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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, 2018**

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, 2018, 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, 2018 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-SEVENTH 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 20, 2018 at 9.00 A.M.** to transact the following businesses:

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended on 30 June 2018 and report of the Auditors’ and Directors thereon.
2. To declare Dividend for the year 2017-18.
3. To elect Directors.
4. To appoint Auditors for the year 2018-19 and fix their remuneration.
5. To appoint professional for the Certification on Corporate Governance Code for the year 2018-19 and fix their remuneration.
6. To transact any other business of the Company, with permission of the Chair.

Date: Dhaka
December 02, 2018

By order of the Board of Directors

Sd/-
Kamrul Islam
Assistant Company Secretary

NOTES:

1. The Shareholders whose name appeared in the Register of Members of the Company or in the Depository on the “**Record Date i.e. November 15, 2018**” are eligible to attend the Annual General Meeting and be entitled to the Dividend.
2. 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 filled 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.
3. Pursuant to the Bangladesh Securities and Exchange Commission’s (BSEC) Notification No.: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018 the **Annual Report 2017-18 of the Company is available at the Company’s Website at: <http://www.apexknitting.com>**
4. In pursuance of BSEC’s Notification No.: SEC/SRMI/2000-953/1950 dated October 24, 2000 gazette 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.

<p>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।</p>

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, 5th & 6th 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	2017-18	2016-17	2015-16 (Fifteen months)	2014-15	2013-14
Results of Operations:					
Revenue	3,633,663	3,205,557	4,319,335	2,989,846	2,511,696
Gross Profit	289,542	245,333	338,619	243,140	221,196
Operating Profit	57,101	43,166	53,366	31,823	36,786
Net Profit before Tax	62,411	47,270	56,012	35,921	41,597
Net Profit after Tax	24,424	23,163	28,765	23,204	18,796
Earnings Per Share (EPS)	2.91	2.76	3.42	2.76	2.24
Dividend Per Share*	2.00	2.00	2.20	2.00	2.00
Financial Positions:					
Total Assets	1,461,944	1,325,340	1,461,496	1,374,272	1,136,263
Property, Plant and Equipment-Gross	1,346,231	1,343,392	1,248,060	1,220,670	1,160,317
Property, Plant and Equipment - Net	250,992	296,161	250,630	284,236	273,063
Gross Working Capital	1,103,917	994,046	1,183,939	1,072,153	841,181
Net Working Capital	107,513	115,834	160,401	120,061	124,047
Working Capital Loan	57,911	16,178	83,790	81,131	3,653
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	337,696	330,071	325,388	313,838	307,435
Share Holders Equity	460,486	443,289	434,056	420,179	417,912
Key Financial Ratios:					
Current Ratio	1.11	1.13	1.16	1.13	1.17
Debt to Total Assets (%)	68.50	66.55	70.30	69.28	63.11
Return on Equity (%)	5.51	5.34	6.85	5.52	4.50
Net Asset Value Per Share	54.82	52.77	51.67	50.02	49.75
Dividend Payout Ratio (%)	68.78	72.46	64.33	72.40	89.38
Interest Service Coverage Ratio	11.26	7.34	7.43	6.61	5.89
Others:					
Market Price Per Share (30th June)	173.35	111.93	92.74	69.11	96.67
Price Earnings Multiple	59.62	40.55	27.08	25.02	43.20
Number of Employees	5,824	5,900	5,621	4,948	4,574
Capacity Utilization (%)	92.12	90.90	92.25	87.13	89.11

* The Board of Directors recommended Cash Dividend @Tk. 2/- per Share for the year ended on 30th June 2018.

AUDIT COMMITTEE REPORT

The audit committee of APEX SPINNING & KNITTING MILLS LIMITED is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to review the activities of business.

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.

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 2017-18, 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. Tarek Nizamuddin Ahmed	6	6

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.
- Hold meeting with the external auditors for review the annual financial statements before submission to the Board for approval.
- 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 the Management's discussions and analysis before disclosing in the annual report.
- 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 2017-18 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 27th October 2018

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

Annexure-A

MD & CFO's Declaration to the Board of Directors

Date: October 27, 2018

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2018

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Apex Spinning & Knitting Mills Limited for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer (CFO)

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Apex Spinning & Knitting Mills Limited on compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Apex Spinning & Knitting Mills Limited for the year ended on June 30, 2018. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The company has complied with the conditions of the Corporate Governance Code as stipulated on the above mentioned Corporate Governance Code issued by the commission;
- (b) The company has complied with the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;
- (d) The governance of the Company is highly satisfactory.

Dated: Dhaka
October 27, 2018

Sd/-
Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
Enrolment No: 671

Corporate Governance Code Compliance Status

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.	Board of Directors:		
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors shall not be less than 5 (Five) and more than 20 (Twenty).	Complied	
1.2	Independent Directors:		
1.2 (a)	Independent Directors: At least 1/5 th (We have four Directors and One Independent Director)	Complied	
1.2 (b)i)	Less than 1% Shares	Complied	
1.2 (b)ii)	Not a Sponsor of The Company or is not connected with the Company's any sponsor or Director or Nominated Director or Shareholder.	Complied	
1.2 (b)iii)	Not been an executive of the Company immediate preceding 2 financial years.	Complied	
1.2 (b)iv)	Does not have other relationship	Complied	
1.2 (b)v)	Not a Member or TREC holder, Director or Officer of any Stock Exchange.	Complied	
1.2 (b)vi)	Not a Shareholder, Director excepting independent director or Officer of any member TREC holder of Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (b)vii)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	Complied	
1.2 (b)viii)	Not an Independent Director more than five listed Companies.	Complied	
1.2 (b)ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	Complied	
1.2 (b)x)	Not convicted for a Criminal offence	Complied	
1.2 (c)	Appointment by the Board and approved in AGM.	Complied	
1.2 (d)	Post cannot remain vacant for more than 90 days.	Complied	
1.2 (e)	Tenure of the Independent Director.	Complied	
1.3	Qualification of Independent Director:		
1.3 (a)	Independent Director shall be knowledgeable individual with integrity.	Complied	
1.3 (b)i)	Should be a Business Leader	Complied	
1.3 (b)ii)	Should be a Corporate Leader	Complied	
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body.	Complied	
1.3 (b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	Not Applicable	

1.3 (b)v)	An advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	Not Applicable	
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	Complied	
1.3 (d)	Special cases for relaxation of qualifications.	Not Applicable	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:		
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	Complied	
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	Complied	
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Complied	
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or chief Executive Officer;	Complied	
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson.	Not applicable	
1.5	The Directors' Report to Shareholders		
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)	Discussion and Basis of 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)	Statement of 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)	Statement of Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	Statement of 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)	Statement of IAS/IFRS, 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)	Statement of system of internal control is sound in design and has been effectively implemented and monitored	Complied	
1.5 (xvi)	Statement of minority shareholders have been protected from abusive actions.	Not applicable	
1.5 (xvii)	Statement of 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 (xviii)	An explanation that Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Not applicable	
1.5 (xix)	Statement of Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Not applicable	
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.	Complied	
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each Director.	Complied	
1.5 (xxiii)	A report on the pattern of the shareholding:		
1.5 (xxiii)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxiii)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name wise details);	Complied	
1.5 (xxiii)c)	Executives;	Complied	
1.5 (xxiii)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxiv)a)	A brief resume of the director;	Complied	
1.5 (xxiv)b)	Nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxiv)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	

1.5 (xxv)	Management Discussion and Analysis signed by MD:		
1.5 (xxv)a)	Accounting policies and estimation for preparation of financial statements.	Complied	
1.5 (xxv)b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	Complied	
1.5(xxv)c)	Comparative analysis (including effects of inflation) of financial performance or result and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	Complied	
1.5 (xxv)d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	Complied	
1.5 (xxv)e)	Briefly explain the financial and economic scenario of the country and the globe;	Complied	
1.5 (xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concern mitigation plan of the company.	Complied	
1.5 (xxv)g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	Complied	
1.5 (xxvi)	Declaration or certification by the CEO and CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ;	Complied	
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	Complied	
1.6	Meeting of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	Complied	
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer		
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Not Complied	Will be complied within 31 st December 2018.

1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	Not Complied	Will be complied within 31 st December 2018.
2	Governance of Board of Directors of Subsidiary Company:		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable	
2(c)	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	
2(d)	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	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	
3	MANAGING DIRECTOR (MD) or CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):		
3.1	Appointment		
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC);	Complied other than HIAC	Will be complied within 31 st December 2018.
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	Complied other than HIAC	Will be complied within 31 st December 2018.
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	Complied other than CS and HIAC	Will be complied within 31 st December 2018.
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Not Applicable	
3.2	Requirement to attend Board of Director' Meetings: The MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board: Provided that CS, CFO and HIAC shall not attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied other than HIAC	Will be complied within 31 st December 2018.

3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)		
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;		
3.3(a)i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	Complied	
3.3(a)ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	Complied	
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	
4	Board of Directors' Committee:-		
4(i)	Audit Committee	Complied	
4(ii)	Nomination and Remuneration Committee	Not Complied	Will be complied within 31 st December 2018.
5	AUDIT COMMITTEE:		
5.1	Responsibility to the Board of Directors		
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board.	Complied	
5.1(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	Complied	
5.1(c)	The Audit Committee shall be responsible to the Board. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
5.2	Constitution of the Audit Committee		
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members	Complied	
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	Complied	
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	Complied	
5.2(d)	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 before expiration of the term of service.	Not applicable	
5.2(e)	The company secretary shall act as the secretary of the Committee	Complied	

5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	Complied	
5.3	Chairperson of the Audit Committee		
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	Complied	
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Not Applicable	
5.3(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	Was present in the AGM of 2016-17.
5.4	Meeting of the Audit Committee		
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	Complied	
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	Complied	
5.5	Role of Audit Committee		
5.5(a)	Oversee the financial reporting process	Complied	
5.5(b)	Monitor choice of accounting policies and principles.	Complied	
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Not Complied	Will be complied within 31 st December 2018
5.5(d)	Oversee hiring and performance of external auditors	Complied	
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	Complied	
5.5(f)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
5.5(h)	Review the adequacy of internal audit function.	Complied	
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	
5.5(j)	Review statement of significant related party transactions submitted by the management	Complied	
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by Statutory auditors.	Not applicable	

5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	Complied	
5.5(m)	Over see whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Not applicable	
5.6	Reporting of the Audit Committee		
5.6(a)	Reporting to the Board of Directors		
5.6.a(i)	The Audit Committee shall report on its activities to the Board.	Complied	
5.6.a(ii)a)	report on conflicts of interests;	Not applicable	There was no such event to report
5.6.a(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
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.	Not applicable	There was no such event to report
5.6(b)	Reporting to the Authorities	Not applicable	There was no such event to report
5.7	Reporting to the Shareholders and General Investors.	Not applicable	There was no such event to report
6	Nomination and Remuneration Committee(NRC)		
6.1	Responsibilities to the Board of Directors		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Not Complied	Will be complied within 31 st December 2018.
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Not Complied	Will be complied within 31 st December 2018.
6.1(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	Not Complied	Will be complied within 31 st December 2018.
6.2	Constitution of the NRC		
6.2(a)	The Committee shall comprise of at least three members including an independent director.	Not Complied	Will be complied within 31 st December 2018.
6.2(b)	All members of the Committee shall be non-executive directors;	Not Complied	Will be complied within 31 st December 2018.
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;		Will be complied within 31 st December 2018.
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	Not Complied	Will be complied within 31 st December 2018.
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Not Complied	Will be complied within 31 st December 2018.

6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or or member(s) of staff shall be required or valuable for the Committee;	Not Complied	Will be complied within 31 st December 2018.
6.2(g)	The company secretary shall act as the secretary of the Committee;	Not Complied	Will be complied within 31 st December 2018.
6.2(h)	The quorum of the NCR meeting shall not constitute without attendance of at least an independent director;	Not Complied	Will be complied within 31 st December 2018.
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Not Complied	Will be complied within 31 st December 2018.
6.3	Chairperson of the NRC		
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Not Complied	Will be complied within 31 st December 2018.
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Not Complied	Will be complied within 31 st December 2018.
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	Not Complied	Will be complied within 31 st December 2018.
6.4	Meeting of the NRC		
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	Not Complied	Will be complied within 31 st December 2018.
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not Complied	Will be complied within 31 st December 2018.
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h);	Not Complied	Will be complied within 31 st December 2018.
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Not Complied	Will be complied within 31 st December 2018.
6.5	Role of the NRC		
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Not Complied	Will be complied within 31 st December 2018.
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	Not Complied	Will be complied within 31 st December 2018.
6.5(b)i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	Not Complied	Will be complied within 31 st December 2018.

6.5(b)i)a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	Not Complied	Will be complied within 31 st December 2018.
6.5(b)i)b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark;	Not Complied	Will be complied within 31 st December 2018.
6.5(b)i)c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	Not Complied	Will be complied within 31 st December 2018.
6.5(b)ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Not Complied	Will be complied within 31 st December 2018.
6.5(b)iii)	Identifying person who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	Not Complied	Will be complied within 31 st December 2018.
6.5(b)iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Not Complied	Will be complied within 31 st December 2018.
6.5(b)v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	Not Complied	Will be complied within 31 st December 2018.
6.5(b)vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Not Complied	Will be complied within 31 st December 2018.
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Not Complied	Will be complied within 31 st December 2018.
7	EXTERNAL OR STATUTORY AUDITORS:		
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:		
7.1(i)	Appraisal or valuation services or fairness opinions.	Complied	
7.1(ii)	Financial information systems design and implementation	Complied	
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	Complied	
7.1(iv)	Broker-dealer services	Complied	
7.1(v)	Actuarial services.	Complied	
7.1(vi)	Internal audit services.	Complied	
7.1(vii)	Any service that the Audit Committee determines.	Complied	
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No 9(1); and	Complied	
7.1(ix)	Any other service that creates conflict of interest.	Complied	

7.2	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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	Complied	
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	Complied	
8	Maintaining a website by the Company		
8.1	The company shall have an official website linked with the website of the stock exchange.	Complied	
8.2	The company shall keep the website functional from the date of listing.	Complied	
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	Complied	
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:		
9.1	The company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant or Cost & Management Account or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	Complied	
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	To be Complied	Will be appointed in upcoming AGM
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	Complied	

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It is an honor and pleasure for me to welcome you all to the Twenty-seventh Annual General Meeting of your Company and to present the Annual Report for the year ended 30th June 2018.

Global Economy:

The global pickup in activity that started in the second half of 2016 gained further momentum in the first half of 2017. Notable rise in investment, trade and industrial production coupled with enhanced business and consumer confidence are supporting the recovery of world economy. Global growth has eased but remains robust, although with downside risks. The possibility of financial market stress, escalating trade protectionism and heightened geopolitical tensions continue to cloud the outlook.

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Advanced economies as a group will continue to expand above their potential growth rates this year and next before decelerating, while growth in emerging market and developing economies will rise before leveling off. For most countries, current favorable growth rates will not last.

Bangladesh Economy:

The World Bank has painted a brighter picture for Bangladesh's economy for the next two fiscal years, pinning hopes on strong domestic demand, exports, investment and remittance. Activity in Bangladesh would grow at an average of 6.7 percent a year over fiscals 2018-2020, benefiting from strong domestic demand and strengthening exports.

Low interest rates and improved infrastructure are expected to lift investment. Remittances are expected to rebound as growth firms up in Gulf Cooperation Council countries. Bangladesh is among the top 17 out of 134 countries in the list of GEP forecasts that are projected to have a growth rate of 6.4 percent or more in 2017-18. The government has set a target of 7.4 percent GDP growth for the current fiscal year.

Achieving the government target of 7.4 percent growth this fiscal year will be challenged by banking sector vulnerabilities, infrastructure deficiencies and the slow pace of structural reforms. The main risks to the outlook are domestic. Current account deficits gradually widened across the region, including in countries such as India, Bangladesh and Pakistan. Remittance inflows have been subdued recently due to fiscal consolidation and growth slowdowns in the Middle East, which constitutes roughly half of remittances to South Asia. A protracted slowdown in remittance inflows would weigh on domestic consumption in countries such as Bangladesh.

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 27, 2018

Sd/-
Zafar Ahmed
Chairman

Managing Director's Statement

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements as per condition no. 1.5(XXV) of Corporate Governance Code dated June 03, 2018:

(a) Accounting policies and estimation for preparation of financial statements;

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in Bangladesh and the following BASs and BFRSs 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-21	The Effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
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
BFRS-07	Financial Instruments: Disclosure
BFRS-15	Revenue from contracts with customers

(b) Changes in accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

(c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons:

Particulars	"Figure in thousand Taka"					
	2017-18	2016-17	2015-16**	2014-15	2013-14	2012-13
Key Operational and Financial Data:						
Revenue	3,633,663	3,205,557	4,319,335	2,989,846	2,511,696	2,445,606
Gross Profit	289,542	245,333	338,619	243,140	221,196	207,910
Operating Profit/(Loss)	57,101	43,166	53,366	31,823	36,786	35,693
Net Profit before Tax	62,411	47,270	56,012	35,921	41,597	40,167
Net Profit/(Loss) after Tax	24,424	23,163	28,765	23,204	18,796	18,487
Total Assets	1,461,944	1,325,340	1,461,496	1,374,272	1,136,263	1,181,592
Total Liabilities	1,001,457	882,050	1,027,440	954,093	718,351	767,299
Current Assets	1,103,917	994,046	1,183,939	1,072,153	841,181	861,399
Current Liabilities	996,404	878,212	1,023,537	952,091	717,133	766,092
Reserve and Surplus	337,696	330,071	325,388	313,838	307,435	313,188
Share Holders Equity	460,486	443,289	434,056	420,179	417,912	414,292
Current Ratio	1.11	1.13	1.16	1.13	1.17	1.12
Net Asset Value per Share (NAV)	54.82	52.77	51.67	50.02	49.75	49.32
Earnings Per Share (EPS)	2.91	2.76	3.42	2.76	2.24	2.20
NOCFPS	(10.55)	14.23	25.20	(1.79)	2.50	18.09

**fifteen (15) months period.

Apex Spinning & Knitting Mills Ltd is continuing its growth from the year 2013-2014 to 2017-2018 including its gross profit margin, net profit before & after tax, Net assets value per Share and Earnings per Share. Management of ASKML has reduced financial expenses as a result net profit before & after tax has increased. There was significant variance in net operating cash flows. The Net Operating Cash Flows per Share are positive/negative and are different in every financial year as this depends on different issues mainly, Collection from revenue and payment for costs and expenses. This scenario is changeable time to time depending on different issues.

(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;

Particulars	"Figure in Million Taka"		
	Apex Spinning & Knitting Mills Ltd	Evince Textiles Ltd. 2017-18	Square Textile Ltd. (2016-17)
Operational and Financial Data:			
Revenue	3,633.66	2,411.29	7,758.88
Gross Profit	289.54	496.39	788.94
Net Profit before Tax	62.41	208.05	481.41
Net Profit/(Loss) after Tax	24.42	168.75	411.39
Net Asset Value (NAV) per Share	54.82	14.44	41.05
Earnings Per Share (EPS)	2.91	1.06	2.30
Number of Shares (in Mill)	8.4	158.40	178.91
NOCFPS	(10.55)	2.85	1.29

(e) Briefly explain the financial and economic scenario of the country and the globe;

The World Bank has painted a brighter picture for Bangladesh's economy for the next two fiscal years, pinning hopes on strong domestic demand, exports, investment and remittance. Activity in Bangladesh would grow at an average of 6.7 percent a year over fiscals 2018-2020, benefiting from strong domestic demand and strengthening exports.

Low interest rates and improved infrastructure are expected to lift investment. Remittances are expected to rebound as growth firms up in Gulf Cooperation Council countries. Bangladesh is among the top 17 out of 134 countries in the list of GEP forecasts that are projected to have a growth rate of 6.4 percent or more in 2017-18. The government has set a target of 7.4 percent GDP growth for the current fiscal year.

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve;

(f) Risk and concerns including internal and external factors and its mitigation plan of the company is stated below:

As the company is availing working capital loan with higher interest rate, it is highly exposed to interest rate risk. To minimize this exposure, the company is emphasizing on own fund based financing to reduce dependency on interest based borrowed fund and negotiating with the FI to reduce the interest rate.

The manufacturing operation is largely dependent on natural gas from "Titas Gas Transmission & Distribution Company Ltd". However, the management is very much aware about the risk of Scarcity of Gas for keeping production smoothly. For this, the management set up a tank to preserve the diesel for generator alternatively and also try to increase the capacity load from "Titas Gas Transmission & Distribution Company Ltd". These enable the company to continue production in case of emergency and non-committal supply lapses.

(g) Future plan:

In the upcoming year Apex Spinning & Knitting Mills Ltd will set up facility to train workers to make them more efficient so that goods are produced carefully by passing QC. Foreign ETP technicians are coming time to time to our company to provide technical support to smoothly operate our ETP. The Company is planning to produce its products with more value addition and explore new markets so that the Company can maintain a sustainable growth in coming years.

Dhaka
October 27, 2018

Sd/-
Zahur Ahmed PhD
Managing Director

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, 2018.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's (BSEC) notification no- BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

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

The RMG sector of Bangladesh has exhibited phenomenal growth during last two decades. Due to its extraordinary performance, Bangladesh has earned the position of second largest garment exporters of the world with 5% global market share only; next to China enjoying 31% of the share of total global market of US\$ 450 billion. Thus, although Bangladesh occupies the second largest position, its market share is only one sixth of China, allowing a very wide gap.

Bangladesh is aiming at exporting RMG for US\$ 50 billion by the year 2021. In the last couple of years, global retailers were slow to place orders due to ongoing safety inspections in the apparel sector. But in the last fiscal, they changed their mind set as the inspection has almost come to an end shows significant progress. As a result, export earnings have seen a rise, but it could be more. In tapping the opportunity, the government has to reduce the delivery lead time by increasing port capacity to ensure smoother shipment of finished goods.

Despite the epic growth of our industry and its bright prospects, challenges are still there. However, we always believe that challenges can be turned into opportunities if they are addressed with steely determination and pragmatic steps and such instances are galore in our history.

(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 26 of the Annual Report.

(iii) Risks and concerns:

The formation of Accord and Alliance in 2013 and their activities for workplace safety in the RMG sector have led to important organizational learning for Bangladesh. For the first time, stakeholders of the RMG value chain have experienced new forms of compliance assurance. First, brands/retailers/buyers and international trade unions are involved in ensuring workplace safety at the manufacturers' end; second, local entrepreneurs now have as a requirement high level of safety standards and maintenance at their own factories; third, local public agencies have appreciated the gaps in monitoring and enforcement mechanism that they follow and also the requirement of improvement of their process; fourth, workers of RMG enterprises have been able to understand the safety-related issues and concerns and how to respond in case of emergencies in the factories.

Such organizational learning in Bangladesh's RMG industry has encouraged global brands/buyers to replicate those in other apparel manufacturing countries. The key issue is, how do we institutionalize such learning with a view to develop an effective monitoring and inspection mechanism in the future?

(iv) Discussion on 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. 3,344 million as compared to last year's cost of goods sold of Tk. 2,960 million. This is because there has been an increase in the gross turnover during the reporting period. During the reporting period 2,579,502 dozen of garments were produced as against last year's production of 2,272,508 dozen. The increase in production quantity is 306,994 dozen over the last year. Production capacity utilized during the reporting period was 92.12%. There was an increase in Wages and Salaries to the tune of Tk. 74.56 million as against last year.

(b) Gross Profit:

The company has achieved an export turnover of Tk. 3,633.66 million during the year ended 30th June 2018. Last year's turnover was Tk. 3,205.56 million. The increase in turnover is 13.35% over the last year. Gross profit earned during the period was Tk. 289.54 million as against last year's gross profit of Tk. 245.33 million.

(c) Net Profit:

Net profit (after tax) earned during the period was Tk. 24.42 million as compared to last year's Net Profit (after tax) of Tk. 23.16 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. 9.57 million has been shown as Fair Valuation surplus for Investment in the Statement of 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 20 of the Annual Report.

(vi) Related party transactions:

During the year the Company carried out several 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	2017-18	2016-17
i. Matex Bangladesh Ltd.	Common Director	Dyes Chemical	132,239,063	161,287,520
ii. Apex Yarn Dyeing Ltd.	Common Director	Yarn Dyeing & Threads	94,067,164	56,374,121

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

There was no public issues 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 3rd Quarter, EPS from operational activities was Tk. 2.19 but annually it has been Tk. 2.91) is mainly due to consistency of turnover in last quarter of 2017-18.

(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 was no such situation raised to protect the interest of minority shareholders.
- (xvii)** There are no significant doubts upon the issuer company's ability to continue as a going concern.
- (xviii) Deviation from the last year's operating results:**

During the year turnover has slightly increased. But due to increase in wages and salaries there is no significant deviation in operating result.

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

“Figure in thousand Taka”

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
			(Fifteen months)			
Operational Data:						
Revenue	3,633,663	3,205,557	4,319,335	2,989,846	2,511,696	2,445,606
Gross Profit	289,542	245,333	338,619	243,140	221,196	207,910
Operating Profit	57,101	43,166	53,366	31,823	36,786	35,693
Net Profit before Tax	62,411	47,270	56,012	35,921	41,597	40,167
Net Profit after Tax	24,424	23,163	28,765	23,204	18,796	18,487
Earnings Per Share (EPS)	2.91	2.76	3.42	2.76	2.24	2.20
Dividend Per Share	2.00	2.00	2.20	2.00	2.00	1.80
Financial Data:						
Total Assets	1,461,944	1,325,340	1,461,496	1,374,272	1,136,263	1,181,592
Property, Plant and Equipment-Gross	1,346,231	1,343,392	1,248,060	1,220,670	1,160,317	1,141,895
Property, Plant and Equipment - Net	250,992	296,161	250,630	284,236	273,063	307,546
Gross Working Capital	1,103,917	994,046	1,183,939	1,072,153	841,181	861,399
Net Working Capital	107,513	115,834	160,401	120,061	124,047	95,307
Working Capital Loan	57,911	16,178	83,790	81,131	3,653	35,631
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	337,696	330,071	325,388	313,838	307,435	313,188
Share Holders Equity	460,486	443,289	434,056	420,179	417,912	414,292

(xx) Dividend:

Board of Directors has recommended Cash Dividend of Tk. 2.00 per Share of Tk. 10.00 each for the year 2017-18. 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 15th November 2018 at the close of office.

(xxi) Interim Dividend:

No Bonus share or stock dividend has been or shall be declared by Board of Directors for interim period.

(xxii) Board meetings:

During the year 7 (Seven) Board Meetings were held. The attendance record of the Directors is as follows:

<i>Name of Directors</i>	<i>Meeting attended</i>
Mr. Zafar Ahmed	7
Mr. Zahur Ahmed PhD	7
Mr. Shahriar Ahmed	7
Mr. Tarek Nizamuddin Ahmed	7
Mr. Kazi Faruq Kader	7

(xxiii) The pattern of shareholding:

Name wise details	No. Shares
a) Parent/subsidiary/Associated Companies and other related parties	
Apex Foods Limited	2,263,200
Apex Lingerie Limited	143,000
Apex Yarn Dyeing Limited	136,400
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit:	
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
c) Senior Corporate Executives	NIL
d) Shareholders holding ten percent (10%) or more voting interest in the Company	
Mr. Zafar Ahmed	842,400
Mr. Zahur Ahmed PhD	944,400
Apex Foods Limited	2,263,200
ICB Unit Fund	927,640

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

I, Zafar Ahmed and Mr. Tarek Nizamuddin Ahmed are retiring from the Board in terms of the Articles of Association of the Company and being eligible, offer ourselves for re-election. The detailed work profiles of me and Mr. Tarek Nizamuddin Ahmed are given below:

Zafar Ahmed

- a) I am a Post Graduate from Dhaka University in Economics. I obtained training in Food & Drug Administration from USA. I am one of the Sponsor Director of the Company and is working in this sector since 1990. I am now acting as the Chairman of the Company.
- b) Since my joining in this sector, I have gathered vast knowledge in this sector.
- c) I am 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) I am not a member of any committee of the board.

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.

(xxv) Management Discussion & Analysis Signed by MD:

The management discussion and analysis signed by Managing Director representing details analysis of the company's position and operation in attached in the annual report as Managing Director's statement.

(xxvi) Declaration signed by MD and CFO:

Please refer to Annexure-A for Declaration signed by MD and CFO.

(xxvii) Corporate Governance Compliance Report:

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

(xxviii) Auditors:

The retiring Auditors M/s. Malek Siddiqui Wali, Chartered Accountants, being eligible, offer themselves for re-appointment as Auditors of the Company for the year 2018-19.

Dhaka
October 27, 2018

On behalf of the Board

Sd/-
Zafar Ahmed
Chairman

পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১৮ 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 পর্যদের প্রতিবেদন প্রনয়নের ক্ষেত্রে কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ- জুন ৩, ২০১৮ অনুসরণ করা হয়েছে।

১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনাঃ

বাংলাদেশ তৈরী পোশাক শিল্পে গত দুই দশকে বিস্ময়কর সাফল্য অর্জন করেছে। এই অসাধারণ সাফল্যের দরুন বাংলাদেশ তৈরী পোশাক রপ্তানিতে বিশ্বের দ্বিতীয় বৃহত্তম দেশে উপনিত হয়েছে যা বিশ্ব বাজারের মাত্র পাঁচ শতাংশ অপর দিকে চীন বিশ্ব বাজারে ৪৫০ বিলিয়ন মার্কিন ডলারের বিপরীতে ৩১ শতাংশ দখল করে আছে। সুতারাং, যদিও বাংলাদেশ দ্বিতীয় বৃহত্তম অবস্থান দখল করতে পেরেছে কিন্তু চীনের বাজার দখলের তুলনায় মাত্র ছয় ভাগের এক ভাগ, যাহার তফাৎ অনেক বেশী।

বাংলাদেশ ২০২১ সালের মধ্যে বার্ষিক তৈরী পোশাক রপ্তানি ৫০ বিলিয়ন মার্কিন ডলারের লক্ষ্য মাত্রা নির্ধারণ করেছে। গত কয়েক বছর যাবৎ বিশ্বের খুচরা ব্যবসায়ীরা, চলমান নিরাপত্তা পর্যবেক্ষনের দরুন পোশাক খাতে ক্রয় আদেশ মছুর করেছেন। যেহেতু নিরাপত্তা পর্যবেক্ষনের উল্লেখযোগ্য অগ্রগতি হয়েছে এবং পর্যবেক্ষণ প্রায় শেষের দিকে সে জন্য বিদেশী ক্রেতারা গত অর্থ বছর হতে তারা তাদের চিন্তা ভাবনার পরিবর্তন করছেন। ফলে, রপ্তানী আয় বৃদ্ধি পেয়েছে কিন্তু এটি আরও বেশি হতে পারত। সরকার বন্দরের ক্ষমতা বৃদ্ধি করে সরবারহের সময় কমাতে পারে যা তৈরী পণ্যের বাধা মুক্ত জাহাজীকরণ নিশ্চিত করতে পারে।

আমাদের শিল্পে ব্যাপক উন্নতি এবং এর উজ্জ্বল ভবিষ্যৎ থাকা সত্ত্বেও এখনো অনেক ঝুঁকি বিদ্যমান। যাহোক, আমরা সর্বদা বিশ্বাস করি যে ঝুঁকিগুলিকে সুযোগে পরিনত করা যেতে পারে যদি উহাকে দৃঢ় সংকল্প এবং যথাযত পদক্ষেপের সহিত নেওয়া হয় এবং এই ধরনের ঘটনা আমাদের জাতীয় জীবনে প্রচুর বিদ্যমান।

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। যাহোক বার্ষিক প্রতিবেদনের ২৬ নং নোটে প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

৩. ঝুঁকি ও উদ্ভিগ্নতা সমূহঃ

২০১৩ সালে অ্যাকর্ড ও অ্যালায়েন্স গঠন এবং তৈরী পোশাক খাতে তাদের কর্মক্ষেত্রে নিরাপত্তার কার্যক্রমগুলি বাংলাদেশের জন্য খুবই গুরুত্বপূর্ণ প্রতিষ্ঠানিক শিক্ষা হিসেবে বিবেচিত হয়েছে। প্রথমবারের মতো, তৈরী পোশাক খাতের স্বার্থ সংশ্লিষ্টরা নতুনভাবে কম্পায়েন্স নিশ্চয়তা পেয়েছে। প্রথমত, ব্রান্ড/খুচরা বিক্রেতারা/ক্রেতারা এবং আন্তর্জাতিক বাণিজ্য সংগঠন গুলো উৎপাদনকারীদের কর্মক্ষেত্রে নিরাপত্তা নিশ্চিতকরণে যুক্ত; দ্বিতীয়ত, স্থানীয় উদ্যোক্তাদেরও তাদের নিজস্ব কারখানাগুলিতে উচ্চমানের নিরাপত্তা মান এবং রক্ষনাবেক্ষণের প্রয়োজনীয়তা অনুভব করছেন; তৃতীয়ত, স্থানীয় পাবলিক প্রতিষ্ঠান সমূহ পর্যবেক্ষনে ও প্রয়োগ প্রক্রিয়া যা তারা অনুসরণ করে তার ব্যবধান এবং উন্নয়নের ধারাবাহিকতা ও উন্নয়নের প্রয়োজনীয়তা অনুধাবন করেছেন; চতুর্থত, তৈরী পোশাক শিল্পে নিয়োজিত কর্মীরা নিরাপত্তা সম্পর্কিত বিষয়গুলি বুঝতে সক্ষম হয়েছেন এবং জরুরী পরিস্থিতিতে কারখানার ভিতর কি করা উচিত সে ব্যাপারে সচেতন হয়েছেন।

বাংলাদেশের তৈরী পোশাক শিল্পের উক্ত প্রতিষ্ঠানিক শিক্ষাগুলি বিশ্বব্যাপী ব্রান্ড/ক্রেতাদের অন্যান্য পোশাক উৎপাদনকারী দেশগুলির জন্যও প্রতিলিপি হিসেবে কাজ করার জন্য উৎসাহিত করেছে। মূল বিষয় হল, ভবিষ্যতে কার্যকর পর্যবেক্ষন এবং পরিদর্শন প্রক্রিয়া বিকাশের জন্য আমরা কীভাবে এই ধরনের প্রতিষ্ঠানিক শিক্ষা প্রতিষ্ঠিত করবো?

৪. বিক্রিত পণ্যের ব্যয়, মোট প্রান্তিক মুনাফা এবং নীট প্রান্তিক মুনাফার উপর আলোচনা :

ক) বিক্রিত পণ্যের ব্যয়ঃ

প্রতিবেদন কালীন সময়ে বিক্রিত পণ্যের ব্যয় ছিল ৩,৩৪৪ মিলিয়ন টাকা, যা গত বৎসর ছিল ২,৯৬০ মিলিয়ন টাকা। এর কারণ প্রতিবেদন কালীন সময়ে মোট বিক্রয় বেড়েছে। প্রতিবেদন কালীন সময়ে ২,৫৭৯,৫০২ ডজন তৈরি পোশাক উৎপাদন হয়েছে যা গত বৎসর ছিল ২,২৭২,৫০৮ ডজন। গত বৎসরের তুলনায় ৩০৬,৯৯৪ ডজন উৎপাদন বৃদ্ধি পেয়েছে। প্রতিবেদন কালীন সময়ে কোম্পানীর উৎপাদন ক্ষমতার ৯২.১২ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় প্রতিবেদন কালীন সময়ে মজুরী এবং বেতন ৭৪.৫৬ মিলিয়ন টাকা বৃদ্ধি পেয়েছে।

খ) মোট মুনাফাঃ

৩০ জুন ২০১৮ সমাপ্ত বছরে কোম্পানী মোট বিক্রয় করেছে ৩,৬৩৩.৬৬ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ৩,২০৫.৫৬ মিলিয়ন টাকা। গত বৎসরের তুলনায় এ বছর ১৩.৩৫ শতাংশ বিক্রয় বৃদ্ধি পেয়েছে। এ বছর মোট মুনাফা অর্জিত হয়েছে ২৮৯.৫৪ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৪৫.৩৩ মিলিয়ন টাকা।

গ) নীট মুনাফাঃ

প্রতিবেদন কালীন সময়ে নীট মুনাফা (কর পরবর্তী) হয়েছে ২৪.৪২ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৩.১৬ 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 ৯.৫৭ 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 ২০নং 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। আন্তঃ সম্পর্কিত কোম্পানী সমূহের নাম এবং লেনদেনের ধরন নিম্নরূপঃ

পার্টির নাম	সম্পর্ক	লেনদেনের ধরন	২০১৭-১৮	২০১৬-১৭
ক) ম্যাটেক্স বাংলাদেশ লিমিটেড	একই পরিচালক	রং এবং রাসায়নিক দ্রব্য ক্রয়	১৩২,২৩৯,০৬৩	১৬১,২৮৭,৫২০
খ) এপেক্স ইয়ার্ন ডাইং লিমিটেড	একই পরিচালক	সুতার রং এবং সুতা ক্রয়	৯৪,০৬৭,১৬৪	৫৬,৩৭৪,১২১

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 ২.১৯ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ২.৯১ টাকা) এটা মূলত ২০১৭-১৮ 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) যথা 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. সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ রক্ষার জন্য এ ধরনের কোন পরিস্থিতি উত্থাপিত হয়নি।

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

১৮. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধানঃ

চলতি বছর বিক্রয় সামান্য বৃদ্ধি পেয়েছে। কিন্তু মজুরী ও বেতন বৃদ্ধির ফলে পরিচালনগত ফলাফলে কোন উল্লেখযোগ্য ব্যবধান নেই।

১৯. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্তঃ

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬ (১৫ মাস)	২০১৪-১৫	২০১৩-১৪	২০১২-১৩
পরিচালন তথ্য:						
বিক্রয়	৩,৬৩৩,৬৬৩	৩,২০৫,৫৫৭	৪,৩১৯,৩৩৫	২,৯৮৯,৮৪৬	২,৫১১,৬৯৬	২,৪৪৫,৬০৬
মোট মুনাফা	২৮৯,৫৪২	২৪৫,৩৩৩	৩৩৮,৬১৯	২৪৩,১৪০	২২১,১৯৬	২০৭,৯১০
পরিচালন মুনাফা	৫৭,১০১	৪৩,১৬৬	৫৩,৩৩৬	৩১,৮২৩	৩৬,৭৮৬	৩৫,৬৯৩
করপূর্ব মুনাফা	৬২,৪১১	৪৭,২৭০	৫৬,০১২	৩৫,৯২১	৪১,৫৯৭	৪০,১৬৭
করপরবর্তী মুনাফা	২৪,৪২৪	২৩,১৬৩	২৮,৭৬৫	২৩,২০৪	১৮,৭৯৬	১৮,৪৮৭
শেয়ার প্রতি আয়	২.৯১	২.৭৬	৩.৪২	২.৭৬	২.২৪	২.২০
প্রতি শেয়ারের জন্য লভ্যাংশ	২.০০	২.০০	২.২০	২.০০	২.০০	১.৮০
আর্থিক তথ্য:						
মোট সম্পদ	১,৪৬১,৯৪৪	১,৩২৫,৩৪০	১,৪৬১,৪৯৬	১,৩৭৪,২৭২	১,১৩৬,২৬৩	১,১৮১,৫৯২
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	১,৩৪৬,২৩১	১,৩৪৩,৩৯২	১,২৪৮,০৬০	১,২২০,৬৭০	১,১৬০,৩১৭	১,১৪১,৮৯৫
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	২৫০,৯৯২	২৯৬,১৬১	২৫০,৬৩০	২৮৪,২৩৬	২৭৩,০৬৩	৩০৭,৫৪৬
মোট চলতি মূলধন	১,১০৩,৯১৭	৯৯৪,০৪৬	১,১৮৩,৯৩৯	১,০৭২,১৫৩	৮৪১,১৮১	৮৬১,৩৯৯
নীট চলতি মূলধন	১০৭,৫১৩	১১৫,৮৩৪	১৬০,৪০১	১২০,০৬১	১২৪,০৪৭	৯৫,৩০৭
চলতি মূলধন ঋণ	৫৭,৯১১	১৬,১৭৮	৮৩,৭৯০	৮১,১৩১	৩,৬৫৩	৩৫,৬৩১
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	৩৩৭,৬৯৬	৩৩০,০৭১	৩২৫,৩৮৮	৩১৩,৮৩৮	৩০৭,৪৩৫	৩১৩,১৮৮
শেয়ার মালিকদের ইকুইটি	৪৬০,৪৮৬	৪৪৩,২৮৯	৪৩৪,০৫৬	৪২০,১৭৯	৪১৭,৯১২	৪১৪,২৯২

২০. লভ্যাংশ:

কোম্পানীর পরিচালকমন্ডলী ২০১৭-১৮ 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, ২০১৮ ইং তারিখে কার্য সমাপ্ত সময়ে অন্তর্ভুক্ত থাকবে।

২১. অন্তর্বর্তীকালীন লভ্যাংশ:

পরিচালনা পর্ষদ অন্তর্বর্তীকালীন সময়ে কোন বোনাস শেয়ার বা স্টক লভ্যাংশ ঘোষণা করেনি বা ভবিষ্যতেও করবে না।

২২. বোর্ডের সভা:

এ বছর বোর্ডের ৭ (সাত) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	৭
জনাব জহুর আহমেদ পিএইচডি	৭
জনাব শাহরিয়ার আহমেদ	৭
জনাব তারেক নিজামউদ্দিন আহমেদ	৭
জনাব কাজী ফারুক কাদের	৭

২৩. 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 ফুডস লিমিটেড		২,২৬৩,২০০
আইসিবি ইউনিট ফান্ড		৯,২৭,৬৪০

২৪. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগঃ

আমি জাফর আহমেদ এবং জনাব তারেক নিজামউদ্দিন আহমেদ (আইসিবি মনোনীত পরিচালক) কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করছি এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করছি। আমার এবং জনাব তারেক নিজামউদ্দিন আহমেদ এর বিস্তারিত বিবরণ নিম্নরূপঃ-

জাফর আহমেদঃ

- ক) আমি জাফর আহমেদ ঢাকা বিশ্ববিদ্যালয় থেকে অর্থনীতিতে স্নাতোকত্তর ডিগ্রী নিয়েছি। আমি যুক্তরাষ্ট্রের ফুড এন্ড ড্রাগ এডমিনিস্ট্রেশন থেকে ট্রেনিং নিয়েছি। আমি এই শিল্প খাতে ১৯৯০ সন থেকে কাজ করে আসিতেছি এবং এই কোম্পানীর একজন উদ্যোক্তা পরিচালক। আমি বর্তমানে এই কোম্পানীর চেয়ারম্যান।
- খ) এই শিল্পে যোগদান করা থেকে এ পর্যন্ত এ শিল্প সম্পর্কে গভীর জ্ঞান অর্জন করেছি
- গ) আমি এই কোম্পানী ছাড়াও ১. এপেক্স ফুডস্ লিমিটেড, ২. এপেক্স ল্যানজারি লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিন্টিং মিলস্ লিমিটেড ৫. এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও ৬. ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছি।
- ঘ) বর্তমানে আমি বোর্ডের অন্য কোন কমিটির সদস্য নই।

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 স্নাতোকত্তর ডিগ্রী 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।

২৫. ম্যানেজমেন্ট আলোচনা এবং বিশ্লেষণ যাহা ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিতঃ

ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট আলোচনা ও বিশ্লেষণ যা ব্যবস্থাপনা পরিচালকের বিবৃতি হিসাবে বার্ষিক প্রতিবেদনে সংযুক্ত যা কোম্পানীর অবস্থান এবং অপারেশনের বিশদ বিশ্লেষণ করে।

২৬. এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতিঃ

এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি অনুগ্রহপূর্বক **Annexure-A** দেখুন।

২৭. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদনঃ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের চাহিদা অনুযায়ী কর্পোরেট গভর্নেন্স প্রতিবেদন যা **Annexure- B** এবং **C** এ সংযুক্ত করা হলো।

২৮. নিরীক্ষকঃ

অবসর গ্রহনকারী নিরীক্ষক মেসার্স মালেক সিদ্দিক ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ যোগ্য বিধায় ২০১৮-২০১৯ হিসাব বৎসরের জন্য পুনঃ নিরীক্ষক হিসাবে নিয়োগের জন্য প্রস্তাব ও আবেদন করেছেন।

ঢাকা

২৭ অক্টোবর, ২০১৮

বোর্ডের পক্ষে

স্বা/-

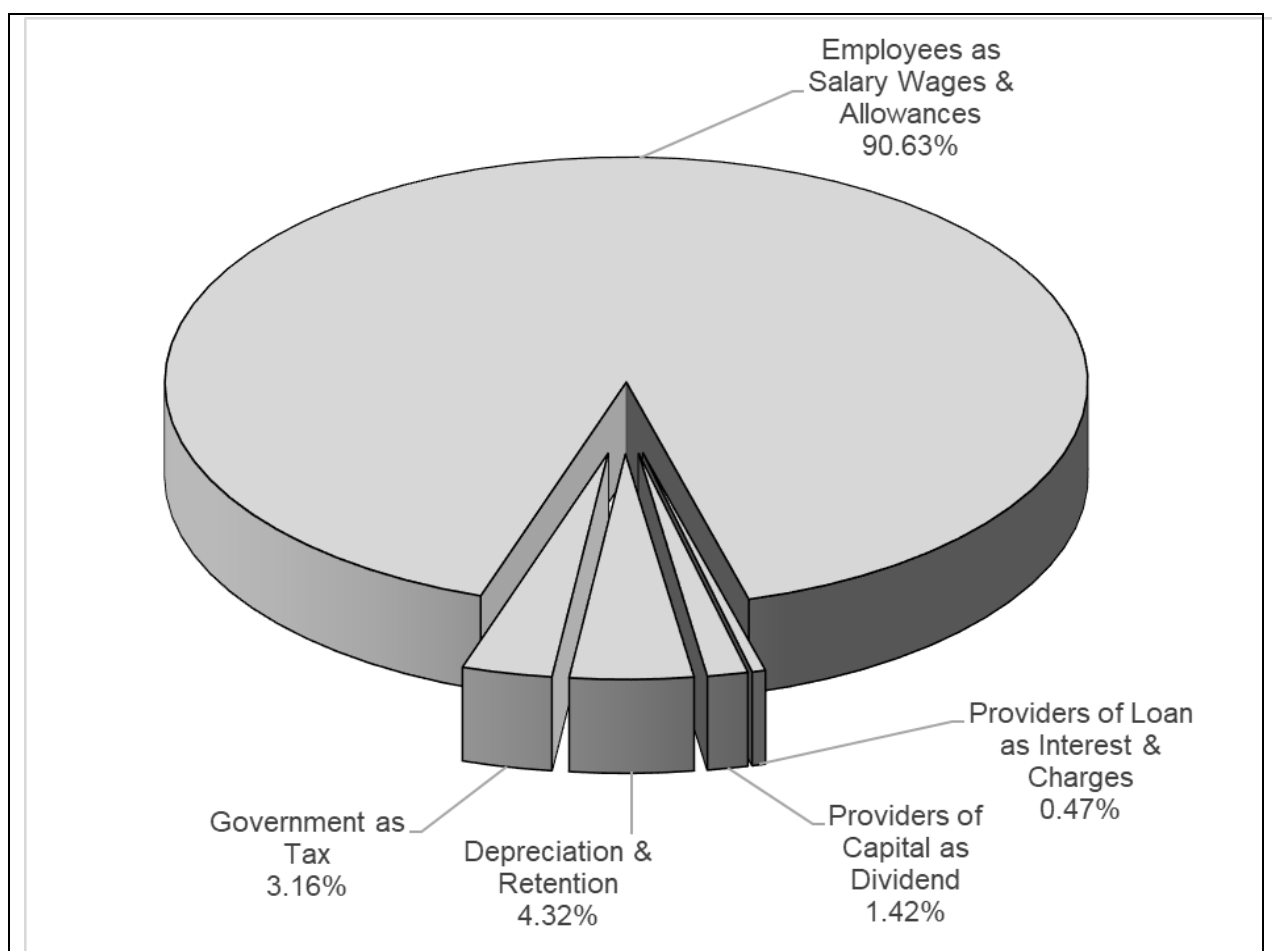
জাফর আহমেদ

সভাপতি

VALUE ADDED STATEMENT

Value in Taka

PARTICULARS	2017-18	%	2016-17	%
VALUE ADDED:				
Revenue	3,633,663,481		3,205,556,644	
Less: Bought in Materials & Services	2,453,276,915		2,110,627,672	
	-----		-----	
	1,180,386,566		1,094,928,972	
	=====		=====	
APPLICATIONS:				
Government as Tax	37,304,742	3.16	23,738,491	2.17
Employees as Salary Wages & Allowances	1,069,713,912	90.63	995,154,077	90.89
Providers of Loan as Interest	5,563,401	0.47	6,808,117	0.62
Providers of Capital as Dividend	16,800,000	1.42	16,800,000	1.53
Depreciation & Retention	51,004,511	4.32	52,428,287	4.79
	-----	-----	-----	-----
	1,180,386,566	100.00	1,094,928,972	100.00
	=====	=====	=====	=====



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 comprise the statement of Financial Position as at June 30, 2018 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, 2018 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.

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 Profit or Loss and Other 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 27, 2018

Sd/-
MALEK SIDDIQUI WALI
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2018

	Notes	30.06.2018	Value in Taka 30.06.2017
ASSETS			
Non Current Assets:		358,026,876	331,293,631
Property, Plant and Equipment	8	250,991,726	296,160,521
Investment	9	36,976,550	26,340,880
Investment in Financial Assets	10	60,000,000	-
Security Deposits	11	10,058,600	8,792,230
Current Assets:		1,103,917,016	994,046,480
Inventories	12	196,249,430	194,630,209
Trade Receivables	13	592,919,549	385,678,040
Advances, Deposits & Prepayments	14	51,056,036	53,073,287
Other Receivables	15	18,932,400	3,916,399
Cash & Cash Equivalents	16	244,759,601	356,748,545
TOTAL ASSETS		1,461,943,892	1,325,340,111
EQUITY AND LIABILITIES			
Shareholders' Equity		460,485,954	443,289,448
Share Capital	17	84,000,000	84,000,000
Share Premium	18	15,000,000	15,000,000
Reserve and Surplus	19	337,695,638	330,071,235
Fair Valuation Surplus of Investment	20	23,790,316	14,218,213
Non Current Liability		5,053,501	3,838,327
Deferred Tax Liability	21	5,053,501	3,838,327
Current Liabilities		996,404,437	878,212,336
Working Capital Loan	22	57,911,330	16,177,942
Short Term Loan	23	90,057,782	80,597,984
Trade Payables	24	761,041,964	703,008,415
Other Payables	25	87,393,361	78,427,995
Total Liabilities		1,001,457,938	882,050,663
TOTAL EQUITY AND LIABILITIES		1,461,943,892	1,325,340,111
Net Assets Value Per Share		54.82	52.77

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 27, 2018

Sd/-
MALEK SIDDIQUI WALI
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2018**

	Notes	2017-2018	Value in Taka 2016-2017
REVENUE	26	3,633,663,481	3,205,556,644
Cost of goods sold	27	(3,344,121,021)	(2,960,224,094)
GROSS PROFIT		289,542,460	245,332,550
OPERATING EXPENSES:		(232,441,254)	(202,166,968)
Administrative & selling overhead	29	(226,877,853)	(195,358,851)
Financial expenses	30	(5,563,401)	(6,808,117)
OPERATING PROFIT		57,101,206	43,165,582
Other income	31	5,310,110	4,104,690
PROFIT BEFORE TAX		62,411,316	47,270,272
Tax Expenses:	32	(37,986,913)	(24,106,794)
Current tax		(31,452,410)	(24,676,341)
Under provision of tax		(6,382,896)	-
Deferred tax (expenses)/income		(151,607)	569,547
NET PROFIT AFTER TAX		24,424,403	23,163,478
Other comprehensive income:			
Fair valuation surplus/(deficit) of investment	20	9,572,103	4,549,947
Fair valuation surplus/(deficit) during the year		10,635,670	5,055,497
Less: Deferred tax income/(expense)		(1,063,567)	(505,550)
TOTAL COMPREHENSIVE INCOME		33,996,506	27,713,425
Basic Earnings Per Share (EPS)	37	<u>2.91</u>	<u>2.76</u>

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 27,2018

Sd/-
MALEK SIDDIQUI WALI
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2018

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June'17	84,000,000	15,000,000	129,700,699	197,618,718	2,751,818	14,218,213	443,289,448
Net profit after tax for the year	-	-	-	24,424,403	-	-	24,424,403
Dividend Paid for 2016-17	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investment	-	-	-	-	-	9,572,103	9,572,103
As at 30th June'18	84,000,000	15,000,000	129,700,699	205,243,121	2,751,818	23,790,316	460,485,954

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

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June'16	84,000,000	15,000,000	129,700,699	192,935,240	2,751,818	9,668,266	434,056,023
Net profit after tax for the year	-	-	-	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
As at 30th June'17	84,000,000	15,000,000	129,700,699	197,618,718	2,751,818	14,218,213	443,289,448

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 27, 2018

Sd/-
MALEK SIDDIQUI WALI
Chartered Accountants

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2018

	2017-2018	Value in Taka 2016-2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from revenue	3,428,220,128	3,261,089,917
Other income	3,536,392	3,693,590
Other income from operational foreign exchange gain/(loss)	(489,029)	(350,451)
Interest & other financial charges paid	(80,631,580)	(86,915,185)
Income tax paid during the year	(31,452,410)	(31,059,240)
Payment for costs and expenses	(3,407,809,435)	(3,026,934,718)
Net cash generated from/(used in) operating activities (a)	(88,625,934)	119,523,913
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(2,839,253)	(95,332,138)
Investment in Financial Assets	(60,000,000)	-
Net cash generated from/(used in) investing activities (b)	(62,839,253)	(95,332,138)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Working capital loan received/(repaid)	41,733,388	(67,612,160)
Short term loan received/(repaid)	9,459,798	25,981,977
Dividend paid during the year	(15,763,947)	(17,444,849)
Net cash generated from/(used in) financing activities (c)	35,429,239	(59,075,032)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(116,035,948)	(34,883,257)
Cash and cash equivalents on opening	356,748,545	387,929,200
The effect of foreign exchange translation gain	4,047,004	3,702,602
Cash and cash equivalents on closing	244,759,601	356,748,545
Net Operating Cash Flows Per Share	(10.55)	14.23

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 27, 2018

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. (10.55) but it was Tk. 14.23 in 2016-17 which is mainly for increase in payment for cost and expenses & increase in trade receivable compare to last year due to increase of revenue in current quarter of the year. This scenario is changeable time to time depending on different issues.
- Please refer to Annexure-1 for Reconciliation of cash flow from operating activities under direct method and indirect method as per requirement of BSEC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. The company and its operation

1.01 Legal Form of the Enterprise:

The Apex Spinning & Knitting Mills Limited is a Public Limited Company registered under the Companies Act, 1913 (repealed in 1994). The Company was incorporated in Bangladesh 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, 5th & 6th 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 (BAS) and Bangladesh Financial Reporting Standards (BFRS) 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) and Bangladesh Financial Reporting Standards(BFRS):

The following BASs & BFRSs 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-21	The Effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
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
BFRS-07	Financial Instruments: Disclosure
BFRS-15	Revenue from Contracts with Customers

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 Financial Reporting Standards(BFRS):

The Financial Statements have been prepared in compliance with requirements of BFRS'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 those 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 30th June, 2018.

3.02 Inventories:

Inventories in hand as at 30th June, 2018 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 Investments:**Basis of fair value measurement:**

As fair value is a market based measurement, when measuring the fair value of an investment we considered the market value on Investments on reporting date.

3.04 Current and Non-current assets and liabilities:

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating circle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating circle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement the liability for at least twelve months after the reporting periods

The company classifies all other liabilities as non-current.

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

3.05 Taxation:

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

3.06 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 & also as per SRO no. 266-Law/Income Tax/2018 dated 05 September, 2018). The tax provision has been made based on the highest of 12% on business profit or tax deducted at sources @ 0.70% on export proceeds or tax on gross receipts during the period 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.

3.07 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.

3.08 Trade Receivables:

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

3.09 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.

3.10 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 37.

3.10(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.

3.10(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.

3.10(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.

3.10(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.

3.11 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”.

3.12 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. 82.75 & Tk. 83.75 per US Dollar.

3.13 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 BFRS 15 “Revenue from Contracts with Customers”.

3.14 Other Income Recognition:

Interest on time deposits has been recognized on accrual basis.

3.15 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.

3.16 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.

3.17 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 Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

- Credit risk
- Liquidity risk
- Market risk
- Price Risk
- Interest rate risk
- Currency risk

4.01 Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As the Company is 100% export oriented so the major customers of the Company are in Germany, USA, UK, Poland, Belgium, Italy and Spain.

The Trade Receivable are due from foreign customers for export. The balance from foreign customers are secured against firm contracts/letters of credit. Management assesses the credit quality of foreign customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are no past due. Trade Receivable balances and the balance as on 30.06.2018 has subsequently been fully realized. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

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 (Investment in Financial Assets, 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 Investment in Financial Assets & 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 changes in market prices, such as foreign exchange rates, interest rates and equity prices 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 while optimizing returns.

4.04 Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does not have any financial instrument that expose the price risk.

4.05 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.

4.06 Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases though the purchase is very nominal, which, are entered in a currency other than BDT. The foreign currency transactions are mainly occurred in USD and during the year under review the conversion rate of USD into BDT have not fluctuate materially.

5. Capital risk Management:

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

6. Operating segments:

- These financial statements have been prepared on the basis of single reportable segment.
- All non-current assets of the Company as at 30th June 2018 are located in Bangladesh.

7. Others

7.01 Comparative information

Comparative information have been disclosed in respect to the year 2016-17 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.

7.02 Reporting currency and level of precision:

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

7.03 Reporting period:

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

7.04 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 30th June, 2018
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2018
- iii) Statement of Changes in Equity for the year ended 30th June, 2018
- iv) Statement of Cash Flows for the year ended 30th June, 2018 and
- v) Accounting Policies and explanatory notes.

8. PROPERTY, PLANT AND EQUIPMENT: TK. 250,991,726

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.18
		Balance as at 30.06.17	Addition During year	Balance as at 30.06.18		Balance as at 30.06.17	Charged for the year	Balance as at 30.06.18	
1	Land & Land Development	21,423,102	-	21,423,102	-	-	-	-	21,423,102
2	Factory Building	255,373,615	-	255,373,615	20	2,18,204,396	7,433,844	225,638,240	29,735,375
3	Civil Construction	53,665,771	-	53,665,771	10	37,780,350	1,588,542	39,368,892	14,296,879
4	Plant & Machinery	668,462,647	1,476,503	669,939,150	20	5,81,580,508	17,401,036	598,981,544	70,957,606
5	Effluent Treatment Plant	71,210,757	-	71,210,757	20	38,552,267	6,531,698	45,083,965	26,126,792
6	Gas Installation	23,199,836	250,000	23,449,836	15	7,705,693	2,333,496	10,039,189	13,410,647
7	Electric Installation	10,764,273	-	10,764,273	15	9,411,834	202,866	9,614,700	1,149,573
8	Boiler	13,367,693	-	13,367,693	15	11,980,966	208,009	12,188,975	1,178,718
9	Generator	132,772,799	-	132,772,799	15	71,383,360	9,208,416	80,591,776	52,181,023
10	Water Treatment Plant	8,262,353	-	8,262,353	20	6,848,923	282,686	7,131,609	1,130,744
11	Factory Equipment	14,762,616	-	14,762,616	15	11,273,793	523,323	11,797,116	2,965,500
12	Other Equipment	7,565,646	612,750	8,178,396	15	5,952,778	318,524	6,271,302	1,907,094
13	Deep Tube-Well & Tanks	10,464,959	500,000	10,964,959	15	7,507,743	512,332	8,020,075	2,944,884
14	Motor Vehicles	8,511,244	-	8,511,244	20	8,076,190	87,011	8,163,201	348,043
15	Furniture & Fixtures	28,667,452	-	28,667,452	10	18,356,262	1,031,119	19,387,381	9,280,071
16	Laboratory Equipment	576,027	-	576,027	15	553,997	3,305	557,302	18,725
17	Office Equipment	14,300,254	-	14,300,254	15	12,021,886	341,755	12,363,641	1,936,613
18	Motor Cycles	40,625	-	40,625	20	40,204	84	40,288	337
		1,343,391,669	2,839,253	1,346,230,922		1,047,231,147	48,008,047	1,095,239,195	250,991,726

Charged to:

Factory Overhead	46,548,079
Administrative & Selling Overhead	<u>1,459,969</u>
	<u>48,008,047</u>

PROPERTY, PLANT AND EQUIPMENT FOR 2016-2017

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.17
		Balance as at 30.06.16	Addition During year	Balance as at 30.06.17		Balance as at 30.06.16	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	5,63,318,001	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 Equipment	13,311,916	1,450,700	14,762,616	15	10,721,187	552,606	11,273,793	3,488,823
12	Other Equipment	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 Equipment	576,027	-	576,027	15	550,109	3,888	553,997	22,030
17	Office Equipment	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
		1,248,059,530	95,332,138	1,343,391,669		997,429,950	49,801,196	1,047,231,147	296,160,521

Charged to:

Factory Overhead	48,176,161
Administrative & Selling Overhead	<u>1,625,035</u>
	<u>49,801,196</u>

	<u>30.06.2018</u>	<u>30.06.2017</u>
9. INVESTMENT: TK. 36,976,550		
(i) Apex Foods Limited (Public Limited Company) (Total number of Shares 169,250 and Total cost of Shares Tk. 8,973,415.)	35,407,100	24,771,430
(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
	----- 36,976,550 =====	----- 26,340,880 =====

Market Price of Listed Companies Shares

Apex Foods Limited	209.20	146.36
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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."

10. INVESTMENT IN FINANCIAL ASSETS: TK 60,000,000

Investment in FDR's	60,000,000	-
	=====	=====

- FDR's are made for more than one year i.e. 380 days.

11. SECURITY DEPOSITS : TK 10,058,600

Security Deposits	10,058,600	8,792,230
	=====	=====

Security deposits are made to statutory bodies and hence secured.

12. INVENTORIES: TK. 196,249,430

Finished Goods	Quantity			
T Shirts	17,925	Doz	32,999,377	17,026,874
	17,925	Doz	32,999,377	17,026,874
Work in Process				
Dyed Fabric	25,139	Kg	12,904,537	10,362,972
Knitted Fabric	62,005	Kg	18,883,320	15,183,382
Garments	31,227	Doz	25,218,394	27,424,914
			57,006,251	52,971,268
Raw Materials				
Yarn	177,594	Kg	53,876,010	59,385,174
Dyes & Chemicals	63,358	Kg	22,038,279	28,367,001
			75,914,289	87,752,175
Accessories			30,329,513	36,879,892
			----- 196,249,430 =====	----- 194,630,209 =====

- The above Inventories are as per physical checking made, valued and counted 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.

	<u>30.06.2018</u>	<u>30.06.2017</u>
13. TRADE RECEIVABLES: TK 592,919,549		
Export Bills Receivable	<u>592,919,549</u>	<u>385,678,040</u>
• Trade receivables are considered good. The ageing of the trade receivables are given below:		
<u>Ageing of the trade receivable</u>	<u>Amount (Tk.)</u>	
30 Days	289,489,433	
60 Days	257,782,979	
90 Days	45,647,137	
120 Days	-	
	<u>592,919,549</u>	
• Trade receivables are realized in full subsequently.		
14. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 51,056,036		
Advance Income Tax	49,895,187	49,502,014
Advance against expenses	<u>1,160,849</u>	<u>3,571,273</u>
	<u>51,056,036</u>	<u>53,073,287</u>
• No amount was due by Directors and other Officers of the Company or by Associated Undertaking.		
15. OTHER RECEIVABLES: TK. 18,932,400		
Cash incentive receivable	16,994,900	3,557,900
FDRs interest receivable	1,937,500	358,499
	<u>18,932,400</u>	<u>3,916,399</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.		
• FDR's interest receivable represents the provision of interest receivable on FDR's up to 30.06.2018.		
16. CASH AND CASH EQUIVALENTS: TK. 244,759,601		
Cash and Bank Balances:		
Cash in hand	20,000	20,000
Cash at bank :		
CD Account with Eastern Bank Ltd., Dhaka	10,304	11,454
CD Account with Dhaka Bank Ltd., Dhaka	27,857	28,582
CD Account with SCB, Dhaka	186,479	184,672
CD Account with Mutual Trust Bank, Chandora	55,594	61,434
CD Account with Mutual Trust Bank, Dilkusha, Dhaka	84,620	85,770
CD Account with AB Bank, Dhaka	39,248	40,398
CD Account with Dutch Bangla Bank Ltd., Dhaka	4,495,454	676,325
CD Account with HSBC-Dividend, Dhaka	-	-
CD Account with Eastern Bank Ltd. -Dividend, Dhaka	183	183
Fixed Deposit Receipts Account with Eastern Bank Ltd.	-	55,869,964
Foreign Currency Account with Eastern Bank Ltd., Dhaka-USD	6,362,887	32,873,432
Foreign Currency Account with HSBC, Dhaka-USD	393,471	381,016
STD Account with SCB, Dhaka	735,882	736,572
STD Account with Eastern Bank Ltd., Principal Branch, Dhaka	208,832	208,706
STD Account with HSBC , Dhaka	1,232	1,227
CC Accounts with Eastern Bank Ltd., Dhaka	24,075	25,375
Margin Account with Eastern Bank Ltd. –USD	232,113,483	265,543,435
	<u>244,739,601</u>	<u>356,728,545</u>
	<u>244,759,601</u>	<u>356,748,545</u>
	=====	=====
• Cash in hand was physically counted at the year end. All Bank balances were reconciled and confirmed by bank statements.		

	<u>30.06.2018</u>	<u>30.06.2017</u>
17. SHARE CAPITAL : TK. 84,000,000		
Authorized Capital:		
30,000,000 Ordinary Shares of Tk. 10/= each.	300,000,000	300,000,000
	=====	=====
Issued, Subscribed & Paid up Capital:		
8,400,000 Ordinary Shares of Tk. 10/= each fully paid	84,000,000	84,000,000
	=====	=====
• There was no preference share issued by the Company.		
Composition of Shareholdings as on 30.06.2018:		
Sponsors & Directors	54.95%	57.29%
Institutions	26.58%	22.09%
Foreign Shareholders	.94%	4.25%
Public - Local	17.53%	16.37%
	-----	-----
	100.00%	100.00%
	=====	=====

The Company had the following non-resident Shareholders on 30.06.2018:

<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	58,295

		78,975
		=====

- 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>
1,618	Less than & equal 500 Shares	242,493	2.89
443	501 to 5,000 Shares	687,261	8.18
35	5001 to 10,000 Shares	251,694	2.99
14	10,001 to 20,000 Shares	198,105	2.36
6	20,001 to 30,000 Shares	159,749	1.90
2	30,001 to 40,000 Shares	72,290	.86
3	40,001 to 50,000 Shares	140,800	1.68
1	50,001 to 100,000 Shares	58,295	.69
3	100,001 to 200,000 Shares	405,400	4.83
7	Over 200,000 Shares	6,183,913	73.62
		-----	-----
		8,400,000	100.00
		=====	=====

18. SHARE PREMIUM Tk. 15,000,000	15,000,000	15,000,000
	=====	=====

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

	<u>30.06.2018</u>	<u>30.06.2017</u>
19. RESERVE AND SURPLUS: TK 337,695,638		
Reserve for Re-Investment	129,700,699	129,700,699
Retained Earnings	205,243,121	197,618,718
Capital Gain	2,751,818	2,751,818
	<u>337,695,638</u>	<u>330,071,235</u>

- 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.

20. FAIR VALUATION SURPLUS/(DEFICIT) OF INVESTMENT: TK 23,790,316

Opening Balance	14,218,213	9,668,266
Adjustment for fair valuation surplus/(deficit) during the year	9,572,103	4,549,947
	<u>23,790,316</u>	<u>14,218,213</u>
	=====	=====

- 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.

21. DEFERRED TAX LIABILITY: TK. 5,053,501

a) Book Value of Depreciable Assets	250,991,726	296,160,521
Tax Base of Depreciable Assets	<u>236,368,222</u>	<u>278,086,353</u>
Net Taxable Temporary Difference	14,623,504	18,074,168
Effective Tax Rate	12.00%	12.00%
Closing Deferred tax (Assets)/Liability arising from assets	1,754,820	2,168,900
Opening Deferred Tax Balance	<u>2,168,900</u>	<u>2,741,215</u>
Deferred Tax Income/(Expense)	414,080	572,315
b) Unrealized Bank Interest on FDRs 2017-18	1,937,500	358,499
Effective Tax Rate	25.00%	25.00%
Closing Deferred tax (Assets)/Liability Arising from Unrealized FDRs Interest	484,375	89,625
Opening Deferred Tax Balance	<u>89,625</u>	<u>86,856</u>
Deferred Tax Income/(Expense)	<u>(394,750)</u>	<u>(2,769)</u>
c) Unrealized Foreign Exchange gain	683,747	-
Effective Tax Rate	25.00%	25.00%
Closing Deferred tax (Assets)/Liability Arising from Unrealized exchange gain	170,937	-
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	<u>(170,937)</u>	-
Deferred Tax Income/(Expense) (a+b+c)	<u>(151,607)</u>	<u>569,547</u>
d) Deferred Tax (Assets)/Liability Arising from Other Comprehensive Income:		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments @ 10%	2,643,369	1,579,802
Revaluation of property	-	-
Foreign exchange gain for foreign operation	-	-
Closing Deferred tax (Assets)/Liability arising from Fair Valuation Surplus of investment	2,643,369	1,579,802
Opening Deferred Tax Balance	<u>1,579,802</u>	<u>1,074,252</u>
Deferred Tax Income/(Expense) (d)	<u>(1,063,567)</u>	<u>(505,550)</u>
Deferred Tax Liability (a+b+c+d)	<u>5,053,501</u>	<u>3,838,327</u>

	<u>30.06.2018</u>	<u>30.06.2017</u>
22. WORKING CAPITAL LOAN: TK. 57,911,330		
Overdraft-Eastern Bank Ltd, Principal Br. Dhaka	55,719,517	12,395,529
Overdraft-HSBC, Dhaka	2,191,813	3,782,413
	-----	-----
	57,911,330	16,177,942
	=====	=====

- 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 Receivables of the Company. The Loan of Eastern Bank Limited bears interest @ 10.50% p.a. The rate of interest of HSBC is 8.00% p.a.

23. SHORT TERM LOAN: TK. 90,057,782

Time Loan-Eastern Bank Limited	19,924,108	30,726,070
Import Loan- Eastern Bank Limited	70,133,674	49,871,914
	-----	-----
	90,057,782	80,597,984
	=====	=====

- 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.

24. TRADE PAYABLES: TK. 761,041,964

761,041,964	703,008,415
=====	=====

- This represents local procurement and import of Raw Materials (Yarn, Dyes & Chemicals) under Back-to-Back L/C on 30 to 120 days deferred payment and Sight L/C, which has been subsequently adjusted and moves in cycle in this trade and considered secured.

25. OTHER PAYABLES: TK. 87,393,361

Clearing & Forwarding	6,362,843	2,934,335
Insurance premium	1,064,712	86,506
Power, Fuel and Water	4,997,754	4,108,565
Telephone, Telex & Fax	9,977	11,139
Salary, Wages and Overtime	21,128,808	26,483,142
Audit Fees	230,000	230,000
Current Tax Liabilities	37,154,846	30,378,777
Provident Fund Payable	7,415,240	6,086,095
Unclaimed Dividend	7,739,848	6,703,795
Tax & VAT payable to Govt.	1,289,333	1,405,641
	-----	-----
	87,393,361	78,427,995
	=====	=====

	<u>30.06.2018</u>	<u>30.06.2017</u>
25.a Unclaimed Dividend: Tk. 7,739,848		
Opening Balance	6,703,795	5,668,644
Add: Dividend approved during the year	<u>16,800,000</u>	<u>18,480,000</u>
	23,503,795	24,148,644
Less: Payment during the year	15,763,947	17,444,849
	-----	-----
	7,739,848	6,703,795
	=====	=====

- Unclaimed dividend represents the dividend warrants issued but not presented to the Bank by the Shareholders within 30th June 2018 and the unclaimed dividend was Tk.7,722,405.64 as on September 30, 2018.
- The breakup of unclaimed dividend as on 30.06.2018 is as follows:

<u>Year</u>	<u>Taka</u>
1994-95 to 2013-14	4,876,553
2014-15	731,659
2015-16	1,037,628
2016-17	<u>1,094,008</u>
	<u>7,739,848</u>

	<u>2017-2018</u>	<u>2016-2017</u>
26. REVENUE: TK 3,633,663,481		
	<u>Quantity in Doz.</u>	<u>USD</u>
T, Polo & Sweat Shirts	<u>2,573,700</u>	<u>43,929,848</u>
	<u>3,633,663,481</u>	<u>3,205,556,644</u>

- Country wise break up of Export for the period July'17-June'2018:

<u>Country</u>	<u>Quantity in Doz</u>	<u>USD</u>
AUSTRALIA	10,228	206,571
BELGIUM	226,681	3,800,246
CANADA	33,123	545,654
CHILE	19,252	364,924
CHINA	93,383	1,546,844
COLUMBIA	3,477	54,995
CROATIA	19,632	317,324
DENMARK	56,620	983,878
DUBAI, UAE	49,670	802,183
GERMANY	473,850	8,230,812
GREAT BRITAIN	147,684	2,554,724
HONG KONG	8,556	133,821
INDIA	9,749	154,115
INDONESIA	8,336	130,509
ITALY	138,393	2,362,823
JAPAN	53,960	867,563
KOREA	15,448	251,113
MALAYSIA	15,161	235,184
MEXICO	39,893	645,087

	<u>2017-2018</u>	<u>2016-2017</u>
NETHERLANDS	77,274	1,500,465
NEW ZEALAND	2,000	39,495
NORWAY	51,809	911,542
PERU	6,701	112,709
PHILIPPINES	6,119	93,072
POLAND	388,833	6,620,692
RUSSIA	66,565	1,129,356
SAUDI ARABIA	1,068	15,129
SERBIA	8,915	143,029
SINGAPORE	790	15,410
SOUTH AFRICA	5,008	90,953
SPAIN	132,739	2,298,854
SWEDEN	120,827	2,145,107
SWITZERLAND	50,518	860,910
TAIWAN	5,250	85,486
THAILAND	6,494	102,947
TURKEY	56,743	928,201
URUGUAY	1,223	22,031
USA	160,612	2,607,796
VIETNAM	1,116	18,294
TOTAL	<u>2,573,700</u>	<u>43,929,848</u>

27. COST OF GOODS SOLD: TK. 3,344,121,021

	<u>Quantity</u>	<u>Notes</u>		
Opening Stock of Finished Goods	12,123Doz		17,026,874	47,678,247
Add: Cost of Production	<u>2,579,502Doz</u>	28	<u>3,360,093,524</u>	2,929,572,721
	2,591,625Doz		3,377,120,398	2,977,250,968
Less : Closing Stock of Finished Goods	<u>17,925Doz</u>		32,999,377	17,026,874
	<u>2,573,700Doz</u>		<u>3,344,121,021</u>	<u>2,960,224,094</u>

		<u>2017-2018</u>	<u>2016-2017</u>
28. COST OF PRODUCTION: TK. 3,360,093,524			
OPENING STOCK:	Quantity		
Raw Materials:			
Yarn	225,782 Kg	59,385,174	40,166,318
Dyes & Chemicals	138,457 Kg	28,367,001	22,140,156
		87,752,175	62,306,474
Work in Process:			
Dyed, Knitted and Greige Fabric & Garments	68,581 Kg	52,971,268	61,774,562
Accessories	197,695 Doz	36,879,892	21,390,241
		177,603,335	145,471,277
ADD: PURCHASE FOR THE YEAR			
Raw Materials(Imported) :			
Yarn		464,460,673	415,504,450
Dyes & Chemicals		136,234,440	137,600,601
Accessories		149,042,211	144,692,642
		749,737,324	697,797,693
Raw Materials (Local) :			
Yarn		625,043,897	457,435,027
Dyes & Chemicals		183,873,201	171,343,943
Accessories		516,298,391	432,791,452
		1,325,215,489	1,061,570,422
		2,074,952,813	1,759,368,115
		2,252,556,148	1,904,839,392
LESS : CLOSING STOCK			
Raw Materials:			
Yarn	177,594 Kg	53,876,010	59,385,174
Dyes & Chemicals	63,358 Kg	22,038,279	28,367,001
		75,914,289	87,752,175
Work in Process:			
Dyed & Knitted, Greige Fabric & Garments	87,144 Kg	57,006,251	52,971,268
Accessories	31,227 Doz	30,329,513	36,879,892
		163,250,053	177,603,335
Total Consumption		2,089,306,095	1,727,236,057
Factory Overhead :			
Carriage		6,939,775	8,771,096
Electricity		1,291,719	1,020,437
Gas. Fuel & Lubricant		73,604,804	79,494,042
Insurance		7,669,783	6,951,484
Repairs & Maintenance		88,095,434	88,307,018
Telephone Charges		19,747	32,975
Wages & Salaries		1,010,616,804	936,228,249
Bank Charges & Commission		8,213,017	9,385,887
Central Fund-RMG Sector		1,007,854	956,273
Depreciation		46,548,079	48,176,161
Fire Fighting Exp.		221,615	508,173
Vehicle Maintenance		6,518,573	5,309,733
Testing Bill		18,392,460	12,679,166
Uniform & Liveries		477,863	170,304
ETP Chemical		1,169,902	4,345,666
		3,360,093,524	2,929,572,721

- During the year 2017-18 the Company has imported goods on C & F basis.
- Cash incentive has been adjusted with the local yarn cost.

	<u>2017-2018</u>	<u>2016-2017</u>
29. ADMINISTRATIVE & SELLING OVERHEAD: TK. 226,877,853		
AGM Expenses	228,978	121,087
Audit Fee (Including VAT)	230,000	230,000
Bank Charges & Commission	6,187,301	5,493,907
Board Meeting Fees	17,500	15,000
Depreciation	1,459,969	1,625,035
Directors Remuneration	3,600,000	3,600,000
Entertainment	2,874,694	1,366,838
Export Processing & Handling Expenses	11,466,323	5,242,975
F.C. Charges	68,880,878	65,227,274
Freight & Forwarding Expenses	29,825,095	16,493,601
Insurance Premium	1,028,103	1,112,001
Legal & Professional Fees	425,125	554,157
Newspapers & Periodicals	11,540	12,380
Postage & Stamp	70,103	83,446
Power & Fuel	679,780	680,684
Printing & Stationery	8,371,840	6,785,983
Publicity & Advertisement	207,978	382,421
Renewal & Fees	5,926,648	4,319,396
Rent & Rates	6,119,984	5,622,870
Repairs & Maintenance	4,696,690	2,941,224
Salary & Allowances	59,097,108	58,925,828
Sales Promotional Expenses	3,080,093	3,098,704
Subscription & Donation	719,000	265,500
T. A & Conveyance	1,348,081	1,579,600
Telephone, Fax and Radio Link	576,197	548,369
Transportation	8,391,397	7,850,247
Vehicles Maintenance	1,357,448	1,180,324
	-----	-----
	226,877,853	195,358,851
	=====	=====

- 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>3,600,000</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 7 (seven) board meetings held during the period.

30. FINANCIAL EXPENSES: TK. 5,563,401

Interest on Term Loan	5,395,888	5,721,205
Interest on Overdraft	167,513	1,086,912
	-----	-----
	5,563,401	6,808,117
	=====	=====

	<u>2017-2018</u>	<u>2016-2017</u>
31. OTHER INCOME: TK. 5,310,110		
Interest earned on STD Account	7,689	9,588
Dividend Income	1,766,453	1,766,453
Foreign Exchange Gain:	194,717	400,026
Foreign Exchange Loss from Operations	(489,029)	(350,451)
Foreign Exchange Gain from Translations	683,747	750,477
Interest on FDRs	3,341,251	1,928,623
	-----	-----
	5,310,110	4,104,690
	=====	=====

32. TAX EXPENSES: TK. 37,986,913

Current Tax	31,452,410	24,676,341
Under Provision of Tax in last year	6,382,896	-
Deferred Tax Expenses/(Income)	151,607	(569,547)
	-----	-----
	37,986,913	24,106,794
	=====	=====

- This represents estimated Income Tax on net profit for the period from 1st July 2017 to 30th June 2018.
- The provision for deferred tax expenses/ (income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

33. UNDER PROVISION OF TAX:

Under provision of tax arising from the adjustment between advance tax paid & tax provision made during the year 2016-2017 because of assessment completing the said income year 2016-2017.

34. DISCLOSURE REGARDING REARRANGEMENT:

- Income from foreign exchange gain or loss has been shown separately in Statement of Cash Flows for the last year to conform current year presentation.
- Bank charges & Commission (import) has been shown in factory overhead to conform current year presentation which was included in administrative & selling overhead in last year 2016-2017.

35. GENERAL:**a) Production Capacity (Quantity in pieces):**

	%	Quantity (2017-18)	%	Quantity (2016-17)
Capacity	100	33,600,000	100	30,000,000
Production	92.12	30,954,024	90.90	27,270,096

b) Production (Quantity in Dozen):

T, Polo & Sweat Shirts	<u>2,579,502</u>	<u>2,272,508</u>
------------------------	-------------------------	-------------------------

c) Consumption items:	<u>Value</u>	<u>Percentage</u>
Imported Yarn	462,307,413	22.13%
Imported Dyes & Chemicals	144,739,472	6.93%
Imported Accessories	158,596,180	7.59%
Local Yarn	629,680,085	30.14%
Local Dyes & Chemicals	181,172,343	8.67%
Local Accessories	<u>512,810,603</u>	<u>24.54%</u>
	<u>2,089,306,095</u>	<u>100.00%</u>

	<u>2017-2018</u>	<u>2016-2017</u>
d) Export (Quantity in Dozen):		
T, Polo & Sweat Shirts	<u>2,573,700</u>	<u>2,290,044</u>
e) Salaries & Wages:		
	<u>No. of Employees</u>	<u>Taka</u>
Above Tk. 5,300.00 per month	5,824	1,069,713,912
Below Tk. 5,300.00 per month	-	-

36. 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	17,500	-
Salary and Allowance	3,600,000	112,101,014
Provident Fund Contribution	-	7,110,571
Bonus	-	18,042,387
Perquisites	-	49,186,290

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

Earnings attributable to Ordinary Shareholders

Basic EPS = $\frac{\text{Earnings attributable to Ordinary Shareholders}}{\text{Weighted average number of shares outstanding during the period of 2017-18}}$

$$\text{Earnings per Share (EPS)} = \frac{24,424,403}{8,400,000} = 2.91$$

- 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 3rd Quarter, EPS from operational activities was Tk. 2.19 but annually it has been Tk. 2.91) is mainly due to consistency of turnover in last quarter of 2017-18.

38. NET ASSET VALUE (NAV) PER SHARE:

NAV Per Share = $\frac{\text{Net Assets (Total Assets - Total Liabilities)}}{\text{Number of ordinary shares outstanding}}$

$$\text{Net Asset Value (NAV) Per Share} = \frac{460,485,954}{8,400,000} = 54.82$$

39. NET OPERATING CASH FLOWS PER SHARE (NOCFPS):

$$\text{NOCFPS} = \frac{\text{Net Operating Cash Flows}}{\text{Number of ordinary shares outstanding}}$$

$$\text{Net Operating Cash Flows Per Share (NOCFPS)} = \frac{(88,625,934)}{8,400,000} = (10.55)$$

40. EVENTS AFTER REPORTING PERIOD:

The Board of Directors recommended cash Dividend of Tk. 2/- per Share for the year 2017-18 at the Board meeting held on October 27, 2018. 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.

41. 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 BAS 24: Related Party Disclosures.

Name of the Parties	Relationship	Nature of Transactions	2017-18	2016-17
i. Matex Bangladesh Ltd.	Common Director	Dyes Chemical	132,239,063	161,287,520
ii. Apex Yarn Dyeing Ltd.	Common Director	Yarn Dyeing & Threads	94,067,164	56,374,121

- The company is paying Remuneration to the Directors who are rendering full time service to the company and in addition to that there is nothing paid to them (note no. 29 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.

42. CAPITAL EXPENDITURE COMMITMENT:

- There was no capital expenditure contracted or incurred or provided for as at 30th June 2018.
- There was no material capital expenditure authorized by the Board or contracted for as at 30th June 2018.

43. CONTINGENT LIABILITY:

- There is Tk. 16.57 million as Bank guarantee for which the Company is contingently liable as on 30th June 2018.

44. 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 30th June 2018.
- There was no Bank Guarantee issued by the Company on behalf of the Directors.
- There was no credit facility available to the Company under any contract, or availed of as on 30th June 2018 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

Annexure-1

Reconciliation of Net Profit with Cash Flows from Operating Activities:

Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/ CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.

	<u>2017-2018</u>	<u>2016-2017</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Income Tax	62,411,316	47,270,273
Add: Depreciation During the Year	48,008,047	49,801,196
Less: Effect of Foreign Exchange Translation Gain	(4,047,004)	(3,702,602)
(Increase)/Decrease in Inventories	(1,619,221)	(1,480,685)
(Increase)/Decrease in Trade Receivable	(207,241,509)	52,187,830
(Increase)/Decrease in Advance Deposit & Prepayments	1,144,054	62,625,300
(Increase)/Decrease in Other Receivable	(15,016,001)	17,846,556
Income Tax Paid During the Year	(31,452,410)	(31,059,240)
Increase/(Decrease) in Trade Payables	58,033,549	(42,155,089)
Increase/(Decrease) in Other Payables	1,153,244	(31,809,624)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	<u>(88,625,934)</u>	<u>119,523,913</u>
RECONCILIATION		
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-INDIRECT METHOD	(88,625,934)	119,523,913
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES-DIRECT METHOD	(88,625,934)	119,523,913
Differences	<u>(0.00)</u>	<u>(0.00)</u>

PROXY FORM

The Director
Apex Spinning & Knitting Mills Limited
Rupayan Golden Age, 5th & 6th Floor
99 Gulshan Avenue, Gulshan, Dhaka-1212
Bangladesh

BO ID:

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 Register Folio No.....
 No. of Shares.....

I/We.....
 of.....
 Being a member of APEX SPINNING & KNITTING MILLS LIMITED hereby appoints
 Mr./Mrs./Miss.....
 of.....
 as my/our proxy to attend and vote for me/us and on my/our behalf at the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company will be held at the Spectra Convention Centre Limited, House No. 19, Road No. 07, Gulshan-1, Dhaka-1212, Bangladesh on Thursday the December 20, 2018 at 09.00 A.M. and or at any adjournment thereof. Signed this.....day of.....2018.

**AFFIX
 TWENTY
 TAKA
 REVENUE
 STAMP**

(Signature of the Proxy)
 BO ID:

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 Register Folio No.....
 Dated.....

Signature verified

Authorized Signatory

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

Note: A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead. The Proxy Form duly stamped with Revenue Stamp of Tk. 20.00 only, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

APEX SPINNING & KNITTING MILLS LIMITED

Rupayan Golden Age, 5th & 6th Floor, 99 Gulshan Avenue
 Gulshan, Dhaka-1212, Bangladesh

SHAREHOLDERS' ATTENDANCE SLIP

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

I/We record my attendance at the TWENTY-SEVENTH ANNUAL GENERAL MEETING being held on Thursday the December 20, 2018 at 9.00 A.M. at the Spectra Convention Centre Limited, House No. 19, Road No. 07, Gulshan-1, Dhaka-1212, Bangladesh.

Name of Member (s)
 BO ID:

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

Signature of Shareholder(s)

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