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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 fifteen months period ended on June 30, 2016**

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, 2016, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the fifteen months period ended on June 30, 2016 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-FIFTH ANNUAL GENERAL MEETING of APEX SPINNING & KNITTING MILLS LIMITED** will be held at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka -1206 on **Thursday the December 22, 2016 at 9.00 A.M.** to transact the following business:

### AGENDA

1. To receive and adopt the Audited Financial Statements for the fifteen months period ended on 30 June 2016 and report of the Auditors and Directors thereon.
2. To declare Dividend for the fifteen months period ended on 30 June 2016.
3. To elect Directors.
4. To approve re-appointment/extension of tenure of Independent Director.
5. To appoint Auditors for the year 2016-17 and fix their remuneration.
6. To transact any other business of the Company, with permission of the Chair.

Date: Dhaka  
November 06, 2016

By order of the Board of Directors

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

### NOTES:

1. The record date shall be on **November 17, 2016**.
2. The Shareholders whose name will appear in the Register of Members of the Company or in the Depository on the 'Record Date' will be eligible to attend the Annual General Meeting and be entitled to the Dividend.
3. A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead as per para 99 of the Articles of Association of the Company. The Proxy Form duly filed in, signed and stamped, must be submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
4. In pursuance of BSEC's Notification No. SEC/SRMI/2000-953/1950 dated October 24, 2000 gazetted on November 07, 2000, the Company shall hold discussions in the Annual General Meeting strictly in conformity with the provisions of the Companies Act, 1994.
5. Admittance to the meeting venue will be strictly on production of the Attendance Slip sent with the Notice.
6. Shareholders bearing BOID are requested to update their respective BOID with 12 digits Taxpayer's Identification Number (**eTIN**) and address through Depository Participant (DP) and Shareholders bearing Folio Numbers are requested to submit their 12 digit **eTIN** certificate to the Share Department of the Company by **November 17, 2016** latest. Failing which Income Tax at source will be deducted from cash dividend @ 15% instead of 10%.

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

# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Chairman	:	Mr. Zafar Ahmed
Managing Director	:	Mr. Zahur Ahmed PhD
Director (Representative of Apex Foods Ltd.)	:	Mr. Shahriar Ahmed
Director (ICB Representative)	:	Mr. Md. Moshir Rahman
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. Md. Moshir Rahman, Director

## SENIOR CORPORATE OFFICIALS

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

## LEGAL ADVISORS

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

## AUDITORS

Hussain Farhad & Co.  
Chartered Accountants

## BANKERS

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

## REGISTERED OFFICE

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

## FACTORY

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

## Five Years Statistics

Figure in Thousand Taka

Particulars	2015-16 (Fifteen months*)	2014-15	2013-14	2012-13	2011-12
<b>Results of Operations:</b>					
Revenue	4,319,335	2,989,846	2,511,696	2,445,606	2,524,441
Gross Profit	338,619	243,140	221,196	207,910	200,281
Operating Profit	53,366	31,823	36,786	35,693	30,089
Net Profit before Tax	56,012	35,921	41,597	40,167	30,068
Net Profit after Tax	28,765	23,204	18,796	18,487	16,827
Earnings Per Share (EPS)	3.42	2.76	2.24	2.20	2.00
Dividend Per Share**	2.20	2.00	2.00	1.80	1.80
<b>Financial Positions:</b>					
Total Assets	1,461,496	1,374,272	1,136,263	1,181,592	1,048,473
Property, Plant and Equipment-Gross	1,248,060	1,220,670	1,160,317	1,141,895	1,057,887
Property, Plant and Equipment - Net	250,630	284,236	273,063	307,546	287,050
Gross Working Capital	1,189,581	1,072,153	841,181	861,399	747,510
Net Working Capital	166,043	120,061	124,047	95,307	113,068
Working Capital Loan	83,790	81,131	3,653	35,631	23,858
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	325,388	313,838	307,435	313,188	309,821
Share Holders Equity	434,056	420,179	417,912	414,292	412,543
Long Term Loan	-	-	-	-	-
<b>Key Financial Ratios:</b>					
Current Ratio	1.16	1.13	1.17	1.12	1.18
Debt to Total Assets (%)	70.30	69.28	63.11	64.84	60.65
Return on Equity (%)	6.63	5.52	4.50	4.46	4.08
Net Asset Value Per Share	51.67	50.02	49.75	49.32	49.00
Dividend Payout Ratio (%)	64.24	72.40	89.38	81.79	89.85
Interest Service Coverage Ratio	7.43	6.61	5.89	4.62	4.04
<b>Others:</b>					
Market Price Per Share (30 <sup>th</sup> June)	92.74	69.11	96.67	56.00	103.01
Price Earnings Multiple	27.08	25.02	43.20	25.45	51.42
Number of Employees	5,621	4,948	4,574	4,690	3,925
Capacity Utilization (%)	92.25	87.13	89.11	78.20	86.07

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

\*\* The Board of Directors recommended Cash Dividend @Tk. 2.20 per Share for the period of fifteen months ( 01<sup>st</sup> April 2015 to 30<sup>th</sup> June 2016) ended on 30<sup>th</sup> June 2016..

\*\*\* During the year 2011-12, the face value of Shares have been converted into Tk. 10/- each from Tk. 100/- each.

## Corporate Governance Compliance Status Report

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

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board members should not be less than 5 (Five) and more than 20 (Twenty).	Complied	
<b>1.2</b>	<b>Independent Directors</b>		
1.2 (i)	Independent Director: At least 1/5 <sup>th</sup> (We have four Directors and One Independent Director)	Complied	
1.2 (ii)a)	Less than 1% Shares	Complied	
1.2 (ii)b)	Not a Sponsor of The Company	Complied	
1.2 (ii)c)	Does not have other relationship	Complied	
1.2 (ii)d)	Not a Member, Director or Officer of any Stock Exchange.	Complied	
1.2 (ii)e)	Not a Shareholder, Director or Officer of any Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (ii)f)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	Complied	
1.2 (ii)g)	Not an Independent Director more than three listed Companies.	Complied	
1.2 (ii)h)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBF)	Complied	
1.2 (ii)i)	Not convicted for a Criminal offence	Complied	
1.2 (iii)	Appointment by the Board and approved in AGM.	Complied/ In process	
1.2 (iv)	Post can not remain vacant more than 90 days	Complied	
1.2 (v)	Lay down a code of conduct and annual compliance.	Complied	
1.2 (vi)	Tenure of the Independent Director.	Complied	
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>		
1.3 (i)	Independent Director shall be knowledgeable	Complied	
1.3 (ii)	Should be a Corporate Leader/Business Leader	Complied	
1.3 (iii)	Special cases for relaxation of qualifications.	Not Applicable	
1.4	<b>Chairman of the Board and Chief Executive Officer:</b> Individual Chairman of the Board, Chief Executive and clearly defined roles and responsibilities.	Complied	
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>		
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	
1.5 (ii)	Segment-wise or product-wise performance	Complied	
1.5 (iii)	Risks and concerns	Complied	
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not applicable	

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

1.5 (xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxii)a)	A brief resume of the director;	Complied	
1.5 (xxii)b)	Nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
<b>2</b>	<b>CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):</b>		
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties.	Complied	
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting.	Complied	
<b>3</b>	<b>AUDIT COMMITTEE:</b>		
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied	
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	Complied	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
<b>3.1</b>	<b>Constitution of the Audit Committee</b>		
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members	Complied	
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied	
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	Complied	
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service.	Not applicable	
3.1(v)	The company secretary shall act as the secretary of the Committee	Complied	
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	Complied	
<b>3.2</b>	<b>Chairman of the Audit Committee</b>		
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	Will remain present.
<b>3.3</b>	<b>Role of Audit Committee</b>		
3.3(i)	Oversee the financial reporting process	Complied	
3.3(ii)	Monitor choice of accounting policies and principles.	Complied	



3.3(iii)	Monitor Internal Control Risk management process.	Complied	
3.3(iv)	Oversee hiring and performance of external auditors	Complied	
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
3.3(vii)	Review the adequacy of internal audit function.	Complied	
3.3(viii)	Review statement of significant related party transactions submitted by the management	Complied	
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by Statutory auditors.	Complied	
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee, on a quarterly basis and annual basis.	Not applicable	
<b>3.4</b>	<b>Reporting of the Audit Committee</b>		
3.4.1	Reporting to the Board of Directors		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	Complied	
3.4.1(ii)a)	Report on conflicts of interests;	Not applicable	There was no such event to report
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	Not applicable	There was no such event to report
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	Not applicable	There was no such event to report
3.4.2	Reporting to the Authorities	Not applicable	There was no such event to report
3.5	Reporting to the Shareholders and General Investors.	Not applicable	There was no such event to report
<b>4</b>	<b>EXTERNAL/STATUTORY AUDITORS:</b>		
4 (i)	Appraisal or valuation services or fairness opinions.	Complied	
4 (ii)	Financial information systems design and implementation	Complied	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	Complied	
4 (iv)	Broker-dealer services	Complied	
4 (v)	Actuarial services.	Complied	
4 (vi)	Internal audit services.	Complied	
4 (vii)	Any other service that the Audit Committee determines.	Complied	
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	Complied	
4 (ix)	Audit/Certification services on Compliance of Corporate Governance as required under clause (i) of condition No. 7.	Complied	

<b>5</b>	<b>SUBSIDIARY COMPANY:</b>		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Not applicable	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding Company shall be a director on the Board of Directors of the subsidiary company.	Not applicable	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Not applicable	
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Not applicable	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not applicable	
<b>6</b>	<b>DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):</b>		
6.(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	Complied	
6 (i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i)b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied	
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied	
<b>7</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>		
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines.	Complied	
7(ii)	The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report regarding compliance.	Complied	

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

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

We have examined the compliance of the conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) of Apex Spinning & Knitting Mills Limited for the fifteen months period ended on 30<sup>th</sup> June 2016 as stipulated in clause 7(i) of the BSEC notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

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

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

Dated: Dhaka  
October 27, 2016

Sd/-  
**Malek Siddiqui Wali**  
Chartered Accountants

## AUDIT COMMITTEE REPORT

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

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

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

The committee normally meets in the next month of every quarter. During the period of fifteen months (01<sup>st</sup> April 2015 to 30<sup>th</sup> June 2016), eight Audit Committee meeting 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	8	8
Mr. Zahur Ahmed PhD	8	8
Mr. Shahriar Ahmed	8	7
Mr. Md. Moshir Rahman	8	8

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

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principals.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Sufficient effectiveness of the internal financial controls.
- Compliance of all applicable legal and regulatory rules and regulations.
- Various reports of operational activities and streamlined the operations of the Company.
- The committee reviewed the audit plan for the period of fifteen months (01<sup>st</sup> April 2015 to 30<sup>th</sup> June 2016) 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 27<sup>th</sup> October 2016

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

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

Date: October 27, 2016

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

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

Dear Sirs:

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

- (i) We have reviewed that the financial statements for the fifteen months period ended on 30<sup>th</sup> June 2016 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws:
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the period which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer (CFO)

## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

It is an honor and pleasure for me to welcome you all to the Twenty-fifth Annual General Meeting of your Company and to present the Annual Report for the fifteen months period ended on 30<sup>th</sup> June 2016.

### **Global Economy:**

The world economy has experienced subdued growth continuing from last year, underperforming across almost all regions in the last fiscal year. Cyclical movements in growth remain synchronized among world economies. Looking ahead, global growth is projected to strengthen from 2.4 percent in 2016 to 2.8 percent in 2017. This is attributable to the renewed increase in financial volatility in late January – although market pressures were relatively broadly based, countries with higher inflation and wider current account deficits were generally more affected. Some emerging economies have tightened macroeconomic policies to shore up confidence and strengthen their commitment to policy objectives. Overall, financial conditions have tightened further in some emerging market economies, causing cost of capital to increase and this is expected to dampen investment and weigh on growth.

Downside risks, old and new, still dominate the outlook. Unexpected rapid normalization of U.S. monetary policy or renewed bouts of high risk aversion on the part of investors could result in further financial turmoil. With the arrival of a new political system in the USA and the “Brexit”, comes new challenges for global markets, with epicentres of power and geopolitics shifting from the West to the East. This may lead to difficult adjustments in some emerging market economies, with a risk of contagion and broad-based financial stress, and thus lower growth. Improved ties with India, Russia and large funds from Chinese sources have been committed for Bangladesh, which proves to be a big positive sign for the country.

### **Bangladesh Economy:**

Despite social unrest in the first half of fiscal year 2015/16 (July-June), real GDP grew by 7.1% and the economy is expected to continue to grow at a brisk pace. Bangladesh has set target to be in the middle-income group status by the year 2021. This is expected to be achieved through simultaneous improvement of political, economic, social, technological, rule of law and the environment, leading to eradication of numbers of the absolute poor.

Growth in Bangladesh in FY 2016 (ended 30 June 2016) exceeded expectations, aided by revived exports and sustained domestic consumption. Inflation was lower than projected, while larger exports and modest imports kept the current account in a larger surplus. Higher public sector salaries had an offsetting effect on the decline in remittances in Bangladesh in FY 2016. A rise in consumer and investor confidence as the political situation stabilized is also a stimulant for demand and has strengthened growth momentum.

While the economy is likely to retain its competitive advantage in producing clothing and apparel, rising incomes, better regulation and improved infrastructure will encourage a move towards higher value-added sectors. This could include the assembly of high-tech goods, boosting trade in this sector. In the long term, rising Foreign Direct Investment (FDI) inflows should support investment in Bangladesh. Growing household incomes should open the market for consumer goods, including high-tech products, however domestic consumer spending must be increased to sustain the growth of GDP, and the financial sector indeed holds a large role in making this achievable by offering more consumer centric financial products.

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, 2016

Sd/-  
**Zafar Ahmed**  
Chairman

## REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Auditors' Report and Audited Financial Statements of the Company for the fifteen months period ended on 30<sup>th</sup> June 2016.

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

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

During July 15 – June 16 period, garments export clocked USD 28.09 billion, a 10.2% hike from comparable period last year. In the international front, competitors like Pakistan and Vietnam are surging ahead with access to preferential trade agreements. Although favourable labour costs provide competitive strength to Bangladesh, problems remain with inadequate infrastructure and sporadic utility supply. The sector accounts for 82% of total export earnings of the country. There are several drives for efficiency improvements in the sector through hard KPIs such as lower resource/raw materials usage and through improving the social fabric of the workforce through improvements in the work place and offering better living standards for garments workers.

The spinning sub-sector remains crucial to RMG value chain helping to stabilize supply chain, while controlling costs. The private sector spinning mills can now meet around 100% demand of yarn at the domestic level as well as 95% of the demand for yarn for export oriented knit fabrics mills. In addition, almost 85% of cotton yarns and 50% demand for synthetic and blended yarn of export-oriented fabric producing mills are being met by the private sector spinning mills.

Bangladesh government has set an export target of USD 30.3 billion from the RMG sector for the fiscal year 2016-17.

**(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 17 of the Annual Report.

**(iii) Risks and concerns:**

Political turmoil, labour situation coupled with the compliance factors regarding workplace safety etc., are believed to have left a dent in the momentum of exports. However, the pertinent risks and concerns facing the industry are in Employee Training and Operational Risks.

The RMG industry in Bangladesh faces challenges to ensure workplace safety for the millions of garment workers in compliance with the national and international labour standards and labour rights. The recent deadly Rana Plaza collapse resulted in three important plans of actions to address the challenges in the sector. Initiatives have been taken after Rana Plaza accident along with progress made in terms of overcoming the challenges. Structural assessments of buildings housing RMG factories in Bangladesh including its progress, implementation mechanism, and outcomes have shown that the industry has progressed a lot since the Rana Plaza collapse in terms of achieving workplace safety compliance under three plans of actions, among which achievement in initiatives regarding structural assessment of RMG factory buildings is significant. However, nearly 1,000 factories remain to be assessed. Moreover, assessment of buildings is not a solid goal and weak factory buildings need to be made resilient by addressing structural issues.

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

The reporting period's (Fifteen months) cost of goods sold was Tk. 3,981 million as compared to last year's cost of goods sold of Tk. 2,747 million. This is due to the fact that there has been an increase in the gross turnover during the reporting period. During the reporting period 2,882,949 dozens of garments were produced as against last year's production of 2,178,191 dozens. The increase in production quantity is 704,758 dozens over the last year. Production capacity utilized during the reporting period was 92.25%. There was an increase in Wages and Salaries to the tune of Tk. 336.23 million as against last year.

**(b) Gross Profit:**

The company has achieved an export turnover of Tk. 4,319.33 million during the fifteen months period ended 30<sup>th</sup> June 2016. Last year's turnover was Tk. 2,989.85 million. The increase in turnover is 44.47% over the last year and this is due to the fact that current year's reporting period is 15 months. Gross profit earned during the period was Tk. 338.62 million as against last year's gross profit of Tk. 243.14 million.

**(c) Net Profit:**

Net profit (after tax) earned during the period was Tk. 28.77 million as compared to last year's Net profit (after tax) of Tk. 23.20 million. There is no significant difference from last year's net profit. The benefit of additional sales was absorbed by additional cost.

**(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. 3.06 million has been shown as Fair Valuation Surplus for Investment in the Statement of Profit or Loss and other Comprehensive Income which represents the difference between the closing price of investment in the Shares of Apex Foods Limited and the price shown in the last Statement of Financial Position. This accounting effect was given in order to comply with the latest requirement of Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standards (BFRS). Details are given in Note 12 of the Annual Report.

**(vi) Related party transactions:**

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

Name of the Parties	Relationship	Nature of Transactions	2015-16	2014-15
			(Fifteen months)	
i. Matex Bangladesh Ltd.	Common Director	Dyes Chemical	148,657,973	104,771,179
ii. Apex Yarn Dyeing Ltd.	Common Director	Yarn Dyeing & Threads	122,376,405	175,925,167

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

There were 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 significant increase in EPS (i.e. up to 3<sup>rd</sup> Quarter, EPS from operational activities was Tk. 2.01 but annually it has been Tk. 2.90 & Tk. 3.42 in total period ) is mainly due to increase of turnover in last quarter of 2015-16 and the period of April-June'2016.



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

The remunerations of Directors including Independent Director for the period of fifteen months are as follows:

Name of the Directors	Director / Independent Director	Remuneration for the period
Mr. Zahur Ahmed PhD	Director	2,250,000
Mr. Shahriar Ahmed	Director	1,500,000
Mr. Kazi Faruq Kader	Independent Director	750,000

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

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

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

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

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

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

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

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

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

Particulars	"Figure in thousand Taka"					
	2015-16 (Fifteen months)	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Operational Data:</b>						
Revenue	4,319,335	2,989,846	2,511,696	2,445,606	2,524,441	2,231,013
Gross Profit	338,619	243,140	221,196	207,910	200,281	165,840
Operating Profit	53,366	31,823	36,786	35,693	30,089	21,928
Net Profit before Tax	56,012	35,921	41,597	40,167	30,068	22,023
Net Profit after Tax	28,765	23,204	18,796	18,487	16,827	13,528
Earnings Per Share (EPS)	3.42	2.76	2.24	2.20	2.00	16.11
Dividend Per Share	2.20	2.00	2.00	1.80	1.80	15.00
<b>Financial Data:</b>						
Total Assets	1,461,496	1,374,272	1,136,263	1,181,592	1,048,473	1,070,254
Property, Plant and Equipment-Gross	1,248,060	1,220,670	1,160,317	1,141,895	1,057,887	1,047,715
Property, Plant and Equipment - Net	250,630	284,236	273,063	307,546	287,050	326,710
Gross Working Capital	1,189,581	1,072,153	841,181	861,399	747,510	730,506
Net Working Capital	166,043	120,061	124,047	95,307	113,068	66,775
Working Capital Loan	83,790	81,131	3,653	35,631	23,858	61,994
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	325,388	313,838	307,435	313,188	309,821	305,593
Share Holders Equity	434,056	420,179	417,912	414,292	412,543	404,593
Long Term Loan	-	-	-	-	-	301

**(xix) Dividend:**

Board of Directors has recommended Cash Dividend of Tk. 2.20 per Share of Tk. 10.00 each for the fifteen months period of 2015-16 (April 2015 to June 2016). 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 17<sup>th</sup> November 2016 at the close of office.

**(xx) Board meetings:**

During the fifteen months period 10 (Ten) Board Meetings were held. The attendance record of the Directors is as follows:

<b>Name of Directors</b>	<b>Meeting attended</b>
Mr. Zafar Ahmed	9
Mr. Zahur Ahmed PhD	10
Mr. Shahriar Ahmed	9
Mr. Md. Moshir Rahman	9
Mr. Kazi Faruq Kader	10

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

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

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

- (i) I, Zafar Ahmed and Mr. Md. Moshir Rahman (ICB nominated director) 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. Moshir Rahman 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 Directors of the Company and is working in this sector since 1979. 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 and is one of the experts in Frozen Foods sector of Bangladesh.
- c) I am 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. Md. Moshir Rahman**

- a) Mr. Md. Moshir Rahman joined in the Board of Apex Spinning & Knitting Mills Limited on July 25, 2010 as Director nominated by Investment Corporation of Bangladesh (ICB). He is a Post Graduate in marketing from Rajshahi University. 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) Mr. Rahman has sound knowledge in this sector.
- c) Mr. Rahman is also holding the Directorship of Bangladesh Welding Electrodes Ltd.,
- d) Presently, Mr. Rahman is one of the members of the Audit Committee.

**(ii) Mr. Kazi Faruq Kader** has been re-appointed as independent Director for the next term as per BSEC Corporate Governance Guidelines.

The details work profiles of Mr. Kazi Faruq Kader are given bellow:

- a. Mr. Kader is a Graduate from Dhaka University. He was a Member of Parliament from 1988 to 1990 and 2008 to 2013 and during the tenure from 1988 to 1990 he was a Member of the Standing Committee for Commerce and also appointed as Director and Chairman of Sonali Bank as well as Sadharan Bima Corporation. During the tenure from 2008 to 2013 he was a Member of the Standing Committee for Education.
- b. Mr. Kader is the Independent Director of the Company and has sound knowledge in this sector.
- c. Mr. Kader is also holding the Independent Directorship of Apex Foods Limited.
- d. Presently, Mr. Kader is the Chairman of the Audit Committee.

**(xxiii) Auditors:**

As per order of the Bangladesh Securities & Exchange Commission, existing Auditors M/s. Hussain Farhad & Co., Chartered Accountants, retires being the auditors of the Company for three consecutive years. Being eligible, M/s. Malek Siddiqui Wali., Chartered Accountants offer themselves for appointment as Auditors of the Company for the year 2016-17.

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

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

Dhaka  
October 27, 2016

On behalf of the Board

Sd/-  
**Zafar Ahmed**  
Chairman

## পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১৬ সালের ৩০ শে জুন তারিখে সমাপ্ত বার্ষিক প্রতিবেদন এর সাথে পনের মাসের নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আনন্দিত।

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

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

জুলাই- ১৫ থেকে জুন- ১৬ অর্থ বছরে বস্ত্র রপ্তানী খাতে আয় হয়েছে ২৮.০৯ বিলিয়ন মার্কিন ডলার যা বিগত বছরের তুলনায় ১০.২% বেশী। আন্তর্জাতিক বাজারে প্রতিদ্বন্দ্বী পাকিস্তান এবং ভিয়েতনাম প্রিফারেনসিয়াল ট্রেড এগ্রিমেন্টস এর কারণে এগিয়ে আছে। বাংলাদেশে শ্রম মজুরী সস্তা হওয়ায় খানিকটা এগিয়ে থাকলেও সমস্যা রয়েছে অবকাঠামো এবং ইউটিলিটি খাতে অপ্রতুলতা। দেশের মোট রপ্তানীর ৮২% আসে তৈরী পোষাক রপ্তানী খাত থেকে। মজবুত KPI এর মাধ্যমে শ্রমিকের দক্ষতা উন্নয়নের বিভিন্ন উপায় আছে যেমন: কম সম্পদ/ কাঁচামাল ব্যবহার করা এবং শ্রমিকদের সামাজিক উন্নয়ন করে কর্মক্ষেত্রের পরিবেশ উন্নত করার মাধ্যমে এবং বস্ত্র খাতের শ্রমিকদের জন্য উন্নত জীবন যাত্রার ব্যবস্থার মাধ্যমে।

মূল্য নিয়ন্ত্রনের ক্ষেত্রে নিরবিচ্ছিন্ন সরবরাহ ব্যবস্থা তৈরী পোষাক শিল্পে স্পিনিং সাব সেক্টর গুলো খুবই গুরুত্বপূর্ণ। ব্যক্তি মালিকানাধীন সুতা উৎপাদনকারী শিল্প প্রতিষ্ঠান গুলো বর্তমানে সুতার স্থানীয় চাহিদা প্রায় ১০০% পূরণ করছে এবং নীট কাপড় রপ্তানীমুখী কারখানার ৯৫% সুতার চাহিদা মেটাচ্ছে। এছাড়াও ব্যক্তি মালিকানাধীন সুতা উৎপাদনকারী শিল্প প্রতিষ্ঠানগুলো প্রায় ৮৫% কটন সুতা এবং ৫০% সিনথেটিক এবং ব্লেণ্ডেড সুতা রপ্তানীমুখী কাপড় তৈরীর কারখানায় যোগান দিচ্ছে।

বাংলাদেশ সরকার আগামী ২০১৬-২০১৭ অর্থ বছরে তৈরী পোষাক শিল্প খাত থেকে ৩০.৩০ বিলিয়ন মার্কিন ডলার রপ্তানীর লক্ষ্যমাত্রা নির্ধারণ করেছে।

### ২. খাতওয়ারি অথবা পণ্য ভিত্তিক ফলাফলঃ

যেহেতু এপেক্স স্পিনিং এন্ড নিটিং মিলস্ লিমিটেড শুধু মাত্র তৈরী পোষাক উৎপাদনকারী প্রতিষ্ঠান সেহেতু এখানে পণ্য ভিত্তিক ফলাফলের বিবরণ দেওয়ার কোন সুযোগ নেই। যা হোক বার্ষিক প্রতিবেদনের ১৭ নং নোটে প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

### ৩. ঝুঁকি ও উদ্ভিন্নতা সমূহঃ

রপ্তানী খাতের চিন্তার বিষয় হচ্ছে রাজনৈতিক অস্থিরতা, শ্রমিক অসন্তোষ এর সাথে সম্পর্কিত কর্মস্থলের নিরাপত্তা ইত্যাদি। তবে শিল্প প্রতিষ্ঠান গুলো শ্রমিকদের প্রশিক্ষণ এবং পরিচালন সম্পর্কিত ঝুঁকির সম্মুখীন হচ্ছে।

তৈরী পোষাক শিল্পে নিয়োজিত লক্ষ লক্ষ শ্রমিক কর্মচারীদের কর্ম ক্ষেত্রের পরিবেশের নিরাপত্তা সম্পর্কিত জাতীয় ও আন্তর্জাতিক শ্রম মান ও অধিকার অনুসরণের ক্ষেত্রে বাংলাদেশের তৈরী পোষাক শিল্প গুলি প্রতিযোগীতার সম্মুখীন হচ্ছে। সাম্প্রতিক প্রাণঘাতী রানা প্লাজা ধস তিনটি গুরুত্বপূর্ণ কর্মপরিকল্পনা এই খাতকে প্রতিযোগীতার সম্মুখীন করেছে। আর এই ঘটনার পর, এই বিষয়সমূহকে মোকাবিলা করার জন্য কিছু পদক্ষেপ গ্রহণ করা হয়েছে এবং সেগুলোর অগ্রগতি হয়েছে। বাংলাদেশের তৈরী পোষাক শিল্প কারখানার বিভিন্ন এর কাঠামোগত মূল্যায়ন ইহার উন্নত ও কৌশলগত প্রয়োগ ব্যবস্থা গ্রহণের ফলে কাজের পরিবেশের নিরাপত্তা অর্জন হচ্ছে যাহা তিন কর্ম পদ্ধতির আওতায়, যাহার মধ্যে কাঠামোগত মূল্যায়ন গুরুত্বপূর্ণ। প্রায় ১০০০ কারখানা মূল্যায়ন করা এখনো বাকী রয়েছে। তাছাড়া অবকাঠামো মূল্যায়ন প্রকৃত উদ্দেশ্য না হয়ে বরং অবকাঠামো বিষয় গুলিকে চিহ্নিত করিয়া দুর্বল কারখানাগুলোকে পুনঃ গঠন করতে হবে।

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

ক) বিক্রিত পণ্যের ব্যয়ঃ

প্রতিবেদন কালীন সময়ে (পনের মাস) বিক্রিত পণ্যের ব্যয় ছিল ৩,৯৮১ মিলিয়ন টাকা, যা গত বৎসর ছিল ২,৭৪৭ মিলিয়ন টাকা। এর কারণ প্রতিবেদন কালীন সময়ে মোট বিক্রয় বেড়েছে। প্রতিবেদন কালীন সময়ে ২,৮৮২,৯৪৯ ডজন তৈরি পোষাক উৎপাদন হয়েছে যা গত বৎসর ছিল ২,১৭৮,১৯১ ডজন। গত বৎসরের তুলনায় ৭০৪,৭৫৮ ডজন

উৎপাদন বৃদ্ধি পেয়েছে। প্রতিবেদন কালীন সময়ে কোম্পানীর উৎপাদন ক্ষমতার ৯২.২৫ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় প্রতিবেদন কালীন সময়ে মজুরী এবং বেতন ৩৩৬.২৩ মিলিয়ন টাকা বৃদ্ধি পেয়েছে।

খ) মোট মুনাফাঃ

৩০ জুন ২০১৬ সমাপ্ত প্রতিবেদন কালীন সময়ে (পনের মাস) কোম্পানী মোট বিক্রয় করেছে ৪,৩১৯.৩৩ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ২৯৮৯.৮৫ মিলিয়ন টাকা। গত বৎসরের তুলনায় প্রতিবেদন কালীন সময়ে ৪৪.৪৭ শতাংশ বিক্রয় বৃদ্ধি পেয়েছে কারণ প্রতিবেদন কালীন সময় হল ১৫ মাস। এ বৎসর মোট মুনাফা অর্জিত হয়েছে ৩৩৮.৬২ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৪৩.১৪ মিলিয়ন টাকা।

গ) নীট মুনাফাঃ

প্রতিবেদন কালীন সময়ে নীট মুনাফা (কর পরবর্তী) হয়েছে ২৮.৭৭ মিলিয়ন টাকা, যা গত বৎসর ছিল ২৩.২০ মিলিয়ন টাকা। গত বৎসরের নীট মুনাফার সহিত প্রতিবেদন কালীন সময়ে কোন উল্লেখযোগ্য পার্থক্য নেই। অতিরিক্ত খরচের কারণে অতিরিক্ত বিক্রয় মুনাফা শোষিত হয়েছে।

৫. অস্বাভাবিক লাভ বা ক্ষতিঃ

এ বৎসর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। তবে ৩.০৬ 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 ১২নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহঃ

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

পার্টির নাম	সম্পর্ক	লেনদেনের ধরন	২০১৫-১৬ (পনের মাস)	২০১৪-১৫
ক) ম্যাটেক্স বাংলাদেশ লিমিটেড	একই পরিচালক	রং এবং রাসায়নিক দ্রব্য ক্রয়	১৪৮,৬৫৭,৯৭৩	১০৪,৭৭১,১৭৯
খ) এপেক্স ইয়ার্ন ডাইং লিমিটেড	একই পরিচালক	সুতার রং এবং সুতা ক্রয়	১২২,৩৭৬,৪০৫	১৭৫,৯২৫,১৬৭

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 প্রাপ্তিক পর্যন্ত পরিচালন কার্যক্রমে শেয়ার প্রতি আয় ছিল ২.০১ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ২.৯০ টাকা এবং প্রতিবেদন কালীন সময়ে শেয়ার প্রতি আয় হয়েছে ৩.৪২ টাকা)। এটা মূলত ২০১৫-১৬ শেষ ত্রৈমাসিক এবং এপ্রিল থেকে জুন ২০১৬ এ বিক্রয় বৃদ্ধি হওয়ার কারণে।

১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিকঃ

স্বতন্ত্র পরিচালক সহ পরিচালকদের পনের মাসের পারিশ্রমিক নিম্নরূপঃ

পরিচালকদের নাম	পরিচালক/স্বতন্ত্র পরিচালক	বাৎসরিক পারিশ্রমিক
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	২২,৫০,০০০/-
জনাব শাহরিয়ার আহমেদ	পরিচালক	১৫,০০,০০০/-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	৭,৫০,০০০/-

১১. কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর আর্থিক অবস্থা, কার্যক্রমের ফলাফল, নগদ প্রবাহ, মূলধনের পরিবর্তন সঠিক ভাবে উপস্থাপন করা হয়েছে।
১২. কোম্পানীর হিসাব বহি সমূহ যথাযথ ভাবে সংরক্ষণ করা হয়েছে।
১৩. আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এবং হিসাবগত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।
১৪. ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস (আই.এ.এস)/বাংলাদেশ এ্যাকাউন্টিং স্ট্যান্ডার্ডস (বি.এ.এস)/ ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আই.এফ.আর.এস)/ বাংলাদেশ ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বি.এফ.আর.এস) যাহা বাংলাদেশে প্রযোজ্য তাহা অনুসরণ করে আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং কোথাও কোন ব্যত্যয় থাকলে তাহা যথাযথ ভাবে প্রকাশ করা হয়েছে।
১৫. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত ও কার্যকর ভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।
১৬. কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।

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

প্রতিবেদন কালীন সময়ে বিক্রয় বৃদ্ধি পেয়েছে কিন্তু মজুরী এবং বেতন বৃদ্ধির কারণে পরিচালনগত ফলাফলের সহিত চলতি বৎসরের কোন উল্লেখযোগ্য ব্যবধান নেই।

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

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০১৫-১৬ (১৫ মাস)	২০১৪-১৫	২০১৩-১৪	২০১২-১৩	২০১১-১২	২০১০-১১
<b>পরিচালন তথ্যঃ</b>						
বিক্রয়	৪,৩১৯,৩৩৫	২,৯৮৯,৮৪৬	২,৫১১,৬৯৬	২,৪৪৫,৬০৬	২,৫২৪,৪৪১	২,২৩১,০১৩
মোট মুনাফা	৩৩৮,৬১৯	২৪৩,১৪০	২২১,১৯৬	২০৭,৯১০	২০০,২৮১	১৬৫,৮৪০
পরিচালন মুনাফা	৫৩,৩৩৬	৩১,৮২৩	৩৬,৭৮৬	৩৫,৬৯৩	৩০,০৮৯	২১,৯২৮
করপূর্ব মুনাফা	৫৬,০১২	৩৫,৯২১	৪১,৫৯৭	৪০,১৬৭	৩০,০৬৮	২২,০২৩
করপরবর্তী মুনাফা	২৮,৭৬৫	২৩,২০৪	১৮,৭৯৬	১৮,৪৮৭	১৬,৮২৭	১৩,৫২৮
শেয়ার প্রতি আয়	৩.৪২	২.৭৬	২.২৪	২.২০	২.০০	১.৬১১
প্রতি শেয়ারের জন্য লভ্যাংশ	২.২০	২.০০	২.০০	১.৮০	১.৮০	১.৫০০
<b>আর্থিক তথ্যঃ</b>						
মোট সম্পদ	১,৪৬১,৪৯৬	১,৩৭৪,২৭২	১,১৩৬,২৬৩	১,১৮১,৫৯২	১,০৪৮,৪৭৩	১,০৭০,২৫৪
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	১,২৪৮,০৬০	১,২২০,৬৭০	১,১৬০,৩১৭	১,১৪১,৮৯৫	১,০৫৭,৮৮৭	১,০৪৭,৭১৫
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	২৫০,৬৩০	২৮৪,২৩৬	২৭৩,০৬৩	৩০৭,৫৪৬	২৮৭,০৫০	৩২৬,৭১০
মোট চলতি মূলধন	১,১৮৯,৫৮১	১,০৭২,১৫৩	৮৪১,১৮১	৮৬১,৩৯৬	৭৪৭,৫১০	৭৩০,৫০৬
নীট চলতি মূলধন	১৬৬,০৪৩	১২০,০৬১	১২৪,০৪৭	৯৫,৩০৭	১১৩,০৬৮	৬৬,৭৭৫
চলতি মূলধন ঋণ	৮৩,৭৯০	৮১,১৩১	৩,৬৫৩	৩৫,৬৩১	২৩,৮৫৮	৬১,৯৯৪
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	৩২৫,৩৮৮	৩১৩,৮৩৮	৩০৭,৪৩৫	৩১৩,১৮৮	৩০৯,৮২১	৩০৫,৫৯৩
শেয়ার মালিকদের ইকুইটি	৪৩৪,০৫৬	৪২০,১৭৯	৪১৭,৯১২	৪১৪,২৯২	৪১২,৫৪৩	৪০৪,৫৯৩
দীর্ঘ মেয়াদী ঋণ	-	-	-	-	-	৩০১

#### ১৯. লভ্যাংশঃ

কোম্পানীর পরিচালকমন্ডলী ২০১৫-১৬ এর পনের মাসের (এপ্রিল ২০১৫ থেকে জুন ২০১৬) হিসাব কালীন সময়ে প্রতি ১০/- (দশ) টাকার শেয়ারের জন্য ২.২০ 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 ১৭, ২০১৬ ইং তারিখে কার্য সমাপ্ত সময়ে অন্তর্ভুক্ত থাকবে।

## ২০. বোর্ডের সভা:

প্রতিবেদন কালীন সময়ে (পনের মাস) বোর্ডের ১০ (দশ) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	৯
জনাব জহুর আহমেদ পিএইচডি	১০
জনাব শাহরিয়ার আহমেদ	৯
জনাব মুহম্মদ মশিউর রহমান	৯
জনাব কাজী ফারুক কাদের	১০

## ২১. শেয়ারহোল্ডিংস সংক্রান্ত বিবরণ:

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

## ২২. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগ:

(১) আমি জাফর আহমেদ এবং জনাব মুহম্মদ মশিউর রহমান (আইসিবি মনোনিত পরিচালক) কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করছি এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করছি। আমার এবং জনাব মুহম্মদ মশিউর রহমান 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 ১৯৭৯ 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 এবং হিমায়িত খাদ্য খাতে বাংলাদেশের এক জন দক্ষ কৌশলি।
- গ) আমি এই কোম্পানী ছাড়াও ১. এপেক্স ফুডস্ লিমিটেড, ২. এপেক্স ল্যানজারি লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিটিং মিলস্ লিমিটেড ৫. এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও ৬. ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছি।
- ঘ) বর্তমানে আমি বোর্ডের কোন কমিটির সদস্য নই।

**জনাব মশিউর রহমান :**

- ক) জনাব মশিউর রহমান জুলাই ২৫, ২০১০ সালে ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসিবি) এর মনোনীত পরিচালক হিসাবে এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এর পরিচালক পদে যোগদান করেন। তিনি মার্কেটিং বিষয়ে রাজশাহী 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) জনাব রহমান এই শিল্প খাত সম্পর্কে গভীর জ্ঞানের অধিকারী।
- গ) জনাব রহমান এই কোম্পানী ছাড়াও বাংলাদেশ ওয়েলডিং ইলেকট্রোডস্ লিমিটেড এর পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে জনাব রহমান অডিট কমিটির একজন সদস্য।

(২) জনাব কাজী ফারুক কাদের বিএসইসি কর্পোরেট গভর্নেন্স গাইডলাইনস অনুসারে স্বতন্ত্র পরিচালক হিসাবে পুনঃ নিয়োগ প্রাপ্ত হয়েছেন।

জনাব কাজী ফারুক কাদের এর বিস্তারিত বিবরণ নিম্নরূপঃ

- ক) জনাব কাদের, ঢাকা বিশ্ববিদ্যালয় হইতে স্নাতক ডিগ্রী অর্জন করেন। তিনি ১৯৮৮ থেকে ১৯৯০ এবং ২০০৮ থেকে ২০১৩ সন পর্যন্ত সংসদ সদস্য ছিলেন এবং ১৯৮৮ থেকে ১৯৯০ মেয়াদে তিনি বানিজ্য মন্ত্রণালয়ের স্ট্যান্ডিং কমিটির সদস্য ছিলেন এবং তিনি সোনালী ব্যাংক ও সাধারণ বীমা কর্পোরেশনের পরিচালক ও চেয়ারম্যান হিসাবেও নিয়োগ প্রাপ্ত হয়েছিলেন। তিনি ২০০৮ থেকে ২০১৩ মেয়াদে শিক্ষা মন্ত্রণালয়ের স্ট্যান্ডিং কমিটির সদস্য ছিলেন।
- খ) জনাব কাদের এই কোম্পানীর একজন স্বতন্ত্র পরিচালক এবং এই শিল্প খাত সম্পর্কে গভীর জ্ঞানের অধিকারী।
- গ) জনাব কাদের এপেক্স ফুডস্ লিমিটেডের ও স্বতন্ত্র পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে জনাব কাদের অডিট কমিটির চেয়ারম্যান।

**২৩. নিরীক্ষকঃ**

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ অনুযায়ী বর্তমান নিরীক্ষক মেসার্স হুসাইন ফরহাদ এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ পর পর তিন বৎসর নিরীক্ষা কার্য সম্পাদন করেছেন বিধায় অবসর গ্রহণ করছেন। যোগ্য বিধায় ২০১৬-২০১৭ হিসাব বৎসরের জন্য মেসার্স মালেক সিদ্দিক ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ তাহাদেরকে নিরীক্ষক নিয়োগের জন্য প্রস্তাব করেছেন।

**২৪. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদনঃ**

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

ঢাকা  
২৭ অক্টোবর, ২০১৬

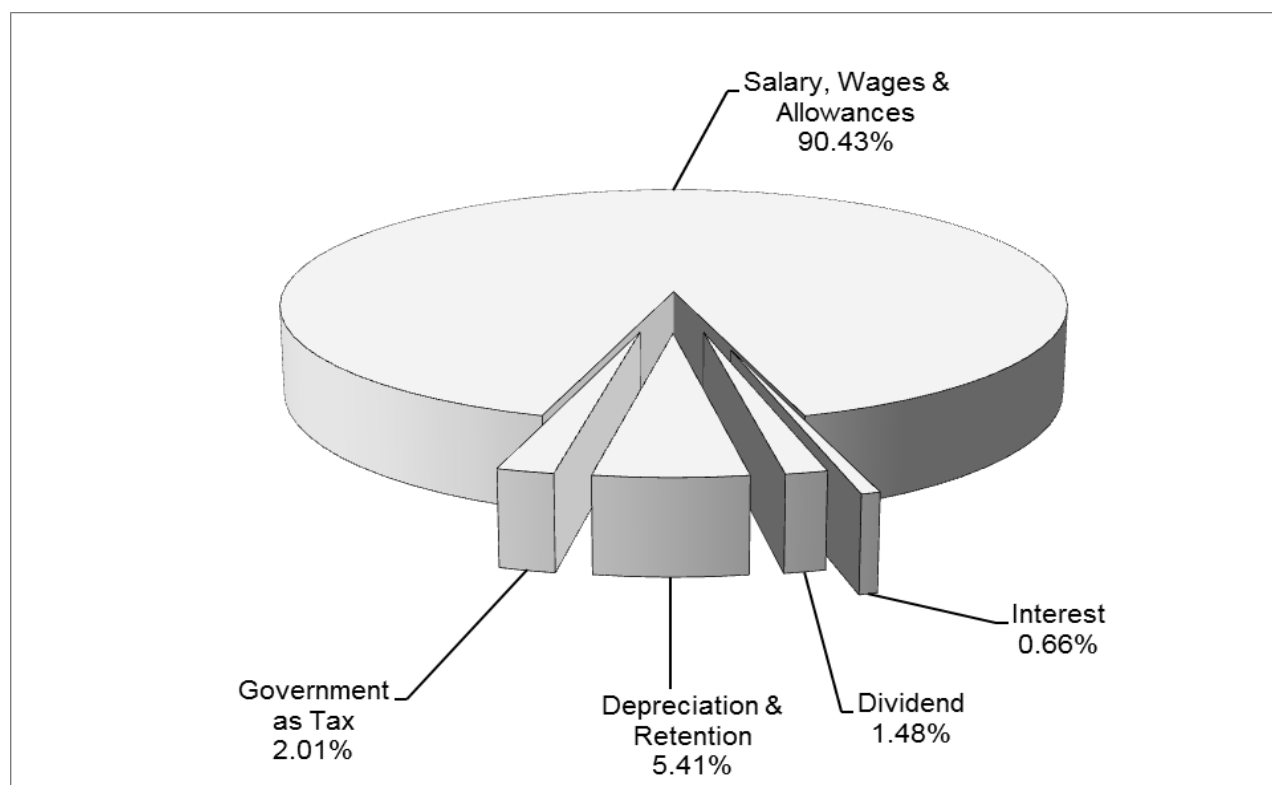
বোর্ডের পক্ষে  
স্বা/-  
জাফর আহমেদ  
সভাপতি



## VALUE ADDED STATEMENT

Value in Taka

PARTICULARS	2015-16 (Fifteen months)	%	2014-15	%
<b>VALUE ADDED:</b>				
Revenue	4,319,334,564		2,989,845,894	
Less: Bought in Materials & Services	3,067,948,253		2,114,635,929	
	<b>1,251,386,311</b>		<b>875,209,965</b>	
<b>APPLICATIONS:</b>				
Government as Tax	25,196,863	2.01	8,560,981	0.98
Employees as Salary Wages & Allowances	1,131,670,109	90.43	790,427,470	90.31
Providers of Loan as Interest	8,302,093	0.66	5,670,869	0.65
Providers of Capital as Dividend	18,480,000	1.48	16,800,000	1.92
Depreciation & Retention	67,737,246	5.41	53,750,645	6.14
	<b>1,251,386,311</b>	<b>100.00</b>	<b>875,209,965</b>	<b>100.00</b>



## Independent Auditor's Report to the Shareholders of Apex Spinning & Knitting Mills Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Apex Spinning & Knitting Mills Limited, which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 01 April 2015 to 30 June 2016 (15 months) then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS), and other applicable laws & regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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 about whether 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 our 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, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 evaluating 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 give a true and fair view of the financial position of Apex Spinning & Knitting Mills Limited as at 30 June 2016, and of its financial performance and its cash flows for the period of 15 months then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

### **Other matter**

Financial Statements of the Company for the year then ended 31 March 2016 and the period of three months then ended 30 June 2016 have separately been audited by us.

### **Emphasis of Matter**

We draw attention to Note 1.y to the financial statements which describes the reason for using a longer period of fifteen months and the fact that the amounts presented in the financial statements which are not entirely comparable. Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and we also report the following:

- 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated; Dhaka  
October 27, 2016

Sd/-  
**Hussain Farhad & Co.**  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2016

	Notes	30.06.2016	Value in Taka 31.03.2015
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
		<b>271,914,961</b>	<b>302,119,566</b>
Property, Plant and Equipment	2	250,629,578	284,236,108
Investments	3	21,285,383	17,883,458
<b>Current Assets:</b>			
		<b>1,189,581,173</b>	<b>1,071,737,131</b>
Inventories	4	193,149,524	190,620,355
Trade Receivables	5	437,865,870	596,858,339
Advances, Deposits & Prepayments	6	148,873,624	51,487,716
Other Receivable	7	21,762,955	33,146,295
Cash & Cash Equivalents	8	387,929,200	199,624,426
<b>TOTAL ASSETS</b>		<b>1,461,496,134</b>	<b>1,373,856,697</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
		<b>434,056,023</b>	<b>419,763,212</b>
Share Capital	9	84,000,000	84,000,000
Share Premium	10	15,000,000	15,000,000
Reserve and Surplus	11	325,387,757	313,422,620
Fair valuation Surplus of Investment	12	9,668,266	7,340,592
<b>Non Current Liabilities</b>			
		<b>3,902,323</b>	<b>2,001,634</b>
Deferred Tax Liability		3,902,323	2,001,634
<b>Current Liabilities</b>			
		<b>1,023,537,788</b>	<b>952,091,851</b>
Working Capital Loan	13	83,790,102	81,130,964
Short Term Loan	14	54,616,007	36,735,327
Trade Payables	15	745,163,504	755,635,902
Other Payables	16	139,968,175	78,589,658
<b>Total Liabilities</b>		<b>1,027,440,111</b>	<b>954,093,485</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,461,496,134</b>	<b>1,373,856,697</b>
<b>Net Assets Value Per Share</b>		<b>51.67</b>	<b>49.97</b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 27, 2016

Sd/-  
**Hussain Farhad & Co.**  
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE FIFTEEN MONTHS PERIOD ENDED 30 JUNE, 2016**

		Value in Taka			
	Notes	April 2015 to June 2016 (15 Months)	April 2016 to June 2016 (03 Months)	April 2015 to March 2016 (12 Months)	April 2014 to March 2015 (12 Months)
<b>REVENUE</b>	<b>17</b>	<b>4,319,334,564</b>	<b>887,641,043</b>	<b>3,431,693,521</b>	<b>2,989,845,894</b>
Cost of goods sold	<b>18</b>	(3,980,715,107)	(819,125,391)	(3,161,589,716)	(2,746,705,811)
<b>GROSS PROFIT</b>		<b>338,619,457</b>	<b>68,515,652</b>	<b>270,103,805</b>	<b>243,140,083</b>
<b>OPERATING EXPENSES:</b>		<b>(285,253,802)</b>	<b>(59,529,166)</b>	<b>(225,724,636)</b>	<b>(211,316,981)</b>
Administrative & selling overhead	<b>20</b>	(276,951,709)	(57,122,314)	(219,829,395)	(205,646,112)
Financial expenses	<b>21</b>	(8,302,093)	(2,406,852)	(5,895,241)	(5,670,869)
<b>OPERATING PROFIT</b>		<b>53,365,655</b>	<b>8,986,486</b>	<b>44,379,169</b>	<b>31,823,102</b>
Other Income	<b>22</b>	5,594,123	814,725	4,779,398	5,988,040
<b>PROFIT BEFORE PPF &amp; WF</b>		<b>58,959,778</b>	<b>9,801,211</b>	<b>49,158,567</b>	<b>37,811,142</b>
Provision for contribution to PPF & WF		(2,947,989)	(490,061)	(2,457,928)	(1,890,557)
<b>PROFIT BEFORE TAX</b>		<b>56,011,789</b>	<b>9,311,150</b>	<b>46,700,639</b>	<b>35,920,585</b>
<b>Tax Expenses:</b>	<b>23</b>				
Current tax		(26,420,215)	(5,702,436)	(20,717,779)	(11,933,316)
Deferred tax (expenses)/income		(826,437)	781,002	(1,607,439)	(783,581)
<b>NET PROFIT AFTER TAX</b>		<b>28,765,137</b>	<b>4,389,716</b>	<b>24,375,421</b>	<b>23,203,688</b>
<b>Other comprehensive income:</b>					
Fair valuation surplus/(Deficit) of Investment	<b>12</b>	3,061,733	236,104	2,825,629	(4,136,470)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>31,826,870</b>	<b>4,625,820</b>	<b>27,201,050</b>	<b>19,067,218</b>
<b>Earnings Per Share (EPS)</b>	<b>26</b>	<b><u>3.42</u></b>	<b><u>0.52</u></b>	<b><u>2.90</u></b>	<b><u>2.76</u></b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 27, 2016

Sd/-  
**Hussain Farhad & Co.**  
Chartered Accountants

## STATEMENT OF CHANGES IN EQUITY FOR THE FIFTEEN MONTHS PERIOD ENDED 30 JUNE, 2016

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 31st March'15</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>180,970,103</b>	<b>2,751,818</b>	<b>7,340,592</b>	<b>419,763,212</b>
Net profit after tax for the period	-	-	-	28,765,137	-	-	28,765,137
Final dividend for the year 2014-15	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investment	-	-	-	-	-	3,061,733	3,061,733
Prior year's adjustment	-	-	-	-	-	(734,059)	(734,059)
<b>As at 30<sup>th</sup> June'16</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>192,935,240</b>	<b>2,751,818</b>	<b>9,668,266</b>	<b>434,056,023</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 31st March'14</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>174,982,127</b>	<b>2,751,818</b>	<b>11,477,062</b>	<b>417,911,706</b>
Net profit after tax of 2014-15	-	-	-	23,203,688	-	-	23,203,688
Final dividend for the year 2013-14	-	-	-	(16,800,000)	-	-	(16,800,000)
Fair valuation surplus/(deficit) of investment	-	-	-	-	-	(4,136,470)	(4,136,470)
Prior years' adjustment	-	-	-	(415,712)	-	-	(415,712)
<b>As at 31st March'15</b>	<b>84,000,000</b>	<b>15,000,000</b>	<b>129,700,699</b>	<b>180,970,103</b>	<b>2,751,818</b>	<b>7,340,592</b>	<b>419,763,212</b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 27, 2016

Sd/-  
**Hussain Farhad & Co.**  
Chartered Accountants

## STATEMENT OF CASH FLOWS FOR THE FIFTEEN MONTHS PERIOD ENDED 30 JUNE, 2016

	Value in Taka	
	April 2015 to June 2016 (15 Months)	April 2014 to March 2015 (12 Months)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Collection from turnover	4,478,327,033	2,729,920,719
Other income	5,798,893	5,435,846
Interest & other financial charges paid	(117,280,069)	(73,926,495)
Income tax paid	(29,736,451)	(12,434,070)
Payment for costs and expenses	(4,125,428,804)	(2,664,070,561)
<b>Net cash generated from/(used) in operating activities (a)</b>	<b>211,680,602</b>	<b>(15,074,561)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, plant and equipment acquired	(27,389,914)	(60,352,644)
<b>Net cash used in investing activities (b)</b>	<b>(27,389,914)</b>	<b>(60,352,644)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Working capital loan received/(repaid)	2,659,138	77,478,452
Short term loan received/(repaid)	17,880,680	(41,733,613)
Dividend paid	(16,525,732)	(15,688,796)
<b>Net cash generated from financing activities (c)</b>	<b>4,014,086</b>	<b>20,056,043</b>
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>188,304,774</b>	<b>(55,371,162)</b>
Cash and cash equivalents on opening	199,624,426	254,995,588
<b>Cash and cash equivalents on closing</b>	<b>387,929,200</b>	<b>199,624,426</b>
<b>Net Operating Cash Flow Per Share</b>	<b>25.20</b>	<b>(1.79)</b>

Annexed notes form an integral part of these Financial Statements.

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

Sd/-  
**Shahriar Ahmed**  
Director

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

Signed in terms of our report of even date.

Dated; Dhaka  
October 27, 2016

Sd/-  
**Hussain Farhad & Co.**  
Chartered Accountants

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS PERIOD  
ENDED 30 JUNE, 2016 FORMING AN INTEGRAL PART OF THE FINANCIAL  
STATEMENTS**

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

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

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

**b. Address of Registered Office and Factory:**

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

**c. Nature of Business Activities:**

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

**d. Accounting Convention and Basis:**

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

**e. Application of Bangladesh Accounting Standards (BAS):**

**The following BASs are applicable for the financial statements for the period 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 Balance Sheet date
BAS-12	Income Taxes
BAS-14	Segment Reporting
BAS-16	Property, Plant and Equipment
BAS-18	Revenue
BAS-21	The Effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-33	Earnings Per Share
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BAS-39	Financial Instruments: Recognition and Measurement

**f. Compliance with local laws:**

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

**g. Property, Plant and Equipment:**

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

**h. 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 period from the month in which these assets are available for 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%

**i. Disposal of Property, Plant and Equipment:**

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and sales proceeds. There was no disposal of any Property, Plant and Equipment during the period ended 30 June, 2016.

**j. Inventories:**

Inventories in hand as at 30<sup>th</sup> June, 2016 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.

**k. Income Tax:**

The Company is a Publicly Traded Company. As per the Income Tax Ordinance, 1984 the company is a 100% export oriented industry, so tax liability will be higher of 20% on business profit or Tax Deducted at Sources (TDS) on the export proceeds for the period or tax on gross receipts, so provision has been made accordingly. However, the tax provision has been made on interest earned, exchange gain and dividend income as per provision of the Income Tax Ordinance, 1984.



**I. 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.

**m. Trade Receivables:**

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

**n. Creditors and Accrued Expenses:**

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

**o. 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 26.

**i. Basic Earnings:**

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

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

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

**iii. Basic Earnings Per Share:**

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

**iv. Diluted Earnings Per Share:**

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

**p. Statement of Cash Flows:**

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

**q. 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. 77.90 per US Dollar.

**r. Revenue Recognition:**

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

**s. 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.

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

This is being calculated @ 5% of the net profit before charging such contribution provided as per provisions of the Bangladesh Labor Law 2006 and is payable to workers' as defined in the said Act.

**u. 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.

**v. Financial Risk Management:**

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

- Credit risk
- Liquidity risk
- Market risk

**Credit risk:**

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

**Liquidity risk:**

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

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

**Market risk:**

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

**(a) Currency risk:**

As at 30 June 2016 there was no exposure of currency risk which significantly affected the foreign currency transactions made during the period under review.

**(b) Interest rate risk:**

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

**w. Comparative information:**

Comparative information have been disclosed in respect of the year 2014-2015 (i.e. for the year ended 31<sup>st</sup> March 2015) for all numerical information of the financial statement and also the narrative and descriptive information when it is relevant for understanding of the current periods financial statements.

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

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

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

**y. Reporting period:**

Pursuant to changes in the provision of section 2(35) of the Income Tax Ordinance 1984 following the enactment of Finance Act 2015, the company has changed its reporting period to 1<sup>st</sup> July to 30<sup>th</sup> June from 1<sup>st</sup> April to 31<sup>st</sup> March. Accordingly, these financial statements cover a three months period from 1<sup>st</sup> April to 30<sup>th</sup> June, 2016. As a result, the comparative figures stated in the financial statements and the related notes are not entirely comparable.

**z. General:**

- The Financial Statements include the following components as per BAS 1 "Presentation of Financial Statements".
  - i) Statement of Financial Position as at 30<sup>th</sup> June, 2016
  - ii) Statement of Profit or Loss and other Comprehensive Income for the period ended 30<sup>th</sup> June, 2016
  - iii) Statement of Changes in Equity for the period ended 30<sup>th</sup> June, 2016
  - iv) Statement of Cash Flows for the period ended 30<sup>th</sup> June, 2016 and
  - v) Accounting Policies and explanatory notes.

**2. PROPERTY, PLANT AND EQUIPMENT: TK. 250,629,578**

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 30.06.16
		Balance as at 01.04.15	Addition During period	Balance as at 30.06.16		Balance as at 01.04.15	Charged for the period	Balance as at 30.06.16	
1	Land & Land Development	21,423,102	-	21,423,102		-	-	-	21,423,102
2	Factory Building	248,829,701	6,543,914	255,373,615	20	194,841,970	14,070,121	208,912,091	46,461,524
3	Civil Construction	53,665,771	-	53,665,771	10	33,551,278	2,464,025	36,015,303	17,650,468
4	Plant & Machinery	631,485,206	12,867,642	644,352,848	20	540,246,336	23,071,665	563,318,001	81,034,847
5	Effluent Treatment Plant	65,199,398	6,011,359	71,210,757	20	17,652,513	12,735,132	30,387,645	40,823,112
6	Gas Installation	7,208,772	-	7,208,772	15	6,842,640	66,590	6,909,230	299,542
7	Electric Installation	10,764,273	-	10,764,273	15	8,819,453	353,715	9,173,168	1,591,103
8	Boiler	13,367,693	-	13,367,693	15	11,373,568	362,681	11,736,249	1,631,444
9	Generator	79,573,674	-	79,573,674	15	60,156,332	3,531,529	63,687,861	15,885,813
10	Water Treatment Plant	7,302,353	960,000	8,262,353	20	6,157,634	337,932	6,495,566	1,766,787
11	Factory Equipment	13,140,916	171,000	13,311,916	15	10,145,250	575,937	10,721,187	2,590,729
12	Other Equipment	7,565,646	-	7,565,646	15	5,246,328	421,826	5,668,154	1,897,492
13	Deep Tube-Well & Tanks	9,628,959	836,000	10,464,959	15	6,237,045	748,836	6,985,881	3,479,078
14	Motor Vehicles	8,511,244	-	8,511,244	20	7,795,694	171,732	7,967,426	543,818
15	Furniture & Fixtures	28,434,002	-	28,434,002	10	15,650,607	1,565,966	17,216,573	11,217,429
16	Laboratory Equipment	576,027	-	576,027	15	544,347	5,762	550,109	25,918
17	Office Equipment	13,952,254	-	13,952,254	15	11,132,581	512,828	11,645,409	2,306,845
18	Motor Cycles	40,625	-	40,625	20	39,933	166	40,099	526
		<b>1,220,669,616</b>	<b>27,389,914</b>	<b>1,248,059,530</b>		<b>936,433,508</b>	<b>60,996,443</b>	<b>997,429,951</b>	<b>250,629,578</b>

**Charged to:**

Factory Overhead	58,745,752
Administration & Selling Overhead	2,250,691
	<b>60,996,443</b>

**PROPERTY, PLANT AND EQUIPMENT FOR 2014-15**

SL. NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V as at 31.03.15
		Balance as at 01.04.14	Addition During Period	Balance as at 31.03.15		Balance as at 01.04.14	Charged for the period	Balance as at 31.03.15	
1	Land & Land Development	21,423,102	-	21,423,102		-	-	-	21,423,102
2	Factory Building	248,527,901	301,800	248,829,701	20	181,351,325	13,490,645	194,841,970	53,987,731
3	Civil Construction	53,056,864	608,907	53,665,771	10	31,326,860	2,224,418	33,551,278	20,114,493
4	Plant & Machinery	620,770,018	10,715,188	631,485,206	20	519,592,605	20,653,731	540,246,336	91,238,869
5	Effluent Treatment Plant	17,703,420	47,495,978	65,199,398	20	12,857,257	4,795,256	17,652,513	47,546,885
6	Gas Installation	7,208,772	-	7,208,772	15	6,778,028	64,612	6,842,640	366,132
7	Electric Installation	10,764,273	-	10,764,273	15	8,476,250	343,203	8,819,453	1,944,820
8	Boiler	13,367,693	-	13,367,693	15	11,021,663	351,905	11,373,568	1,994,126
9	Generator	79,573,674	-	79,573,674	15	56,729,742	3,426,590	60,156,332	19,417,342
10	Water Treatment Plant	7,302,353	-	7,302,353	20	5,871,454	286,180	6,157,634	1,144,719
11	Factory Equipment	12,652,916	488,000	13,140,916	15	9,642,632	502,618	10,145,250	2,995,666
12	Other Equipment	7,565,646	-	7,565,646	15	4,837,037	409,291	5,246,328	2,319,318
13	Deep Tube-Well & Tanks	9,436,538	192,421	9,628,959	15	5,663,940	573,105	6,237,045	3,391,914
14	Motor Vehicles	8,511,244	-	8,511,244	20	7,616,806	178,888	7,795,694	715,550
15	Furniture & Fixtures	28,057,452	376,550	28,434,002	10	14,254,872	1,395,735	15,650,607	12,783,395
16	Laboratory Equipment	576,027	-	576,027	15	538,756	5,591	544,347	31,680
17	Office Equipment	13,778,454	173,800	13,952,254	15	10,655,439	477,142	11,132,581	2,819,673
18	Motor Cycles	40,625	-	40,625	20	39,760	173	39,933	692
		<b>1,160,316,972</b>	<b>60,352,644</b>	<b>1,220,669,616</b>		<b>887,254,426</b>	<b>49,179,082</b>	<b>936,433,508</b>	<b>284,236,108</b>

**Charged to:**

Factory Overhead	47,127,145
Administration & Selling Overhead	2,051,937
	<b>49,179,082</b>

	<u>30.06.2016</u>	<u>31.03.2015</u>
<b>3. INVESTMENTS: TK. 21,285,383</b>		
(i) Apex Foods Limited (Public Limited Company) (Total number of Shares 169,250 and Total cost of Shares Tk. 8,973,415.)	19,715,933	16,314,008
(ii) Central Depository Bangladesh Limited (571,181 Share of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each.)	1,569,450	1,569,450
	----- <b>21,285,383</b> =====	----- <b>17,883,458</b> =====

- Investment in shares of Apex Foods Limited has been valued at market price on 30.06.2016 as per BAS 39.

#### Market Price of Listed Companies Shares (As on 30.06.2016)

Apex Foods Limited	116.49	96.39
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#### 4. INVENTORIES: TK. 193,149,524

		<b>Quantity</b>		
<b>Finished Goods</b>				
T Shirts	29,659	Doz	47,678,247	31,968,350
	<b>29,659</b>	<b>Doz</b>	<b>47,678,247</b>	<b>31,968,350</b>
<b>Work in Process</b>				
Dyed Fabric	15,130	Kg	6,565,537	18,378,658
Knitted Fabric	50,505	Kg	16,483,280	25,577,603
Garments	73,780	Doz	38,725,745	11,838,901
			<b>61,774,562</b>	<b>55,795,162</b>
<b>Raw Materials</b>				
Yarn	170,168	Kg	40,166,318	63,028,856
Dyes & Chemicals	185,212	Kg	22,140,156	15,941,244
	<b>355,380</b>	<b>Kg</b>	<b>62,306,474</b>	<b>78,970,100</b>
<b>Accessories</b>			<b>21,390,241</b>	<b>23,886,743</b>
			----- <b>193,149,524</b> =====	----- <b>190,620,355</b> =====

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

#### 5. TRADE RECEIVABLES: TK 437,865,870

Export Bills Receivable	<b>437,865,870</b>	<b>596,858,339</b>
	=====	=====

- The ageing of the trade receivables are maximum 30 (Thirty) days and these are considered good and subsequently realized in full.

	<u>30.06.2016</u>	<u>31.03.2015</u>
<b>6. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 148,873,624</b>		
Advance Income Tax	73,884,824	44,148,373
Securities & Deposits	5,641,961	5,792,654
Advance against expenses	<u>69,346,839</u>	<u>1,546,689</u>
	<b><u>148,873,624</u></b>	<b><u>51,487,716</u></b>

- Tk. 415,712 has been adjusted with prior year's security & deposit.
- Advance Income Tax, securities and deposits are made to statutory bodies and hence secured.
- No amount was due by Directors and other Officers of the Company or by Associated Undertaking.

#### 7. OTHER RECEIVABLE: TK. 21,762,955

Cash incentive receivable	21,415,530	32,594,100
FDRs interest receivable	347,425	552,195
	<u>21,762,955</u>	<u>33,146,295</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.

#### 8. CASH AND CASH EQUIVALENTS: TK. 387,929,200

##### Cash and Bank Balances:

	<b>20,000</b>	<b>20,000</b>
<b>Cash in hand</b>		
<b>Cash at bank :</b>		
CD Account with Eastern Bank Ltd., Dhaka	13,524	14,674
CD Account with Dhaka Bank Ltd., Dhaka	28,732	28,852
CD Account with SCB, Dhaka	181,106	168,250
CD Account with Mutual Trust Bank, Chandora	66,639	72,039
CD Account with Mutual Trust Bank, Dilkusha, Dhaka	86,920	86,920
CD Account with AB Bank, Dhaka	41,698	43,573
CD Account with Dutch Bangla Bank Ltd., Dhaka	295,144	444,636
CD Account with HSBC-Dividend, Dhaka	430	142
CD Account with Eastern Bank Ltd. -Dividend, Dhaka	183	183
Fixed Deposit Receipts Account with Eastern Bank Ltd.	54,144,170	50,971,827
Foreign Currency Account with Eastern Bank Ltd., Dhaka-USD	15,885,091	3,593,073
Foreign Currency Account with HSBC, Dhaka-USD	488,699	602,243
STD Account with SCB, Dhaka	737,762	738,452
STD Account with Eastern Bank Ltd., Principal Branch, Dhaka	208,823	204,831
STD Account with HSBC, Dhaka	1,216	1,189
CC Accounts with Eastern Bank Ltd., Dhaka	27,020	28,865
Margin Account with Eastern Bank Ltd. -USD	315,702,043	142,604,677
	<b><u>387,909,200</u></b>	<b><u>199,604,426</u></b>
	<b><u>387,929,200</u></b>	<b><u>199,624,426</u></b>

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

	<u>30.06.2016</u>	<u>31.03.2015</u>
<b>9. SHARE CAPITAL : TK. 84,000,000</b>		
<b>Authorized Capital:</b>		
30,000,000 Ordinary Shares of Tk. 10/= each.	<b>300,000,000</b>	<b>300,000,000</b>
	=====	=====
<b>Issued, Subscribed &amp; Paid up Capital:</b>		
8,400,000 Ordinary Shares of Tk. 10/= each fully paid	<b>84,000,000</b>	<b>84,000,000</b>

- There was no preference share issued by the Company.

**Composition of Shareholdings as on 30.06.2016:**

Sponsors & Directors	51.92%	52.87%
Institution	23.53%	25.09%
Foreign Shareholders	4.25%	0.29%
Public - Local	<u>20.30%</u>	<u>21.75%</u>
	100.00%	100.00%
	=====	=====

**The Company had the following non-resident Shareholders on 30.06.2016:**

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

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

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

<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>	<u>In %</u>
1,651	Less than & equal 500 Shares	264,026	3.14
465	501 to 5,000 Shares	723,511	8.61
35	5001 to 10,000 Shares	253,728	3.02
17	10,001 to 20,000 Shares	230,798	2.75
4	20,001 to 30,000 Shares	110,400	1.32
1	30,001 to 40,000 Shares	30,125	.36
6	40,001 to 50,000 Shares	269,775	3.21
1	50,001 to 100,000 Shares	63,049	.75
3	100,001 to 200,000 Shares	405,400	4.83
7	Over 200,000 Shares	6,049,188	72.01
		-----	-----
		<b>8,400,000</b>	<b>100.00</b>
		=====	=====

	<u>30.06.2016</u>	<u>31.03.2015</u>
<b>10. SHARE PREMIUM: TK. 15,000,000</b>		
	<b>15,000,000</b>	<b>15,000,000</b>
	=====	=====

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

**11. RESERVE AND SURPLUS: TK 325,387,757**

Reserve for Re-Investment	129,700,699	129,700,699
Retained Earnings	192,935,240	180,970,103
Capital Gain	2,751,818	2,751,818
	<b><u>325,387,757</u></b>	<b><u>313,422,620</u></b>

- Reserve for Re-Investment represents Tax Holiday Reserve made up to the Tax Holiday period of the Company as per requirements of the Income Tax Ordinance, 1984. The reserve and surplus is utilized in the Company's business.

**12. FAIR VALUATION SURPLUS/(DEFICIT) OF INVESTMENT: TK 9,668,266**

Opening Balance	7,340,592	11,477,062
Adjustment for fair valuation surplus/(deficit) during the period	3,061,733	(4,136,470)
Prior years' Adjustment	(734,059)	-
	-----	-----
	<b>9,668,266</b>	<b>7,340,592</b>
	=====	=====

- Fair valuation surplus of investments represents the difference of market value of the listed Company's share on the closing date and the cost price after adjustment of deferred tax @10%.

**13. WORKING CAPITAL LOAN: TK. 83,790,102**

Overdraft-Eastern Bank Ltd, Principal Br. Dhaka	69,445,692	69,953,262
Overdraft-HSBC, Dhaka	14,344,410	11,177,702
	-----	-----
	<b>83,790,102</b>	<b>81,130,964</b>
	=====	=====

- The Working Capital Loan was taken from Eastern Bank Ltd, Principal Branch, Dhaka and HSBC against hypothecation as Cash Credit basis. The loan is secured against Inventories and Trade receivables of the Company. The Loan of Eastern Bank Limited bears interest @ 10.00% p.a. The rate of interest of HSBC is 8.00% p.a.



	<u>30.06.2016</u>	<u>31.03.2015</u>
<b>14. SHORT TERM LOAN: TK. 54,616,007</b>		
Time Loan-Eastern Bank Limited	24,163,873	14,467,509
Import Loan- Eastern Bank Limited	30,452,134	22,267,818
	-----	-----
	<b>54,616,007</b>	<b>36,735,327</b>
	=====	=====

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

<b>15. TRADE PAYABLES: TK. 745,163,504</b>	<b>745,163,504</b>	<b>755,635,902</b>
	=====	=====

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

**16. OTHER PAYABLES: TK. 139,968,175**

Clearing & Forwarding	3,094,914	299,745
Creditors against Insurance Premium	-	53,588
Power, Fuel and Water	3,245,841	3,277,436
Telephone, Telex & Fax	11,264	19,408
Salary and Wages	58,070,628	28,155,413
Audit Fees	230,000	115,000
Current Tax Liabilities	61,144,484	34,724,269
Contribution to PPF & WF	2,947,989	1,890,557
Provident Fund Payable	4,532,980	3,739,419
Unclaimed Dividend	5,668,644	5,394,376
Tax & VAT payable to Govt.	1,021,431	920,447
	-----	-----
	<b>139,968,175</b>	<b>78,589,658</b>
	=====	=====

- Unclaimed dividend represents the dividend warrants issued but not presented to the Bank by the Shareholders within 30<sup>th</sup> June, 2016 and the unclaimed dividend was Tk.5,668,644.00 as on June 30, 2016.
- The breakup of unclaimed dividend as on 30.06.2016 is as follows:

<u>Period</u>	<u>Taka</u>
1994-95 to 2011-12	3,883,487.10
2012-13	385,104.80
2013-14	651,036.00
2014-15	749,016.10
	<b><u>5,668,644.00</u></b>

	April 2015 to June 2016 (15 Months)	April 2016 to June 2016 (03 Months)	April 2015 to March 2016 (12 Months)	April 2014 to March 2015 (12 Months)
--	---	---	--	--

**17. REVENUE: TK 4,319,334,564**

	<u>Quantity in Doz.</u>	<u>USD</u>				
T, Polo & Sweat Shirts	2,881,491	55,454,531	<u>4,319,334,564</u>	<u>887,641,043</u>	<u>3,431,693,521</u>	<u>2,989,845,894</u>

- Country wise break up of Export for the period from 1<sup>st</sup> April 2015 to 30<sup>th</sup> June 2016:

<u>Country</u>	<u>Quantity in Doz</u>	<u>USD</u>
AUSTRALIA	21,601	419,822
BELGIUM	301,314	5,656,160
CANADA	40,661	765,155
CHILE	15,079	282,065
CHINA	90,612	1,675,522
CROATIA	20,246	379,303
DENMARK	83,655	1,610,381
DUBAI, UAE	47,862	878,914
GERMANY	630,172	12,108,398
GREAT BRITAIN	205,958	4,059,112
HONG KONG	20,658	379,099
INDIA	4,291	77,308
INDONESIA	3,736	72,048
ITALY	51,637	1,075,215
JAPAN	51,339	986,524
KOREA	14,354	260,620
MALAYSIA	18,964	338,524
MEXICO	16,813	315,238
NETHERLANDS	14,638	283,655
NEW YORK - USA	22	374
NEW YORK, USA	43	973
NEW ZEALAND	1,069	18,295
NORWAY	82,061	1,586,851
PERU	8,439	159,155
PHILIPPINES	6,383	119,013
POLAND	420,031	8,424,391
RUSSIA	50,076	958,467
SAUDI ARABIA	5,593	98,264
SERBIA	7,283	137,532
SINGAPORE	10,569	189,510
SOUTH AFRICA	12,926	249,434
SPAIN	169,633	3,238,994
SWEDEN	110,985	2,151,108
SWITZERLAND	67,794	1,319,040
TAIWAN	9,601	176,591
THAILAND	6,756	126,214
TURKEY	49,284	903,221
USA	<u>209,354</u>	<u>3,974,042</u>
<b>TOTAL</b>	<b><u>2,881,491</u></b>	<b><u>55,454,531</u></b>

**18. COST OF GOODS SOLD: TK. 3,980,715,107**

	<u>Quantity</u>				
Opening Stock of Finished Goods	28,201 Doz	31,968,350	43,182,234	31,968,350	2,494,088
Add: Cost of Production (Note #19)	<u>2,882,949</u> Doz	<u>3,996,425,004</u>	<u>823,621,405</u>	<u>3,172,803,599</u>	<u>2,776,180,073</u>
	<b>2,911,150</b> Doz	<b>4,028,393,354</b>	<b>866,803,638</b>	<b>3,204,771,949</b>	<b>2,778,674,161</b>
Less : Closing Stock of Finished Goods	<u>29,659</u> Doz	<u>(47,678,247)</u>	<u>(47,678,247)</u>	<u>(43,182,233)</u>	<u>(31,968,350)</u>
	<b><u>2,881,491</u></b> Doz	<b><u>3,980,715,107</u></b>	<b><u>819,125,391</u></b>	<b><u>3,161,589,716</u></b>	<b><u>2,746,705,811</u></b>

		April 2015 to June 2016 (15 Months)	April 2016 to June 2016 (03 Months)	April 2015 to March 2016 (12 Months)	April 2014 to March 2015 (12 Months)
<b>19. COST OF PRODUCTION: TK. 3,996,425,004</b>					
<b>OPENING STOCK:</b>	<b>Quantity</b>				
<b>Raw Materials:</b>					
Yarn	207,212 kg	63,028,856	58,478,398	63,028,856	68,300,691
Dyes & Chemicals	51,041 kg	15,941,244	18,281,733	15,941,244	28,553,409
		<b>78,970,100</b>	<b>76,760,131</b>	<b>78,970,100</b>	<b>96,854,100</b>
<b>Work in Process:</b>					
Dyed, Knitted and Greige Fabric & Garments	119,885 kg	55,795,162	48,734,592	55,795,162	73,570,976
Accessories	19,445 Doz	23,886,743	21,674,074	23,886,743	23,049,597
		<b>158,652,005</b>	<b>147,168,797</b>	<b>158,652,005</b>	<b>193,474,673</b>
<b>ADD: PURCHASE FOR THE PERIOD</b>					
<b>Raw Materials(Imported) :</b>					
Yarn	1,796,793 kg	539,439,129	100,744,061	438,695,068	459,969,155
Dyes & Chemicals	1,235,556 kg	86,557,325	15,034,163	71,523,162	39,604,565
Accessories		169,605,811	45,979,306	123,626,505	75,366,743
		<b>795,602,265</b>	<b>161,757,530</b>	<b>633,844,735</b>	<b>574,940,463</b>
<b>Raw Materials (Local) :</b>					
Yarn	3,012,674 kg	819,447,352	179,983,722	639,463,630	622,931,801
Dyes & Chemicals	2,525,514 kg	396,505,725	125,646,129	270,859,596	205,261,222
Accessories		624,733,186	60,750,862	563,982,324	442,006,924
		<b>1,840,686,263</b>	<b>366,380,713</b>	<b>1,474,305,550</b>	<b>1,270,199,947</b>
		<b>2,636,288,528</b>	<b>528,138,243</b>	<b>2,108,150,285</b>	<b>1,845,140,410</b>
		<b>2,794,940,533</b>	<b>675,307,040</b>	<b>2,266,802,290</b>	<b>2,038,615,083</b>
<b>LESS : CLOSING STOCK</b>					
<b>Raw Materials:</b>					
Yarn	170,168 kg	40,166,318	40,166,318	58,478,398	63,028,856
Dyes & Chemicals	185,212 kg	22,140,156	22,140,156	18,281,733	15,941,244
		<b>62,306,474</b>	<b>62,306,474</b>	<b>76,760,131</b>	<b>78,970,100</b>
<b>Work in Process:</b>					
Dyed & Knitted, Greige Fabric & Garments	65,635 kg	61,774,562	61,774,562	48,734,592	55,795,162
Accessories	73,780 Doz	21,390,241	21,390,241	21,674,074	23,886,743
		<b>145,471,277</b>	<b>145,471,277</b>	<b>147,168,797</b>	<b>158,652,005</b>
<b>Total Consumption</b>		<b>2,649,469,256</b>	<b>529,835,763</b>	<b>2,119,633,493</b>	<b>1,879,963,078</b>
<b>Factory Overhead :</b>					
Carriage		8,470,292	1,458,439	7,011,853	7,606,187
Electricity		1,331,971	242,353	1,089,618	1,314,296
Gas, Fuel & Lubricant		81,200,641	15,572,289	65,628,352	48,534,297
Insurance		8,009,451	1,239,913	6,769,538	8,032,584
Repairs & Maintenance		95,923,575	29,247,310	66,676,265	37,434,231
Telephone Charges		46,876	9,673	37,203	63,753
Wages & Salaries		1,064,232,680	229,732,576	834,500,104	728,007,195
Depreciation		58,745,752	10,472,062	48,273,690	47,127,145
Fire Fighting Exp.		1,008,520	157,050	851,470	744,550
Vehicle Maintenance		5,913,290	1,286,406	4,626,884	3,205,624
Testing Bill		15,222,389	2,797,765	12,424,624	3,175,358
Uniform & Liveries		150,695	4,498	146,197	119,800
ETP Chemical		6,699,616	1,565,308	5,134,308	10,851,975
		<b><u>3,996,425,004</u></b>	<b><u>823,621,405</u></b>	<b><u>3,172,803,599</u></b>	<b><u>2,776,180,073</u></b>

- During the period from 1<sup>st</sup> April'15 to 30<sup>th</sup> June'16 the Company has imported goods on C & F basis.
- Cash incentive has been adjusted with the local yarn cost.

	April 2015 to June 2016 (15 Months)	April 2016 to June 2016 (03 Months)	April 2015 to March 2016 (12 Months)	April 2014 to March 2015 (12 Months)
<b>20. ADMINISTRATIVE &amp; SELLING OVERHEAD: TK. 276,951,709</b>				
AGM Expenses	213,616	-	213,616	100,492
Audit Fee (Including VAT)	230,000	57,500	172,500	115,000
Bank Charges & Commission	18,621,562	3,859,539	14,762,023	13,602,047
Board Meeting Fees	23,500	5,000	18,500	15,500
Depreciation	2,250,691	406,153	1,844,538	2,051,937
Directors Remuneration	4,500,000	900,000	3,600,000	3,600,000
Entertainment	1,218,199	175,921	1,042,278	933,869
Export Processing & Handling Exp.	8,744,796	1,370,721	7,374,075	6,534,796
F.C. Charges	90,356,414	16,046,199	74,310,215	54,662,680
Freight & Forwarding Expenses	26,141,000	5,024,739	21,116,261	19,295,530
Insurance Premium	551,262	66,924	484,338	793,227
Legal & Professional Fees	1,027,344	463,363	563,981	470,907
Newspapers & Periodicals	16,005	2,850	13,155	32,344
Postage & Stamp	95,992	10,153	85,839	67,350
Power & Fuel	682,407	92,183	590,224	36,474
Printing & Stationery	10,799,579	2,669,167	8,130,412	7,067,922
Publicity & Advertisement	468,023	-	468,023	384,830
Renewal & Fees	4,894,439	632,622	4,261,817	5,722,731
Rent & Rates	6,546,111	1,373,827	5,172,284	6,249,162
Repairs & Maintenance	3,244,697	1,152,783	2,091,914	2,364,323
Salary & Allowances	64,489,440	19,033,955	45,455,485	60,529,718
Sales Promotional Expenses	15,216,469	1,669,927	13,546,542	9,879,287
Subscription & Donation	1,271,500	26,000	1,245,500	91,180
T. A & Conveyance	1,879,306	389,634	1,489,672	1,390,816
Telephone, Fax and Radio Link	767,233	148,629	618,604	680,419
Transportation	10,478,127	1,234,581	9,243,546	7,581,139
Vehicles Maintenance	2,223,997	309,944	1,914,053	1,392,433
	=====	=====	=====	=====
	<b>276,951,709</b>	<b>57,122,314</b>	<b>219,829,395</b>	<b>205,646,112</b>
	=====	=====	=====	=====

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

(a) Mr. Zahur Ahmed PhD	2,250,000
(b) Mr. Shahriar Ahmed	1,500,000
(c) Mr. Kazi Faruq Kader	<u>750,000</u>
	<b><u>4,500,000</u></b>

- Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors for the year from 01<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 and the audit fee is fixed by the Board of Director for the period from 01<sup>st</sup> April to 30<sup>th</sup> June 2016.
- Sales promotional expenses include cost of samples and courier cost for distribution of free samples to the buyers.
- There are 10 (ten) board meetings held during the period.

	April 2015 to June 2016 (15 Months)	April 2016 to June 2016 (03 Months)	April 2015 to March 2016 (12 Months)	April 2014 to March 2015 (12 Months)
<b>21. FINANCIAL EXPENSES: TK. 8,302,093</b>				
Interest on Term Loan	6,167,924	1,706,986	4,460,938	4,330,156
Interest on Overdraft	2,134,169	699,866	1,434,303	1,340,713
	<u>8,302,093</u>	<u>2,406,852</u>	<u>5,895,241</u>	<u>5,670,869</u>

**22. OTHER INCOME: TK. 5,594,123**

Interest earned on STD Account	36,903	6,323	30,580	30,541
Dividend Income	1,766,453	-	1,766,453	1,766,453
Foreign Exchange Gain	470,712	300,173	170,539	266,522
Interest on FDRs	3,320,055	508,229	2,811,826	3,924,524
	<u>5,594,123</u>	<u>814,725</u>	<u>4,779,398</u>	<u>5,988,040</u>

**23. TAX EXPENSES:**

(a) Current Tax	26,420,215
(b) Deferred Tax	826,437

- Current tax represents estimated Income Tax for the period from 1st April 2015 to 30th June, 2016.
- The provision for deferred tax expenses/(income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

**24. GENERAL:****a) Production Capacity for the period (Quantity in pieces):**

	%	Quantity (15 months)	%	Quantity (2014-15)
Capacity	100	37,500,000	100	30,000,000
Production	92.25	<b>34,595,388</b>	87.13	<b>26,138,294</b>

**b) Production for the period (Quantity in Dozen):**

T, Polo & Sweat Shirts	<b><u>2,882,949</u></b>	<b><u>2,178,191</u></b>
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**c) Consumption:**

<u>Items</u>	<u>Value</u>	<u>Percentage</u>
Imported Yarn	555,879,907	20.98%
Imported Dyes & Chemicals	85,153,714	3.21%
Imported Accessories	168,395,065	6.36%
Local Yarn	821,384,562	31.00%
Local Dyes & Chemicals	390,933,103	14.76%
Local Accessories	627,722,905	23.69%
	<u>2,649,469,256</u>	<u>100.00%</u>

**d) Export for the period (Quantity in Dozen):**

T, Polo & Sweat Shirts	<b><u>2,881,491</u></b>	<b><u>2,152,185</u></b>
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**e) Salaries & Wages:**

	<u>No. of Employees</u>	<u>Taka</u>
Above Tk. 5,300.00 per month	5,621	1,128,722,120
Below Tk. 5,300.00 per month	-	-

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

The aggregate amounts paid / provided during the period 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	23,500	-
Salary and Allowance	4,500,000	96,857,787
Provident Fund Contribution	-	6,138,599
Bonus	-	18,145,190
Perquisites	-	43,184,810

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

Earnings attributable to Ordinary Shareholders

**Basic EPS =** -----

-

Weighted average number of shares outstanding during the period of April'15-  
June'2016

$$\text{Earnings Per Share (EPS)} = \frac{28,765,137}{8,400,000} = 3.42$$

- Weighted average number of Ordinary Shares outstanding during the period represents the number of Ordinary Shares outstanding at the beginning of the period plus the number of shares issued during the period multiplied by a time weighting factor. The time weighting factor is the number of days the specific number of shares are outstanding as a proportion of the total number of days in the period.
- Significant increase in EPS (i.e. up to 3<sup>rd</sup> Quarter, EPS from operational activities was Tk. 2.01 but annually it has been Tk. 2.90 & Tk. 3.42 in total period ) is mainly due to increase of turnover in last quarter of 2015-16 and the period of April-June'2016.

**27. EVENTS AFTER REPORTING PERIOD:**

The Board of Directors recommended cash Dividend of Tk.2.20 per Share for the period from 1<sup>st</sup> April 2015 to 30<sup>th</sup> June 2016 at the Board meeting held on October 27, 2016. The total amount of Dividend is Tk. 18,480,000/-.

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.

**28. RELATED PARTY TRANSACTIONS:**

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

Name of the Parties	Relationship	Nature of Transactions	April'15 to Jun'16	April'14 to Mar'15
i. Matex Bangladesh Ltd.	Common Director	Dyes Chemical	148,657,973	104,771,179
ii. Apex Yarn Dyeing Ltd.	Common Director	Yarn Dyeing & Threads	122,376,405	175,925,167

- The company is paying Remuneration of our Directors who are rendering full time service to the company and in addition to that there is nothing paid to them (Note No. 20 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 the 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 and allowance.

**29. CAPITAL EXPENDITURE COMMITMENT:**

- There was no capital expenditure contracted or incurred or provided for as at 30<sup>th</sup> June 2016.
- There was no material capital expenditure authorized by the Board or contracted for as at 30<sup>th</sup> June 2016.

**30. DURING THE PERIOD UNDER REVIEW:**

- No amount of money was spent by the Company for compensating any member of the Board for special service rendered except as stated above.
- There was no claim against the Company not acknowledged as debt on 30<sup>th</sup> June 2016.
- There was no Bank Guarantee issued by the Company on behalf of the Directors.
- There is Tk. 9.21 million as Bank guarantee for which the Company is contingently liable as on 30<sup>th</sup> June 2016.
- There was no credit facility available to the Company under any contract, or availed of as on 30<sup>th</sup> June 2016 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

