Deferred Tax (Income)/Expense</b>	<b><u>2,769</u></b>	<b><u>86,856</u></b>
<b>Deferred Tax (Income)/Expense (a+b)</b>	<b><u>(569,547)</u></b>	<b><u>1,093,170</u></b>
<b>c) Deferred Tax (Assets)/Liability Arising from Other Comprehensive Income:</b>		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments @ 10%	1,579,802	1,074,252
Revaluation of property	-	-
Foreign exchange gain for foreign operation	-	-
	-----	-----
<b>Closing Deferred tax (Assets)/Liability arising from Fair Valuation Surplus of investment</b>	<b>1,579,802</b>	<b>1,074,252</b>
Opening Deferred Tax Balance	<u>1,074,252</u>	<u>798,544</u>
<b>Deferred Tax (Income)/Expense (c)</b>	<b><u>505,550</u></b>	<b><u>275,708</u></b>
<b>Deferred Tax Liability (a+b+c)</b>	<b><u>3,838,327</u></b>	<b><u>3,902,323</u></b>

	<u>30.06.2017</u>	<u>30.06.2016</u>
<b>19. WORKING CAPITAL LOAN: TK. 16,177,942</b>		
Overdraft-Eastern Bank Ltd, Principal Br., Dhaka	12,395,529	69,445,692
Overdraft-HSBC, Dhaka	3,782,413	14,344,410
	-----	-----
	<b>16,177,942</b>	<b>83,790,102</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 @ 9.00% p.a. The rate of interest of HSBC is 8.00% p.a.

**20. SHORT TERM LOAN: TK. 80,597,984**

Time Loan-Eastern Bank Limited	30,726,070	24,163,873
Import Loan- Eastern Bank Limited	49,871,914	30,452,134
	-----	-----
	<b>80,597,984</b>	<b>54,616,007</b>
	=====	=====

- Time loan from Eastern Bank Limited represents the amount payable to them against import of machinery and spare parts and will be settled within next twelve months.
- Import loan from Eastern Bank Limited represents the amount payable to them against import of dyes, chemicals and accessories as part of continuous process.

**21. TRADE PAYABLES: TK. 703,008,415**

<b>703,008,415</b>	<b>745,163,504</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.

**22. OTHER PAYABLES: TK. 78,427,995**

Clearing & Forwarding	2,934,335	3,094,914
Power, Fuel and Water	86,506	3,245,841
Insurance premium	4,108,565	-
Telephone, Telex & Fax	11,139	11,264
Salary, Wages and Overtime	26,483,142	58,070,628
Audit Fees	230,000	230,000
Current Tax Liabilities	30,378,777	61,144,484
Contribution to PPF & WF	-	2,947,989
Provident Fund Payable	6,086,095	4,532,980
Unclaimed Dividend	6,703,795	5,668,644
Tax & VAT payable to Govt.	1,405,641	1,021,431
	-----	-----
	<b>78,427,995</b>	<b>139,968,175</b>
	=====	=====

- Unclaimed dividend represents the dividend warrants issued but not presented to the Bank by the Shareholders within 30<sup>th</sup> June 2017 and the unclaimed dividend was Tk.6,677,349.00 as on September 30, 2017.

- The breakup of unclaimed dividend as on 30.06.2017 is as follows:

<u>Year</u>	<u>Taka</u>
1994-95 to 2012-13	4,253,916
2013-14	648,996
2014-15	736,555
2015-16	<u>1,064,328</u>
	<b><u>6,703,795</u></b>

**23. REVENUE: TK 3,205,556,644** **2016-2017** **2015-2016**

	<u>Quantity in Doz.</u>	<u>USD</u>	<u>2016-2017</u>	<u>2015-2016</u>
T, Polo & Sweat Shirts	<u>2,290,044</u>	<u>40,434,735</u>	<u>3,205,556,644</u>	<u>3,386,264,682</u>

- Country wise break up of Export for the period July'16-June'2017:

<u>Country</u>	<u>Quantity in Doz</u>	<u>USD</u>
AUSTRALIA	13,890	252,453
BELGIUM	220,552	3,780,960
CANADA	28,160	483,395
CHILE	22,029	377,978
CHINA	63,783	1,101,323
COLUMBIA	2,690	44,694
CROATIA	16,380	277,669
DENMARK	65,527	1,151,967
DUBAI, UAE	37,424	636,901
GERMANY	472,560	8,391,995
GREAT BRITAIN	1,41,968	25,66,567
HONG KONG	10,666	183,952
INDIA	5,488	92,935
INDONESIA	4,269	72,499
ITALY	76,350	13,99,458
JAPAN	50,389	839,768
KOREA	15,094	255,985
MALAYSIA	10,411	184,100
MEXICO	27,359	465,795
NETHERLANDS	38,045	740,821
NEW ZEALAND	2,393	41,959
NORWAY	54,649	975,444
PERU	7,541	132,753
PHILIPPINES	10,500	175,258
POLAND	343,022	6,154,816
RUSSIA	43,952	771,149
SAUDI ARABIA	5,597	92,443

<u>Country</u>	<u>Quantity in Doz</u>	<u>USD</u>
SERBIA	7,363	125,867
SINGAPORE	7,591	131,902
SOUTH AFRICA	6,610	115,713
SOUTH KOREA	36	715
SPAIN	140,286	2,475,294
SWEDEN	89,023	1,602,397
SWITZERLAND	51,757	914,597
TAIWAN	6,729	118,219
THAILAND	5,666	94,716
TURKEY	45,235	762,603
U.A.E	228	3,424
USA	138,721	2,442,239
VIETNAM	111	2,012
	-----	-----
<b>TOTAL</b>	<b>2,290,044</b>	<b>40,434,735</b>
	=====	=====

		<u>2016-2017</u>	<u>2015-2016</u>
<b>24. COST OF GOODS SOLD: TK. 2,950,838,207</b>			
	<u>Quantity</u>	<u>Notes</u>	
Opening Stock of Finished Goods	<b>29,659</b> Doz		47,678,247
Add: Cost of Production	<b>2,272,508</b> Doz	<b>25</b>	31,180,433
	<b>2,302,167</b> Doz		<u>2,920,186,834</u>
			<u>3,132,045,438</u>
Less : Closing Stock of Finished Goods	<b>12,123</b> Doz		<b>3,163,225,871</b>
	<b>2,290,044</b> Doz		47,678,247
			-----
			<u><b>2,950,838,207</b></u>
			<u><b>3,115,547,624</b></u>

		<u>2016-2017</u>	<u>2015-2016</u>
<b>25. COST OF PRODUCTION: TK. 2,920,186,834</b>			
<b>OPENING STOCK:</b>			
<b>Raw Materials:</b>			
Yarn	170,168 Kg	40,166,318	60,044,756
Dyes & Chemicals	185,212 Kg	22,140,156	13,821,313
		<b>62,306,474</b>	<b>73,866,069</b>
<b>Work in Process:</b>			
Dyed, Knitted and Greige Fabric & Garments	65,635 Kg	61,774,562	54,984,925
Accessories	73,780 Doz	21,390,241	21,102,770
		<b>145,471,277</b>	<b>149,953,764</b>
<b>ADD: PURCHASE FOR THE YEAR</b>			
<b>Raw Materials(Imported) :</b>			
Yarn		415,504,450	432,671,420
Dyes & Chemicals		137,600,601	80,669,178
Accessories		144,692,642	145,045,676
		<b>697,797,693</b>	<b>658,386,274</b>
<b>Raw Materials (Local) :</b>			
Yarn		457,435,027	519,513,867
Dyes & Chemicals		171,343,943	362,741,377
Accessories		432,791,452	499,917,638
		<b>1,061,570,422</b>	<b>1,382,172,882</b>
		<b>1,759,368,115</b>	<b>2,040,559,156</b>
		<b>1,904,839,392</b>	<b>2,190,512,920</b>
<b>LESS : CLOSING STOCK</b>			
<b>Raw Materials:</b>			
Yarn	225,782 Kg	59,385,174	40,166,318
Dyes & Chemicals	138,457 Kg	28,367,001	22,140,156
		<b>87,752,175</b>	<b>62,306,474</b>
<b>Work in Process:</b>			
Dyed & Knitted, Greige Fabric & Garments	68,581 Kg	52,971,268	61,774,562
Accessories	197,695 Doz	36,879,892	21,390,241
		<b>177,603,335</b>	<b>145,471,277</b>
<b>Total Consumption</b>		<b>1,727,236,057</b>	<b>2,045,041,643</b>
		<u><b>2016-2017</b></u>	<u><b>2015-2016</b></u>
<b>Factory Overhead :</b>			
Carriage		8,771,096	6,918,311
Electricity		1,020,437	1,086,836
Gas, Fuel & Lubricant		79,494,042	64,912,260
Insurance		6,951,484	7,418,121
Repairs & Maintenance		88,307,018	72,363,013
Telephone Charges		32,975	40,013
Wages & Salaries		936,228,249	864,076,383
Central Fund-RMG Sector		956,273	-
Depreciation		48,176,161	47,137,361
Fire Fighting Exp.		508,173	996,960
Vehicle Maintenance		5,309,733	4,931,743
Testing Bill		12,679,166	10,285,058
Uniform & Liveries		170,304	138,119
ETP Chemical		4,345,666	6,699,616
		<u><b>2,920,186,834</b></u>	<u><b>3,132,045,438</b></u>

- During the year 2016-17 the Company has imported goods on C & F basis.
- Cash incentive has been adjusted with the local yarn cost.

	<u>2016-2017</u>	<u>2015-2016</u>
<b>26. ADMINISTRATIVE &amp; SELLING OVERHEAD: TK. 204,744,738</b>		
AGM Expenses	121,087	213,616
Audit Fee (Including VAT)	230,000	230,000
Bank Charges & Commission	14,879,794	14,894,137
Board Meeting Fees	15,000	23,500
Depreciation	1,625,035	1,789,557
Directors Remuneration	3,600,000	3,600,000
Entertainment	1,366,838	731,507
Export Processing & Handling Expenses	5,242,975	7,634,868
F.C. Charges	65,227,274	69,199,447
Freight & Forwarding Expenses	16,493,601	19,668,028
Insurance Premium	1,112,001	510,733
Legal & Professional Fees	554,157	813,294
Newspapers & Periodicals	12,380	13,125
Postage & Stamp	83,446	92,408
Power & Fuel	680,684	682,407
Printing & Stationery	6,785,983	9,084,030
Publicity & Advertisement	382,421	468,023
Renewal & Fees	4,319,396	4,693,689
Rent & Rates	5,622,870	5,303,286
Repairs & Maintenance	2,941,224	2,792,035
Salary & Allowances	58,925,828	52,810,190
Sales Promotional Expenses	3,098,704	11,618,143
Subscription & Donation	265,500	254,500
T. A & Conveyance	1,579,600	1,534,919
Telephone, Fax and Radio Link	548,369	660,364
Transportation	7,850,247	8,079,045
Vehicles Maintenance	1,180,324	1,911,003
	-----	-----
	<b>204,744,738</b>	<b>219,305,853</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
(c) Mr. Kazi Faruq Kader	600,000
	<u><b>3,600,000</b></u>

- Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.
- Sales promotional expenses include cost of samples and courier cost for distribution of free samples to the buyers.
- There are 6 (six) board meetings held during the period.

	<u>2016-2017</u>	<u>2015-2016</u>
<b>27. FINANCIAL EXPENSES: TK. 6,808,117</b>		
Interest on Term Loan	5,721,205	5,183,227
Interest on Overdraft	1,086,912	1,508,788
	<u>6,808,117</u>	<u>6,692,015</u>
	=====	=====
<b>28. OTHER INCOME: TK. 4,104,690</b>		
Interest earned on STD Account	9,588	26,393
Dividend Income	1,766,453	1,766,453
Foreign Exchange Gain	400,026	361,234
Interest on FDRs	1,928,623	2,548,023
	<u>4,104,690</u>	<u>4,702,103</u>
	=====	=====
<b>29. TAX EXPENSES: TK. 24,106,794</b>		
Current Tax	24,676,341	22,404,538
Deferred Tax Expenses/(Income)	(569,547)	1,093,170
	<u>24,106,794</u>	<u>23,497,708</u>
	=====	=====

- This represents estimated Income Tax on net profit for the period from 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017.
- The provision for deferred tax expenses/(income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

### 30. GENERAL:

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

	%	Quantity (2016-17)	%	Quantity (2015-16)
Capacity	100	30,000,000	100	30,000,000
Production	90.90	<b>27,270,096</b>	91.46	<b>27,438,495</b>

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

T, Polo & Sweat Shirts	<u>2,272,508</u>	<u>2,286,541</u>
------------------------	------------------	------------------

#### c) Consumption items:

	<u>Value</u>	<u>Percentage</u>
Imported Yarn	387,535,967	22.44%
Imported Dyes & Chemicals	135,198,404	7.83%
Imported Accessories	135,032,886	7.82%
Local Yarn	472,787,124	27.37%
Local Dyes & Chemicals	168,663,724	9.76%
Local Accessories	<u>428,017,952</u>	<u>24.78%</u>
	<u>1,727,236,057</u>	<u>100.00%</u>

	<u>2016-2017</u>	<u>2015-2016</u>
<b>d) Export (Quantity in Dozen):</b>		
T, Polo & Sweat Shirts	<u>2,290,044</u>	<u>2,300,748</u>
<b>e) Salaries &amp; Wages:</b>		
	<u>No. of Employees</u>	<u>Taka</u>
Above Tk. 5,300.00 per month	5,900	995,154,077
Below Tk. 5,300.00 per month	-	-

**31. 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	15,000	-
Salary and Allowance	3,600,000	96,194,563
Provident Fund Contribution	-	5,958,345
Bonus	-	15,081,002
Perquisites	-	42,553,020

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

Earnings attributable to Ordinary Shareholders

**Basic EPS =** -----  
 Weighted average number of shares outstanding during the period of 2016-17

$$\text{Basic Earnings Per Share (EPS)} = \frac{23,163,478}{8,400,000} = 2.76$$

- 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.
- Significant increase in EPS (i.e. up to 3<sup>rd</sup> Quarter, EPS from operational activities was Tk. 2.01 but annually it has been Tk. 2.76) is mainly due to consistency of turnover in last quarter of 2016-17.

**33. EVENTS AFTER REPORTING PERIOD:**

The Board of Directors recommended cash Dividend of Tk. 2/- per Share for the year 2016-17 at the Board meeting held on October 19, 2017. The total amount of Dividend is Tk. 16,800,000/-

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



**34. RELATED PARTY TRANSACTIONS:**

During the year the Company carried out a number of transactions with related parties in the normal course of business and the payments are made through Letter of Credits. The names of the related parties and nature of the transactions have been set out in accordance with the provisions of BAS24: Related Party Disclosures.

Name of the Parties	Relationship	Nature of Transactions	2016-17	2015-16
i. Matex Bangladesh Ltd.	Common Director	Dyes Chemical	161,287,520	124,098,779
ii. Apex Yarn Dyeing Ltd.	Common Director	Yarn Dyeing & Threads	56,374,121	86,591,494

- The company is paying Remuneration of our Directors who are rendering full time service to the company and in addition to that there is nothing paid to them (note no. 26 for details).
- The company operates a contributory provident fund which is administrates by the Board of Trustee. The company pays its monthly contribution to the Provident Fund Trust and the company has no further liability. The company also has a Group Insurance Scheme. Group Insurance premium is paid to insurance company once in a year and if there is any claim that will be entertained by the insurance company. In addition to the above there is nothing paid to the key management (senior employees) except salary & allowance.

**35. CAPITAL EXPENDITURE COMMITMENT:**

- There was no capital expenditure contracted or incurred or provided for as at 30<sup>th</sup> June 2017.
- There was no material capital expenditure authorized by the Board or contracted for as at 30<sup>th</sup> June 2017.

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

- No amount of money was spent by the Company for compensating any member of the Board for special service rendered except as stated above.
- There was no claim against the Company not acknowledged as debt on 30<sup>th</sup> June 2017.
- There was no Bank Guarantee issued by the Company on behalf of the Directors.
- There is Tk. 13.96 million as Bank guarantee for which the Company is contingently liable as on 30<sup>th</sup> June 2017.
- There was no credit facility available to the Company under any contract, or availed of as on 30<sup>th</sup> June 2017 other than trade credit available in the ordinary course of business.
- There were no expenses incurred in foreign exchange on account of Royalty, Technical Experts, Professional & Advisory Fee, Interest, and Brokerage & Commission etc.
- There was no expense on account of Miscellaneous/General Expenses.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

