

ANNUAL REPORT | 2018

simtex
Industries Limited



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LETTER OF TRANSMITTAL

The Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSC)
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended 30th June 2018.

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June 2018, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year ended on 30 June, 2018, and along with notes thereon of Simtex Industries Limited for your kind information and record.

Thanking you

Sincerely Yours'



Ashis Kumar Saha
Company Secretary





Notice of the 11th Annual General Meeting

Simtex Industries Limited

Khagan, Birulia, Savar, Dhaka-1341

NOTICE OF THE 11TH ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of Simtex Industries Limited that the 11th Annual General Meeting (AGM) of the Company will be held on Thursday, 06 December 2018 at 10:30 a.m. at the RAOWA Convention Hall, Hall No. 3 (Eagle) VIP Road, Mohakhali, Dhaka-1206 to transact the following business.

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2018, together with the report of the Directors' and Auditors' thereon
02. To declare dividend as recommended by the Board of Directors.
03. To elect Directors as per Articles of Association of the Company.
04. To approve retirement of Independent Director and appointment of Independent Director.
05. To appoint statutory Auditors of the Company and Professionals for compliance of corporate governance code and fix their remuneration
06. To transact any other business with the permission of the Chair.

Dated, Dhaka
20 November 2018

By order of the Board

Ashis Kumar Saha
Company Secretary

Note:

01. The Shareholders whose names will appear in the Share Register of the Company or Depository Register of CDBL as on the Record Date i.e. November 18, 2018 will be eligible to attend the 11th Annual General Meeting (AGM) and qualify for the dividend.
02. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf. Proxy form, must be affixed with requisite revenue stamp and must be submitted at the Head office of the Company, not more than 48 hours before the time fixed for the meeting.
03. Admission to the meeting will be strictly depending on production of the attendance slip sent with the notice as well as verification of signature of Members/ (s) and/or Proxy holder/(s).
04. Shareholders are requested to update their BO account with ETIN in their respective Brokerage House to avoid deduction of 15% tax instead of 10% for individuals as per Section 54 of the amended Income Tax Ordinance, 1984.

N.B: In compliance with Bangladesh Securities and Exchange Commission's Circular No.SEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift/gift coupon/food box/benefit in cash or in kind shall be distributed/paid to the Shareholders for attending the 11th Annual General Meeting.



CORPORATE PROFILE

Name of the Company	: Simtex Industries Limited
Legal Status	: A Public Company limited by shares registered under Companies Act, 1994 and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Date of Incorporation	: C-67047(4539)/2007 dated: 29.05.2007
Commencement of Commercial Operation	: July 01, 2009
Production Capacity	: 37.50 Million Cones per year
Registered Office	: Khagan, Birulia, Savar, Dhaka-1341, Bangladesh
Factory	: Khagan, Birulia, Savar, Dhaka-1341, Bangladesh
Nature of Business	: Manufacturer of Sewing Thread
Authorized Capital	: BDT 1,000 Million
Paid Up Capital	: BDT 659.175 Million
Date of Approval for IPO	: July 23, 2015
Date of Listing with DSE	: November 03, 2015
Date of Listing with CSE	: October 29, 2015
Principal Bankers	: Trust Bank Ltd., Millennium Corporate Branch, Dhaka. Southeast Bank Ltd., Principal Branch, Motijheel, Dhaka.
Auditors	: Pinaki & Company, Chartered Accountants 2/A, AHSANDELL, Mymensingh Road (2 nd Floor), Shahbag Dhaka-1000.
Tax Consultants	: Mandal & Company, Chartered Accountants Eastern Mansion (10 th Floor), 67/9 Kakrial, Dhaka – 1000
Credit Rating Agency	: Credit Rating Information and Services Ltd. (CRISL). Nakshi Homes (1 st , 4 th & 5 th Floor), 6/1/A Segun Bagicha, Dhaka-1000.
Company's Website	: www.simtexgroup.com
E-mail	: info@simtexgroup.com



BRIEF HISTORY OF THE COMPANY

Simtex Industries Limited started its long and prosperous journey on a cloudy rainy day with a rather small infrastructural support in Mirpur, Dhaka with the goal of becoming the premier sewing thread manufacturer in Bangladesh. As days progressed, it never looked back ever since and grew enormously to attain the Company goals.

The Company was registered as a private Company limited by shares with the Registrar of Joint Stock Companies and Firms Bangladesh, Dhaka under Companies Act, 1994 and subsequently it was converted into a public limited Company and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. We moved to our current plant located at Khagan, Birulia, Savar to utilize a more sophisticated and modern facility and get improved productivity and quality. We started our commercial operation from the Savar plant in 2009. Our growth rate in terms of both financial and production capacity is enormous.





VISION STATEMENT

To become the market leader of the sewing thread industry through increased productivity, advanced technological application to attain quality and absolute customer satisfaction by leveraging on the strengths of our well experienced professionals and infrastructural advantages within this decade.

MISSION STATEMENT

To meet up the market needs through a closer working relationship with business partners, innovative manufacturing process and maintaining quality customer service



BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

Board of Directors

Ms. Mahfuza Rahman Baby	Chairman
Mr. Md. Siddiqur Rahman, MBA, FCS	Managing Director
Mr. Md. Ensan Ali Sheikh	Director
Ms. Hafiza Khanam, MA, LLB	Director
Mr. Md. Yunus Ali	Independent Director (Appointed on 30 July, 2018)
Mr. Uzzal Kumar Nandi, FCA	Ex-Independent Director (Retired on 24 July, 2018)

Audit Committee

Mr. Md. Yunus Ali Independent Director	Chairman
Mr. Md. Ensan Ali Sheikh Director	Member
Ms. Hafiza Khanam, MA, LLB Director	Member
Mr. Ashis Kumar Saha Company Secretary	Member Secretary

Chief Financial Officer

Mr. Zafran Tareque Chowdhury, ACA

Company Secretary

Mr. Ashis Kumar Saha



PROFILE OF THE BOARD OF DIRECTORS



Ms. Mahfuza Rahman Baby
Chairman

Ms. Mahfuza Rahman Baby is the Chairman of Simtex Industries Limited, the Largest Bangladeshi Sewing Thread Manufacturer and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Simultaneously, she is one of the Directors of FAS Finance & Investment Limited. She did her graduation from Home Economics College, Dhaka. Ms. Rahman is a capable and energetic business woman with experience for pretty long time and is contributing significantly in the day to day operation of Simtex Group with her husband.

Ms. Rahman is a life member of Dhanmondi Club Limited and Gulshan Health Club and also associated with various Cultural and Humanitarian Organizations. She visited many countries of the world for business purpose including UK, USA, Canada, European countries, China, Malaysia, Thailand, UAE and many more.

Ms. Rahman is happily married and is blessed with three sons.

Mr. Md. Siddiqur Rahman
Managing Director

Mr. Md. Siddiqur Rahman is the Managing Director of Simtex Industries Limited, a public limited Company listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Simultaneously, he is the Chairman of the Board of Directors as well as a member of the Executive Committee of FAS Finance & Investment Limited and the Chairman of FAS Capital Management Limited. Mr. Rahman is also the Directors of Clewiston Foods and Accommodation Limited (Owner Company of Radisson Blu, Cox's Bazar) and Nitol Insurance Company Limited.

Mr. Rahman has a brilliant academic career and secured many scholarships in public level examinations. Mr. Rahman did his Master's in Business Administration from London Institute of Technology & Research and Advance Certificate in Business Administration (ACBA) from the Institute of Business Administration (IBA) under the University of Dhaka. He is also an FCS (Fellow member of The Institute of Chartered Secretaries of Bangladesh). Besides, Mr. Rahman holds a Postgraduate Diploma in Financial Management from Bangladesh Institute of Management (BIM) and has wide working experience in different private and public limited companies before starting his own business career.

Mr. Rahman is a dynamic businessman. He established his first business venture Simtex Bangladesh Limited in a very small scale in the year 2001. Since then by the dint of his dynamic leadership and excellent entrepreneurship, he expanded his business ventures both vertically and horizontally. He is a permanent member of Dhaka Club Limited, Kurmitola Golf Club and Dhanmondi Club Limited. He is also donor member of Uttara Club Limited and All Community Club Limited.

He visited many countries of the world for study and business purpose including UK, USA, Australia, Canada, Germany, Belgium, France, Italy, China, Malaysia, Thailand, UAE and many more.

Mr. Rahman is happily married and is blessed with three sons.





Md. Ensan Ali Sheikh
Director

Mr. Md. Ensan Ali Sheikh is one of the Directors of Simtex Industries Limited. He completed his graduation in science from the University of Rajshahi. He is a man of wisdom and an energetic business man. Mr. Ensan is involved with different social and charitable organizations.

Ms. Hafiza Khanam, MA, LLB
Director

Ms. Hafiza Khanam is one of the Directors of Simtex Industries Limited. She always cherished an aspiration to do business by her own merit and ability. Her higher education and professional qualification have endowed her to own the business. She did her Master's from the University of Dhaka and subsequently completed her LLB. She is currently responsible for legal and compliance matters of the Company. Besides her business areas, Ms. Hafiza Khanam is a social entrepreneur creating opportunities to grow and make a difference in the arena where she lives in.



Mr. Md. Yunus Ali, M.Com.
Independent Director

Mr. Md. Yunus Ali is the Independent Director of Simtex Industries Limited. He had long carrier for 41 years in Banking. During his carrier, he worked with Janata Bank Ltd., Sonali Bank Ltd., Jamuna Bank Ltd. And Social Islami Bank Ltd. in different capabilities including CEO of Janata Bank Ltd. UAE Branch, Abu Dhabi, General Manager of Janata Bank Ltd. and Deputy Managing Director of Social Islami Bank Ltd. He obtained B. Com. (Hon's) & M. Com. (Major in Management) from the University of Rajshahi.



MESSAGE FROM THE CHAIRMAN

Bismillahir Rahmanir Rahim

Respected Members, Shareholders and Other Stakeholders,

Assalamualaikum

It is a great pleasure for me to be here with you at the 11th Annual General Meeting of Simtex Industries Limited. On behalf of the Board of Directors and myself, I express my heartfelt thanks and profound gratitude to you for your support and confidence. It is also my privilege to present to you Company's Annual Report for the year ended June 30, 2018 along with our business performance.

Simtex Industries Limited, performed well during the year 2017-2018. We believe that our endeavors and teamwork have enabled the Company to maintain its profitability under competitive industry scenario. Our relentless endeavor is to create value for investment of the shareholders who have pledged their trust on us over the year.

In 2018, the Company has maintained its stable profit from operation. It is expected that positive trend will continue in the coming years. Based on performance and business results the Board has recommended 5% Cash Dividend and 15% Stock Dividend totaling 20% for the year 2017-2018.



Simtex Industries Limited recognizes that its people are its most valuable asset. Accordingly, Company continued its programs for development of its human resources being the key contributor to Company's success. We value the contributions of our employees to the organization and adopted policy to reward them accordingly.

At Simtex we are working for a better future for our stakeholders, buyers, employees and society at large. At this occasion, I would like to thank the employees, without whose efforts and commitment we would not have earned such a strong position. I would like to extend my gratitude to the Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Central Depository Bangladesh Limited and our numerous shareholders for their valuable guidance, support and cooperation at the time of our needs. Our commitment is to attain our cherished mission through execution of prudent business strategies while ensuring that we contribute positively towards the furtherance of our national economy.

Yours sincerely

A handwritten signature in black ink, appearing to be "Mahfuza Rahman Baby", written over a horizontal line.

Ms. Mahfuza Rahman Baby
Chairman



MESSAGE FROM THE MANAGING DIRECTOR

Bismillahir Rahmanir Rahim

It is a great pleasure and privilege for me to attend this 11th Annual General Meeting of Simtex Industries Limited along with our distinguished shareholders. I am delighted to announce that 2017-2018 has been a successful year for the Company. During this year the Company has also maintained its volume of revenue and profitability under highly competitive industry scenario by means of improvement in the quality of products and customer satisfaction.

Simtex Industries Limited is the second largest Sewing Thread manufacturer and exporter of Bangladesh. We have to ensure perfection in terms of Quality, Pricing and Timeliness of our product as before and we are striving to stay likewise in the years ahead.

Though it is not very perceptible and comprises a very small fragment of the retail selling price of a garment, sewing thread is an integral component of the apparel product. Typically, the cost of thread is less than 5% of the retail selling price. As the vast majority of seams in garments are held together by sewing thread, it is important to recognize that 50% of the charisma of the garment's performance is derived from the sewing thread.

In the financial year 2017-2018 we have utilized our IPO proceeds. In this regard we have reported to BSEC, DSE, and CSE on monthly basis.



I believe that dedication and commitment of all our employees towards our customers have been the main driving force in our successful performance. Accordingly, I would thank our devoted workforce and would expect their similar dedication in future. At the same time, I would also like to thank the members of the Board of Directors for their continued support to the Management of the Company. I also acknowledge with gratitude the relentless backing and cooperation of our numerous stakeholders and earnestly thank them for their continued trust and confidence on us.

Thanking You

A handwritten signature in black ink, appearing to read "Md. Siddiqur Rahman", written in a fluid, cursive style.

Md. Siddiqur Rahman
Managing Director

DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamualaikum

On behalf of the Board of Directors of Simtex Industries Limited, I welcome you all to the 11th Annual General Meeting. It is a pleasure to present to you the Audited Financial Statements of the Company for the year ended June 30, 2018, Auditors' Report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, Listing regulations of DSE and CSE, the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and International Accounting Standards and other applicable rules & regulations.

Background

Simtex Industries Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) on May 29, 2007 and was converted into a Public Limited Company on November 15, 2012 under the Companies Act, 1994. The Company went for Initial Public Offering of shares in July 2015 which was fully subscribed and issued. The Company was listed with Dhaka Stock Exchange Limited (DSE) on November 03, 2015 and Chittagong Stock Exchanges Limited (CSE) on 29 October 2015. The Authorized capital of the company is Tk. 1,000 million and paid-up capital 659.175 million.

Revenue

You are aware that the Company is a 100% deemed exporter, engaged solely in the business of manufacturing of Sewing Thread used in the export-oriented garments industry. The turnover of the Company stood at Taka 140.28 Crore in 2017-18. The textile sector is passing through hard time in recent era internationally. Yet the efficient and prudent management of process control has enabled the company to avoid financial adversity and has earned profit.

The operating financial results of the Company for the year 2017-2018 as compared to previous year are summarized hereunder:

Particulars	2017-2018	2016-2017
Turnover	1,402,761,909	1,381,538,367
Gross Profit	304,314,288	299,831,797
Financial Expenses	57,110,897	80,851,929
Other Income	9,943,391	29,427,799
Net Profit Before Tax (NPBT)	178,409,179	178,301,301
Provision for Taxation	32,154,411	27,422,124
Net Profit After Tax (NPAT)	146,254,768	150,879,178
Gross Margin (Turnover)	21.69%	21.70%
Net Margin Before Tax	12.72%	12.91%
Net Margin After Tax	10.43%	10.92%
Earnings Per Share (EPS) BDT.	2.22	2.29
Number of Shares used to compute EPS	65,917,500	65,917,500

Industry outlook and possible future developments in the industry

As mentioned, the company is a 100% deemed exporter, engaged in the business of manufacturing of Sewing Thread for use in the export-oriented garments industry. Competitive wage together with easily trainable workforce, entrepreneurial skill, expanding supply-side capacity, and government policy support helped to translate the comparative advantages into competitive advantages of this industry. As one of the premier sewing thread manufacturer in Bangladesh, we try to make full use of the market scope, our business potentials and dynamics to benefit the best interests of our shareholders.



The company has been operating in the market for a long time with reputation and commitment. With long experience in sewing thread manufacturing, we are confident and believe that we can hold on our reputation as a quality manufacturer. We have plans to add other items of sewing thread in our product line.

Segment Reporting

The company operates only in one segment, which is the manufacturing through the process of Dyeing & Conning/winding of Sewing Thread.

Risk and concerns

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability. Changes in forex rates might also affect the pricing and thereby the profitability of the Company.

The performance of the company may also be affected negatively by the political and economic instability both in Bangladesh and worldwide

Similarly, risks factors of the industry depend on the Government policies as well. However, garments being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue to enjoy similar care and consideration from policymakers in the future. In the same way, sewing thread industry also will enjoy this benefit. Unless any policy change that may negatively and materially affect the industry as a whole, the business of the company is expected not to be affected in the short run.

A position on cost of goods sold, gross margin and net profit margin

Profit from Operation	30-June-18		30-June-17	
	Amount	Percentage	Amount	Percentage
Turnover	1,402,761,909	100%	1,381,538,367	100%
Cost of Goods Sold	1,098,447,621	78.31	1,081,706,570	78.30
Gross Profit	304,314,288	21.69%	299,831,797	21.70%
Net Profit for the year	146,254,768	10.43%	150,879,178	10.92%

Discussion on continuity of extraordinary gain or loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. As for the Company, there was no such gain or loss during the year under reporting.

Related party transactions

Related party transactions are presented in note no. 2.16 of the notes to the financial statements.

Significant variance of financial statements

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2018.

Utilization of IPO fund

We have raised Tk. 600 million through IPO in the year 2015 and have been starting utilization of IPO proceeds in that year and completed in 2018. The break-up of total IPO proceeds are as follows:

Particulars	Amount in Taka (million)
Building and Construction	52.78
Plant and Machinery	263.45
Bank Loan	200.00
Working Capital	65.27
IPO Cost	18.50
Total	600.00

As per consent letter ref no. BSEC/CI/IPO-215/2013/345 dated July 23, 2015, we have reported to BSEC, DSE, and CSE on monthly basis till 30.06.2018.

Investment Planning

Board of Directors proposed to set up a spinning unit of 26,000 spindles for producing high quality spun polyester sewing thread. It was estimated that production capacity would be 15 MT per day. This may cover 75% of existing raw material requirement. The project cost would be around Tk. 180 crore.

Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

Board Size:

The number of members in the Board of Directors of the Company is five including one Independent Director in line with notification given by BSEC.

Independent Directors

The Boards of Directors has approved the retirement of Mr. Uzzal Kumar Nandi, FCA from the position of Independent Director of the company and appointed Mr. Md. Yunus Ali as an Independent Director of the company on 30 July 2018 subject to approval of shareholders in 11th Annual General Meeting of the company.

Qualification of New Independence Director

Mr. Md. Yunus Ali is a professional experienced in the corporate industry. He has vast experience in Banking, Accounting, Company Law and other matters. He completed M.Com. and B.Com.(Hon's) majoring in Management from the University of Rajshahi.

Chief Financial Officer, Company Secretary, Head of Internal Audit

As per corporate governance guidelines of BSEC, the company has allocated the responsibilities of the officials as follows:

Chief Financial Officer	: Mr. Zafran Tareque Chowdhury, ACA
Company Secretary	: Mr. Ashis Kumar Saha
Head of Internal Audit	: Mr. Emdad Ali Mina (CA CC)

Audit Committee

The Audit Committee, as a sub-committee of the Board has been constituted with the Independent Director as Chairman and two other Directors as members. The Company Secretary acts as Secretary to the Audit Committee. This committee assists the Board of the company in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The roles and functions of the Audit Committee have been stated in the annual audit committee report and it is annexed herewith.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, as a sub-committee of the Board of Director has been constituted with three board of directors with one Independent director as a chairman. The company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. Since the corporate governance code has been adopted on 03 June, 2018, we have been taking necessary steps to comply with.

External Statutory Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors for the Company.

Maintaining a website

The company has been maintaining an official website www.simtexgroup.com which is linked with the website of the stock exchange.

Subsidiary Company

The company has no subsidiary company whatsoever.



Duties of CEO & CFO

The provision of BSEC regulations have been compiled in the Annual Report.

Directors' Appointment and Re-Appointment

With regard to the appointment, retirement and re-appointment of directors, the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislation. Accordingly, the following Directors of the Board will retire at the annual general meeting and be eligible to offer themselves for re-election:

- 1) Mr. Md Siddiquir Rahman
- 2) Ms. Hafiza Khanam

Shareholding pattern

The shareholding of directors at the end of 30 June, 2018 is shown as below:

	Name of the shareholders	Position	Shares held	%
i.	Parent/Subsidiary/Associated companies and other related parties	-	-	-
ii.	Directors:			
	Ms. Mahfuza Rahman Baby	Chairman	2,387,055	3.62%
	Mr. Md Siddiquir Rahman	Managing Director	16,728,739	25.38%
	Mr. Md. Ensan Ali Sheikh	Director	1,419,330	2.15%
	Ms. Hafiza Khanam	Director	1,419,330	2.15%
	Mr. Uzzal Kumar Nandi, FCA	Independent Director	-	-
iii.	Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their Spouse and Minor Children:			
	Mr. Md Siddiquir Rahman	Managing Director, his Spouse and Minor Children	16,728,739	25.38%
	Ms. Mahfuza Rahman Baby		2,387,055	3.62%
	Mr. Neaz Rahman Shaqib		1,419,330	2.15%
	Mr. Md. Istiaq Rahman Imran		1,419,330	2.15%
	Mr. Zafran Tareque Chowdhury, ACA	Chief Financial Officer	Nil	
	Mr. Ashis Kumar Saha	Company Secretary	Nil	-
	Mr. Emdad Ali Mina	Head of Internal Audit	Nil	-
iv.	Executives:	-	Nil	-
v.	Shareholders holding 10% or more voting interest in the company:	-	Nil	-

Directors involved in other Companies:

SL.	Name	Position in SIL	Involvement	
			Name of company	Position
1	Ms. Mahfuza Rahman Baby	Chairman	FAS Finance & Investment Ltd.	Nominated Director
2	Mr. Md Siddiquir Rahman	Managing Director	FAS Finance & Investment Ltd.)	Chairman
			Clewiston Foods and Accommodation Limited (Owner co. of Radisson Cox's Bazar)	Director
			FAS Capital Management Ltd	Chairman
			Nitol Insurance Company Limited	Nominated Director
3	Mr. Md. Ensan Ali Sheikh	Director	FAS Capital Management Ltd	Director
4	Ms. Hafiza Khanam	Director	FAS Capital Management Ltd	Director
5	Mr. Uzzal Kumar Nandi, FCA	Independent Director	-	-

Board Meeting and Attendance

During the year, 10 (Ten) nos. of Board Meetings were held. The attendance record of the directors is as given below:

Name of Directors	Attendance
Ms. Mahfuza Rahman	10
Md. Siddiqur Rahman	10
Md. Ensan Ali Sheikh	10
Ms. Hafiza Khanam	10
Mr. Uzzal Kumar Nandi	10

Director's remuneration

Director's remuneration is shown in the note no. 21 of the notes to the Financial Statements.

Statement of Directors on Financial Reports

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the following:

- The financial statements together with notes thereon have been drawn up in conformity with the Companies Act. 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- The system of internal control is sound and has been implemented and monitored effectively.
- No bonus shares or stock dividend has been or shall be declared as interim dividend.
- Management discussion and analysis signed by MD presenting detailed analysis of the company's position and operations along with a brief discussion on changes in the financial statements. Page No. 19.
- The key operating and financial data for the last five years. Page No. 20.

Going Concern

While approving the financial statements, the directors have made appropriate inquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the Company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the Company has adequate resources to continue its operation consistently for the foreseeable future. Therefore, the company adopted the going concern basis in preparing the financial statements.

Significant deviation of Operating Result

There is no significant deviation from the last year's operating result of the Company.

Dividend

The Board of Directors has recommended 5% Cash Dividend and 15% Stock Dividend.

Particulars	2017-2018	2016-2017
Profit available for appropriation:	Amount in Taka	Amount in Taka
Profit/loss after Tax	146,254,768	150,879,178
Un-appropriated profit brought forward from previous year	346,517,666	267,548,488
Prior Adjustment (over provision of Tax)	-	-
Total Amount available for appropriation	492,772,434	418,427,666
Appropriation		
Closing Retained Earning at year end (Before proposed final dividend)	492,772,434	418,427,666
Proposed Dividend for the year 2018 (5% cash and 15% stock) (in 2017: 2% cash and 10% stock)	131,835,000	71,910,000
Retained Earnings after proposed dividend	360,937,434	346,517,666



Statutory Auditors

The Auditors of the Company, M/S Pinaki & Company, Chartered Accountants 2/A, AHSANDELL, Mymensingh Road (2nd Floor), Shahbag Dhaka-1000 has carried out the audit of the company for the year ended 30 June 2018. They were appointed as Statutory Auditor in 10th AGM. As per regulation 15 (2) & (3) of DSE and CSE (listing) regulations, 2015 existing auditor is not eligible for re-appointment because of fulfilment of 3-year period. After receiving expression of interest from Ahmed Zaker & Company, Chartered Accountants 89, Kakrail, Green City Edge (Level 10), Dhaka 1000, the Board of Directors has recommended appointment of Ahmed Zaker & Company, Chartered Accountants 89, Kakrail, Green City Edge (Level 10), Dhaka 1000. A proposal for appointment of M/S Ahmed Zaker & Company, Chartered Accountants as auditor for the year 2018-19 of the Company will be placed in the forthcoming 11th AGM for shareholder's approval and fixation of their fees.

Professionals for Compliance of Corporate Governance Code

The board has appointed M/s. Mazumdar Sikder and Associates 45, Bijoy Nagar Dhaka 1000 as professional for Report on Compliance Governance Code for the year 2018-19.

Acknowledgment

The Company express its sincere thanks and gratitude to the respected shareholders, valued clients, Banks and well-wishers home and abroad for their wholehearted co-operation and active support.

We are thankful to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Registrar of Joint Stock Companies & Firms (RJSC), Central Depository Bangladesh Limited (CDBL), Government and private sector Organization and many others for extending co-operation and support to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result.

Thanks are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year.

I, on behalf of the board of the directors, take the opportunity to inform you that we welcome any suggestions and opinion to improve our Company performance and financial stability.

Thanking you.

On behalf of the Board of Directors

Ms. Mahfuza Rahman Baby
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND PERFORMANCE

For last five financial years the company generated moderate growth in sales. In 2014, sales stood Tk. 1,359 million and now in 2018 sales stand Tk. 1,402 million. In line with sales, net profit after tax had been increased from around Tk. 96 million in 2014 to Tk. 146 million in 2018. In the last five financial years, net operating cash flow per share was positive. In the backdrop of above scenario, it indicates the company is moving forward and it has good promise in the long run.

Accounting policy and estimation for preparing financial statements have been remained same as it was before. Hence, there is no effect in this regard.

The economic scenario of Bangladesh has been good. In last fiscal year Bangladesh enjoyed 7.86% economic growth. Per capita income has been increased to USD 1,751 in 2017-18, which was USD 1,610 in FY 2016-17. We are going to be middle income country by 2027. Export is experiencing mild growth and Forex Reserve around USD 32 billion plus. The world economy has been recovering from economic meltdown of 2008. Global growth for 2018–19 is projected to remain steady at its 2017 level. Global growth is projected at 3.7 percent for 2018–19.

As far as risks are concerned, Simtex Industries Limited. is exposed to foreign exchange risk, inflation risk. Foreign exchange risk is trade-off between export and import. As we have to make less payment against export earning, foreign exchange risk is mitigated. In terms of inflation, this is adjusted in sales price. Hence, Company can mitigate this risk as well.



Md Siddiquir Rahman, MBA, FCS
Managing Director

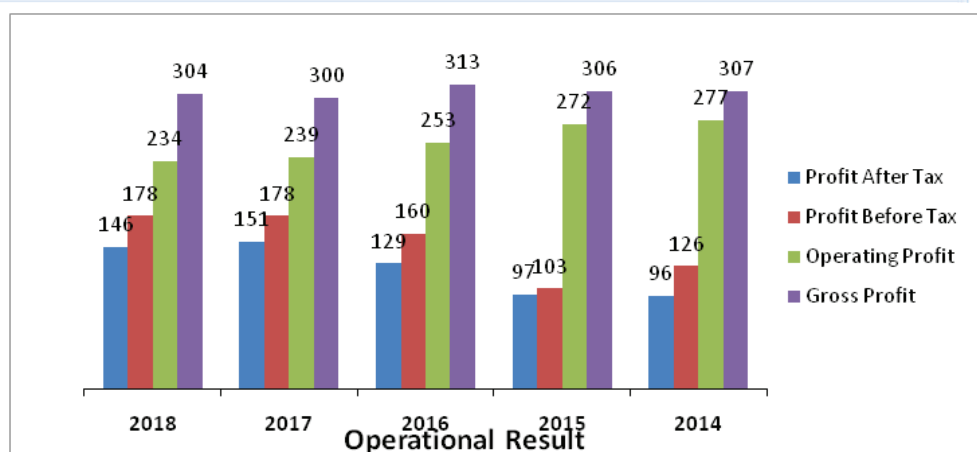
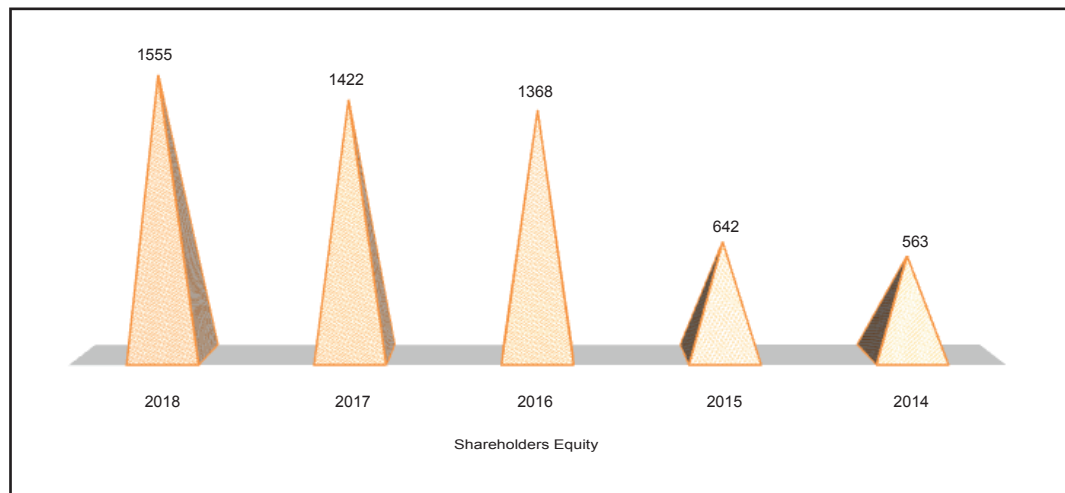


FINANCIAL HIGHLIGHTS

Operational Result	Amount in Taka				
	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Turnover	1,402,761,909	1,381,538,367	1,380,435,126	1,364,024,239	1,359,191,916
Gross Profit	304,314,288	299,831,797	313,087,748	305,568,713	307,383,518
Profit from Operation	234,408,292	238,640,497	252,534,564	271,603,169	276,562,014
Net Profit before tax	178,409,179	178,301,301	159,629,251	103,260,237	126,795,796
Net Profit after Tax	146,254,768	150,879,178	128,828,447	96,617,480	95,839,370
Net Operating Cash Flow per Share	2.13	4.36	1.08	4.57	3.33
Financial Position	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Non-Current Assets	1,120,342,267	936,399,361	831,396,032	837,717,122	762,317,115
Current Assets	951,186,899	961,649,838	1,038,728,639	601,585,719	619,327,113
Shareholder's Equity	1,555,562,166	1,422,233,924	1,368,246,302	642,239,409	563,358,556
Current Liability	240,793,631	200,915,340	157,811,096	363,874,999	316,729,209
Long Term Liability	243,955,690	248,342,860	323,382,992	417,771,816	477,112,753
Key Financial Ratio	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Current Ratio	3.95	4.79	6.58	1.65	1.96
Quick Ratio	2.34	3.53	5.09	1.04	1.31
Debt to Equity Ratio	0.24	0.26	0.37	1.24	1.45
Net Income Ratio (%)	10.43%	10.92%	9.33%	7.08%	7.05%
Return on Equity (%)	9.82%	10.81%	12.82%	16.03%	18.71%
Earnings Per Share	2.22	2.52	2.54	3.36	3.33

Financial Highlights in the form of Graphical Representation

Amount in Million



Event Highlights



10th Annual General Meeting



10th Annual General Meeting

Achievement



BGAPMEA EXPORT TROPHY- 2017



New Machineries in Operation



Annexure- A
[As per condition No. 1(5)(xxvi)]

CEO & CFO'S DECLARATION

Date: 27.10.2018

Board of Directors
Simtex Industries Limited.
Khagan, Birulia, Savar, Dhaka

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

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/2017/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

In this regard, we also certify that: --

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

Sincerely yours,

Md. Siddiqur Rahman, MBA, FCS
Managing Director

Zafran Tareque Chowdhury ACA
Chief Financial Officer (CFO)

**Annexure-B**

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

**MAZUMDAR SIKDER AND ASSOCIATES**

Cost & Management Accountants

Report to the Shareholders of Simtex Industries Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Simtex Industries Limited** for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

For Mazumdar Sikder and Associates

Cost & Management Accountants

Place -Dhaka.

Date- November 06 , 2018

Sd/-

Md. Salauddin Sikder FCMA
Senior Partner



Annexure- C
[As per condition No. 1(5)(xxvii)]

Simtex Industries Ltd.

Status of Compliance with the Corporate Governance Code (CGC)

"Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:"

(Report under Condition No. 9)

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1	Board of Directors			
1(1)	Size of the Board of Directors	√		
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
1(2)	Independent Directors	√		
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1(2)(b)	For the purpose of this clause 'independent director' means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		Independent directors has been appointed on 30.07.2018 by the board of directors and to be placed before the shareholders for approval in the 11th AGM.
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)	Independent Director shall have following qualifications			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	-	
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√	-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√	-	-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;			No such issue arose
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		
1(4)(e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders:			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994):-	√		
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;			
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);			No such issue arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	√		No such issue arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;	√		No such matter to explain
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		
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;	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√		
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;	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	There is no significant doubt 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 there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		No such matter to explain
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		The BOD declared dividend
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		



Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiii)(d)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	√		
1(5)(xxiv)(a)	a brief resume of the director	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	Meetings of the Board of Directors:			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		Will be complied within stipulated time
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	-	-	N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A



Condition No.	Title	Complied	Not Complied	Remarks (If any)
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board provided that CS, CFO and HIAC shall not attend such part of a meetings of the Board relating to their personal matter.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee:- For ensuring good governance in the company, the Board shall have at least following subcommittees:			

Condition No.	Title	Complied	Not Complied	Remarks (If any)
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		No such Incident arose

Condition No.	Title	Complied	Not Complied	Remarks (If any)
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee: The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.			
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			

Condition No.	Title	Complied	Not Complied	Remarks (If any)
5(6)(a)(ii)(a)	report on conflicts of interests;	√		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such Incident arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such Incident arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			No such Incident arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such Incident arose
5(6)(b)	Reporting to the Authorities:			
5(6)(a)(ii)(d)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such Incident arose
5(7)	Reporting to the Shareholders and General Investors:			
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2) (c)	Members of the Committee shall be nominated and appointed by the Board;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such Incident arose
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such Incident arose
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such Incident arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		Will attend in upcoming AGM
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC	√		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	√		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual Report.			will be complied within stipulated time
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	√		
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	any other service that creates conflict of interest.	√		No such incident arose
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.			Will appoint in the next AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Application of Bangladesh Financial Reporting Standards (IFRS) and Bangladesh Accounting Standards (IAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Financial Instruments : Disclosure	IFRS-7	Applied
Fair Value Measurement	IFRS-13	Applied.
Revenue from Contracts with Customers	IFRS-15	Applied
Presentation of Financial Statements	IAS-1	Applied
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
The effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Financial Instruments: Presentation	IAS-32	Applied
Earnings Per Share	IAS-33	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Financial Instruments: Recognition & Measurement	IAS-39	Applied



AUDIT COMMITTEE REPORT

(FOR THE YEAR ENDED 30 JUNE 2018)

Dear Shareholders

Simtex Industries Limited established an audit committee as a sub-committee of the Board of Directors and they assist the Board of Directors in fulfilling its oversight responsibilities and ensuring that the financial statement reflects true and fair view.

Composition of Audit Committee

As per requirements of BSEC circular, The Board of Directors of Simtex Industries Limited formed an Audit Committee headed by Company's Independent Director Mr. Uzzal Kumar Nandi, FCA. The Committee is composed of 3 (three) members of the Board. The members of the Audit Committee are as follows:

Mr. Uzzal Kumar Nandi, FCA Independent Director	Chairman
Mr. Md. Ensan Ali Sheikh Director	Member
Ms. Hafiza Khanam Director	Member
Mr. Ashis Kumar Saha Company Secretary	Member Secretary

Audit Committee Meeting Attendance record of the Members

Name	Position	Meeting Attended	Percentage
Mr. Uzzal Kumar Nandi	Chairman	4	100
Mr. Md. Ensan Ali Sheikh	Member	4	100
Ms. Hafiza Khanam	Member	4	100

The Role and Responsibilities of the Audit Committee

The Role and Responsibilities of the Audit committee are clearly mentioned in the Compliance of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 condition no 5.5 The key responsibilities of the Audit Committee are as follows.

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors
- Review along with the Management, the Annual Financial Statements before submission to the board for approval.
- Review along with the management, the quarterly and half-yearly Financial Statements before submission to the Board for approval.
- Review the adequacy of internal Audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management letter/Letter of Internal Control weakness issued by statutory auditors.
- Review the Utilization report of Initial Public Offering (IPO) proceeds

The Committee during the period under report met four times and its activities includes:

- The financial statements of the quarterly, half yearly and the full year were reviewed by the committee and subsequently recommended to the Board for adoption consideration and circulation as per the requirement of Bangladesh Securities & Exchange Commission.
- The committee also reviewed the audited financial statements of the Company for the year ended June 30, 2018 this reviews incorporated the accounting policies and key judgments and estimates underpinning financial statements as disclosed in Notes to the Accounts.
- The committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The committee reviewed the compliance with existing laws and regulation.
- Approved the internal audit plan.
- Reviewed the effectiveness and independence of the Statuary auditors and recommended re-appointment of external auditors.



On behalf of the Committee

Md. Yunus Ali

Chairman, Audit Committee



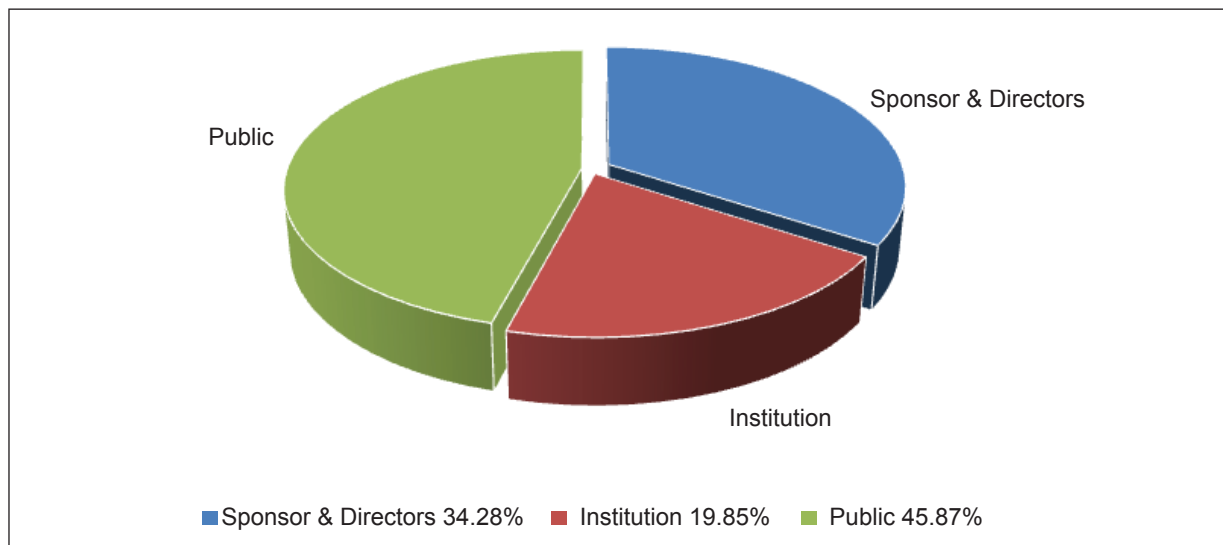
INFORMATION RELATING TO COMPANY CAPITAL

Simtex Industries Limited is the second largest sewing thread manufacturer in Bangladesh. The Company started its business with paid-up Capital TK. 6.00 million and now it's existing paid-up capital stands at 659.175 million. Authorized Capital of the Company is TK. 1000 million. In 2015 the Company raised its paid-up capital by TK. 300 million through IPO. The Company is listed with DSE and CSE. The Capital Structure of the Company is the nominated as under:

Particulars	Amount in Taka	Percentage
Sponsor & Director :	226,060,550/-	34.28%
Institution :	130,830,020/-	19.85%
Public :	302,284,430/-	45.87%
	659,175,000/-	100%

The Range of Shareholding as on 30 June, 2018

Particulars of Investors	Number of Shareholders	Number of Shares	Percentage of Shareholding (%)
1 to 500 Shares	4,022	1,084,570	1.65
501 to 5,000 shares	520	1,058,080	1.61
5,001 to 10,000 shares	124	912,314	1.38
10,001 to 20,000 shares	84	1,218,374	1.85
20,001 to 30,000 shares	32	759,361	1.15
30,001 to 40,000 shares	12	428,866	0.65
40,001 to 50,000 shares	14	639,370	0.97
50,001 to 100,000 shares	31	2,252,490	3.42
100,001 to 1,000,000 shares	53	16,130,156	24.47
Over 1,000,000	15	41,433,919	62.86
Total	4,907	65,917,500	100%



CREDIT RATING

Simtex Industries Limited has been rated as A (Pronounced as single A) for long-term credit rating and ST-3 for Short-term credit rating by Credit Rating Information and Services Ltd. (CRISL) based on audited financial statements up to 30 June, 2018, Bank liability position as on 31 March, 2018 and other available information up to the date of rating declaration. The date of rating was on 8 May, 2018. The outlook on the rating is Stable.

Long-Term Rating
A

Short-Term Rating
ST-3

Outlook
Stable

Date of Validity
May 7, 2019

CRISL considered financial performance, revenue, export, receivable, payable, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating reflects the strengths of the company which has long operating history, moderate to high revenue growth.

CREDIT RATING INFORMATION AND SERVICES LIMITED

CREDIT RATING REPORT - RATIONALE

Marko Hemmich & Son, Floor 10, 100, Bangladesh
Tel: 88-02-775500 - 1, Fax: 88-02-768798,
Email: credit@online.com



A Joint Venture Rating Agency of
Rating Agency Malaysia Berhad (RAM), Malaysia, JCR-VIS Credit Rating Company Ltd., Pakistan,
Investment Corporation of Bangladesh, ABN Amro Pakistan and Sponsors of Bangladesh

Setting Global Standard at National Level

CRISL/CER/205/18

SIMTEX INDUSTRIES LIMITED

RATING SPECIFICS

DATE OF RATING	May 08, 2018	EXPIRY ON: May 07, 2019
BASIS OF RATING	Financials and other relevant information up-to the date of rating	
RATING DETAILS	Long Term	Short Term
Entity Rating	A	ST-3
Outlook	Stable	
Bank Facilities Ratings		
Bank/FI	Mode Of Exposure (Figures in Million)	Rating
Trust Bank Limited	TLO* TK.197.03	blr A
	WCL** TK.1,339.15	blr A
Southeast Bank Limited	WCL** TK.720.00	blr A
NCC Bank Limited	LTO* TK.12.68	blr A

*TLO- Term loan outstanding & **WCL- Working capital loan limit

CRISL has reaffirmed the Long Term rating to 'A' (pronounced as single A) and the Short Term rating to 'ST-3' of Simtex Industries Limited ('SIL') based on both relevant qualitative and quantitative information up to the date of rating. The above ratings have been reassigned based on some fundamentals of the company which includes the rating affirmations reflect equity based capital structure, stability in financial performance, experienced management team etc. The above factors are however constrained to some extent by significant bank loan exposure, moderate infrastructure facility, exposure to price fluctuation risk etc.

The Long Term rating implies that entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The Short Term rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to financial markets is good with small risk factors.

CRISL also views the company with "Stable Outlook" for its steady business growth and consistent fundamentals and believes that the company will be able to maintain its fundamentals with the same trend in foreseeable future.


Sarwat Amin
EVP and Head of Operations

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/003

Date of issue : January 2, 2018



Renewed Certificate

This is to certify that

SIMTEX INDUSTRIES LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2018.




Secretary-General
(Acting)

CERTIFICATE

The company

Simtex Industries Limited
Khagan, Birulia
Savar, Dhaka - 1341, BANGLADESH

is granted authorisation according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® mark, based on our test report **18.0.53210**



for the following articles:

Sewing, embroidery and filament threads made of 100 % polyester, white and disperse dyed; produced by using materials certified according to STANDARD 100 by OEKO-TEX®.

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Appendix 6, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the STANDARD 100 by OEKO-TEX® presently established in Appendix 6 for baby articles.

The certified articles fulfil requirements of Annex XVII of REACH (incl. the use of azo colourants, nickel release, etc.), the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass) and of the Chinese standard GB 18401:2010 (labelling requirements were not verified).

The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the STANDARD 100 by OEKO-TEX® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

The certificate 07.KA.53099 is valid until 31.10.2019

Boennigheim, 29.10.2018


Dipl.-Ing. (FH) Elisabeth Panian
Head of Certification Body OEKO-TEX®





AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIMTEX INDUSTRIES LIMITED

We have audited the accompanying financial statements of Simtex Industries Limited which comprises the Statement of Financial Position as at 30 June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations, This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 the International Standards on Auditing (ISA) applicable in Bangladesh ensuring the provisions of the (ফরাসি আইন, ১৯৯৪) (১৯৯৪ সালের ১৮তম আইন) (Companies Act, 1994), the Financial Reporting Act, 2015, Securities laws and other relevant laws. Those standards require that we comply with the provisions or professionalisms or practices or ethical requirements of the International Standards on Auditing (ISA), system of quality control requirement under the International Standard on Quality Control (ISQC), the code of Ethics for Professional Accountants and other relevant standards and pronouncements as applicable in Bangladesh. We also plan and perform the audit to obtain reasonable assurance 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes 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.

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Bangladesh Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations. However, compliance and documentation process need be strengthened further.

We also report that:

- (i) 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;
- (ii) 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 and proper returns adequate for the purpose of our audit have been received;
- (iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business;

Dhaka

Dated: October 27, 2018


Pinaki & Company
Chartered Accountants



Simtex Industries Limited
Statement of Financial Position
As at 30 June 2018

PARTICULARS	Notes	Amount in Taka	
		30.06.2018	30.06.2017
ASSETS			
A : NON-CURRENT ASSETS		1,120,342,267	936,399,361
Property, Plant & Equipment	3	921,879,674	936,399,361
Capital Work in Progress	4	198,462,593	-
B: CURRENT ASSETS		951,186,899	961,649,838
Accounts Receivable	5	448,744,547	386,466,620
Investment in Share	6	91,035	8,146,873
Advance, Deposit & Prepayments	7	119,816,533	74,197,162
Inventory	8	267,241,224	242,410,188
Goods in Transit	9	32,445,121	10,798,083
Cash & Cash Equivalent	10	82,848,439	239,630,912
TOTAL ASSETS (A+B)		2,071,529,166	1,898,049,199
SHAREHOLDERS EQUITY & LIABILITIES			
C : SHAREHOLDERS EQUITY		1,555,562,166	1,422,233,924
Share Capital	11	659,175,000	599,250,000
Share Premium		300,000,000	300,000,000
Revaluation Reserve		103,668,899	103,668,899
Other Comprehensive Income		(54,167)	887,359
Retained Earnings		492,772,434	418,427,666
D : NON-CURRENT LIABILITIES		275,173,369	274,899,935
Long term Loan Net off Current Portion	12	243,955,690	248,342,860
Deferred Tax	13	31,217,679	26,557,075
E : CURRENT LIABILITIES		240,793,631	200,915,340
Accounts Payable	14	1,654,800	2,772,076
Short term Loan from Bank & Others	15	45,524,433	24,019,909
Share Money (Refundable)		437,782	437,782
Current portion of Long Term Loan	16	82,204,590	93,220,523
Liabilities For Expenses	17	24,787,578	22,645,717
Dividend Payable		5,716,016	4,844,709
Provision For Income Tax	18	80,468,431	52,974,624
TOTAL EQUITY & LIABILITIES (C+D+E)		2,071,529,166	1,898,049,199
Net Assets value (NAV) Per Share		23.60	23.73

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

Chairman

Managing Director

Director

Chief Financial Officer

Company Secretary

Dated: October 27, 2018
Dhaka

Pinaki & Company
Chartered Accountants



Simtex Industries Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2018

PARTICULARS	Notes	Amount in Taka	
		01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
(A) Turnover	19	1,402,761,909	1,381,538,367
(B) Cost of Goods Sold	20	1,098,447,621	1,081,706,570
(C) Gross Profit (A - B)		304,314,288	299,831,797
(D) Operating Expenses		69,905,996	61,191,300
Administrative Expenses	21	60,039,115	51,636,389
Selling & Distribution Expenses	22	9,866,881	9,554,911
(E) Profit from Operation(C-D)		234,408,292	238,640,497
(F) Financial Expenses	23	57,110,897	80,851,929
(G) Foreign Exchange Gain/(Loss)		88,852	-
(H) Other Income/Loss	24	9,943,391	29,427,799
(I) Net Profit Before WPPF(E-F+G+H)		187,329,638	187,216,367
(J) Workers Profit Percipation Fund		8,920,459	8,915,065
(K) Net Profit Before Tax(I-J)		178,409,179	178,301,301
Less: Provision for Tax:		32,154,411	27,422,124
Current Tax	25	27,493,807	21,549,330
Deferred Tax	26	4,660,604	5,872,794
Net Profit After Tax		146,254,768	150,879,178
Other Comprehensive Income	27	(941,526)	20,608,444
Total Comprehensive Income		145,313,242	171,487,622
Earnings Per Share (Adjusted EPS)		2.22	2.29
Number of Shares used to Compute EPS		65,917,500	65,917,500

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


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Dated: October 27, 2018
Dhaka


Pinaki & Company
Chartered Accountants



Simtex Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2018

PARTICULARS	Amount in Taka					
	Share Capital	Share Premium	Revaluation Surplus	Other Comprehensive income	Retained Earnings	Total
Balance as on 01.07.2017	599,250,000	300,000,000	103,668,899	887,359	418,427,666	1,422,233,924
Stock Dividend Issued (10%)	59,925,000	-	-	-	(59,925,000)	-
Cash Dividend Issued (2%)	-	-	-	-	(11,985,000)	(11,985,000)
Addition during the year	-	-	-	(941,526)	-	(941,526)
Net Profit during the year	-	-	-	-	146,254,768	146,254,768
Balance as on 30.06.2018	659,175,000	300,000,000	103,668,899	(54,167)	492,772,434	1,555,562,166

Simtex Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2017

PARTICULARS	Amount in Taka					
	Share Capital	Share Premium	Revaluation Surplus	Other Comprehensive income	Retained Earnings	Total
Balance as on 01.07.2016	587,500,000	300,000,000	103,668,899	(19,721,085)	396,798,488	1,368,246,302
Stock Dividend Issued (2%)	11,750,000	-	-	-	(11,750,000)	-
Cash Dividend Issued (20%)	-	-	-	-	(117,500,000)	(117,500,000)
Addition during the year	-	-	-	20,608,444	-	20,608,444
Net Profit during the year	-	-	-	-	150,879,178	150,879,178
Balance as on 30.06.2017	599,250,000	300,000,000	103,668,899	887,359	418,427,666	1,422,233,924

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

Chairman

Managing Director

Director

Chief Financial Officer

Company Secretary

Simtex Industries Limited
Statement of Cash Flows
For the year ended 30 June 2018

PARTICULARS	Amount in Taka	
	01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
Cash Flow from Operating Activities:		
Cash Collection From Turnover & Others	1,340,483,982	1,364,866,815
Cash Paid to Suppliers, Employee & Others	(1,178,677,290)	(1,082,674,159)
Cash Generated from Operation	161,806,692	282,192,656
Income Tax Paid	(21,690,965)	(20,949,695)
Net Cash flow from Operating Activities:(A)	140,115,727	261,242,961
Cash Flows from Investing Activities:		
Investment in Share	8,911,715	62,392,321
Received from Interest and Dividend Income	8,145,988	14,691,084
Paid for Acquisition of Property, Plant & Equipment	(48,458,994)	(173,525,644)
Advance for Acquisition of Property, Plant & Equipment	(5,000,000)	-
Payment for Capital Work in Progress	(198,462,593)	-
Received from disposal of Property Plant & Equipment	-	6,121,100
Net Cash used in Investing Activities:(B)	(234,863,884)	(90,321,139)
Cash flow from Financing Activities		
Payment of Cash Dividend	(11,113,693)	(112,655,291)
IPO Subscription Money	-	(442,440)
Payment of Interest	(57,110,897)	(80,851,929)
Net Long Term Loan Received/Payment	(15,403,103)	(63,574,535)
Net Short Term Loan Received/Payment	21,504,524	3,595,337
Net Cash flow from Financing Activities:(C)	(62,123,169)	(253,928,858)
Net increase/decrease in cash & Cash equivalents:(A+B+C)	(156,871,326)	(83,007,036)
Cash & Cash equivalents at the beginning of the year	239,630,912	322,637,949
Foreign Exchange Gain/(Loss)	88,852	-
Closing Cash & Cash equivalents at the end of the year	82,848,439	239,630,912
Net operating cashflows per share (NOCFPS) (Restated)	2.13	4.36


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary



SIMTEX INDUSTRIES LIMITED

Notes to the Financial Statements

For the year ended 30 June 2018

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.01 Legal form of the Enterprise:

The company namely Simtex Industries Limited was incorporated as private limited company with the issuance of certificate of incorporation bearing no.C-67047(4539)/2007 dated May 29, 2007 by the Registrar of Joint Stock Companies & Firms. Subsequently the company has been converted into Public Limited Company in 2012. The Company was listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchanges (CSE) in 2015.

1.02 Registered Office of the Company:

Registered Office of the Company is located at Khagan, Birulia, Savar, Dhaka, Bangladesh.

1.03 Principal activities and nature of the business:

The principal activities and nature of the business of the company is to carry on a Dyeing & Conning/winding of sewing thread.

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities Exchange Rules 1987 and other applicable laws & regulation in Bangladesh.

2.01 Going Concern:

This financial statement has been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis is preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.02 Changes in Accounting Policies & Estimates:

The preparation of these financial statements is in conformity with IAS/IFRS which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

The company has presented payment of financial expenses under the head of Financial activities instead of Operating activities and rearranged the figure of previous year. As net received/payment of long term and short term loan are presented under Financial activities, the management thinks that it is more appropriate to present payment of financial expenses under Financial activities rather than Operating activities.

2.03 Cash Flow Statement:

Cash flow statement is prepared in accordance with IAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

2.04 Property, Plant, Equipment and Depreciation:

All Property, Plant and Equipment are stated at cost less accumulated depreciation except Land and land development as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied with the item will flow to and the cost of the item can be measured reliably. Expenditure incurred after the assets have

been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

Depreciation has been charged on Property, Plant and Equipment under reducing balance method and depreciation has been charged on addition of assets during the year when it is put in to available for use.

The annual rates of depreciation applicable to the principal categories of fixed assets are:

<u>Kind of assets</u>	<u>Rate of Depreciation</u>
a) Land & Developments	0%
b) Building & Fabricated Shade	10%
c) Plant & Machinery	10%
d) Trolley	10%
e) Gas and Electrical Line	10%
f) Electrical Equipment	10%
g) Spare parts and Tools	10%
h) Transport & Vehicle	10%
i) Office Equipment	10%
j) Furniture & Fixture	10%
k) Shade Book	5%
l) Int. Pantan Book	15%
m) Air Condition	10%
n) Crockery	10%
o) Software	20%

2.05 Revaluation of Property, Plant and Equipment (Land):

Land of the company was revalued and certified by the valuer M/S Ata Khan & Co. Chartered Accountants in their valuation report dated December 31, 2012 and accordingly account for by the company. The Board of Directors of the company has approved the valuation report to incorporate in the accounts dated December 31, 2012.

2.06 Investment in Securities:

Investment in quoted shares is initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at market value at reporting date. Net of unrealized gain and loss has been recognized in the statement of Profit & Loss and other Comprehensive Income.

2.07 Revenue Recognition:

In compliance with the requirements of IFRS - 15 Revenue from Contracts with Customers, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

2.08 Impairment:

In accordance with the provision of "IAS-36" Impairment of Assets the carrying amount of non financial assets other than inventories are reviewed to determine whether there is any indication of impairment. No such indication of impairment has risen till the date of audit.

2.09 Financial Instrument:

Derivative

According to IFRS-7, "Financial Instruments Disclosures" the company was not a party to any derivative contract (financial instruments) at the Balance Sheet Date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per IAS-39 "Financial Instruments: Recognition and Measurement".



2.10 Valuation of Current Assets:

Accounts Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year accounts.

Inventories:

In compliance with the requirements of IAS 2 "Inventories" & with Schedule XI Part-II of the Companies Act 1994, the Inventories have been valued at Cost or Net Realizable value whichever is lower, which is consistent with the previous year practice. Net realizable value is based on estimated selling price in the ordinary course of business less any further cost expected to be incurred to make the sale.

2.11 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 supplier.

2.12 Employee Benefit Plan:

The Company has Contributory Provident Fund plan which contribute both employer & employee an equal amount. The company has introduced Workers Profit Participation and Welfare Fund (WPPF) for the employees and made provision @5% on net profit before Tax accordingly.

2.13 Number of Employees:

During the year under review, the number of employees stands at 691 and each Employee has been receiving minimum remuneration of Tk. 5,300/= and above per month. There was no part-time employee in the Company during the Year under audit.

2.14 Capacity Utilization:

	2017-2018 Cones	2016-2017 Cones
Total Production Capacity in Cones	37,500,000	37,500,000
Capacity Utilization in Cones	27,886,292	27,464,768
Capacity Utilization for the year	74.36%	73.24%

2.15 Capital expenditure commitment:

There was no capital expenditure commitment during the year.

2.16 Related party disclosure:

Related party is considered if the party is related to the company and exerts significant influence over the day to day transactions of the subject gain as per IAS-24. The following related party transactions have been appeared during the year.

NAME	TYPE OF TRANSACTION	AMOUNT (TK.)
Mr. Md Siddiquir Rahman	Remuneration and Board Meeting Fees	630,000
Mrs. Mahfuza Rahman Baby	Remuneration and Board Meeting Fees	630,000
Mrs. Hafiza Khanam	Remuneration and Board Meeting Fees	810,000
Mr. Md. Ensan Ali Sheikh	Remuneration and Board Meeting Fees	780,000
Mr. Uzzal Kumar Nandi	Board Meeting Fees	30,000

2.17 Event after the Balance Sheet Date:

As per IAS-10 "Event after the Balance Sheet Date" are those event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorized for issue. Subsequent to the Statements of Financial Position date, the Board of Directors in their meeting held on October 27, 2018 recommend 5% cash dividend and 15% stock dividend to existing shareholders held at record date for the year ended 30 June 2018. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

2.18 Functional and Presentational Currency:

Realization and payments in foreign currency are converted into the local currency at the rate of exchange prevailing on the date of receives and payments respectively, as such any gain or loss arisen out of transactions in foreign currency is charged to the related items as per IAS-21. The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

2.19 Taxation:**Provision for Taxation:**

Provision for current income tax has been made at the rate of 15% on business income and tax provision on other income as prescribed in the Income Tax ordinance, 1984 on the accounting profit made by the Company in compliance with IAS-12 "Income Taxes".

Deferred Tax:

Deferred tax is provided for all temporary differences comprising between the tax base of assets and liabilities and their carrying amounts in financial statements in accordance with the provision of IAS-12. During the year the Company has recognized for Deferred Tax as per provision of IAS-12.

2.20 Borrowing Cost:

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using effective interest method. Borrowing cost incurred against loan for expansion of project has been capitalized under effective interest rate method as per IAS-23 "Borrowing Cost".

2.21 Earnings per share:

The company calculates Earning per Share (EPS) in accordance with IAS-33 "Earning per Share". The Earning per share has been calculated using weighted average method.

Basic Earnings: This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, monetary interest or any extra other ordinary items. The net profit after tax for the year has considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year: The basis of computation of number of shares is in line with the provision of IAS-33: Earnings per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

Diluted Earning Per Share: Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of IAS-33. As the company has no dilutive potential ordinary shares, so diluted earnings per shares was not calculated.

2.22 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994 and the corporate Governance guideline provided by Bangladesh Securities and Exchange Commission (BSEC).

2.23 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on October 27, 2018.

2.24 Components of the Financial Statements:

According to IAS 1 "Presentation of the Financial Statements" the complete set of financial statement includes the following components:

- a) Statement of Financial Position as at June 30, 2018.
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2018.
- c) Statement of Changes in Equity for the year ended June 30, 2018.
- d) Statement of Cash Flows for the year ended June 30, 2018.
- e) Explanatory notes to the financial statements.



2.25 Comparative Information

Comparative information has been disclosed as required by IAS 34: 'Interim Financial Reporting' In respect of the previous year for all numerical information in the current financial statements.

Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of the current year's financial statement.

2.26 General:

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering one year from July 01, 2017 to June 30, 2018.
- iii) To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or re-stated or reclassified whenever considered necessary to conform to current year presentation



Simtex Industries Limited Note to the Financial Statement

As at 30 June 2018

Amount in Taka	
30.06.2018	30.06.2017
3.00 PROPERTY, PLANT AND EQUIPMENT: Tk. 921,879,674	
Opening Balance (at cost)	1,320,373,716
Add : Addition made during the year	48,458,994
Less: Disposal	-
Closing Balance	1,368,832,710
Less : Accumulated Depreciation	446,953,036
Written Down Value	921,879,674
	1,160,173,358
	173,525,644
	(13,325,286)
	1,320,373,716
	383,974,355
	936,399,361

Details of Property Plant & Equipment and Depreciation are shown in the annexed Schedule -A/1.

4.00 CAPITAL WORK IN PROCESS: Tk. 198,462,593

This is made up as follows:

Particulars

Building	66,034,658	-
Machinery	132,427,935	-
	198,462,593	-

The above Building and machinery amount will be transferred to Fixed Asset when it is available for use.

5.00 ACCOUNTS RECEIVABLE: Tk. 448,744,547

This is made up as follows:

Particulars

Accounts Receivable	597,734,173	562,784,869
Less: Adjustment of Inland Bill Purchase	148,989,626	176,318,249
	448,744,547	386,466,620

Note: 5.01

- i) The balance is represents dues from various parties against export sales. The balances are considered good and collectable. No bad debts were made during the year from the outstanding balances.
ii) No amount was due to managing partner, employees & Officers during the year

Aging of Accounts Receivable

Dues within 6 months	597,734,173	562,784,869
Dues above 6 months	-	-
	597,734,173	562,784,869

5.01 ADJUSTMENT OF INLAND BILL PURCHASE (Net off Assets & Liabilities) : Tk. 148,989,626

This is made up as follows:

Particulars

Branch Name

Trust Bank Limited Millennium Corporate Branch, Dhaka	148,989,626	176,318,249
	148,989,626	176,318,249

6.00 INVESTMENT : Tk. 91,035

The Investment is made up as under:

Investment in Shares (market value)	91,035	8,146,873
	91,035	8,146,873
Cost Price		
FAS Finance & Investment Ltd.	-	3,348,075
MTB	-	92,250
ILFSL	-	4,099,398
Prime Bank	-	175,950



Simtex Industries Limited Note to the Financial Statement

As at 30 June 2018

		Amount in Taka	
		30.06.2018	30.06.2017
Fortune		-	431,200
Mecantile Bank Ltd.	145,202	91,035	-
	145,202	91,035	8,146,873
7.00 ADVANCE, DEPOSITS & PREPAYMENTS: Tk. 119,816,533			
This is made up as follows:			
Particulars			
Advance, Deposit & Prepayments		107,177,783	64,962,006
Tax Deductions at source	Note: 7.01	49,401,982	27,711,017
Advances against Expenses		21,325,420	16,656,052
Advances against Purchases		25,541,876	15,052,600
Prepaid Insurance Premium		1,232,805	1,245,137
Advance against rent		240,000	285,000
Advance for Machinery		5,000,000	-
Advanced against salary		4,435,700	4,012,200
Deposit		12,638,750	9,235,156
L/C margin deposit		6,441,486	3,742,316
Security Deposit	Note: 7.02	6,197,264	5,492,840
		119,816,533	74,197,162
7.01 Tax Deductions at source: Tk. 49,401,982			
This is made up as follows:			
Particulars			
Opening Balance		27,711,017	17,335,326
Addition during the year		10,236,839	9,837,051
AIT Through Payment Order		11,454,126	9,605,429
Less: Adjustment during the year (Assesment 2015-16)		-	(9,066,789)
		49,401,982	27,711,017
7.02 SECURITY DEPOSIT: Tk. 6,197,264			
This represents the amount deposit with utility provider in respect of:			
Particulars			
Bank Guarantee Margin for Titas Gas		1,159,214	454,790
Electricity Demand note (REB)		1,713,800	1,713,800
Bangladesh Telegraph and Telephone Board (BTTB)		16,000	16,000
Titas Gas Transmission & Distribution Ltd.		3,258,250	3,258,250
Bank Guarantee Margin for Nitol Insurance		50,000	50,000
		6,197,264	5,492,840

8.00 INVENTORY: Tk. 267,241,224

The above balance is made up as follows:

Particulars	30.06.2018		30.06.2017	
	Qty.Kgs/Pcs	Taka	Qty.Kgs/Pcs	Taka
Raw material of Yarn	692,924 Kgs	177,456,878	721,250 Kgs	168,469,236
Raw material of Dyes & Chemical	94,209 Kgs	45,788,957	91,458 Kgs	43,575,508
Packing Materials	1,942,274 Kgs & 105,133 pcs	14,277,321	16,720 Kgs & 2,650,708 pcs	8,785,686
Work-in-process	67,649 Kgs	18,642,313	46,394 Kgs	12,104,747
Finished goods	233,509 cones	11,075,755	200,766 cones	9,475,011
Total:		267,241,224		242,410,188



Simtex Industries Limited Note to the Financial Statement

AS at 30 June 2018

Amount in Taka	
30.06.2018	30.06.2017

9.00 GOODS IN TRANSIT: Tk. 32,445,121

The above balance is made up as follows:

Particulars	Bank	L/C Number		
Goods In Transit	TBL	236117020025	-	5,402,386
Goods In Transit	TBL	236117020029	-	5,395,697
Goods In Transit	TBL	236118020019	5,560,734	-
Goods In Transit	TBL	236118050018	2,916,781	-
Goods In Transit	TBL	236118050022	6,758,456	-
Goods In Transit	TBL	236118020021	6,062,425	-
Goods In Transit	TBL	236118020022	5,665,458	-
Goods In Transit	SEBL	133518020232	5,481,267	-
			32,445,121	10,798,083

10.00 CASH & CASH EQUIVALENT: Tk. 82,848,439

This is made up as follows:

Cash in Hand	2,062,089	905,546
Cash at Brokerage House (FAS Capital Management Limited)	1,455	1,768
Cash at Brokerage House (IL Capital Limited)	(29,518)	(326,926)
Cash at Bank	80,814,413	239,050,524
	82,848,439	239,630,912

Note: 10.01

10.01 CASH AT BANK: Tk. 80,814,413

The above has been made up as follows:

Particulars				
Name of Bank	A/C NO.	Name of Branch		
Jamuna Bank Ltd.	CD-8310	Foreign Exchange Branch	9,135	703,655
Trust Bank Ltd.	CD-011882	Millennium Branch	2,307	3,457
Trust Bank Ltd.	CD-118	Millennium Branch	639,090	417,220
Trust Bank Ltd.	SND-53	Millennium Branch	204,610	192,193
BRAC Bank Ltd.	CD-002	Gulshan Branch	12,789	13,939
BRAC Bank Ltd.	FC-003	Gulshan Branch	354,002	408,002
BRAC Bank Ltd.	FC-005	Gulshan Branch	29,780	29,780
Trust Bank Ltd.	FDR	Millennium Branch	76,508,449	170,655,299
NRBC Bank Limited	FDR	Gulshan Branch	-	62,935,439
Trust Bank Ltd.	DAD-0031	Millennium Branch	2,441,675	3,463,678
Trust Bank Ltd.	SND-151	Millennium Branch	191,954	-
Mercantile Bank Ltd.	CD-3997	Main Branch	296,051	206,941
NCC Bank Ltd.	CD-20020	Uttara Branch	2,812	20,922
Mercantile Bank Ltd.	CD-7632	Gouripur Branch	121,759	-
			80,814,413	239,050,524

We have verified and reconciled the above Bank balances with the Bank statements as at June 30, 2018 and found correct.

11.00 SHARE CAPITAL: Tk. 659,175,000

This is made up as follows:

Particulars		
Authorized Capital		
100,000,000 ordinary Shares of Tk.10 each	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid up Capital		



Simtex Industries Limited
Note to the Financial Statement
As at 30 June 2018

	Amount in Taka	
	30.06.2018	30.06.2017
58,750,000 Ordinary Shares of Tk.10 each fully paid-up in cash	587,500,000	587,500,000
7,167,500 Ordinary shares of Tk. 10 each fully paid-up in bonus share	71,675,000	11,750,000
65,917,500 Ordinary Shares of Tk.10 each	659,175,000	599,250,000

The Distribution Schedule showing the number of Shareholders and corresponding holding percentage under DSE & CSE Listing Regulation 37 on June 30, 2018:

Particulars of Investors	Number of Shareholders	Number of Shares	Percentage of Shareholding(%)
1 to 500 Shares	4,022	1,084,570	1.65
501 to 5,000 shares	520	1,058,080	1.61
5,001 to 10,000 shares	124	912,314	1.38
10,001 to 20,000 shares	84	1,218,374	1.85
20,001 to 30,000 shares	32	759,361	1.15
30,001 to 40,000 shares	12	428,866	0.65
40,001 to 50,000 shares	14	639,370	0.97
50,001 to 100,000 shares	31	2,252,490	3.42
100,001 to 1,000,000 shares	53	16,130,156	24.47
Over 1,000,000	15	41,433,919	62.86
Total	4,907	65,917,500	100.00

12.00 LONG TERM LOAN FROM BANK & FINANCIAL INSTITUTION Tk. 243,955,690

Particulars	Name of Branch		
Trust Bank Ltd	Millennium Branch, Jahangir Gate, Dhaka	313,862,687	326,212,156
Southeast Bank Ltd	Principal Branch, Dilkusha	-	243,797
NCC Bank Ltd	Uttara Branch, Dhaka	12,297,593	15,107,430
Total Term Loan Outstanding		326,160,280	341,563,383
Less: Current Portion		82,204,590	93,220,523
		243,955,690	248,342,860

The loan sanctioned from Trust Bank Ltd against various Investment facilities through 6-year HPSM- Capital Machinery facility . This Loan is secured by registered mortgage of 695.19 Decimal land located at Khagan, Gouripur, Bashaid, Aukpara and Ashulia Dhaka and personal guarantee of all Directors of the Company. This Loan is repayable in 60 equal monthly installments as per sanction letter. The loan bears 11.50% interest which is subject to change time to time.

The loan sanctioned from NCC Bank Ltd against lease finance facility of acquisition of vehicles. This loan is secured by personal guarantee of the directors of the company and ownership and registration of the vehicles in the name of NCC Bank Ltd. The loan is payable in 60 equal monthly installments as per sanction letter and bears 11.50% interest.

13.00 DEFERRED TAX : Tk. 31,217,679

Carrying Value	921,879,674	936,399,361
Tax Base	713,761,812	759,352,196
Temporary/(Deductible) Difference	208,117,861	177,047,165
Effective Tax Rate	15%	15%
Deferred Tax Liability/(Asset)	31,217,679	26,557,075

14.00 ACCOUNTS PAYABLE: Tk. 1,654,800

This is made up as follows:

Particulars		
Keya Packaging Industries.	149,000	635,500

Simtex Industries Limited Note to the Financial Statement

As at 30 June 2018

		Amount in Taka	
		30.06.2018	30.06.2017
Olympic Accessories Ltd.		626,500	942,800
Islam Brothers Ltd.		-	96,776
M/S Simi Enterprise		204,000	750,000
Masud Plastic		-	330,000
Tanim Plastic Industries		22,400	17,000
Hawa Enterprise		460,000	-
M/S Jewel Packaging		192,900	-
		1,654,800	2,772,076
15.00 SHORT TERM LOAN FROM BANK (Secured): Tk. 45,524,433			
This is made up as follows:			
Particulars			
Cash Credit Loan (CC)	Note: 15.01	21,724,544	4,952,621
Deferred LC (UPAS)		23,799,889	19,067,288
		45,524,433	24,019,909
15.10 CASH CREDIT LOAN (CC): Tk. 21,724,544			
Name of Bank	A/C NO.	Name of Branch	
Southeast Bank Ltd.	CC-1717	Principal Branch, Dilkusha	16,956,210
Trust Bank Ltd.	Bai Muajjal	Millennium Branch, Jahangir Gate, Dhaka	4,768,334
			21,724,544
			4,952,621
16.00 CURRENT PORTION OF LONG TERM LOAN: Tk. 82,204,590			
This is made up as follows:			
Particulars	Name of Branch		
Trust Bank Limited	Millennium Branch, Jahangir Gate, Dhaka	77,740,590	90,103,442
Southeast Bank Ltd. (SEBL)	Principal Branch, Dilkusha	-	315,652
NCC Bank	Uttara Branch, Dhaka	4,464,000	2,801,429
		82,204,590	93,220,523
17.00 LIABILITY FOR EXPENSES: Tk. 24,787,578			
This is made up as follows:			
Particulars			
Salary & Wages		9,012,992	8,050,500
Electricity Bill		103,486	151,929
Mobile and Telephone Bill		130,115	1,425
Internet Bill		69,779	29,000
Provident Fund		159,314	1,733,134
Provision for WPPF		12,961,956	8,915,065
Audit Fees		191,667	191,667
Gas bill		2,158,269	3,572,997
		24,787,578	22,645,717
18.00 PROVISION FOR INCOME TAX: Tk. 80,468,431			
This is made up as follows:			
Particulars			
Opening Balance		52,974,624	41,999,298
Add: Provision for Current year tax	Note: 25.00	27,493,807	21,549,330
Less: Tax Paid for Assessment Year 2015-2016		-	(1,507,215)
Less: Adjustment during the year for Assessment year 2015-2016		-	(9,066,789)
Closing Balance as on June 30, 2018		80,468,431	52,974,624



Simtex Industries Limited Note to the Financial Statement

For the year ended 30 June 2018

19.00 TURNOVER: Tk. 1,402,761,909

This is made up as follows:

Sales (19.01)

Note: 19.01

Amount in Taka	
30.06.2018	30.06.2017
1,402,761,909	1,381,538,367
1,402,761,909	1,381,538,367

19.01 SALES

Particulars	30.06.2018		30.06.2017	
	Qty(Kgs)	Taka	Qty(Kgs)	Taka
Sewing Thread	2,989,708	1,348,230,451	2,954,179	1,327,903,617
Poly Poly Core spun	5,419	6,358,051	5,583	6,521,116
Filament Thread	72,193	48,173,407	70,954	47,113,634
Total	3,067,321	1,402,761,909	3,030,716	1,381,538,367

20.00 COST OF GOODS SOLD: Tk. 1,098,447,621

Raw materials Consumption

Note: 20.01

Dyes & Chemical Consumption

Note: 20.02

Packing Materials Consumption

Note: 20.03

Factory Overhead

Note: 20.04

Cost of Production

Opening work-in process

Closing work-in process

Opening finished goods

Closing finished goods

Goods available for sale

Sample expense

Total Cost of Goods Sold

-	741,289,362
782,237,998	741,289,362
69,400,003	76,511,705
63,765,639	76,038,346
192,710,500	183,795,585
1,108,114,141	1,077,634,998
(6,537,566)	(4,359,102)
12,104,747	7,745,645
(18,642,313)	(12,104,747)
(1,600,744)	9,771,219
9,475,011	19,246,230
(11,075,755)	(9,475,011)
1,099,975,831	1,083,047,115
(1,528,210)	(1,340,545)
1,098,447,621	1,081,706,570
168,469,236	169,846,690
791,225,640	739,911,908
177,456,878	168,469,236
782,237,998	741,289,362
43,575,508	30,245,780
71,613,452	89,841,433
45,788,957	43,575,508
69,400,003	76,511,705
8,785,686	8,546,691
69,257,274	76,277,341
14,277,321	8,785,686
63,765,639	76,038,346
87,529,310	83,754,705
4,832,755	5,210,732
1,839,281	1,797,433
1,554,851	1,843,776

20.01 RAW MATERIALS CONSUMPTION: Tk. 782,237,998

Opening Inventory

Add: Purchased during the year

Less: Closing Inventory

20.02 DYES & CHEMICAL CONSUMPTION: Tk. 69,400,003

Opening Inventory

Add: Purchased during the year

Less: Closing Inventory

20.03 PACKING MATERIALS CONSUMPTION: Tk. 63,765,639

Opening Inventory

Add: Purchased during the year

Less: Closing Inventory

20.04 FACTORY OVERHEAD: Tk. 192,710,500

This is made up as follows:

Particulars

Salary and Wages

Overtime

Tiffin Bill

Electricity Bill



Simtex Industries Limited Note to the Financial Statement

For the year ended 30 June 2018

	Amount in Taka	
	30.06.2018	30.06.2017
Repair & Maintenance	2,459,112	2,237,798
Festival Bonus	4,046,839	2,899,968
Loading & Unloading-Labor	385,190	341,930
Fuel & Lubricant	3,674,902	3,452,760
Gas Bill	28,279,396	26,018,573
ETP. Operating Expense	894,000	706,414
Depreciation	57,214,864	55,531,496
	192,710,500	183,795,585
21.00 ADMINISTRATIVE EXPENSES: Tk. 60,039,115		
This is made up as follows:		
Particulars		
Salary & allowance	22,220,808	16,406,100
Director's Remuneration	2,130,000	2,130,000
Tours & Travelling Expenses	1,953,827	1,830,810
Board Meeting Attendance Fee	150,000	150,000
Festival Bonus	2,553,159	2,925,460
Telephone and Mobile Bill	2,080,449	651,478
Internet Bill	591,518	228,000
Electrical Expenses	1,029,480	969,532
Subscription and donation	256,006	392,700
Audit Fees	402,500	402,500
Provident Fund	1,068,872	874,634
Fees Forms and Renewal	2,288,746	1,110,673
Entertainment	2,072,135	1,965,560
Managing Director Remuneration	600,000	600,000
Office Rent	441,600	414,000
Canteen Subsidy	727,189	575,700
House Rent	1,320,000	1,320,000
Medical Expenses	1,028,419	970,410
Insurance	1,656,074	2,039,980
Office Maintenance	1,345,737	1,559,370
Miscellaneous Expenses	941,639	750,770
Staff Uniform	1,028,912	825,470
Car Maintenance	983,955	820,350
News Papers & periodical	475,201	525,700
Fuel & Lubricant	1,530,849	1,300,970
Conveyance	1,446,326	1,205,980
Postage & Courier	219,283	501,750
AGM Expenses	729,392	1,156,825
Stationery Expenses	1,003,223	881,520
Depreciation	5,763,817	6,150,147
	60,039,115	51,636,389

Payment/Perquisites to Directors and officers

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

Particulars

Directors Remuneration	2,130,000	2,130,000
Managing Director Remuneration	600,000	600,000
Board Meeting fee	150,000	150,000



Simtex Industries Limited Note to the Financial Statement

For the year ended 30 June 2018

Amount in Taka	
30.06.2018	30.06.2017

- i) The Board of Directors have drawn Tk. 3,000/- Per Board meeting attendance fees during the year under review.
- ii) No money was given to any directors for rendering special services to the Company.
- iii) Ten (10) meeting of the Board of Directors were held during the Year.
- iv) The Company has provided car facilities to the Managing Director, CFO & General Manager.

22.00 SELLING & DISTRIBUTION EXPENSES: Tk. 9,866,881

This is made up as follows:

Particulars

Advertisement	893,768	326,857
Promotional Expenses	1,136,240	1,007,353
Conveyance	1,032,276	1,032,886
Collection and C & F Charges	903,344	890,550
Expenses for Product development	1,162,480	1,136,070
Sample Expenses	1,528,210	1,340,545
Fuel & Lubricant for Vehicle	1,364,721	1,410,660
Transport and Car Maintenance	1,845,842	2,409,990
	9,866,881	9,554,911

23.00 FINANCIAL EXPENSES: Tk. 57,110,897

This is made up as follows:

Interest	55,310,609	78,075,135
Bank Charges, Commission & Brokerage Fees	1,800,289	2,776,794
	57,110,897	80,851,929

24.00 OTHER INCOME: Tk. 9,943,391

This is made up as follows:

Particulars

Interest Income	8,122,318	14,691,004
Dividend Income	23,670	80
Realized Gain/Loss on sale of Share	1,797,403	15,456,288
Gain/(Loss) on disposal of Vehicle	-	(719,573)
	9,943,391	29,427,799

25.00 CURRENT YEAR TAX : TK. 27,493,807

This is made up as follows:

Particulars

Profit before Tax except other Income	168,376,936	
Tax Rate on Operating Profit	15%	
Tax On Operating Profit	25,256,540	25,256,540
Tax on Other Income (Dividend) 23,670	20%	4,734
Tax on Other Income (Interest) 8,122,318	25%	2,030,580
Foreign CURRENCY Gain/(Loss) 88,852	25%	22,213
Tax on Other Income (Realized Gain) 1,797,403	10%	179,740
		27,493,807
Less: Over Provision for assessment year 2015-2016		-
		27,493,807

26.00 CURENT YEAR DEFERRED TAX : Tk.4,660,604

This is made up as follows:

Particulars

Total Deferred Tax	31,217,679	26,557,075
Less: Opening Balance	26,557,075	20,684,281
	4,660,604	5,872,794



Simtex Industries Limited Note to the Financial Statement

For the year ended 30 June 2018

27.00 OTHER COMPREHANSIVE INCOME: TK.-941,526

This is made up as follows:

Gain/(Loss) on Fair Value of investment in Share

Amount in Taka	
30.06.2018	30.06.2017

(941,526)	20,608,444
(941,526)	20,608,444

28.00 EARNINGS PER SHARE

Net Profit after Taxes

Weighted Average Number of Share

Earning per share (Taka)

146,254,768	150,879,178
65,917,500	65,917,500
2.22	2.29

Weighted average/Total existing number of share:

Opening number of share outstanding

Add: Issued during the period (Stock dividend)

	59,925,000
	5,992,500
	65,917,500



Simtex Industries Limited
Schedule of Property, Plant & Equipment
As at 30 June 2018

Schedule-A/1
Amount in Taka

Particulars	Cost Value			Rate	Depreciation			W. D. V. As on 30.06.2018
	Opening Balance As on 01.07.2017	Addition during the Year	Disposal		Opening Balance As on 01.07.2017	Addition during the Year	Disposal	
Factory:								
Land & Development	223,499,139	-	-	0%	-	-	-	223,499,139
Building & Fabricated Shade	275,884,060	781,600	-	10%	115,774,940	16,069,532	-	144,821,188
Plant and Machinery	531,429,860	45,084,990	-	10%	206,636,880	35,515,106	-	334,362,864
Trolley	67,058	-	-	10%	42,825	2,423	-	21,310
Gas and Electrical Line	5,141,080	-	-	10%	2,185,194	295,589	-	2,660,297
Electrical Equipment	50,365,198	950,000	-	10%	21,761,052	2,876,248	-	26,677,898
Spare Parts & Tools	34,313,323	-	-	10%	13,034,209	2,127,911	-	19,151,203
Furniture and Fixture	4,795,515	-	-	10%	1,514,967	328,055	-	2,952,493
Sub Total	1,125,495,233	46,816,590	-		360,950,066	57,214,864	-	754,146,892
Office:								
Transport & Vehicles	58,524,244	-	-	10%	11,027,786	3,562,234	-	43,934,224
Office Equipment	14,347,189	1,507,300	-	10%	4,525,323	1,073,434	-	10,255,732
Furniture and Fixture	11,338,109	-	-	10%	4,840,993	649,712	-	5,847,405
Shade Book	177,000	-	-	15%	91,551	12,817	-	72,631
Int. Pantion Book	84,500	-	-	15%	62,192	3,346	-	18,962
Air Condition	5,787,000	-	-	10%	1,969,775	381,722	-	3,435,502
Crockeries	214,502	-	-	10%	62,710	15,179	-	136,613
Software	737,040	135,104	-	20%	443,960	65,371	-	362,813
Sub Total	91,209,584	1,642,404	-		23,024,289	5,763,817	-	64,063,882

Revaluation Surplus :

Particulars	Cost Value			Rate	Depreciation			W. D. V. As on 30.06.2018
	Opening Balance As on 01.07.2017	Addition during the Year	Disposal		Opening Balance As on 01.07.2017	Addition during the Year	Disposal	
Land & Development	103,668,899	-	-	0%	-	-	-	103,668,899
Sub Total	103,668,899	-	-		-	-	-	103,668,899
GRAND TOTAL	1,320,373,716	48,458,994	-		383,974,355	62,978,681	-	921,879,674
Factory	57,214,864							
Administration	5,763,817							
Total	62,978,681							



SIMTEX INDUSTRIES LIMITED

Registered Office, Khagan, Birulia, Savar, Dhaka

PROXY FORM

I/We.....of being a
shareholders of Simtex Industries Limited and entitle to vote, hereby appoint Mr./Mrs./Miss.....
.....as
my/our proxy to attend and vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company
to be held on Thursday, 6th December, 2018 at 10.30 a.m. at the the RAOWA Convention Hall, Hall No. 3 (Eagle), VIP
Road, Mohakhali,, Dhaka or at any adjournment thereof or at any ballot to be taken in consequence thereof.

Signed this.....Signature of proxy
day of2018

Tk. 20

(Signature Shareholder)

(Signature of Proxy)

BO ID NO.

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No. of Shares

Note:

- 1) This form of proxy, duly completed and signed must be deposited at least 48 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.



SIMTEX INDUSTRIES LIMITED

Registered Office, Khagan, Birulia, Savar, Dhaka

ATTENDANCE SLIP

I hereby record my attendance at 11th Annual General Meeting of the Company being held on Thursday, 6th Decem-
ber, 2018 at 10.30 a.m. at the RAOWA Convention Hall, Hall No. 3 (Eagle), VIP Road, Mohakhali, Dhaka.

Name of the Member/Proxy :

BO ID NO.

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Signed this..... Signature of proxy day of2018

N.B. Shareholder attending meeting in person or by Proxy are requested to complete the Attendance slip and deposit the same at the entrance of the meeting.

