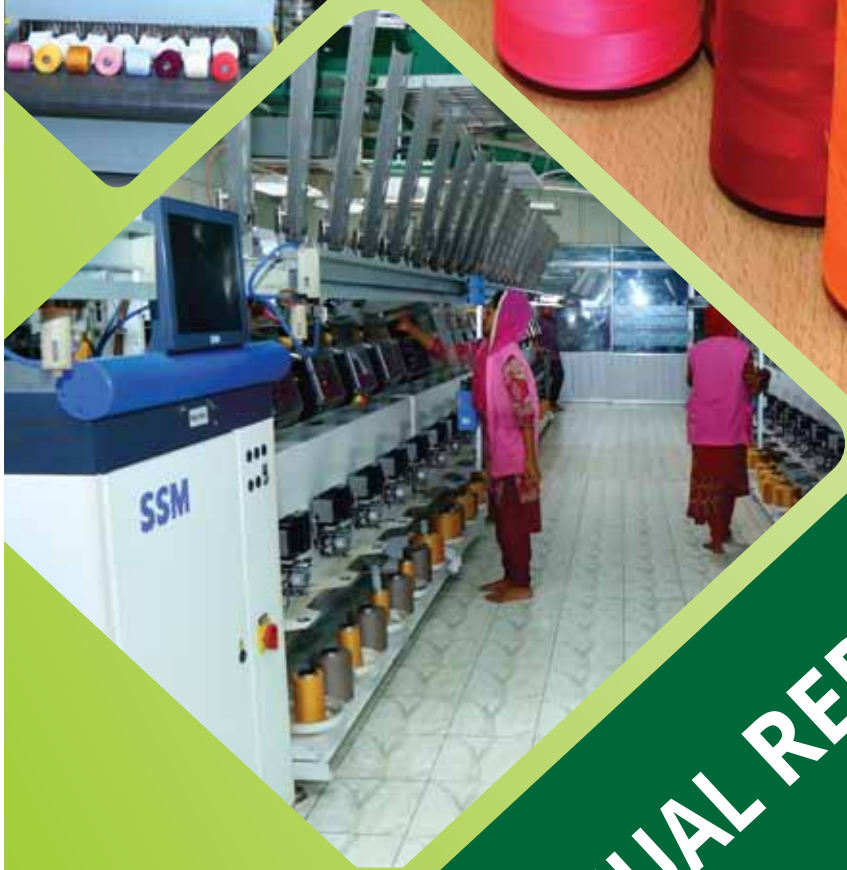
simtex

Largest Bangladeshi
Sewing Thread Manufacturer

www.simtexgroup.com



ANNUAL REPORT 2021

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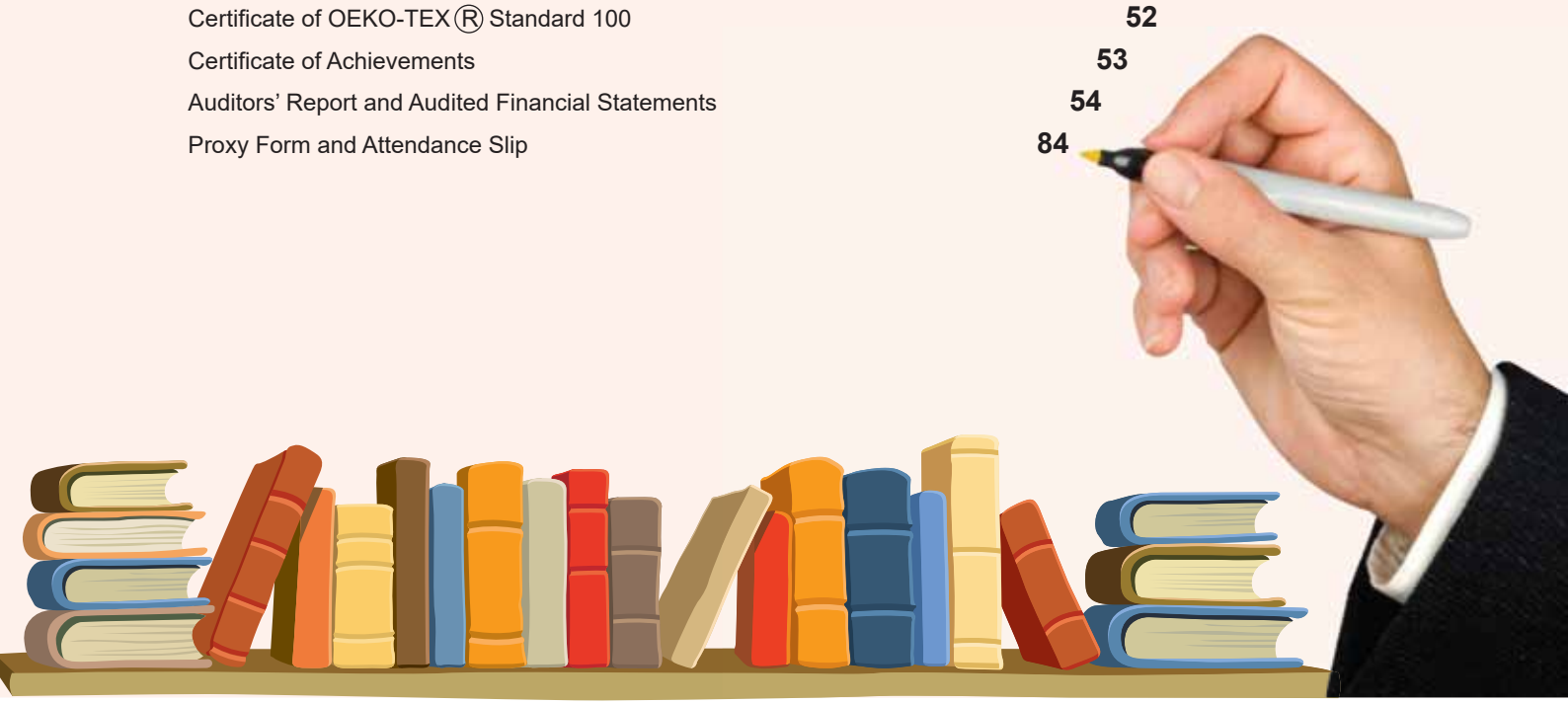


LETTER OF TRANSMITTAL

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 2021.

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 2021, 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 2021, and along with notes thereon of Simtex Industries Limited for your kind information and record.

Thanking you

Sincerely Yours'

Ashis Kumar Saha
Company Secretary

Simtex Industries Limited

Khagan, Birulia, Savar, Dhaka-1341

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of Simtex Industries Limited, that the 14th Annual General Meeting (AGM) of the Company will be held on Thursday, 23rd December 2021 at 11:00 a.m. The AGM will be held virtually by using digital platform through the following link: http://simtex.digitalagmbd.net, 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 2021, 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 appoint Statutory Auditors of the Company and Professionals for compliance of Corporate Governance Code and fix their remuneration.

By order of the Board

Ashis Kumar Saha
Company Secretary

Dated, Dhaka
02 December 2021

Note:

01. The Shareholders whose names will appear in the Depository Register of CDBL as on the Record Date i.e. November 24, 2021 will be eligible to attend the 14th 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. The Proxy Form duly filled, signed and stamped with a revenue stamp of Tk.20, must be deposited at the registered office of the Company or through e-mail at companysecretary@simtexgroup.com 48 hours before the time fixed for the meeting.
03. The ensuing 14th AGM will be conducted via live webcast by using digital platform, pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/94-231/25 dated 08th July, 2020.
04. The members will be able to submit their questions/comments, and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system, the members need to enter their 16-degit Beneficial Owner (BO) ID number/ Folio Number and other credentials as proof of their identity by visiting the link http://simtex.digitalagmbd.net
05. Pursuant to the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006/158/208/Admin/81 dated 20 June 2018, the Company will send the Annual Report-2021 in soft formats to the respective e-mail address of the shareholders available in their BO account maintained with Depository Participants (DP). The soft copy of the Annual Report-2021 will be also available on the Company's website at: www.simtexgroup.com
06. We encourage the Members to login to the system prior to the meeting starts at 11:00 a.m. Bangladesh Standard Time (BST) on December 23, 2021. The Shareholders are requested to take ample time to login and establish their connectivity. The webcast will open at 11.00 a.m. Bangladesh Standard Time (BST). The Shareholders are requested to contact at +8801955577535 if any technical difficulties in accessing the virtual meeting.
07. Members are requested to update their respective BO Account with 12 Digit e-TIN, Bank Account, Mailing Address and Contact Number through their respective Depository Participant (DP). Advance Income Tax (AIT) @ 15% (instead of 10%) will be deducted from eligible cash dividend, if anyone fails to update his/her BO Account with the 12 Digit e-TIN on or before the Record Date.
08. The concerned Brokerage Houses/DPs are requested to provide us the statement (both hard copy & soft copy) on or before 05 December 2021 with details of their margin loan holders entitled to Dividend for the year ended on 30 June 2021. The statement should be included Shareholders Name, BO ID Number, Client-wise shareholding position, contact person etc.

CORPORATE INFORMATION

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 May 2007
Commencement of Commercial Operation	:	01 July 2009
Production Capacity	:	43.20 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 1,000.00 million
Paid Up Capital	:	BDT 795.95 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-1206 Southeast Bank Ltd., Principal Branch, Motijheel, Dhaka-1000
Auditors	:	Pinaki & Company, Chartered Accountants Ahsandell, 2/A Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000
Professionals for Compliance Report on Corporate Governance Code	:	Podder and Associates, Cost and Management Accounts 6/A/1, Segunbagicha (Ground Floor), Dhaka-1000
Tax Consultants	:	Pinaki & Associates Ahsandell, 2/A Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000
Credit Rating Agency	:	Credit Rating Information and Services Ltd. (CRISL) Nakshi Homes (1st, 4th & 5th Floor), 6/1/A Segunbagicha 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 in a small infrastructural facility at Mirpur, Dhaka with the vision to bring revolution in Sewing Thread business.

Since its launch Simtex has grown to become the country's leading Sewing Thread manufacturer with large production capacity to capture major market share.

The Company was registered as a Private Limited Company 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, raised Capital through IPO and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Company started commercial operation in 2009. The growth rate in terms of both production capacity and growth of revenue has been enormous with the exception in the financial year 2019-2020, due to impact of COVID-19.

VISION STATEMENT

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

BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

Board of Directors

Lt Col Md Anisur Rahman (Retd)	Chairman
Mr. Neaz Rahman Shaqib	Managing Director
Mr. Md. Ensan Ali Sheikh	Director
Ms. Hafiza Khanam	Director
Mr. Md. Yunus Ali	Independent Director (Retired on 29 July 2021)
Mr. Md. Akram Hossain	Independent Director
Mr. Shah Md. Asad Ullah	Independent Director (Appointed on October 07, 2021)

Audit Committee

Mr. Md. Yunus Ali Independent Director	Chairman (Retired on 29 July 2021)
Mr. Md. Akram Hossain Independent Director	Member Member (Elected as Chairman on August 05, 2021)
Mr. Shah Md. Asad Ullah Independent Director	Member (Appointed on October 07, 2021)
Mr. Md. Ensan Ali Sheikh Director	Member
Mr. Ashis Kumar Saha Company Secretary	Member Secretary

Chief Financial Officer

Mr. M A Shahjahan

Company Secretary

Mr. Ashis Kumar Saha

PROFILE OF THE BOARD OF DIRECTORS

Lieutenant Colonel Md. Anisur Rahman (Retd)
Chairman

Lieutenant Colonel Md Anisur Rahman (Retd) has joined the Board of Directors of Simtex Industries Limited on 11th February 2021 and also elected as its Chairman. Mr Rahman studied in Rajshahi Cadet College and later joined the Bangladesh Army. He was commissioned in the year 1986 and retired as Lieutenant Colonel in the year 2017. He is graduated from Chittagong University and has also completed his BSc in telecommunications engineering (te), MBA in HRM and PhD in HRD.

He is an Associate Member of the Institute of Professional Management Dhaka. As a Charity he works as an advisor of Chapai Nawabganj Mahananda Old Home and High Care Autistic School, Chapai Nawabgonj. He is also a permanent member of Old Rajshahi Cadet College Association (Orca), Uttara Model Club, Army Golf Club, Retired Armed Forces Officer's Welfare Association (RAOWA) and Cadet College Club Limited. Mr Rahman is happily married with Mrs Daisy Rahman and blessed with one daughter and one son.

Lieutenant Colonel Md Anisur Rahman has long experience serving in Bangladesh Army, UN Mission and in Border Guard Bangladesh. He is a man of versatile qualities with his long experience in home and abroad together with his IT background and his specialisation in Human Resource Management, he is in a position to guide the Board of Directors of the Company in development of Man, Material and Machinery for deployment and smooth running business of the company. He has already played a vital role to achieve the Business Social Compliance Initiative (BSCI) Certificate and Global Recycle Standard (GRS) certificate for Simtex Industries Limited.

Mr. Neaz Rahman Shaqib
Managing Director

Mr. Neaz Rahman Shaqib is the Managing Director of Simtex Industries Limited, succeeding his father Mr. Md Siddiqur Rahman, the founder of Simtex Industries Limited.

He has had a brilliant academic career at home and abroad. After the completion of his IGCSE from Scholastica, Mr. Shaqib attended the United World College of the Atlantic in Wales, UK, where he completed his International Baccalaureate (IB) Diploma. He also graduated from Boston University (USA) pursuing a major in Economics, and a double minor in Business Administration and Communications.

Mr. Shaqib is a young, energetic and innovative businessman who has been gathering knowledge regarding the management of Simtex from a young age alongside the former Managing Director to be able to lead the Company as and when needed. The company entrusted upon him to lead Simtex to newer heights while keeping true to the company's mission statement.

He is a permanent member of Uttara Club Limited. Furthermore, he is also associated with numerous social and humanitarian organizations, and is also one of the founding fathers of the Boston based Greek organization, Phi Kappa Tau.

Ms. Hafiza Khanam
Director

Ms. Hafiza Khanam is one of the Directors of the Board of Simtex Industries Limited. Prior to that she served as Chairman of the Board of Directors of the Company from 21.04.2019 to 11.02.2021 and acquired in-depth knowledge about the business of the Company.

Her higher education and professional qualification have encouraged her to own the business. She completed her Bachelor's and Master's under the University of Dhaka. She also completed her LLB and acquired name and fame while practicing the legal matters before starting her business.

Besides her business areas, Ms. Hafiza Khanam is a social entrepreneur which has given her opportunity to grow and make a difference in social life in which she lives.

Md. Ensan Ali Sheikh
Director

Mr. Md. Ensan Ali Sheikh is one of the Directors of the Board of Simtex Industries Limited and also a member of the Board of NR committee. 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.

Mr. Md. Yunus Ali
Independent Director

Mr. Md. Yunus Ali is one of the Independent Directors of the Board of Simtex Industries Limited and also the Chairman of the Board of Audit Committee. He had long career 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 positions, including Chief Executive of Janata Bank Limited, UAE operation, 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 University of Rajshahi. However upon expiring of his term he retired from the Board on 30 July 2021.

Mr. Md. Akram Hossain
Independent Director

Mr. Md. Akram Hossain is one of the Independent Directorsof the Board of Simtex Industries Limited and also a member of the NR committee of the Board. Mr. Hossain obtained his Masters in Social Welfare from the University of Dhaka. He worked especially in Credit Management, Documentary Credit and also other departments of Banking in Janata Bank Limited. Mr. Hossain retired from the services from Janata Bank Limited as a General Manager. He earned his professional qualification - PGD in Personnel Management from BIM, Diplomaed Associates of the Institute of Bankers Bangladesh (DAIBB) from the Institute of Bankers Bangladesh & LLB from Dhaka University. With over 32 years' experience in the banking, he makes pragmatic contributions in Simtex's board meetings.

Shah Md Asad Ullah
Independent Director

Mr. Shah Md Asad Ullah joined the Board as Independent Director on October 07, 2021 and subsequently nominated as a member of the Audit Committee and NR committee of the Board of Simtex Industries Limited. Mr. Asad Ullah obtained his Honor's and Master's in Philosophy from the University of Dhaka. Following of which he has also obtained LLB from Dhaka University. He has long experience over 30 years in Banking with Janata Bank Limited and retired as General Manager. He earned his professional qualification from Diplomaed Associates of the Institute of Bankers Bangladesh (DAIBB) from the Institute of Bankers Bangladesh.

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 14th 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 on Simtex. It is also my privilege to present to you Company's Annual Report for the year ended June 30, 2021 along with our business performance.

During the year 2020-2021 Simtex Industries Limited performed moderately despite counter effects of Covid-19. Like all others, we expected that covid-19 will be overcome within a short period of time by the concerted efforts undertaken all over the world especially in the advanced countries for preventing Corona various through vaccination and medicines. But unfortunately that did not happen rather it prevailed more aggressively ruining businesses of our country including the RMG and the related sub sectors like us suffered seriously. However, in the last part of the year that the order flows of the RMG products started increasing in volume from the RMG target markets of Europe and North America in the context of relaxation of lockdowns and opening of economic activities. Through our prudent policies, ability of resilience and relentless endeavors we could maintain some degree of stability performing little better that previous year.

Despite turmoil situation prevailed in the current year and moderate business performance the Board has recommended 4% Cash dividend for all ordinary shareholders, including the Sponsors and Directors for the year 2020-2021.

I am extremely delighted to let you now that during the year we undertook massive program for attaining "Factory-Compliance" and completed the same. Accordingly, we obtained Business Social Compliance Initiative (BSCI) Certificate. This is going to help us to obtaining nomination from reputed buyers that will enable us to compete with the Multinational Companies operating in our country. We hope to fetch better prices and turnover.

At Simtex we are working for a better future for our stakeholders, buyers, employees and society. At this occasion, I would like to thank the employees, without who's 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 our positive contribution towards the furtherance of our national economy.

Yours sincerely

Lieutenant Colonel Md Anisur Rahman (Retd),te,MBA,PhD
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Bismillahir Rahmanir Rahim

Ashalamualaikun and Good Morning

It is my great pleasure and privilege to attend this 14th Annual General Meeting of Simtex Industries Limited along with our distinguished shareholders. Though you know the reasons well, I beg to mention that the Company faced fall in revenue and profitability due to the effect of Covid-19, for two successive years like all others in the trade which offset our profitability. We are looking forward for improvement of the situation in the next year and onward due to improvement and containing of Covid-19, easing lockdowns and opening of economic activities in the target markets the RMG products.

Simtex Industries Limited is the largest national Sewing Thread Manufacturer and Exporter of Bangladesh. We shall continue to ensure perfection of our products in terms of Quality, Pricing, Timeliness in delivery and service as before for which we have a RND department who constantly watch over technological development and lacuna in the process if any.

In the meantime we have addressed almost all the compliance parameter in order to be able to compete multinational Companies operating in our country. Installed capacity wise we have large potentiality and we are working with new zeal to attain our goal in respect to production, sales and revenue to be the market leader at the earliest.

I believe that the 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 relentlessness backing and cooperation of our numerous stakeholders and earnestly thank them for their continued trust and confidence on us.

Thanking You

Neaz Rahman Shaqib
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 14th Annual General Meeting. It is a pleasure to present you the Audited Financial Statements of the Company for the year ended June 30, 2021, 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), International Financial Reporting Standards, International Accounting Standards, and other applicable rules and regulations.

Background

Simtex Industries Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) on May 29, 2007 and was converted to a Public Limited Company on November 15, 2012 under the Companies Act, 1994. The Company floated 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 795.95 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 Tk.133.06 Crore for the year ended on 30 June 2021. The textile sector is passing through hard time in recent era internationally. Yet the efficient and prudent management has enabled the company to earn a moderate profit.

The operating financial results of the Company for the year 2020-2021 as compared to previous year are summarized hereunder:

Particulars	2020-2021	2019-2020
Turnover	1,330,609,019	1,190,877,276
Gross Profit	222,035,767	199,902,681
Financial Expenses	61,156,297	69,956,863
Other Income	1,889,739	1,388,841
Net Profit Before Tax (NPBT)	79,295,297	63,646,636
Provision for Taxation	6,227,853	19,178,355
Net Profit After Tax (NPAT)	73,067,444	44,468,281
Gross Margin (Turnover)	16.69%	16.79%
Net Margin Before Tax	5.96%	5.34%
Net Margin After Tax	5.49%	3.73%
Earnings Per Share (EPS) BDT.	0.92	0.56
Number of Shares used to compute EPS	79,595,381	79,595,381

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 in only 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 strategy in the international market might raise production cost and reduction of profitability.

The performance of the Company may also be affected negatively by the political and economic instability both in Bangladesh and Worldwide.

Similarly, risk factors of the industry depend on the Government polices 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.

In addition to the above conventional risk, we are going through most deadly risk that has ever been experienced before worldwide, i.e. the risk of Covid-19 menaces. The researchers around the world have in the meantime found effective vaccine against Covid-19, but still it is a gigantic task to cover peoples to a acceptable level. Therefore the risk will be prevailing.

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

Profit from Operation	2020-2021		2019-2020	
	Amount	Percentage	Amount	Percentage
Turnover	1,330,609,019	100%	1,190,877,276	100%
Cost of Goods Sold	1,108,573,252	83.31%	990,974,595	83.21%
Gross Profit	222,035,767	16.69%	199,902,681	16.79%
Net Profit for the year	73,067,444	5.49%	44,468,281	3.73%

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. 2.20 of the notes to the financial statements.

Significant variance of financial statements

Over all COVID-19 situation has been improved worldwide. In Bangladesh the COVID-19 situation has also improved as well. World business and economy is improving as compared to the initial stage of COVID-19 scenario. As a result, RMG and related business has regained the pace of improvement. During the financial year 2020-21, our sewing thread sales has been increased compared to financial year 2019-20. Due to increase of sales, Net profit After Tax, Earnings per Share (EPS), Net Assets Value per share has increased compared to previous year. While Net operating Cash Flow per Share has also been increased compared to previous year due to increase of collection from customers. Besides, there has been lesser proportion of payments to the supplier and others in the ordinary course of business.

Investment Planning

Company is pursuing with a prudent plan for investment in capital assets and working capital in line with the goal of the company.

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 six including two Independent Directors in line with notification given by BSEC.

Independent Directors
In terms of the provision under CGC, the Board of Directors appointed Mr. Md Yunus Ali and Mr. Akram Hossain as Independent Directors of the company for a period of three years till 29th July 2021 and 14th April 2022 respectively. Upon end of his tenor Mr. Md. Yunus Ali retired from the Board on 30 July 2021 and in the vacant position Mr. Shah Md. Asad Ullah joined in the Board in his place on October 07, 2021 as an independent Director.

Qualification of Independent Director
Mr. Akram Hossain is a retired banker and specialist in the field of credit management, documentary credit etc. He has vast experience in Banking, Company Law and other matters. Mr. Akram Hossain retired from Janata Bank Limited as General Manager. Mr. Shah Md Asad Ullah obtained his Honors and Masters in Philosophy from the University of Dhaka. He is a retired banker and earned his professional qualification from Diplomaed Associates of the Institute of Bankers Bangladesh (DAIBB) from the Institute of Bankers Bangladesh Mr. Shah Md Asad Ullah retired as a General Manager from Janata Bank Limited.

Chief Financial Officer, Company Secretary, Head of Internal Audit
As per Corporate Governance Code of BSEC, the company has allocated the responsibilities of the officials as follows:

Chief Financial Officer	: Mr. M A Shahjahan
Company Secretary	: Mr. Ashis Kumar Saha
Head of Internal Audit	: Mr. Kobirul Islam (CA CC)

Audit Committee
The Audit Committee, as a sub-committee of the Board has been constituted with an Independent Director as Chairman and two other Directors as members including one Independent Director. 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 including two Independent Directors among them one Independent director play roles as 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 executives as well as a policy for formal process of considering remuneration of directors, top level executives 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 it.

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 and CFO
The provisions 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 Director of the Board will retire at the annual general meeting and be eligible to offer them for re-election:

1) Mr. Md. Ensan Ali Sheikh

Shareholding pattern

The shareholding of directors at the end of 30 June, 2021 is shown below:

	Name of the shareholders	Position	Shares held	%
a.	Parent/Subsidiary/Associated companies and other related parties	Nil	Nil	Nil
b.	Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their Spouse and Minor Children:			
	Lt Col Md Anisur Rahman (Retd.)	Chairman	1,594,961	2.00%
	Mr. Neaz Rahman Shaqib	Managing Director	5,420,955	6.81%
	Ms. Hafiza Khanam	Director	1,713,840	2.15%
	Mr. Md. Ensan Ali Sheikh	Director	1,713,840	2.15%
	Mr. Md. Yunus Ali	Independent Director	Nil	Nil
	Mr. Md. Akram Hossain	Independent Director	Nil	Nil
	Mr. M A Shahjahan	Chief Financial Officer	Nil	Nil
	Mr. Ashis Kumar Saha	Company Secretary	Nil	Nil
	Mr. Kobirul Islam	Head of Internal Audit	Nil	Nil
c.	Executives	-	Nil	Nil
d.	Shareholders holding 10% or more voting interest in the Company	Mr. Md. Siddiqur Rahman	14,778,996	18.57%

Directors involved in other Companies:

Sl.	Name	Position in SIL	Involved in Other Company	Position
1	Lt Col Md Anisur Rahman (Retd.)	Chaiman	-	-
2	Mr. Neaz Rahman Shaqib	Managing Director	-	-
3	Ms. Hafiza Khanam	Director	-	-
4	Mr. Md. Ensan Ali Sheikh	Director	-	-
5	Mr. Md. Akram Hossain	Independent Director	-	-
6	Mr. Md. Yunus Ali	Independent Director	-	-

Board Meeting and Attendance

9 (Nine) nos. of Board of Directors Meeting were held during the year. The attendance record of the directors is as given below:

Name of Directors	Meeting Held During His/Her Duration	Attendance
Lt Col Md Anisur Rahman (Retd.)	3	3
Mr. Neaz Rahman Shaqib	9	9
Ms. Hafiza Khanam	9	6
Mr. Md. Ensan Ali Sheikh	9	9
Mr. Md. Yunus Ali	9	9
Mr. Md. Akram Hossain	9	9

Director's remuneration

Directors' remuneration is shown in the note no. 24 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 also pleased to confirm the following:

a) The financial statements together with notes thereon have been drawn up in conformity with the Companies Act, 1994 and The 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.

b) Proper books of accounts of the company have been maintained.

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

d) International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in the preparation of the financial statements.

e) 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.

f) The system of internal control is sound and has been implemented and monitored effectively.

g) No bonus shares or stock dividend has been or shall be declared as interim dividend.

h) 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. 22.

i) The key operating and financial data for the last five years. Page No. 23.

Going Concern

While approving the financial statements, the directors have made appropriate inquiries and analysis of the significant financial result 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 are significant positive deviation from the last year's operating result like sales, net profit, NAV and NOCF PS. Especially in the Net Operating Cash Flows per Share (NOCFPS) has increased due to better cash collection from turnover and others while lesser proportion of payments to the suppliers and others.

Dividend Policy

The Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of Simtex Industries Limited (SIL) to draw up a long-term and predictable dividend policy. The Board has approved the following dividend policy:

Important highlights of the Dividend Distribution Policy are as follows:

Procedure for payment of dividends

Dividend would be recommended by the Board of Directors based on the Audited Financial Statements of the company. All requisite approvals and clearances, where necessary shall be obtained before the declaration of dividend. Dividend shall be approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors but no dividend shall exceed the amount recommended by the Directors. No dividend shall be paid other than out of profits of the year or any other undistributed profits. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Final dividend

The Board of Directors of the company shall recommend final dividend for the shareholders on the basis of annual audited financial statements and declare the shareholders who shall be entitled to
such dividend. The decision about recommending or not recommending final dividend and entitlement for such dividend, if recommended, shall be taken after considering the interim dividend already distributed and cannot be changed prior to holding of the AGM. In case of declaration of stock dividend for the year, the company shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report.

Entitlement to dividend

The Shareholders whose names would appear in the Register of the company and/or in the Depository on the 'Record Date' would be entitled to receive the dividend and would be eligible to join the AGM and entitled to receive the annual/final dividend.

Payment of dividend

SIL shall pay off the final dividend to the entitled shareholders, within 30 (thirty) days from the date of approval by shareholders in AGM.

Cashdividend

Cash dividend shall be distributed in the following manner and procedures:

- Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of SIL.
- SIL shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).
- SIL may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.
- Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, SIL shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system, SIL shall issue cash dividend warrant and shall send it by post to the shareholders.

SIL shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account'. SIL shall publish the year-wise summary of its unpaid or unclaimed cash dividend in the website.

Stock dividend

SIL shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholders, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). SIL shall follow the provisions of Regulation 46 of the Depository Regulation, 2003 for issuance of bonus shares. SIL shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- SIL shall send at least 3 (three) reminders to the entitled shareholders.
- The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer.
- Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- SIL shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).
- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders is established.

Payment of unclaimed or unpaid cash dividend and stock dividend
SIL shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force. SIL shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed or unpaid cash dividend and stock dividend to the entitled shareholders.

Submission of dividend distribution compliance report
SIL shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format issuedby the regulator(s) within stipulated time of completion of dividend distribution to the entitled shareholders.

Dividend
The Board of Directors has recommended 4% cash dividend forall ordinary shareholders including Sponsors and Directors.

Particulars	2019-2020	2018-2019
Profit available for appropriation:	Amount in Taka	Amount in Taka
Profit/loss after Tax	73,067,444	44,468,281
Un-appropriated profit brought forward from previous year	444,582,557	427,811,871
Prior Adjustment	19,500,889	(113,819)
Total Amount available for appropriation	537,150,890	472,166,333
Appropriation	-	-
Closing Retained Earning at year end (Before proposed final dividend)	537,150,890	472,166,333
Proposed Dividend for the year 2021 (4% cash for all ordinary shareholders including Directors and Sponsors) and in 2020 (5% cash for General shareholders excluding Directors and Sponsors)	31,838,152	27,583,776
Retained Earnings after proposed dividend	505,312,738	444,582,557

Basis for Qualified Opinion;

1. Maximum payments against purchase & expenses (except import purchase) has been incurred in cash instead of A/C payee cheque or bank transfer. During the year total withdraw from Bank is BDT 488,302,294.00 in which BDT 279,903,940.00 has been incurred in cash. This may lose the control of fund flow of the company and indicates the noncompliance with Income tax ordinance 1984 guideline.
2. An amount of Tk. 844,004,658.00 has been shown in accounts as purchase. But purchase amount in Musak-9.1 (Vat Return) is **Tk. 640,311,461.00** and Goods in transit **Tk. 30,643,265.00** Total **Tk. 670,954,726.00** (Difference amount of Tk. 173,049,932.00 ± includes other incidental charges as reported).
3. As disclosed in Note-17.00, Short term loan of Tk. **161,610,717.00** from the International Leasing and Financial Services Limited has fully been settled off by **Tk. 141,979,700.00** crore, balancing an amount of Tk. **19,631,017.00** crore has been adjusted with retained earnings.

Statutory Auditors
The Auditors of the Company, M/S Pinaki & Company, Chartered Accountants 2/A, Ahsandell, Mymensingh Road (2nd Floor), Shahbagh, Dhaka-1000 has carried out the audit of the company for the year ended 30 June 2021. They were appointed as Statutory Auditor in 13th AGM. As per regulation 15 (2) & (3) of DSE and CSE (listing) regulations,2015 existing auditor is eligible for re-appointment. Accordingly the Board of Directors has recommended to re-appoint M/S Pinaki & Company, Chartered Accountants 2/A, Ahsandell, Mymensingh Road (2nd Floor), Shahbagh, Dhaka-1000 as Auditor for the year 2021-2022. Accordingly, a proposal is being placed for Shareholder's approval and fixation of their fees, subject to the approval by the Shareholders in 14th AGM.

Professionals for Compliance of Corporate Governance Code
The Board of Directors has recommended for re-appointment M/S Podder and Associates, Cost and Management Accounts, 6/A/1, Segunbagicha (Ground Floor), Dhaka-1000 as professional for Report on Compliance Governance Code for the year 2021-2022 on their willingness to certify the compliance of Corporate Governance Code as issued by the Bangladesh Securities and Exchange Commission, subject to the approval by the shareholders in the14th AGM.

Acknowledgment

The Company expresses its sincere thanks and gratitude to the respected shareholders, valued clients, banks and well-wishers home and aboard 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 of the Company for their excellent, sincere and dedicated efforts in achieving Company's result.

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's performance and financial stability.

Thanking you.

On behalf of the Board of Directors

Lieutenant Colonel Md Anisur Rahman (Retd),te,MBA,PhD
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND PERFORMANCE

The world has witnessed toughest time in the history of 21st century because of Covid-driven pandemic. The lives and livelihood came to shrink and stagnant since March 2020. Since then, openness of economic activity around the world stopped. However, in the course of time, the world is getting open from October 2020. Import and export got impetus in fiscal year July 2020 to June 2021 than prior fiscal year. In this backdrop, the total export stood USD 45.39 billion from export earnings in FY 2020-21. Out of the total export earnings, roughly $38.75 billion were earned from goods exports recording a 15.10% growth in FY 2020-21 compared to $33.67 billion in FY 2019-20. (Source: Financial Express dated 6th July 2021). The economic growth rate in this FY was 5.47% and per capita income stood USD 2227. However, our GDP based year has been revised from 2005-2006 to 2015-2016 which include other new sectors into new GDP calculation. Hence, our GDP became USD 409 billion and per capita income now stands USD 2554. Foreign currency reserve is increasing as well than earlier fiscal year. Government is eyeing to set a target of USD 51 billion for FY 2021-22. As a result, promising future is waiting for Bangladesh.

As far as our company is concerned, during the preceding five financial years, the company generated moderate growth in sales. While sales in the year ended on 30 June 2017 was Tk. 1,381 million, it rose to Tk.1,448 million in 2019. But the year 2019-2020 the same trend was continued up to March 2020, after which we observed drastic fall from the month of April and onwards for obvious reason known to you i.e. the effect of Covid-19 globally. During the year under review i.e., 2020-2021 upon easing of the situation market improved a little, but we are still in the balance between fears and hopes. However, we are hopeful that the Covid-19 situation will be brought under control by vaccine and treatments very soon and business will move as usual again.

As far as risks are concerned, Simtex Industries Limited is exposed to foreign exchange risk and inflation risk. We are both importer and exporter, as such foreign exchange risk is well mitigated for us. While the risk of inflation in the ecomany is managed by adjustment of prices of products and other strategies.

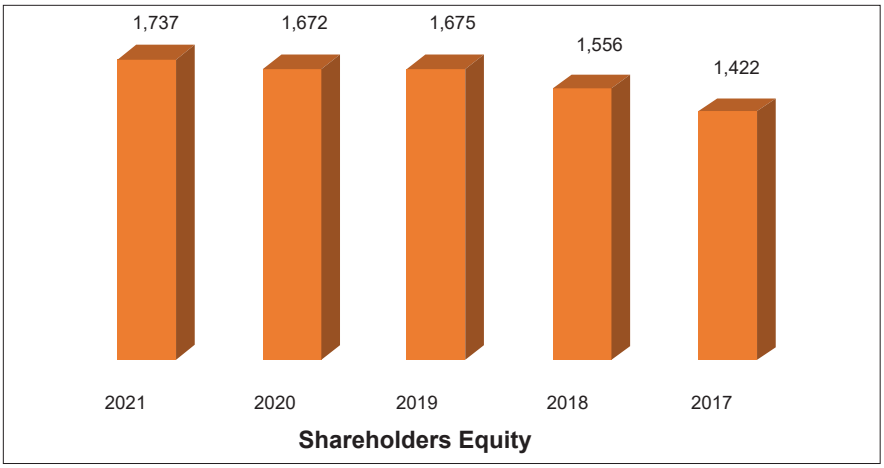
Neaz Rahman Shaqib
Managing Director

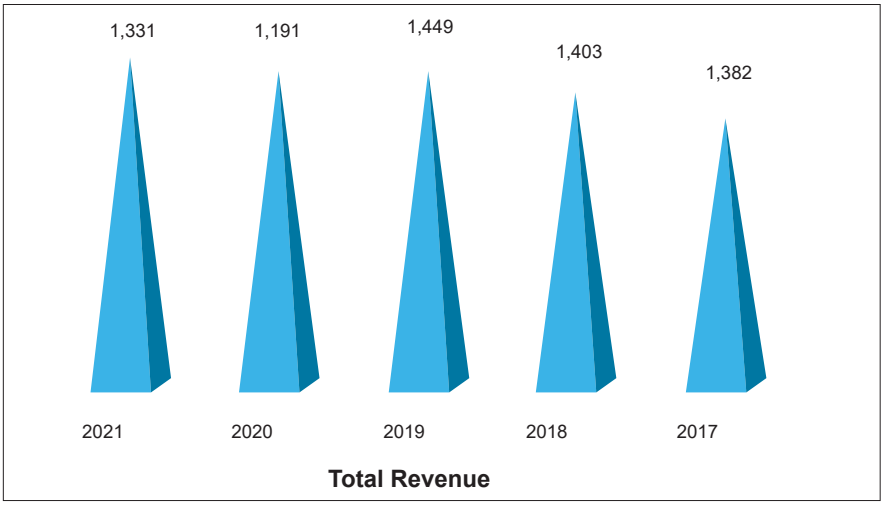
FINANCIAL HIGHLIGHTS

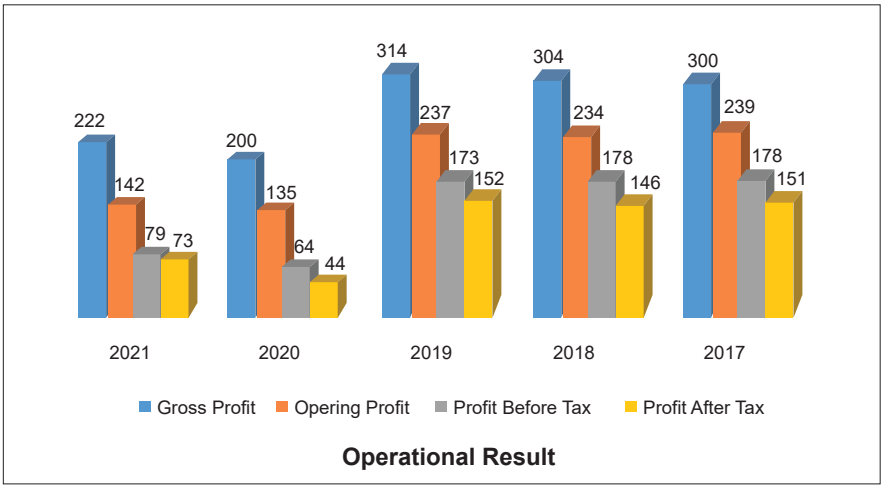
Operational Result	Amount in Taka				
	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Turnover	1,330,609,019	1,190,877,276	1,448,580,502	1,402,761,909	1,381,538,367
Gross Profit	222,035,767	199,902,681	313,844,087	304,314,288	299,831,797
Profit from Operation	141,978,102	134,525,411	237,184,015	234,408,292	238,640,497
Net Profit before tax	79,295,297	63,646,636	172,735,170	178,409,179	178,301,301
Net Profit after Tax	73,067,444	44,468,281	152,063,469	146,254,768	150,879,178
Net Operating Cash Flow per Share	3.14	(0.98)	2.30	2.13	4.36
Financial Position	**30 June 2021**	**30 June 2020**	**30 June 2019**	**30 June 2018**	**30 June 2017**
Non-Current Assets	1,306,629,587	1,346,853,549	1,252,610,395	1,120,342,267	936,399,361
Current Assets	1,313,055,913	1,297,847,163	999,517,585	951,186,899	961,649,838
Shareholder's Equity	1,736,773,599	1,671,789,042	1,674,721,052	1,555,562,166	1,422,233,924
Current Liability	610,123,566	737,409,924	271,631,356	240,793,631	200,915,340
Long Term Liability	272,788,335	235,501,746	305,775,572	243,955,690	248,342,860
Key Financial Ratio	**30 June 2021**	**30 June 2020**	**30 June 2019**	**30 June 2018**	**30 June 2017**
Current Ratio	2.15	1.76	3.67	3.95	4.79
Quick Ratio	1.44	1.15	2.42	2.34	3.53
Debt to Equity Ratio	0.45	0.48	0.26	0.24	0.26
Net Income Ratio (%)	5.49%	3.73%	10.50%	10.43%	10.92%
Return on Equity (%)	4.29%	2.66%	9.41%	9.82%	10.81%
Earnings Per Share	0.92	0.56	2.01	2.22	2.52

FINANCIAL HIGHLIGHTS IN THE FORM OF GRAPHICAL REPRESENTATION

Amount in Million







EVENT HIGHLIGHTS

13th Annual General Meeting

Annual Picnic

ACHIEVEMENTS

BGAPMEA EXPORT TROPHY- 2019

BGAPMEA EXPORT TROPHY- 2018

BGAPMEA EXPORT TROPHY- 2017

WPC Meeting

Meeting with Buyer's Audit (DVC) Team

Fire FigtingTraining

Fire Pump Room

Fire Control and CCTV Monitoring Room

Medical Center

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

DECLARATION BY CEO AND CFO

Date: 28.10.2021

Board of Directors
Simtex Industries Limited.
Khagan, Birulia, Savar, Dhaka-1341

Subject: Declaration on Financial Statement for the year ended on 30 June 2021.

Dear Sir
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 2021 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, inorder 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 presentedin 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 2021 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,

Neaz Rahman Shaqib
Managing Director

M A Shahjahan
Chief Financial Officer (CFO)

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

PODDER & ASSOCIATES
Cost and 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, 2021. 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 Chanered 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'

Place: Dhaka
Dated: November 18, 2021

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants

6/A/1 (Ground Floor), Segun Bagicha, Dhaka-1 ooo. Phone :02-5716036, 02 57160425,
E-mail : podderassociates@yahoo.com, web : www,thepodders.com

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

Simtex Industries Ltd.

Status of Compliance with the Corporate Governance Code (CGC)

For the year ended 30 June 2021

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

(Report under Condition No. 9.00)

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)	√		The Boards of Directors are comprised (06) Six Directors Including 02 (Two) Independent Directors.
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.	√		There are Two (02) Independent Directors in the SIL Board.
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;	√		Does not hold any share 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)(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);	√ √ √		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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);	√		One Independent Director has appointed on 07.10.2021 by the Board of Directors and to be placed before the shareholders for approval in the 14th 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;	√	-	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	N/A
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;	-		N/A
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:**			

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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.	√		No such incident arose yet
1(5)	**The Directors' Report to Shareholders:**			
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;	√		
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;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		No remuneration paid to any Directors except Managing Director
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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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;	√		
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;			Company has declared 4% Cash dividend for the year 2020-2021
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;	-		N/A
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);	-		N/A
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)(xxiv)	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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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;	√		
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**; and	√		
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.	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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
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.	√		
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			

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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.	√		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:**			
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;	√		Audit Committee (AC) is comprised of 3 (Three) members including 02 (Two) Independent Directors
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;	√		All the AC members are non-executive Directors including 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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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.	√		
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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-		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:**			
	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:**			
	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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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;	√		NRC is comprised of 03 (Three) members including 02 (Two) Independent Directors
6(2)(b)	All members of the Committee shall be non-executive directors;	√		All the NRC members are non-executive Directors including two Independent Directors
6(2) (c)	Members of the Committee shall be nominated and appointed by the Board;	√		The NRC members are duly appointed by the Board.
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 during the year
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;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
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;			No such Incident arose after formation of NRC

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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;	√		
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.	√		
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:-			

Condition No.	Title	Complied	Not Complied	Remarks (If any)
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;	√		
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.	√		
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.	√		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2021.
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.	√		
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 INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

AND INTERNATIONAL ACCOUNTING STANDARDS (IAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Financial Instruments : Disclosure	IFRS-7	Applied
Financial Instruments	IFRS-9	Applied
Fair Value Measurement	IFRS-13	Applied
Revenue from Contarctswith Customers	IFRS-15	Applied
Lease	IFRS-16	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
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Financial Instrument: Recognition & Measurement	IAS-39	Applied

REPORT OF THE AUDIT COMMITTEE
(For the year ended on 30 June 2021)

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. Md. Yunus Ali. The Committee is composed of 3 (three) members of the Board. The members of the Audit Committee are as follows:

Mr. Md. Yunus Ali Independent Director	Chairman
Mr. Md. Akram Hossain Independent Director	Member
Mr. Md. Ensan Ali Sheikh Director	Member
Mr. Ashis Kumar Saha Company Secretary	Member Secretary

Audit Committee Meeting Attendance record of the Members

Name	Position	Meeting Held	Meeting Attended
Mr. Md. Yunus Ali	Chairman	4	4
Mr. Md. Akram Hossain	Member		4
Mr. Md. Ensan Ali Sheikh	Member		4

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 Code 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 quarterly, half yearly and Annual Financial statements before submission to the Board of Directors for approval.
- Hold meeting with the external or statutory Auditors for review of the Financial Statements before submission to the Board of Directors 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 statuary auditors.
- Review the Management's Discussion and Analysis before disclosing in the Annual Report.

During the period under report the committee 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 of Directors 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, 2021. This review incorporated the accounting policies and key judgments and estimates under pinning 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 appointment of external auditors.

Audit Committee expressed their sincere thanks to all members of Board, team of Internal Audit, team of Accounts & Finance and Management of the Company for their support.

On behalf of the Committee

Md. Yunus Ali
Chairman, Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Company has formed a Nomination and Remuneration Committee (NRC) as per notification no. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018.
Members of NRC:

The committee consists of 3 members; which is as follows:

1. Mr. Md. Yunus Ali — Chairperson
2. Mr. Md. Akram Hossain — Member
3. Mr. Ensan Ali Sheikh — Member
4. Mr. Ashis Kumar Saha — Secretary Member

The main role of the Committee is to assist and advise the Board on the Company's Remuneration Policy (for the Board and key management personnel), drive diversity and inclusion in the organization, guide standards of behavior and culture code, ensure appropriate processes for performance-related pay in order to motivate and retain executives and ensure that the Company is able to attract the best talents in order to maximize Stakeholders' value.

During this year, the Committee held 2 (Two) meeting, complying with the requirement of at least one meeting to be held during the year.

NRC Meeting Attendance record of the Members

Name	Position	Meeting Held	Meeting Attended
Mr. Md. Yunus Ali	Chairman	2	2
Mr. Akram Hossain	Member		2
Mr. Md. Ensan Ali Sheikh	Member		2

Terms of Reference:
The terms of reference of the Committee as set out by the Nomination & Remuneration Committee which was adopted by the Board during the year under review, the Committee shall oversee, among others, the following matters and shall recommend the following for review and/or approval of the Board, as the case may be:

i. the criteria for determining qualifications, positive attributes and independence of a director

ii. a policy relating to the remuneration of the directors, top level executive, considering the following:

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

   b. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   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;

iii. a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

iv. the plan in relation to identification of 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;

v. the criteria for evaluation of performance of independent directors and the Board;

vi. the plan or proposal on company's needs for employees at different levels and the selection, transfer or replacement and promotion criteria/ principles and

vii. the annual exercise on the developments, recommendations and review of the company's human resources and training policies;

Major Activities during the year:

During the year under review, the Committee carried out the following activities:

a. Reviewed and ratified the uniform Code of Conduct for the Company which is also applicable to members of the Board and Key Management Personnel andTop-Level Executives as adopted by the Board

b. Reviewed the available documents of the Company which underlies all aspects of individual and collective performance and functioning of the Company

c. Reviewed the core human resources principles and philosophies of the Company including recruitment, performance evaluation across all levels of members and talent value proposition of the Company

d. Reviewed Employee Benefit policies to attract the job seekers and retain internal talents. In addition, they also addressed succession planning of the Company to have our future leaders ready according to the requirements, whileensuring extensive training and development plans for the individualand/or group of people.

The NR Committee expressed its sincere thanks to the members of the Board and Management of the Company for their support in carrying out its duties and responsibilities effectively. The Committee will proceed to function through constant monitoring of the progress of such activities throughout the calendar year.

On behalf of the Committee,

Md. Yunus Ali
Chairperson of
Nomination and Remuneration Committee
& Independent Director

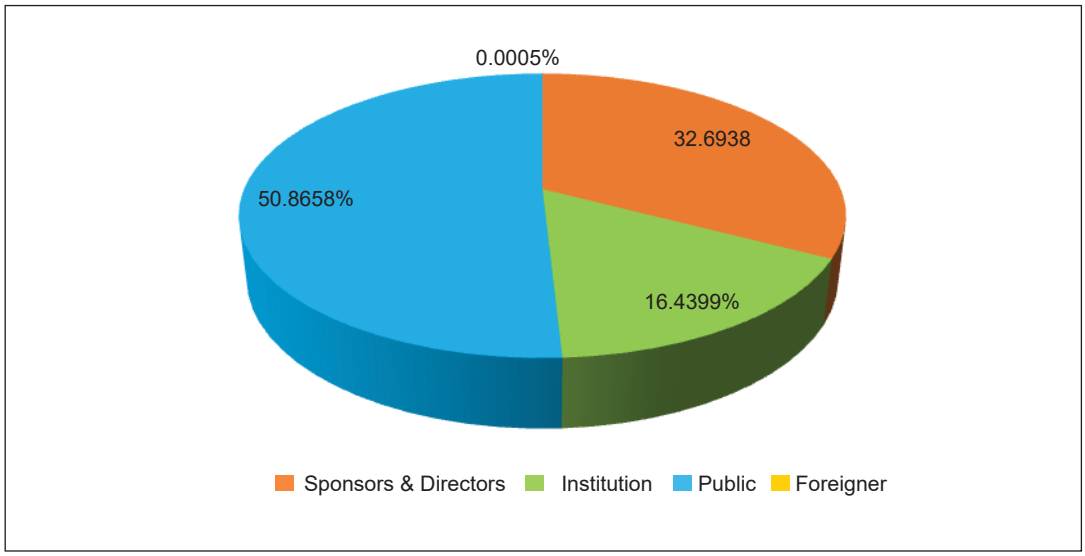
INFORMATION RELATING TO COMPANY CAPITAL

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 795.954 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
Sponsors & Directors	:	260,227,900/-	32.6938%
Public	:	404,868,430/-	50.8658%
Institution	:	130,853,430/-	16.4399%
Foreigner	:	4,050/-	0.0005%
		795,953,810/-	**100**

The Range of Shareholding as on 30 June, 2021:

Particulars of Investors	Number of Shareholders	Number of Shares	Percentage of Shareholders %
1 to 100 Shares	640	17,536	0.0220
101 to 500 Shares	1,978	744,780	0.9357
501 to 1,000 shares	481	401,626	0.5046
1,001 to 10,000 shares	1,651	6,893,854	8.6611
10,001 to 20,000 shares	294	4,406,957	5.5367
20,001 to 50,000 shares	252	7,965,401	10.0074
50,001 to 1,00,000 shares	69	4,876,549	6.1267
1,00,001 to 10,00,000 shares	75	21,906,578	27.5224
10,00,001 to 50,00,000 shares	8	12,182,149	15.3051
50,00,001 to 1,00,00,000 shares	1	5,420,955	6.8106
1,00,00,001 and above	1	14,778,996	18.5677
Total	**5,450**	**79,595,381**	**100.00**



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, 2020, Bank liability position as on 31March, 2021 and other available information up to the date of rating declaration. The date of rating was on 5 May 2021. The outlook on the rating is Stable.

CREDIT RATING REPORT - RATIONALE

CRISL

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

Setting global standard at national level

CRISL/CER/9050/2021

SIMTEX INDUSTRIES LIMITED

RATING SPECIFICS

DATE OF RATING	May 05, 2021	**EXPIRY ON:** May 04, 2022	
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.320.17		*blr* A
	WCLL** -TK.1,485.00		
Southeast Bank Limited	WCLL** -TK.460.00		*blr* A

**TLO- Term Loan Outstanding, **WCLL- 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 due to consistent maintenance of some fundamentals such as equity based capital structure, good financial performance, regular loan repayment history, good infrastructure facilities and experienced management team etc. The above factors are however constrained to some extent by moderate production capacity utilization, moderate operating efficiency, expose to price fluctuation risk, energy price hike 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 able to maintain its fundamentals with the same trend in foreseeable future.

Tanzirul Islam
Vice President

Nakshi Homes (1st, 4th & 5th Floor)
6/1/A, Segunbagicha, Dhaka-1000, Bangladesh
Tel: 88-02-953 0991-3, Fax: 88-02-953 0995
E-mail: info@crisl-bd.com

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2021/037

BAPLC

Date of issue : January 24, 2021

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 **2021.**

BAPLC

Secretary-General

HOHENSTEIN Textile Testing Institute GmbH & Co. KG
Schlosssteige 1, 74357 Bönnigheim, Germany

OEKO-TEX®
CONFIDENCE IN TEXTILES

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 **21.0.75412**

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100
07.KA.53099 HOHENSTEIN HTTI
Tested for harmful substances
www.oeko-tex.com/standard100

for the following articles:

Sewing, embroidery and filament thread made of 100 % polyester and 100 % polyamide, white, disperse and acid dyed (including neon green); 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®, Annex 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 Annex 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 31.10.2022

Boennigheim, 15.11.2021

Ivonne Schramm
Dipl.-Ing. (FH) Ivonne Schramm
Head of Certification Body OEKO-TEX®

OEKO-TEX® Association I Genferstrasse 23 I P.O. Box 2006 I CH-8027 Zurich

BANGLADESH GARMENTS ACCESSORIES & PACKAGING MANUFACTURERS & EXPORTERS ASSOCIATION [BGAPMEA]

BGAPMEA বাংলাদেশ গার্মেন্টস্ এক্সেসরিজ এন্ড প্যাকেজিং ম্যানুফ্যাকচারার্স এন্ড এক্সপোর্টার্স এসোসিয়েশন (বিজিএপিএমইএ)

Sonartori Tower (9th Floor), 12, Sonargaon Link Road, Dhaka-1000, Bangladesh. Regd. No: C.T.0.290(02)/91
Tel: 9632700, 9666753, 9632717, Fax: 88 02 9632718, Email: bgapmea@gmail.com, Website: www.bgapmea.org
Regional Office: Akhtaruzzaman Centre (9th Floor), 21/22, Agrabad C/A, Chattogram. Phone & Fax: 88-031-2510709, E-mail: bgapmeactg@gmail.com

Certificate no. 49/2021

Membership no. 1253

Membership Certificate

This is to certify that

Simtex Industries Ltd.

of

Khagan, Birulia (Ashulia) , Savar, Dhaka

is a member of this association. Their membership is valid up to the 31st December 2021

24.12.2020
Date

President

BGAPMEA DHAKA Regd No C.T.O.290 (02)/91

Independent Auditors' Report

To the shareholders of Simtex Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Simtex Industries Limited** (the Company) which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

Basis for Qualified Opinion

1. Maximum payments against purchase & expenses (except import purchase) has been incurred in cash instead of A/C payee cheque or bank transfer. During the year total withdraw from Bank is BDT 488,302,294.00 in which BDT 279,903,940.00 has been incurred in cash. This may lose the control of fund flow of the company and indicates the noncompliance with Income tax ordinance 1984 guideline.
2. An amount of Tk. 844,004,658.00 has been shown in accounts as purchase. But purchase amount in Musak-9.1 (Vat Return) is **Tk. 640,311,461.00** and Goods in transit **Tk. 30,643,265.00** Total **Tk. 670,954,726.00** (Difference amount of Tk. 173,049,932.00 ± includes other incidental charges as reported).
3. As disclosed in Note-17.00, Short term loan of **Tk. 161,610,717.00** from the International Leasing and Financial Services Limited has fully been settled off by **Tk. 141,979,700.00** crore, balancing an amount of Tk. **19,631,017.00** crore has been adjusted with retained earnings.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention on the matters as disclosed below:

1. As disclosed in Note-5.00, The Company reported account receivables of BDT 772,764,128.00 in the statement of financial position as on 30 June 2021. The above balances remained outstanding against letters of credit (LCs) denominated in USD and is subject to realization upon receipt of supporting documents from the banks following the reporting period.
2. During the audit period, we observed that documentation & recording system of the company is very impoverished.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.

Please refer to Annexure: 1 Key Audit Matters (KAM) for illustrative purposes.

Other Information:
Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any observation to that effect.

However, in connection with our audit of the financial statements, our responsibility is to read the other information identified in the Annual Report as & when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. However, documentation process need be strengthened further.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest/benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared from our examination of these books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purposes of the Company's business.

Annexure-1

Key audit matter description	How the scope of our audit responded to the key audit matter.
Property, plant and Equipment	
The carrying value of the PPE amounted to Tk. 1,302,591,524.00 as at 30 June, 2021. There is a risk of: • determining which costs meet the criteria for capitalization; • determining the date on which the assets is recognized toproperty, plant and equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to Fixed asset.	Our audit procedures to assess the carrying value of property, plant and equipment included the following: • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.

We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements. See note no. 3 for details	• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to make it ready for use, with the date of the completion of the work.
Revenue Recognition	
The Company has reported sales revenue of Tk. 1,330,609,019.00 All of the Company's sales are made under sales invoice, delivery challan. It's products primarily comprise sale of sewing thread. Revenue is recognized at the point of delivery from Factory. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. As all sales are translated from USD currency to BDT, there is a risk that foreign exchange gain/loss might not be correctly recognized in the Financial Statements. See note no. 22 for details.	We have tested the design and operating effectiveness of key controls focusing on the following: • We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 "Revenue from contracts with customers" • Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; • We performed analytical test to understand how the revenue has trended over the year among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions; • Verified VAT return with General Ledger. • We obtained supporting documents for sales, transactions recorded during the year; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Receivables	
The Company has accounts receivable of Tk. 772,764,128.00 as at 30 June 2021. Accounts receivable of the company comprise mainly receivables regarding the sale of yarns which is secured by Letter of Credit (L/C). See note no. 5 for details.	Our substantive procedures in relation to the assessing valuation of receivable comprises the following: • Obtained a list of outstanding receivables; • Reconciliation of receivables ageing to general ledger; • Conducting cut-off testing at the year-end; • Reviewing subsequent receipt of receivables balance.
Valuation of Inventories	
The amount of inventory is 380,179,606.00 as at 30 June, 2021 which amounted to 15% of the total assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories.	We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by: • We observed SIL's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts;

SIL values its inventories using the weighted average method which is a complex process and prone to errors and manipulation. Due to the complex nature of accounting for inventories, there is an increased risk of misstatement in valuation of inventory items. IAS 2 defines inventories as assets which are: (a) held for sale in the ordinary course of business, (b) in the process of production for such sale, (c) in the form of materials or supplies to be consumed in the production process or rendering of services. There was therefore a risk that assets which do not meet the definition of inventories have been improperly classified as inventory items. See note no. 8 for details.	• We tested the purchase costs of a sample of inventory items by inspecting invoices; • We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2; • We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; • Testing, on a sample basis the stock expiry dates and the market price used in assessing the net realizable values of inventories of the related supporting documents. • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
Measurement of deferred tax liability	
The net deferred tax liability is Tk. 3,085,267.00 as at 30 June, 2021. Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years. See note no. 29 for details.	We carried out the following substantive testing for this item • We checked deferred tax expenses and liabilities in the financial statements and calculation and records; • We obtained an understanding, evaluated the design and tested the operational effectiveness of the controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Company's future taxable income. • We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. • We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.

Bank Loan	
The company reported short term & long term loan 466,192,891.00 & 218,643,224.00 respectively in the statement of financial position at the reporting date. The above borrowing were considered as key audit matter because this external form of credit facilities availed by the company required fulfillment of several terms and conditions as mentioned in sanction letter issued by lending bank. Any non-compliance with those stipulated terms and conditions might result in subsequent withdrawal and pose a threat to ongoing operation of the company. Besides, risk of material misstatement also lies due to non-disclosure of all those terms and conditions in the financial statements. See note no. 17 & 13 for details.	Our substantive audit procedures adopted during the audit includes the following test or details. • Inspecting relevant board minutes in support of bank loan reported in the financial statements. • Tracing existence and completeness of reported borrowings with supporting evidence such as sanction letters, loan certificates and statements. • Sending out and obtaining confirmation from the lenders. • Recalculating and testing accuracy and completeness of finance costs charged by the company during the year with corresponding loan statements provided by bank.

Dhaka.
Dated: 28 October 2021

Pinaki Das

Pinaki Das, FCA
Senior Partner
Enrollment Number: 151
Pinaki & Company
Chartered Accountants
DVC: 2111080151AS924653

Simtex Industries Limited
Statement of Financial Position
As on 30 June 2021

PARTICULARS	Notes	Amount in Taka	
		30.06.2021	30.06.2020
ASSETS			
A : NON-CURRENT ASSETS		**1,306,629,587**	**1,346,853,549**
Property, plant & equipment	3	1,302,591,524	1,331,884,307
Capital work in progress	4	4,038,063	14,969,242
B : CURRENT ASSETS		**1,313,055,913**	**1,297,847,163**
Accounts receivable	5	687,878,781	648,397,397
Advance, deposit & prepayments	6	80,511,323	143,399,804
Right-of-use assets	7	126,638	506,550
Inventory	8	380,179,606	402,863,335
Goods in transit	9	30,643,265	56,578,074
Investment in FDR	10	61,322,820	29,127,097
Cash & cash equivalent	11	72,393,480	16,974,906
TOTAL ASSETS (A+B)		**2,619,685,500**	**2,644,700,712**
SHAREHOLDERS EQUITY & LIABILITIES			
C : SHAREHOLDERS EQUITY		**1,736,773,599**	**1,671,789,042**
Share capital	12	795,953,810	795,953,810
Share premium		300,000,000	300,000,000
Revaluation reserve		103,668,899	103,668,899
Retained Earnings		537,150,890	472,166,333
D : NON-CURRENT LIABILITIES		**272,788,335**	**235,501,746**
Long term loan net off current portion	13	218,643,224	184,377,874
Lease liabilities net off current portion	14	-	64,028
Deferred tax	15	54,145,111	51,059,844
E : CURRENT LIABILITIES		**610,123,566**	**737,409,924**
Accounts payable	16	1,172,100	1,097,500
Short term loan	17	466,192,891	526,144,322
Unclaimed IPO fund		317,366	317,782
Current portion of long term loan	18	90,538,937	96,901,720
Liabilities for expenses	19	18,944,901	17,134,092
Current portion of lease liabilities	14	413,357	675,605
Unclaimed Dividend Account	20	15,660,244	14,497,908
Provision for Income tax	21	16,883,770	80,640,995
TOTAL EQUITY & LIABILITIES (C+D+E)		**2,619,685,500**	**2,644,700,712**
Net Assets value (NAV) Per Share	35	**21.82**	**21.00**

The annexed notes (1-37) form an integral part of these financial statements.

Chairman | **Managing Director** | **Director** | **Chief Financial Officer**

Company Secretary

Signed as per our annexed report of even date.

Pinaki Das, FCA
Senior Partner
Enrollment Number: 151
Pinaki & Company
Chartered Accountants
DVC: 2111080151AS924653

Dated: October 28, 2021
Dhaka

Simtex Industries Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2021

PARTICULARS	Notes	Amount in Taka	
		01-07-2020 to 30-06-2021	01-07-2019 to 30-06-2020
(A)Turnover	22	1,330,609,019	1,190,877,276
(B) Cost of goods sold	23	1,108,573,252	990,974,595
(C) Gross Profit (A - B)		**222,035,767**	**199,902,681**
(D) Operating Expenses		**80,057,665**	**65,377,271**
Administrative expenses	24	70,535,833	56,927,083
Selling & distribution expenses	25	9,521,832	8,450,188
(E) Profit from Operation (C-D)		**141,978,102**	**134,525,411**
(F) Financial expenses	26	61,156,297	69,956,863
(G) Foreign exchange gain/(Loss)		548,518	871,579
(H) Other income/(loss)	27	1,889,739	1,388,841
(I) Net Profit Before WPPF (E-F+G+H)		**83,260,062**	**66,828,967**
(J) Workers profit participation fund		3,964,765	3,182,332
(K) Net Profit Before Tax (I-J)		**79,295,297**	**63,646,636**
Less: Provision for Tax:		**6,227,853**	**19,178,355**
Current tax	28	3,142,586	7,933,009
Deferred tax	29	3,085,267	11,245,346
Net Profit After Tax		**73,067,444**	**44,468,281**
Other comprehensive income		-	-
Total Comprehensive Income		**73,067,444**	**44,468,281**
Earnings Per Share	33	**0.92**	**0.56**

The annexed notes (1-37) form an integral part of these financial statements.

Chairman **Managing Director** **Director** **Chief Financial Officer**

Signed as per our annexed report of even date.

Company Secretary

Pinaki Das, FCA
Senior Partner
Enrollment Number: 151
Pinaki & Company
Chartered Accountants
DVC: 2111080151AS924653

Dated: October 28, 2021
Dhaka

Simtex Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2021

PARTICULARS	Amount in Taka					
	Share Capital	Share Premium	Revaluation Reserve	Other Comprehensive income	Retained Earnings	Total
Balance as on 01.07.2020	795,953,810	300,000,000	103,668,899	-	472,166,333	1,671,789,042
Cash Dividend Issued (5%)	-	-	-	-	(27,583,776)	(27,583,776)
Addition during the year	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	-	19,500,889	19,500,889
Net Profit during the year	-	-	-	-	73,067,444	73,067,444
Balance as on 30.06.2021	**795,953,810**	**300,000,000**	**103,668,899**	**-**	**537,150,890**	**1,736,773,599**

Simtex Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2020

PARTICULARS	Amount in Taka					
	Share Capital	Share Premium	Revaluation Reserve	Other Comprehensive income	Retained Earnings	Total
Balance as on 01.07.2019	758,051,250	300,000,000	103,668,899	-	513,000,903	1,674,721,052
Stock dividend issued (5%)	37,902,560	-	-	-	(37,902,560)	-
Cash dividend issued (9%)	-	-	-	-	(47,286,472)	(47,286,472)
Adjustment of use of Lease Assets	-	-	-	-	(113,819)	(113,819)
Net Profit during the year	-	-	-	-	44,468,281	44,468,281
Balance as on 30.06.2020	**795,953,810**	**300,000,000**	**103,668,899**	**-**	**472,166,333**	**1,671,789,042**

The annexed notes (1-37) form an integral part of these financial statements.

Chairman **Managing Director** **Director** **Chief Financial Officer**

Company Secretary

Dated: October 28, 2021
Dhaka

Simtex Industries Limited
Statement of Cash Flows
For the year ended 30 June 2020

PARTICULARS		Amount in Taka	
		01-07-2020 to 30-06-2021	01-07-2019 to 30-06-2020
Cash Flow from Operating Activities:			
Cash Collection From Turnover & Others	**30.00**	1,291,127,636	1,038,622,964
Cash Paid to Suppliers, Employee & Others	**31.00**	(1,028,950,639)	(1,099,535,428)
Cash Genarated from Operation		**262,176,997**	**(60,912,464)**
Income Tax Paid	**32.00**	(12,189,221)	(17,206,649)
Net Cash flow from Operating Activities:(A)		**249,987,776**	**(78,119,112)**
Cash Flows from Investing Activities:			
Investment in FDR		(32,195,723)	(29,127,097)
Received from Interest and Dividend Income		1,889,739	1,388,841
Payment for Acquisition of Property, Plant & Equipment		(59,197,321)	(5,197,855)
Advance for Acquisition of Property, Plant & Equipment		(1,074,519)	15,572,240
Payment for Capital Work in Progress		(4,038,063)	(13,358,525)
Net Cash used in Investing Activities:(B)		**(94,615,887)**	**(30,722,397)**
Cash flow from Financing Activities			
Payment of Cash Dividend		(26,551,568)	(39,642,532)
Payment of IPO Subscription Fund		(417)	(6,000)
Payment of Interest		(61,156,297)	(69,956,863)
Lease payments		(375,705)	(360,525)
Net Long Term Loan Received/Payment		27,902,567	(76,254,462)
Net Short Term Loan Received/Payment		(40,320,413)	288,927,707
Net Cash flow from Financing Activities:(C)		**(100,501,833)**	**102,707,326**
Net increase/decrease in cash & Cash equivalents:(A+B+C)		**54,870,056**	**(6,134,183)**
Cash & Cash equivalents at the beginning of the year		16,974,906	22,237,511
Foreign Exchange Gain/(Loss)		548,518	871,578
Closing Cash & Cash equivalents at the end of the year		**72,393,480**	**16,974,906**
Net operating cashflows per share (NOCFPS)	**34.00**	**3.14**	**(0.98)**

The annexed notes (1-37) form an integral part of these financial statements.

Chairman **Managing Director** **Director** **Chief Financial Officer**

Company Secretary

Dated: October 28, 2021
Dhaka

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 Exchange Limited (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:

2.01 Statement of Compliance:

The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, The Securities and Exchanges Rules 1987, International Financial Reporting Standard and other relevant rules and regulations.

2.02 Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention. The significant accounting policies are set out below.

2.03 Statement on Compliance of International Accounting Standards:

The following IASs and IFRSs are applicable for the financial statements for the year under review:

IAS-1	Presentation of financial statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-32	Financial Instruments: Presentation
IAS-33	Earnings Per Share
IAS-34	Interim Financial Reporting
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-39	Financial Instruments: Recognition & Measurement
IFRS-07	Financial Instruments: Disclosure
IFRS-09	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contracts with Customers
IFRS-16	Leases

2.04 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.

2.05 Accrual Basis:

The financial statements have been prepared, except cash flow information using the accrual basis of accounting.

2.06 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 a going basis and used for accounting of certain terms such as provision for expenses and depreciation.

2.07 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". A reconciliation of net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals is disclosed.

2.08 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:

Kind of assets		Rate of Depreciation
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	15%

l)	Int. Panton Book	15%
m)	Air Condition	10%
n)	Crockery	10%
o)	Software	20%
p)	Fire Hydrant System	10%

2.09 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.

2.10 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.

2.11 Revenue Recognition:

In compliance with the requirements of IFRS - 15 Revenue from Contacts 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.

2.12 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.

2.13 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".

2.14 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.

2.15 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.

2.16 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.

2.17 Number of Employees:

During the year under review, the number of employees stands at 620 and each Employee has been receiving minimum remuneration of Tk. 6,061/- and above per month. There was no part-time employee in the Company during the year under audit.

2.18 Capacity Utilization:

	2020-2021 Cones	2019-2020 Cones
Total Production Capacity in Cones	43,200,000	43,200,000
Capacity Utilization in Cones	25,300,966	23,408,284
Capacity Utilization for the year	58.57%	54.19%

2.19 Capital expenditure commitment:

There was no capital expenditure commitment during the year.

2.20 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.)
Lt Col Md Anisur Rahman (Retd)	Board Meeting Fees	15,000/-
Mr. Neaz Rahman Shaqib	Remuneration and Board Meeting Fees	6,45,000/-
Mrs. Hafiza Khanam	Board Meeting Fees	30,000/-
Mr. Md. Ensan Ali Sheikh	Board Meeting Fees	45,000/-
Mr. Md. Yunus Ali	Board Meeting Fees	45,000/-
Mr. Md. Akram Hossain	Board Meeting Fees	45,000/-

2.21 Event after the Balance Sheet Date:

As per IAS-10 “Event after the Balance Sheet Date” are those events 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 28, 2021 recommend 4% cash dividend for all shareholders including Directors and Sponsors held at record date for the year ended 30 June 2021. The dividend proposal is subject to shareholders’ approval at the forthcoming Annual General Meeting.

2.22 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.

2.23 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.

2.24 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".

2.25 Earnings per share:
The company calculates Earnings per Share (EPS) in accordance with IAS-33 "Earnings per Share". The Earnings 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 Earnings 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 share was not calculated.

2.26 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).

2.27 Authorization date for issuing Financial Statements:
The financial statements were authorized by the Board of Directors on October 28, 2021.

2.28 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, 2021.
b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2021.
c) Statement of Changes in Equity for the year ended June 30, 2021.
d) Statement of Cash Flows for the year ended June 30, 2021.
e) Explanatory notes to the financial statements.

2.29 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.

2.30 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, 2020 to June 30, 2021.
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.

	Amount in Taka	
	30-06-2021	30-06-2020

3.00 PROPERTY, PLANT AND EQUIPMENT: Tk. 1,302,591,524

Opening Balance (at cost)	1,931,268,579	1,626,492,981
Add : Addition made during the year	74,166,562	304,775,598
Closing Balance	**2,005,435,141**	**1,931,268,579**
Less : Accumulated Depreciation	702,843,617	599,384,272
Written Down Value	**1,302,591,524**	**1,331,884,307**

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

4.00 CAPITAL WORK in PROGRESS: Tk. 4,038,063

This is made up as follows:

Opening Balance	14,969,242	139,577,743
Addition during the year	4,038,063	14,969,242
Transfer to Fixed Asset	(14,969,242)	(139,577,743)
	4,038,063	**14,969,242**

The amount represents construction of factory building. It will be transferred to Fixed Asset when it is available for use.

5.00 ACCOUNTS RECEIVABLE: Tk. 687,878,781

This is made up as follows:

Particulars			
Accounts Receivable		772,764,128	681,752,440
Less: Adjustment of Inland Bill Purchase	**Note: 5.01**	84,885,347	33,355,043
		687,878,781	**648,397,397**

i) The company reported trade receivables of BDT 772,764,128 in the statement of financial position as on 30 June 2021. The above balances remained outstanding against number of letters of credit (LCs) denominated in USD and is subject to realization upon receipt of supporting documents from the banks following the reporting period a portion of which remained unreconciled as of the reporting period.

ii) No amount was due to Managing Partner, Employees & Officers during the year.

Aging of Accounts Receivable		
Dues within 6 months	772,764,128	681,752,440
	772,764,128	**681,752,440**

5.01 ADJUSTMENT of INLAND BILL PURCHASE (Net off Assets & Liabilities) : Tk. 84,885,347

This is made up as follows:

Particulars		
Trust Bank Limited Millennium Corporate Branch, Dhaka	84,885,347	33,355,043
	84,885,347	**33,355,043**

6.00 ADVANCE, DEPOSITS & PREPAYMENTS: Tk. 80,511,323

This is made up as follows:

Particulars			
Advance, Deposit & Prepayments		**70,650,349**	**127,728,175**
Tax Deductions at Source	**Note: 6.01**	14,576,716	69,287,308
Advances against Expenses		27,142,909	25,832,590
Advances against Purchases		24,475,942	23,401,423
Prepaid Insurance Premium		1,285,782	1,306,854
Advance against Office Rent		127,500	150,000
Advance against Land Rent		-	3,700,000
Advance for Fixed Assets		-	-
Advanced against Salary		3,041,500	4,050,000
Deposit		**9,860,974**	**15,671,629**
L/C Margin Deposit		3,827,614	9,638,269
Security Deposit	**Note: 6.02**	6,033,360	6,033,360
		80,511,323	**143,399,804**

	Amount in Taka	
	30-06-2021	30-06-2020

6.01 TAX DEDUCTED at SOURCE: Tk. 14,576,716

This is made up as follows:

Particulars		
Opening Balance	69,287,308	52,080,659
Addition during the year	6,643,708	6,333,009
AIT through payment order for Assessment year 2020-2021	-	1,600,000
AIT through payment order for Assessment year 2019-2020	1,175,227	9,273,640
AIT through payment order for Assessment year 2017-2018	3,557,126	-
AIT through payment order for Assessment year 2018-2019	813,160	-
Adjustment during the year for Assessment year 2017-2018	(24,848,303)	-
Adjustment during the year for Assessment year 2018-2019	(23,639,162)	-
Adjustment during the year for Assessment year 2019-2020	(18,412,347)	-
	14,576,716	**69,287,308**

6.02 SECURITY DEPOSIT: Tk. 6,033,360

This represents the amount deposit with utility provider in respect of:

Particulars		
Bank Guarantee Margin for Titas Gas	553,210	553,210
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.	3,750,350	3,750,350
	6,033,360	**6,033,360**

7.00 RIGHT of USE ASSETS: Tk. 126,638

Opening	506,550	886,463
Less: Depreciation	(379,913)	(379,913)
	126,638	**506,550**

8.00 INVENTORY: Tk. 380,179,606

The above balance is made up as follows:

Particulars	30-06-2021		30-06-2020	
	Qty.Kgs/Pcs	Taka	Qty.Kgs/Pcs	Taka
Raw material of Yarn	1,254,233 Kgs	300,689,819	1,285,668.97Kgs	308,185,395
Raw material of Dyes & Chemical	57,813 Kgs	36,873,131	73,273 Kgs	46,678,002
Packing Materials	39,780 Kgs & 3,277,074 Pcs	10,499,024	91,164 kgs & 2,655,265 pcs	18,754,732
Work-in-process	67,784 Kgs	20,308,086	61,875 Kgs	18,533,389
Finished goods	248,204 Cone	11,809,546	225,702 Cone	10,711,817
		380,179,606		**402,863,335**

The obselete inventory of amount Tk. 1,737,903 has been identified and excluded from total inventory value.

9.00 GOODS in TRANSIT: Tk. 30,643,265

The above balance is made up as follows:

Raw Materials in Transit	**30,643,265**	**56,578,074**

The above balance represents goods in transit under various L/C.

10.00 INVESTMENT in FDR: Tk. 61,322,820	**61,322,820**	**29,127,097**

Details of Investment in FDR are shown in the annexed Schedule -B/1.

		Amount in Taka	
		30-06-2021	30-06-2020
11.00 CASH & CASH EQUIVALENT: Tk. 72,393,480			
This is made up as follows:			
Cash in Hand		5,855,202	4,257,680
Cash at Bank	**Note: 11.01**	66,538,278	12,717,226
		72,393,480	**16,974,906**

11.01 CASH at BANK: Tk. 66,538,278

The above has been made up as follows:

Particulars

Name of Bank	**A/C NO.**		
Jamuna Bank Ltd.	CD-8310	-	-
Trust Bank Ltd.	CD-011882	-	812
Trust Bank Ltd.	CD-118	15,714,438	2,430,678
Trust Bank Ltd.	SND-53	2,252,708	734,329
BRAC Bank Ltd.	CD-002	10,489	11,179
BRAC Bank Ltd.	FC-003	287,584	287,722
BRAC Bank Ltd.	FC-005	29,781	29,781
Trust Bank Ltd.	FDR	-	2,965,000
Trust Bank Ltd.	DAD-0031	44,300,979	3,577,330
Trust Bank Ltd.	DAD-0059	40,116	552,382
Trust Bank Ltd.	SND-151	522,014	399,201
Trust Bank Ltd.	ERQ-0029	29,747	528,116
Mercantile Bank Ltd.	CD-3997	286,405	290,901
Southeast Bank Ltd.	CD-8059	1,128,354	238,392
Southeast Bank Ltd.	DAD-0592	1,434,996	361
NCC Bank Ltd.	CD-20020	499,037	84,486
Mercantile Bank Ltd.	CD-7632	1,630	586,557
		66,538,278	**12,717,226**

12.00 SHARE CAPITAL: Tk. 795,953,810

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		
58,750,000 Ordinary Shares of Tk.10 each fully paid-up in cash	587,500,000	587,500,000
20,845,381 Ordinary shares of Tk. 10 each fully paid-up in bonus share	208,453,810	208,453,810
79,595,381 Ordinary Shares of Tk.10 each	**795,953,810**	**795,953,810**

Bonus Fraction share of 0.25 and its value of Tk. 2.50 are excluded from above share capital.

The Distribution Schedule showing the number of Shareholders and corresponding holding percentage under DSE & CSE Listing Regulation 37 on June 30, 2021:

Particulars of Investors	**Number of Shareholders**	**Number of Shares**	**Percentage of Shareholding (%)**
1 to 100 Shares	640	17,536	0.02%
101 to 500 Shares	1,978	744,780	0.94%
501 to 1,000 shares	481	401,626	0.50%
1,001 to 10,000 shares	1,651	6,893,854	8.66%
10,001 to 20,000 shares	294	4,406,957	5.54%
20,001 to 50,000 shares	252	7,965,401	10.01%
50,001 to 100,000 shares	69	4,876,549	6.13%
100,001 to 1,000,000 shares	75	21,906,578	27.52%
1,000,001 to 5,000,000 shares	8	12,182,149	15.31%
5,000,001 to 10,000,000 shares	1	5,420,955	6.81%
Over 10,000,001	1	14,778,996	18.57%
Total	**5,450**	**79,595,381**	**100.00%**

	Amount in Taka	
	30-06-2021	30-06-2020

13.00 LONG TERM LOAN FROM BANK & FINANCIAL INSTITUTION Tk. 218,643,224

Particulars		
Trust Bank Ltd.	309,182,161	281,279,594
Total Term Loan Outstanding	**309,182,161**	**281,279,594**
Less: Current Portion	90,538,937	96,901,720
	218,643,224	**184,377,874**

The loan sanctioned from Trust Bank Ltd. against various Investment facilities through three BDT HPSM Loan bearing @9.00% interest and two USD Off-shore Loan bearing interest @ 4.50%. This Loans are secured by registered mortgage of 783.19 Decimal land and a Flat 1637.58 sft. located at Khagan, Gouripur, Bashaid, Aukpara , Ashulia and Uttra Dhaka, Capital Machineries and personal guarantee of all Directors of the Company. This Loan is repayable in monthly and quarterly installments as per sanction letter.

14.00 Liability for Lease: Tk. 0

Opening	739,633	1,000,282
Add: Interest	49,430	99,876
Less: Payment	375,705	360,525
Closing Balance	**413,357**	**739,633**
Less: Current portion of Lease Libilities	**413,357**	**675,605**
Lease Liabilites Net off Current Portion	**-**	**64,028**

15.00 DEFERRED TAX : Tk. 54,145,111

Carrying Value	1,302,591,524	1,331,884,307
Tax Base	941,624,120	991,485,340
Temporary/(Deductible) Difference	**360,967,405**	**340,398,967**
Effective Tax Rate	15%	15%
Deferred Tax Liability/(Asset)	**54,145,111**	**51,059,844**

16.00 ACCOUNTS PAYABLE: Tk. 1,172,100

This is made up as follows:

Particulars		
M/S Simi Enterprise	69,000	165,600
Shaan Packaging Industries Ltd.	36,400	76,000
Tanim Plastic Industries	207,000	138,000
Hawa Enterprise	280,000	240,000
M/S Jewel Packaging	-	80,000
Arktek Communication	350,700	213,000
Olympic Accessories	229,000	184,900
	1,172,100	**1,097,500**

17.00 SHORT TERM LOAN: Tk. 466,192,891

This is made up as follows:

Particulars			
Cash Credit Loan (CC)	**Note: 17.01**	197,347,066	25,840,764
Deferred L/C		268,845,825	318,692,840
International Leasing and Financial Services Limited		-	161,610,717
Other Loan (Interest free)		-	20,000,000
		466,192,891	**526,144,322**

17.01 CASH CREDIT LOAN (CC): Tk. 197,347,066

Name of Bank	A/C NO.		
Southeast Bank Ltd.	CC-1717	9,548,716	1,217,914
Trust Bank Ltd. (Bai Muajjal Stimulus Package)		35,796,250	17,049,100
Trust Bank Ltd. (Bai Muajjal WC)		152,002,100	-
Trust Bank Bai Muajjal		-	7,573,750
		197,347,066	**25,840,764**

	Amount in Taka	
	30-06-2021	30-06-2020

18.00 CURRENT PORTION of LONG TERM LOAN: Tk. 90,538,937

This is made up as follows:

Particulars		
Trust Bank Limited	90,538,937	96,901,720
	90,538,937	**96,901,720**

19.00 LIABILITY for EXPENSES: Tk. 18,944,901

This is made up as follows:

Particulars		
Salary & Wages	10,496,729	9,427,520
Electricity Bill	83,185	177,684
Telephone and Mobile Bill	147,686	141,969
Internet Bill	38,338	41,498
Provident Fund	383,852	503,657
Provision for WPPF	3,964,765	4,046,007
Audit and Professional Fees	337,500	337,500
Gas bill	3,492,846	2,458,257
	18,944,901	**17,134,092**

20.00 UNCLAIMED DIVIDEND ACCOUNT: Tk. 15,660,244

This is made up as follows:

Particulars		
Opening	14,497,908	6,853,967
Addition during the year	27,583,776	47,286,472
Adjustment of Fraction Share	130,128	-
Payment during the year	(26,551,568)	(39,642,532)
Closing Balance	**15,660,244**	**14,497,908**

Year	No. of Shareholder	Amount
2015-16	7,440	4,795,352
2016-17	4,649	980,423
2017-18	3,202	1,150,299
2018-19	3,806	6,414,330
2019-20	3,454	2,319,840
Total	**22,551**	**15,660,244**

21.00 PROVISION for INCOME TAX: Tk. 16,883,770

This is made up as follows:

Particulars			
Opening Balance		80,640,995	72,707,986
Add: Provision for Current year tax	**Note: 28.00**	3,142,586	7,933,009
Less: Adjustment during the year for Assessment year 2017-2018		(24,848,303)	-
Less: Adjustment during the year for Assessment year 2018-2019		(23,639,162)	-
Less: Adjustment during the year for Assessment year 2019-2020		(18,412,347)	-
Closing Balance as on June 30, 2021		**16,883,770**	**80,640,995**

		Amount in Taka	
		01-07-2020 to 30.06.2021	01-07-2019 to 30-06-2020
22.00 TURNOVER: Tk. 1,330,609,019			
This is made up as follows:			
Sales	**Note: 22.01**	1,330,609,019	1,190,877,276
		1,330,609,019	**1,190,877,276**

22.01 SALES

Particulars	30.06.2021		30.06.2020	
	Qty (Kgs)	Taka	Qty (Kgs)	Taka
Sewing Thread	2,803,617	1,278,299,146	2,531,405	1,144,194,887
Poly Poly Core spun	5,322	6,403,862	4,780	5,597,123
Filament Thread	68,313	45,906,011	61,505	41,085,266
Total	**2,877,251**	**1,330,609,019**	**2,597,689**	**1,190,877,276**

23.00 COST of GOODS SOLD: Tk. 1,108,573,252			
Raw Materials Consumption	**Note: 23.01**	730,414,881	660,425,175
Dyes & Chemical Consumption	**Note: 23.02**	72,101,664	62,957,395
Packing Materials Consumption	**Note: 23.03**	67,044,268	51,761,753
Factory Overhead	**Note: 23.04**	243,252,685	215,299,478
Cost of Production		**1,112,813,498**	**990,443,801**
		(1,774,697)	**2,480,101**
Opening work-in process		18,533,389	21,013,489
Closing work-in process		(20,308,086)	(18,533,389)
		(1,097,729)	**(816,929)**
Opening finished goods		10,711,817	9,894,888
Closing finished goods		(11,809,546)	(10,711,817)
Goods available for sale		**1,109,941,072**	**992,106,973**
Sample expense		(1,367,820)	(1,132,378)
Total Cost of Goods Sold		**1,108,573,252**	**990,974,595**
23.01 RAW MATERIALS CONSUMPTION: Tk. 730,414,881			
Opening Inventory		308,185,395	188,149,122
Add: Purchased during the year		722,919,305	780,461,448
Less: Closing Inventory		300,689,819	308,185,395
		730,414,881	**660,425,175**
23.02 DYES & CHEMICAL CONSUMPTION: Tk. 72,101,664			
Opening Inventory		46,678,002	53,028,824
Add: Purchased during the year		62,296,793	56,606,572
Less: Closing Inventory		36,873,131	46,678,002
		72,101,664	**62,957,395**
23.03 PACKING MATERIALS CONSUMPTION: Tk. 67,044,268			
Opening Inventory		18,754,732	13,578,866
Add: Purchased during the year		58,788,560	56,937,619
Less: Closing Inventory		10,499,024	18,754,732
		67,044,268	**51,761,753**

	Amount in Taka	
	01-07-2020 to 30.06.2021	01-07-2019 to 30-06-2020

23.04 FACTORY OVERHEAD: Tk. 243,252,685

This is made up as follows:

Particulars		
Salary and Wages	91,399,412	89,736,165
Overtime	6,760,693	4,336,280
Tiffin Bill	1,576,421	1,522,813
Electricity Bill	1,340,999	1,384,230
Repair & Maintenance	1,726,794	2,115,248
Festival Bonus	5,096,909	3,297,743
Loading & Unloading-Labor	353,613	304,619
Fuel & Lubricant	3,045,567	3,025,250
Gas Bill	35,710,558	30,124,497
ETP. Operating Expense	715,320	880,395
Depreciation	95,526,399	78,572,238
	243,252,685	**215,299,478**

24.00 ADMINISTRATIVE EXPENSES: Tk. 70,535,833

This is made up as follows:

Particulars		
Salary & allowance	35,576,843	25,224,205
Director's Remuneration	-	892,500
Tours & Travelling Expenses	1,341,600	1,146,341
Board Meeting Attendance Fee	225,000	245,000
Festival Bonus	4,199,504	2,025,830
Telephone and Mobile Bill	1,605,836	1,646,922
Internet Bill	479,629	534,914
Electrical Expenses	585,744	520,327
Subscription and donation	107,750	114,235
Audit and Professional Fees	542,660	372,000
Provident Fund	2,117,741	1,338,876
Fees Forms and Renewal	1,121,932	2,005,638
Entertainment	1,100,865	1,125,235
Managing Director Remuneration	600,000	350,000
Testing Fee	210,000	-
Interest charged for the Right-of-use Assets	49,430	99,876
Depreciation charged for the Right-of-use Assets	379,913	379,913
Land Rent	345,000	300,000
Canteen Subsidy	726,161	570,500
House Rent	208,725	450,000
Medical Expenses	1,260,585	1,006,452
Insurance	2,108,105	1,800,724
Office Maintenance	717,282	745,172
Miscellaneous Expenses	626,307	778,525
Staff Uniform	1,281,040	917,142
Car Maintenance	1,053,200	975,521
News Papers & Periodical	184,568	189,805
Fuel & Lubricant	1,531,127	1,338,781
Conveyance	-	761,356
Pick & Drop Facility	880,435	-
Postage & Courier	200,450	195,845
AGM Expenses	274,500	688,463
Stationery Expenses	960,955	835,281
Depreciation	7,932,946	7,351,705
	70,535,833	**56,927,083**

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	Amount in Taka 01-07-2020 to 30.06.2021	Amount in Taka 01-07-2019 to 30-06-2020
Directors Remuneration	-	892,500
Managing Director Remuneration	600,000	350,000
Board Meeting fee	225,000	245,000

i) The Board of Directors have drawn Tk. 5,000/- 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) Nine (9) meeting of the Board of Directors were held during the Year.
iv) The Company has provided car facilities to the Managing Directors.

25.00 SELLING & DISTRIBUTION EXPENSES: Tk. 9,521,832

This is made up as follows:

Particulars		
Advertisement	481,083	291,870
Promotional Expenses	944,055	1,135,445
Conveyance	1,048,250	1,003,780
Collection and C & F Charges	981,318	945,320
Expenses for Product development	1,431,356	1,380,145
Sample Expenses	1,367,820	1,132,378
Fuel & Lubricant for Vehicle	1,705,970	1,165,460
Transport and Car Maintenance	1,561,980	1,395,790
	9,521,832	**8,450,188**

26.00 FINANCIAL EXPENSES: Tk. 61,156,297

This is made up as follows:

Interest	59,347,992	68,390,976
Bank Charges, Commission & Brokerage Fees	1,808,305	1,565,887
	61,156,297	**69,956,863**

27.00 OTHER INCOME: Tk. 1,889,739

This is made up as follows:

Particulars		
Interest Income	1,889,739	1,388,841
	1,889,739	**1,388,841**

28.00 CURRENT YEAR TAX : TK. 3,142,586

REGULAR TAX: Tk. 3,142,586

This is made up as follows:

Particulars		
Net Profit Before Tax	79,295,297	63,646,636
Add: Accounting Depreciation	103,459,345	85,923,943
Less: Tax Depreciation	(124,027,782)	(160,892,912)
Less: Profit Other Than Business Income	(1,889,739)	(2,260,420)
Profit/(loss) from Business	**56,837,121**	**(13,582,753)**
Income Tax on Business Income	8,525,568	(2,037,413)
Income Tax on Other Income	425,191	565,105
	8,950,759	**(1,472,308)**
Less: Over provision for assessment year 2017-18	(2,593,182)	-
Less: Over provision for assessment year 2018-19	(3,854,645)	-
Add: Under provision for assessment year 2019-20	639,654	-
	3,142,586	**(1,472,308)**

	Amount in Taka	
	01-07-2020 to 30.06.2021	01-07-2019 to 30-06-2020
MINIMUM TAX: Tk. 5,829,905		
This is made up as follows:		
Particulars		
Gross Receipt From Turnover & Others	1,330,609,019	1,038,622,964
Foreign exchange gain/(Loss)	548,518	
Other Income	1,889,739	2,260,420
Income Tax on Gross Receipt From Turnover & Others	5,322,436	6,231,738
Income Tax on Foreign exchange gain/ (Loss)	82,277.70	
Income Tax on Other Income	425,191	565,105
	5,829,905	**6,796,843**
ADVANCE TAX: Tk. 6,643,708		
This is made up as follows:		
Particulars		
Tax Deductions at source from Export, Bank Interest, Import and Car Tax	6,643,708	6,333,009
AIT through payment order for Assessment year 2020-2021	-	1,600,000
	6,643,708	**7,933,009**
29.00 CURENT YEAR DEFERRED TAX : Tk. 3,085,267		
This is made up as follows:		
Particulars		
Total Deferred Tax	54,145,111	51,059,844
Less: Opening Balance	51,059,844	39,814,498
	3,085,267	**11,245,346**
30.00 CASH COLLECTION from TURNOVER & OTHERS: Tk. 1,291,127,636		
Revenue	1,330,609,019	1,190,877,276
Opening Accounts Receivable	648,397,397	496,143,085
Closing Accounts Receivable	(687,878,781)	(648,397,397)
	1,291,127,636	**1,038,622,964**
31.00 CASH PAID to SUPPLIERS, EMPLOYEE & OTHERS: Tk. -1,028,950,639		
Cost of Goods Sold	(1,108,607,750)	(990,974,595)
Administrative Expenses	(70,501,332)	(56,927,083)
Selling & Distribution Expenses	(9,521,832)	(8,450,188)
Depreciation	103,459,345	85,923,943
Advance Deposit & Prepayments	9,252,408	(3,839,655)
Inventory	22,683,727	(117,198,145)
Goods in Transit	25,934,809	967,985
Accounts Payable	74,599	(429,100)
Liabilities For Expenses	1,892,052	468,257
WPPF	(4,046,007)	(9,556,636)
Adjustment for Right-of-use Assets	429,342	479,788
	(1,028,950,639)	**(1,099,535,428)**
32.00 INCOME TAX PAID: Tk. -12,189,221		
AIT paid during the year	(6,643,707.64)	(7,933,009)
Tax paid when return submitted	-	(9,273,640)
Tax paid after assessment	(5,545,513.00)	-
	(12,189,221)	**(17,206,649)**

	Amount in Taka	
	01-07-2020 to 30.06.2021	01-07-2019 to 30-06-2020
33.00 EARNINGS PER SHARE		
Net Profit after Taxes	73,067,444	44,468,282
Number of Shares for respected year	79,595,381	79,595,381
Earnings per share (Taka) (Basic)	**0.92**	**0.56**
Net Profit after Taxes	73,067,444	44,468,282
Weighted Average Number of Share	79,595,381	79,595,381
Earnings per share (Taka) (Adjusted)	**0.92**	**0.56**
Weighted average/Total existing number of share:		
Opening number of share outstanding	79,595,381	79,595,381
Add: Issued during the period (Stock dividend)	-	-
	79,595,381	**79,595,381**
34.00 NET OPERATING CASH FLOWS PER SHARE (NOCFPS)		
Cash Flows from Operating Activites	249,987,776	(78,119,112)
Number of Shares	79,595,381	79,595,381
Net Operating Cash Flows per Share (NOCFPS)	**3.14**	**(0.98)**
35.00 NET ASSET VALUE PER SHARE (NAVPS)		
Net Asset Value	1,736,773,599	1,671,789,043
Number of Shares	79,595,381	79,595,381
Net Asset Value per Share	**21.82**	**21.00**
36.00 RECONCILIATION of NET INCOME with CASH FLOWS from OPERATING ACTIVITIES		
Profit Before Tax	79,295,300	63,646,636
Adjustment for:		
Depreciation on Property, Plant and Equipment	103,459,345	85,923,943
Depreciation charged for the Right-of-use Assets	379,913	379,913
Other Income	(1,889,739)	(1,388,841)
Workers Profit Participation Fund	3,964,765	3,182,332
Foreign Exchange Gain/Loss	(548,518)	(871,579)
Interest charged for the Right-of-use Assets	49,430	99,876
Financial Expenses	61,156,297	69,956,863
	245,866,793	**220,929,142**
Less: (Increase)/ Decrease in Accounts Receivable	(39,481,383)	(152,254,312)
Less: (Increase)/ Decrease in Inventory	48,618,536	(116,230,159)
Less: Increase/ (Decrease) in Trade and Other Payables	74,599	(429,100)
Less: (Increase)/ Decrease in Advance, Deposit & Prepayments	9,252,408	(3,839,655)
Less: (Decrease)/ Increase in Liabilities for Expenses	(2,153,956)	(9,088,379)
	262,176,997	**(60,912,463)**
Less: Income Tax Paid	(12,189,221)	(17,206,649)
Net Cash Generated from Operating Activities	**249,987,776**	**(78,119,112)**

37.00 RELATED PARTY TRANSECTIONS

During the year, the Company carried out a several number of transactions with key management personnel in the normal course of business. The names of the related parties and nature of these transactions have been disclosed in accordance with the provisions of IAS -24:

37.01 Transaction with Key Management Personnel

Key management personnel includes Board of Directors, Executive Director and Chief Financial Officer who have the authority and responsibility for planning and controlling the activities of the entity directly or indirectly. The transactions with key management personnel are disclosed below:

Nature of related party	Nature of transaction	Transactions during the period FY 2020-21	Receivable Closing balance 30.06.2021	Payable Closing balance 30.06.2021
Executive Management Personnel	Short term employee benefits	180,000.00	-	-
	Post employment benefits	645,000.00	-	-

Simtex Industries Limited
Notes to the Financial Statements
As on 30 June 2021

Schedule-A/1
Amount in Taka

Particulars	Cost Value				Rate	Depreciation				W. D. V As on 30.06.2021
	Opening Balance As on 01.07.2020	Addition during the Year	Disposal	Closing Balance As on 30.06.2021		Opening Balance As on 01.07.2020	Charged during the Year	Disposal	Closing Balance As on 30.06.2021	
Factory:										
Land & Development	227,281,620	2,046,341	-	229,327,961	0%	-	-	-	-	229,327,961
Building & Fabricated Shade	438,932,270	23,969,553	-	462,901,823	10%	175,452,030	27,167,014	-	202,619,043	260,282,780
Plant and Machinery	868,179,503	38,151,905	-	906,331,408	10%	327,057,588	56,010,018	-	383,067,606	523,263,802
Trolly	154,158	-	-	154,158	10%	56,650	9,751	-	66,401	87,757
Gas and Electrical Line	9,154,080	-	-	9,154,080	10%	3,019,681	613,440	-	3,633,121	5,520,959
Electrical Equipment	83,227,947	3,041,300	-	86,269,247	10%	30,486,441	5,438,843	-	35,925,284	50,343,963
Spare Parts & Tools	42,128,564	-	-	42,128,564	10%	18,865,976	2,326,259	-	21,192,235	20,936,329
Fire Hydrent System	30,277,242	5,152,835	-	35,430,077	10%	791,933	3,279,204	-	4,071,137	31,358,940
Furniture and Fixture	9,286,890	-	-	9,286,890	10%	2,468,184	681,871	-	3,150,054	6,136,836
Sub Total	**1,708,622,274**	**72,361,934**	**-**	**1,780,984,208**		**558,198,482**	**95,526,399**	**-**	**653,724,881**	**1,127,259,327**
Office:										
Transport & Vehicles	54,924,244	-	-	54,924,244	10%	21,064,764	3,385,948	-	24,450,712	30,473,532
Office Equipment	22,687,915	1,673,698	-	24,361,613	10%	7,875,134	1,602,323	-	9,477,457	14,884,156
Furniture and Fixture	17,781,954	55,500	-	17,837,454	10%	7,394,372	1,042,991	-	8,437,363	9,400,091
Shade Book	177,000	-	-	177,000	15%	124,524	7,871	-	132,395	44,605
Int. Panton Book	84,500	-	-	84,500	15%	70,800	2,055	-	72,855	11,645
Air Condition & Humidification	22,216,397	72,810	-	22,289,207	10%	3,910,758	1,832,384	-	5,743,142	16,546,065
Crockeries	233,252	2,620	-	235,872	10%	105,495	12,933	-	118,428	117,444
Software	872,144	-	-	872,144	20%	639,944	46,440	-	686,384	185,760
Sub Total	**118,977,406**	**1,804,628**	**-**	**120,782,034**		**41,185,790**	**7,932,946**	**-**	**49,118,736**	**71,663,298**

Revaluation Surplus :

Particulars	Cost Value				Rate	Depreciation				W. D. V As on 30.06.2021
	Opening Balance As on 01.07.2020	Addition during the Year	Disposal	Closing Balance As on 30.06.2021		Opening Balance As on 01.07.2020	Charged during the Year	Disposal	Closing Balance As on 30.06.2021	
Land & Development	**103,668,899**	-	-	103,668,899	0%	-	-	-	-	103,668,899
Sub Total	**103,668,899**	**-**	**-**	**103,668,899**		**-**	**-**	**-**	**-**	**103,668,899**
GRAND TOTAL	**1,931,268,579**	**74,166,562**	**-**	**2,005,435,141**		**599,384,272**	**103,459,345**	**-**	**702,843,617**	**1,302,591,524**

Factory	95,526,399
Administrative	7,932,946
Total	**103,459,345**

Schedule-B/1

Schedule of FDR (Trust Bank Ltd) -30.06.21

SL No.	Particulars	Issue Date	Opening Balance	TRF From 151	TRF From 118	Interest	TRF To 118	Tax	Bank Charge	Closing Balance
1	7022-0331015182	4-Dec-16	242,490	-	-	10,452	-	1,045	150	251,747
2	7022-0331021022	21-Sep-17	1,165,456	-	-	50,215	-	5,022	3,000	1,207,649
3	7022-0331027188	3-Jun-18	450,031	-	-	19,400	-	1,940	150	467,341
4	7022-0331027240	3-Jun-18	2,133,977	-	-	91,969	-	9,196	3,000	2,213,750
5	7022-0331028561	15-Jul-18	33,099	-	-	1,596	-	160	-	34,535
6	7022-0331028589	15-Jul-18	55,164	-	-	2,661	-	267	-	57,558
7	7022-0331030889	16-Sep-18	469,460	-	-	20,237	-	2,024	150	487,523
8	7022-0331031011	24-Sep-19	55,286	-	-	2,383	-	238	-	57,431
9	7022-0331031155	30-Sep-18	475,156	-	-	20,482	-	2,049	150	493,439
10	7022-0331031593	10-Oct-18	473,228	-	-	22,831	-	2,283	150	493,626
11	7022-0331032047	28-Oct-18	478,671	-	-	21,867	-	2,187	150	498,201
12	7022-0331032458	11-Nov-18	484,114	-	-	20,869	-	2,087	150	502,746
13	7022-0331032789	22-Nov-18	490,638	-	-	21,147	-	2,115	500	509,170
14	7022-0331033233	12-Dec-18	496,098	-	-	21,380	-	2,138	500	514,840
15	7022-0331034054	7-Jan-19	493,774	-	-	23,825	-	2,383	500	514,716
16	7022-0331034465	16-Jan-19	499,144	-	-	24,083	-	2,409	500	520,318
17	7022-0331034821	30-Jan-19	504,516	-	-	21,744	-	2,175	500	523,585
18	7022-0331035197	14-Feb-19	509,529	-	-	21,960	-	2,196	500	528,793
19	7022-0331035491	3-Mar-19	430,283	-	-	18,548	-	1,855	150	446,826
20	7022-0331035679	13-Mar-19	435,658	-	-	18,780	-	1,878	150	452,410
21	7022-0331035820	24-Mar-19	441,048	-	-	19,012	-	1,901	150	458,009
22	7022-0331035964	31-Mar-19	446,430	-	-	19,244	-	1,924	150	463,600
23	7022-0331036052	7-Apr-19	444,805	-	-	21,464	-	2,147	150	463,972
24	7022-0331036267	18-Apr-19	450,098	-	-	21,717	-	2,171	150	469,494
25	7022-0331036650	5-May-19	455,400	-	-	19,631	-	1,963	150	472,918
26	7022-0331036703	6-May-19	460,701	-	-	19,859	-	1,986	150	478,424
27	7022-0331036892	16-May-19	467,031	-	-	20,132	-	2,014	150	484,999
28	7022-0331037060	27-May-19	472,347	-	-	20,361	-	2,036	150	490,522
29	7022-0331037435	13-Jun-19	477,650	-	-	20,590	-	2,059	150	496,031
30	7022-0331037597	20-Jun-19	482,962	-	-	20,819	-	2,082	150	501,549
31	7022-0331037962	2-Jul-19	481,772	-	-	23,165	-	2,317	150	502,470
32	7022-0331038443	14-Jul-19	485,934	-	-	23,444	-	2,345	500	506,533
33	7022-0331038603	24-Jul-19	491,159	-	-	23,694	-	2,369	500	511,984
34	7022-0331039086	6-Aug-19	496,391	-	-	21,394	-	2,139	500	515,146
35	7022-0331039497	25-Aug-19	417,964	-	-	18,017	-	1,801	150	434,030
36	7022-0331039540	27-Aug-19	73,197	-	-	1,655	74,686.00	166	-	-
37	7022-0331039577	29-Aug-19	423,193	-	-	18,241	-	1,825	150	439,459
38	7022-0331039933	8-Sep-19	428,420	-	-	18,467	-	1,847	150	444,890
39	7022-0331040047	12-Sep-19	433,650	-	-	18,692	-	1,869	150	450,323
40	7022-0331040396	24-Sep-19	438,877	-	-	18,919	-	1,893	150	455,753
41	7022-0331040645	30-Sep-19	208,830	-	-	9,001	-	900	150	216,781
42	7022-0331040958	6-Oct-19	437,370	-	-	21,106	-	2,110	150	456,216
43	7022-0331041377	20-Oct-19	442,517	-	-	21,354	-	2,136	150	461,585
44	7022-0331041760	28-Oct-19	447,665	-	-	20,451	-	2,046	150	465,920
45	7022-0331042214	7-Nov-19	452,809	-	-	19,518	-	1,952	150	470,225
46	7022-0331042607	19-Nov-19	457,959	-	-	19,741	-	1,973	150	475,577
47	7022-0331043473	15-Dec-19	463,106	-	-	19,961	-	1,997	150	480,920
48	7022-0331044070	23-Dec-19	411,633	-	-	17,744	-	1,775	150	427,452
49	7022-0331045079	9-Jan-20	410,317	-	-	19,800	-	1,979	150	427,988
50	7022-0331045284	20-Jan-20	415,385	-	-	20,044	-	2,004	150	433,275

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51	7022-0331045935	2-Feb-20	420,452	-	-	18,123	-	1,812	150	436,613
52	7022-0331046505	13-Feb-20	425,520	-	-	18,342	-	1,834	150	441,878
53	7022-0031047040	27-Feb-20	567,060	-	-	24,440	-	2,444	500	588,556
54	7022-0331047102	1-Mar-20	430,587	-	-	18,562	-	1,855	150	447,144
55	7022-0331047139	1-Mar-20	754,557	-	-	32,524	-	3,252	500	783,329
56	7022-0331047148	1-Mar-20	774,827	-	-	33,398	-	3,341	500	804,384
57	7022-0331047157	1-Mar-20	947,122	-	-	40,827	-	4,083	500	983,366
58	7022-0331047237	3-Mar-20	349,507	-	-	15,066	-	1,507	150	362,916
59	7022-0331047246	3-Mar-20	288,697	-	-	12,445	-	1,245	150	299,747
60	7022-0331047602	11-Mar-20	435,655	-	-	18,780	-	1,878	150	452,407
61	7022-0331047871	18-Mar-20	440,722	-	-	18,997	-	1,901	150	457,668
62	7022-0331048709	17-May-20	440,000	-	-	18,963	-	1,897	300	456,766
63	7022-0331049020	3-Jun-20	445,000	-	-	19,179	-	1,918	300	461,961
64	7022-0331049093	4-Jun-20	450,000	-	-	19,394	-	1,940	300	467,154
65	7022-0331049208	9-Jun-20	400,000	-	-	17,239	-	1,724	300	415,215
66	7022-0331049253	10-Jun-20	405,000	-	-	17,455	-	1,745	300	420,410
67	7022-0331049477	16-Jun-20	410,000	-	-	17,670	-	1,767	300	425,603
68	7022-0331049888	25-Jun-20	415,000	-	-	17,886	-	1,788	300	430,798
69	7022-0331050376	6-Jul-20	-	420,000	-	13,778	-	1,378	300	432,100
70	7022-0331050830	14-Jul-20	-	425,000	-	13,942	-	1,394	300	437,248
71	7022-0331051240	26-Jul-20	-	-	470,000	15,419	-	1,542	300	483,577
72	7022-0331051571	30-Jul-20	-	430,000	-	13,369	-	1,337	300	441,731
73	7022-0331051884	9-Aug-20	-	-	424,000	13,183	-	1,319	300	435,564
74	7022-0331052347	24-Aug-20	-	-	545,000	16,936	-	1,694	1,000	559,242
75	7022-0331052490	26-Aug-20	-	435,000	-	13,525	-	1,353	300	446,872
76	7022-0331052856	10-Sep-20	-	-	382,000	11,830	-	1,183	300	392,348
77	7022-0331052865	10-Sep-20	-	-	461,000	14,278	-	1,427	300	473,550
78	7022-0331052874	13-Sep-20	-	-	461,000	14,278	-	1,427	300	473,550
79	7022-0331052883	13-Sep-20	-	-	375,000	11,614	-	1,161	300	385,152
80	7022-0331052936	14-Sep-20	-	-	382,000	11,830	-	1,183	300	392,348
81	7022-0031052945	14-Sep-20	-	-	382,000	11,830	-	1,183	300	392,348
82	7022-0331053060	16-Sep-20	-	440,000	-	13,627	-	1,363	300	451,964
83	7022-0331053668	1-Oct-20	-	400,000	-	8,034	-	803	150	407,081
84	7022-0331053784	5-Oct-20	-	-	208,000	4,177	-	418	150	211,609
85	7022-0331053882	11-Oct-20	-	-	109,000	2,188	-	219	150	110,819
86	7022-0331053926	12-Oct-20	-	-	446,000	8,959	-	896	150	453,913
87	7022-0331054014	14-Oct-20	-	400,000	-	8,035	-	803	150	407,082
88	7022-0331054050	15-Oct-20	-	-	134,000	2,690	-	269	150	136,271
89	7022-0331054130	19-Oct-20	-	-	367,000	7,372	-	737	150	373,485
90	7022-0331054149	19-Oct-20	-	-	453,000	9,099	-	910	150	461,039
91	7022-0331054345	25-Oct-20	-	405,000	-	8,135	-	814	150	412,171
92	7022-0331054443	29-Oct-20	-	410,000	-	8,235	-	824	150	417,261
93	7022-0331054612	3-Nov-20	-	-	162,000	3,253	-	325	150	164,778
94	7022-0331054872	11-Nov-20	-	415,000	-	8,336	-	834	150	422,352
95	7022-0331054989	12-Nov-20	-	-	248,000	4,981	-	498	150	252,333
96	7022-0331054998	12-Nov-20	-	-	179,000	3,594	-	359	150	182,085
97	7022-0331055004	12-Nov-20	-	-	349,000	7,010	-	701	150	355,159
98	7022-0331055013	12-Nov-20	-	-	474,000	9,521	-	952	150	482,419
99	7022-0331055068	15-Nov-20	-	-	220,000	4,418	-	442	150	223,826
100	7022-0331055077	15-Nov-20	-	-	220,000	4,418	-	442	150	223,826
101	7022-0331055120	16-Nov-20	-	-	227,000	4,559	-	456	150	230,953
102	7022-0331055255	23-Nov-20	-	-	251,000	5,041	-	504	150	255,387
103	7022-0331055273	24-Nov-20	-	-	398,000	7,994	-	799	150	405,045
104	7022-0331055282	24-Nov-20	-	-	50,000	1,005	-	100	-	50,905
105	7022-0331055344	26-Nov-20	-	420,000	-	8,436	-	854	150	427,442

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106	7022-0331055406	30-Nov-20	-	-	738,000	14,821	-	1,482	500	750,839
107	7022-0331055522	6-Dec-20	-	-	388,000	7,793	-	779	150	394,864
108	7022-0331055531	6-Dec-20	-	-	373,000	7,492	-	749	150	379,593
109	7022-0331055540	6-Dec-20	-	-	388,000	7,793	-	779	150	394,864
110	7022-0331055559	6-Dec-20	-	-	226,000	4,539	-	454	150	229,935
111	7022-0331055568	6-Dec-20	-	-	135,000	2,711	-	271	150	137,290
112	7022-0331055639	7-Dec-20	-	-	129,000	2,590	-	259	150	131,181
113	7022-0331055648	8-Dec-20	-	430,000	-	8,637	-	864	150	437,623
114	7022-0331055791	14-Dec-20	-	-	235,000	4,720	-	472	150	239,098
115	7022-0331055942	23-Dec-20	-	435,000	-	8,738	-	874	150	442,714
116	7022-0331056058	29-Dec-20	-	-	128,000	2,570	-	257	150	130,163
117	7022-0331056334	6-Jan-21	-	405,000	-	4,050	-	405	150	408,495
118	7022-0331056398	10-Jan-21	-	-	45,000	450	-	45	-	45,405
119	7022-0331056594	13-Jan-21	-	-	55,000	550	-	55	-	55,495
120	7022-0331056601	13-Jan-21	-	-	461,000	4,610	-	461	150	464,999
121	7022-0331056709	17-Jan-21	-	470,000	-	4,700	-	470	150	474,080
122	7022-0331056745	19-Jan-21	-	-	414,000	4,140	-	414	150	417,576
123	7022-0331056754	19-Jan-21	-	-	496,000	4,960	-	496	500	499,964
124	7022-0331056978	27-Jan-21	-	-	417,000	4,170	-	417	150	420,603
125	7022-0331057226	3-Feb-21	-	495,000	-	4,950	-	495	150	499,305
126	7022-0331057584	17-Feb-21	-	425,000	-	4,250	-	425	150	428,675
127	7022-0331057815	25-Feb-21	-	-	108,000	1,080	-	108	150	108,822
128	7022-0331058010	2-Mar-21	-	430,000	-	4,300	-	430	150	433,720
129	7022-0331058083	7-Mar-21	-	-	578,000	5,780	-	578	500	582,702
130	7022-0331058225	11-Mar-21	-	425,000	-	4,250	-	425	150	428,675
131	7022-0331058323	16-Mar-21	-	-	243,000	2,430	-	243	150	245,037
132	7022-0331058332	16-Mar-21	-	-	899,000	8,990	-	899	500	906,591
133	7022-0331058350	18-Mar-21	-	-	382,000	3,820	-	382	150	385,288
134	7022-0331058538	24-Mar-21	-	375,000	-	3,750	-	375	150	378,225
135	7022-0331059037	11-Apr-21	-	400,000	-	-	-	-	-	400,000
136	7022-0031059046	11-Apr-21	-	-	608,000	-	-	-	-	608,000
137	7022-0331059153	13-Apr-21	-	-	433,000	-	-	-	-	433,000
138	7022-0331059340	22-Apr-21	-	475,000	-	-	-	-	-	475,000
139	7022-0331059582	5-May-21	-	420,000	-	-	-	-	-	420,000
140	7022-0331059911	20-May-21	-	742,000	-	-	-	-	-	742,000
141	7022-0331060150	6-Jun-21	-	420,000	-	-	-	-	-	420,000
142	7022-0331060374	17-Jun-21	-	440,000	-	-	-	-	-	440,000
Grand Total			**32,092,097**	**11,387,000**	**16,256,000**	**1,885,518**	**74,686**	**188,559**	**34,550**	**61,322,820**

SIMTEX INDUSTRIES LIMITED

Registered Office: Khagan, Birulia, Savar, Dhaka

PROXY FORM

I/We ……
Of…….being a member of Simtex Industries Limited and entitled to vote, hereby appoint Mr./Mrs./Miss……
of …… as my/our proxy to attend and vote for me/us and on my/our behalf at the 14th Annual General Meeting (AGM) of the Company tobe held through virtual participationon Thursday, December 23, 2021 at 11:00 a.m. under digital mode in view of the Corona pandemic.

Signature of Shareholder

Dated.....2021

Revenue Stamp 20.00

Signature of proxy

BO A/C No. | | | | | | | | | | | | | | | | |

No. of Shares:

Note:

1) The Proxy Formduly filled, signed and stamped with a revenue stamp of Tk.20, must be deposited at the registered office of the Companyor through e-mail at companysecretary@simtexgroup.com 48 hours before the time fixed for the meeting.

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 do hereby record my/our attendance at the 14th Annual General Meeting (AGM) of Simtex Industries Limited to be held virtually under digital participationon Thursday, December 23, 2021, at 11:00 a.m. Name of the Member/

Shareholder/ Proxy……

BO ID: | | | | | | | | | | | | | | | | |

Signature……... Date……....

N.B.: Shareholdersattending the Meeting in person or by Proxy under virtual platform are requested to complete the Attendance Slip and deposit the same at the Registered Office of the Company before the meeting.

Factory & Share Office: Khagan, Birulia, Savar, Dhaka-1341, Bangladesh
Hotline: +88 01759 666 333, Email: info@simtexgroup.com

Production
Galaxy Corporation
Phone : 7192877