



simtex

Industries Limited

new generation sewing solution

**ANNUAL REPORT
2016**



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Simtex Industries Limited

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 2016.

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 2016, 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, 2016, along with notes thereon of Simtex Industries Limited for your kind information and record.

Thanking you

Sincerely Yours'

Ashis Kúmar Saha
Company Secretary





*Notice of the 9th Annual
General Meeting (AGM)*

Simtex Industries Limited

Khagan, Birulia, Savar, Dhaka-1341

Notice of the 9th Annual General Meeting (AGM)

Notice is hereby given to all the Shareholders of **Simtex Industries Limited** that the 9th Annual General Meeting (AGM) of the Company will be held on Sunday, 23 October 2016 at 10.00 a.m. at the "Trust Milonayaton" 545 old Airport Road, Dhaka Cantonment, Dhaka-1206 to transact the following business.

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2016, 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 and Independent Director as per Articles of Association of the Company.
04. To appoint Statutory Auditors of the Company and fix their remuneration.
05. To consider the Progress of utilization of IPO Proceeds.
06. To transact any other business with permission of the Chair.

By order of the Board

Ashis Kumar Saha
Company Secretary

Dated, Dhaka
28 September 2016

Note:

01. The Shareholders whose names will appear in the Share Register of the Company or Depository Register of CDBL as on the Record Date i.e. September 29, 2016 will be eligible to attend at the 9th Annual General Meeting (AGM) and qualify for the dividend.
02. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf. Proxy form, must be affixed with requisite revenue stamp and must be submitted at the Head office of the Company, not more than 48 hours before the time fixed for the meeting.
03. Admission to the meeting will be strictly depending on production of the attendance slip sent with the notice as well as verification of signature of Member/(s) and/or Proxy holder/(s).
04. Shareholders are requested to update their BO account with e-TIN in their respective Brokerage House to avoid deduction of 15% tax instead of 10% for individuals as per Section 54 of the amended Income Tax Ordinance 1984.

N.B: In compliance with Bangladesh Securities and Exchange Commission's Circular No.SEC/CMRRCD/2009-193/154 dated October 24, 2013 no gift/gift coupon/food box/benefit in cash or in kind shall be distributed/paid to the Shareholders for attending the 9th Annual General Meeting.



Corporate Profile

Name of the Company	: Simtex Industries Limited
Legal Status	: A Public Company limited by shares registered under Companies Act, 1994 and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Date of Incorporation	: C-67047(4539)/2007 dated: 29.05.2007
Commencement of Commercial Operation	: 1 st July 2009
Production Capacity	: 37.5 Million Cones per year
Registered Office	: Khagan, Birulia, Savar, Dhaka-1341, Bangladesh
Factory	: Khagan, Birulia, Savar, Dhaka-1341, Bangladesh
Nature of Business	: Manufacturer of sewing thread
Authorized Capital	: BDT 1,000 million
Paid Up Capital	: BDT 587.50 million
Date of Approval for IPO	: July 23, 2015
Date of Listing with DSE	: November 03, 2015
Date of Listing with CSE	: October 29, 2015
Principal Bankers	: Trust Bank Ltd., Millennium Corporate Branch, Dhaka. Southeast Bank Ltd., Principal Branch, Motijheel, Dhaka.
Auditors	: Pinaki & Company, Chartered Accountants 2/A, AHSANDELL, Mymensingh Road (2 nd Floor), Shahbag Dhaka-1000.
Tax Consultants	: Mandal & Company, Chartered Accountants Eastern Mansion (10 th Floor), 67/9 Kakrial, Dhaka – 1000
Legal Advisor	: Major (Retd) Sarwar Hossain, Barrister - at- Law (Lincoln's Inn) LL.B (Hons) University of London, PGDL City University London, UK, MSS- International Relations (DU)
Credit Rating Agency	: Credit Rating Information and Services Ltd. (CRISL). Nakshi Homes (1 st , 4 th & 5 th Floor), 6/1/A Segun Bagicha, Dhaka-1000.
Company's Website	: www.simtexgroup.com
E-mail	: info@simtexgroup.com



Brief History of the Company

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

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



Simtex Industries Limited

Vision Statement

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

Mission Statement

To strive in meeting the challenging market needs through a closer working relationship with business partners, innovative manufacturing process and maintaining quality customer service.

Vision Statement

Mission Statement



Board of Directors and Management of the Company

Board of Directors

Ms. Mahfuza Rahman Baby	Chairman
Mr. Md. Siddiqur Rahman, MBA, FCS	Managing Director
Mr. Md. Ensan Ali Sheikh	Director
Ms. Hafiza Khanam	Director
Mr. Uzzal Kumar Nandi, FCA	Independent Director

Audit Committee

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

Chief Financial Officer

Mr. Md. Nazmul Karim

Company Secretary

Mr. Ashis Kumar Saha





Profile of the Board of Directors



Ms. Mahfuza Rahman Baby

Chairman

Ms. Mahfuza Rahman Baby is the Chairman of Simtex Industries Limited. Simultaneously, She is a nominated Director in FAS Finance & Investment Limited. She is an energetic and well educated business woman and wife of Mr. Md. Siddiqur Rahman, the Managing Director of the Company. Ms. Rahman is actively participating in many areas as the Chairman of the Company. Ms Rahman is a life member of Dhanmondi Club Limited, Gulshan Health Club and associated with various cultural and humanitarian organizations. She visited many countries of the world for business purpose including UK, USA, Canada, European countries, China, Malaysia, Thailand, UAE and many more.



Mr. Md. Siddiqur Rahman

Managing Director

Mr. Md. Siddiqur Rahman is the Managing Director of Simtex Industries Limited. Simultaneously, he is Chairman of the Executive Committee of FAS Finance & Investment Limited. Mr Rahman is also the Director of FAS Capital Management Limited, Clewiston Foods and Accommodation Limited (owner Company of Radisson BLU, Cox's Bazar) and Nitol Insurance Company Limited. He did his MBA from UK and ACBA (Advance Certificate in Business Administration) from IBA-Institute of Business Administration, University of Dhaka. He is a Fellow and founding member of the Institute of Chartered Secretaries of Bangladesh (ICSB). Besides, Mr. Rahman holds a Postgraduate Diploma in Financial Management from Bangladesh Institute of Management (BIM) and has wide experience in different private and public limited companies as well as non-Banking Financial Institutions before he started his illustrious business career in the year 2001. Mr. Rahman is a dynamic professional businessman. With long and wide range of job experiences in the background, Mr. Rahman established his first venture named Simtex Bangladesh Limited at the end of 2000 which started commercial operation from the beginning of 2001. Since then, by merit of his dynamic leadership and outstanding entrepreneurship, he achieved a massive expansion in his business ventures both vertically and horizontally.

He is also a donor member of Uttara Club Limited, All Community Club Limited and permanent member of Dhaka Club Ltd., Kurmitola Gulf Club, Army Gulf Club & many more.

Mr. Rahman has brilliant academic career securing scholarships in many public level examinations. During tenure of his service life, he was honoured with awards several times. He is a widely travelled person and has visited many countries of the world including UK, USA, Canada, Germany, Australia, Belgium, France, Italy, China, Malaysia, Thailand, UAE and many more for study and business purposes. His towering leadership has helped the Company to be the 2nd largest sewing thread manufacturer in Bangladesh.



Md. Ensan Ali Sheikh
Director

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



Ms. Hafiza Khanam
Director

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



Mr. Uzzal Kumar Nandi, FCA
Independent Director

Mr. Uzzal Kumer Nandi is the Independent Director of Simtex Industries Limited. He is also Chairman of the Board of Directors of People's Leasing And Financial Services Limited, Chairman of Northern Jute Manufacturing Limited and Chairman of Anan Chemical Industries Limited. Mr. Nandi is a Chartered Accountant. He obtained both BBA & MBA (Major in Accounting) from Department of Accounting & Information Systems, under the Faculty of Business Studies of the University of Dhaka. Moreover, he is the proprietor of Uzzal Nandi & Co. Chartered Accountants. Previously he was the Chief Financial Officer of Golden Life Insurance Limited and Chief Financial Officer and Company Secretary of IIDFC- Industrial and Infrastructure Development Finance Company Limited.



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 9th Annual General Meeting of Simtex Industries Limited. This is the first AGM of the Company after IPO and enlistment with DSE & CSE. On behalf of the Board of Directors and myself, I express my heartfelt thanks and profound gratitude to you for your support and confidence. It is also my privilege to present to you Company's Annual Report for the Year ended June 30, 2016 alongwith our business performance. We are also trying to deliver the value for investment to the shareholders who have placed their trust on us over the years.

Your Company, performed very well during the year 2015-2016. We believe that our endeavors and team works have enabled the Company to achieve new milestones by working with integrity and focusing on sustainable business development.

In 2016, the Company has recorded growth in Turnover and Profit over the previous year. It is expected that the positive momentum will continue in the coming year.



Simtex Industries Limited

Based on performance and business results, the Board has recommended 20% Cash dividend and 2% Stock dividend totaling 22% for the year 2015-2016.

Simtex Industries Limited recognizes that its people are the most valuable asset for the Company. Accordingly, continued development, and astute deployment of the Human Resources have been the key contributor to the Company's success. We value the contributions of our employees to the organization and have adopted policy to reward them accordingly.

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

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ms. Mahfuza Rahman Baby', written in a cursive style.

Ms. Mahfuza Rahman Baby
Chairman



Message from the Managing Director

Bismillahir Rahmanir Rahim

It is a great pleasure and privilege for me to attend this 9th Annual General Meeting of Simtex Industries Limited along with our distinguished shareholders. I am delighted to announce that 2016 has been a successful year for the Company. During this year Company has earned highest revenue and profit ever since its inception; and has also maintained its momentum all throughout the year by means of customer satisfaction and improved quality of production.

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

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

I hope production capacity of the Company will be further increased by implementing the capital investment of IPO fund in the existing line of Company which is already under process.



Simtex Industries Limited

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

With sincere thanks,

A handwritten signature in black ink, appearing to read 'Md. Siddiqur Rahman'.

Md. Siddiqur Rahman
Managing Director



DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamualaikum

On behalf of the Board of Directors of Simtex Industries Limited, I welcome you all to the 9th Annual General Meeting of the Company. It is a pleasure to present to you the Audited Financial Statements of the Company for the year ended June 30, 2016, Auditors' Report and the Directors' Report thereon alongwith Company's performance and other matters in terms of the Companies Act 1994, listing regulations of DSE and CSE, the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Accounting Standards and other applicable rules & regulations.

Background

Simtex Industries Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) on May 29, 2007 and was converted into a Public Limited Company on November 15, 2012 under the Companies Act, 1994. The Company went for Initial Public Offering of shares in July 2015 which was fully subscribed and issued. The Company was enlisted with the Dhaka Stock Exchange Limited (DSE) on November 03, 2015 and Chittagong Stock Exchanges (CSE) on 29 October 2015. The Authorized capital of the Company is Tk. 1,000 million and paid up capital Tk. 587.50 million.

Revenue

You are aware that **the Company is a 100% deemed exporter, engaged mainly in the business of manufacturing of Sewing Thread for use in the export oriented garments sector.** The Turnover of the Company stood at Taka 138.04 Crores in 2015-16. During the last financial years the textile sector went through the toughest time in recent era both domestically and internationally with the ongoing world recession which is still continuing and hindering our regular business affairs. Yet the efficient and prudent management of process control has enabled the Company to avoid financial catastrophe and has earned substantial profit.

The operating financial results of the Company for the year 2015-16 as compared to previous year are summarized hereunder:

Particular	2015-16	2014-15
Turnover	1,380,435,126	1,364,024,239
Gross Profit	313,087,747	305,568,713
Financial Expenses	107,461,745	168,888,027
Other Income	14,556,431	545,095
Net Profit Before Tax (NPBT)	159,629,251	103,260,237
Provision for Taxation	30,800,804	6,642,758
Net Profit After Tax (NPAT)	128,828,447	96,617,480
Gross Margin (Turnover)	22.68%	22.40%
Net Margin Before Tax	11.56%	7.57%
Net Margin After Tax	9.33%	7.08%
Earnings Per Share (EPS) BDT.	2.54	3.36
Weighted Average Number of Share	50,799,180	28,750,000
Number of Share Outstanding	58,750,000	28,750,000

Industry outlook and possible future developments in the industry

As mentioned, the Company is a 100% deemed exporter, mainly engaged in the business of manufacturing of Sewing Thread for use in the export oriented garments industry. Competitive wage rate together with easily trainable workforce, entrepreneurial skill, expanding supply side capacity, and government policy support have helped to translate the comparative advantages into competitive advantages of this industry. As one of the premier sewing thread manufacturer in Bangladesh, we will make full use of the market scope, our business potentials and dynamics to benefit proportionally from the accelerating economic growth while always keeping in mind the interests of our shareholders.

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

Segment reporting

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

Risk and concerns

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

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

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

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

Profit from Operation	30-June-16		30-June-15	
	Amount	Percentage	Amount	Percentage
Turnover	1,380,435,126	100	1,364,024,239	100
Cost of Goods Sold	1,067,347,378	77.32	1,058,455,527	77.60
Gross Profit	313,087,747	22.68	305,568,713	22.40
Net Profit for the year	128,828,447	9.33	96,617,480	7.08

Discussion on continuity of extra-ordinary 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 to 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. 2.15 of the notes to the financial statements.

Significant variance of financial statements

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2016.

Utilization of IPO fund

The Company has raised Tk. 60.00 crores (including Premium 30.00 Crores) by issuing ordinary shares through IPO.



By 30 June, 2016 the Company utilized total TK. 28.39 Crores of IPO fund by paying off Bank Term Loan Tk. 20 crores, utilizing of Tk. 6.53 crores as working capital and meeting IPO cost of Tk. 1.86 crores. The rest amount is earmarked for Capital Investment which is under process. The fund rest being held in Fixed Deposit with different bank.

Compliance of Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

Board Size:

The number of members in the Board of Directors of the Company stands at 05 (including One Independent Director) which are within the limits given by the BSEC Notification.

Independent Directors

In terms of the provision under CGG, the Boards of Director has re-appointed Mr. Uzzal Kumar Nandi, FCA as Independent Director of the Company for a period of three years till 2019. He is well versed and experienced person.

Qualification of the Independence Director

Mr. Uzzal Kumar Nandi, FCA is a Professional Accountant and successful businessman. He has vast experience in Accounting, Company law and Taxation matters. He completed MBA and BBA majoring in Accounting from the University of Dhaka. Mr. Nandi is a Fellow Member of The Institute of Chartered Accountants of Bangladesh (ICAB).

Chief Financial Officer, Company Secretary, Head of Internal Audit

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

Chief Financial Officer	: Mr. Md. Nazmul Karim
Company Secretary	: Mr. Ashis Kumar Saha
Head of Internal Audit	: Mr. Md. Rasel

Audit Committee

The Audit Committee, as a sub-committee of the Board has been constituted with the Independent Director as Chairman and two other Directors as members. The Company Secretary acts as Secretary to the Audit Committee. This committee assists the Board 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 as annexes herewith.

Statutory Auditors

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

Subsidiary Company

The company has no subsidiary company whatsoever.

Duties of CEO & CFO

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

Reporting and Compliance of Corporate Governance

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

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 legislations. Accordingly, the following Directors of the Board will retire at the annual general meeting and be eligible to offer themselves for re-election:


- 1) Mr. Md. Siddiqur Rahman
- 2) Ms. Hafiza Khanam
- 3) Mr. Uzzal Kumar Nandi

Shareholding pattern

The shareholding of directors at the end of 30 June, 2016 is shown as bellow:

	Name of the shareholders	Position	Shares held	%
i.	Parent/Subsidiary/Associated companies and other related parties			
ii.	Directors:			
	Ms. Mahfuza Rahman Baby	Chairman	2,127,500	3.62%
	Mr. Md. Siddiqur Rahman	Managing Director	14,909,750	25.38%
	Mr. Md. Ensan Ali Sheikh	Director	1,265,000	2.15%
	Ms. Hafiza Khanam	Director	1,265,000	2.15%
	Mr. Uzzal Kumar Nandi	Independent Director	-	-
iii.	Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouse and Minor Children:			
	Mr. Md. Siddiqur Rahman	Managing Director,	14,909,750	25.38%
	Ms. Mahfuza Rahman Baby	his Spouse and Minor	2,127,500	3.62%
	Mr. Md. Neaz Rahman Shaqib	Children	13,80,000	2.35%
	Mr. Md. Istiaq Rahman Imran		13,80,000	2.35%
	Mr. Md. Nazmul Karim	Chief Financial Officer	Nil	
	Mr. Ashis Kumar Saha	Company Secretary	Nil	-
	Mr. Md. Rasel	Head of Internal Audit	Nil	-
iv.	Executives:			
		Nil	-	
v.	Shareholders holding 10% or more voting interest in the company:			
		Nil	-	

Directors involved in other Companies:

SL.	Name	Position in SIL	Involvement	
			Name of company	Position
1	Ms. Mahfuza Rahman Baby	Chairman	FAS Finance & Investment Ltd.	Nominated Director
2	Mr. Md. Siddiqur Rahman	Managing Director	Clewiston Foods and Accommodation Limited (Owner co. of <i>Radisson</i>  Cox's Bazar)	Director
			FAS Finance & Investment Ltd.	Director
			Nitol Insurance Company Limited	Director
			FAS Capital Management Ltd.	Director
3	Mr. Md. Ensan Ali Sheikh	Director	-	-
4	Ms. Hafiza Khanam	Director	-	-
5	Mr. Uzzal Kumar Nandi	Independent Director	People's Leasing & Financial Service Limited	Chairman
			Northern Jute Manufacturing Limited	Chairman
			Aman Chemical Industries Limited	Chairman

Board Meeting and Attendance

During the year 11 (eleven) Board Meetings were held. The attendance records of the directors are given below:

Name of Directors	Attendance
Ms. Mahfuza Rahman	11
Mr. Md. Siddiqur Rahman	11
Mr. Md. Ensan Ali Sheikh	11
Ms. Hafiza Khanam	11
Mr. Uzzal Kumar Nandi	8

Directors' 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. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 the Directors are 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 Bangladesh Securities and Exchange Rules 1987. These statements present fairly the company's state of affairs, the result of its operations, cash flows and changes in equity.
- 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)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- e) The system of internal control is sound and has been implemented and monitored effectively.
- f) The key operating and financial data for the last five years.

Going Concern

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

Significant deviation of Operating Result

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

Dividend

The Board of Directors has recommended 20% Cash dividend and 2% Stock dividend.

Particulars	2016	2015
Profit available for Appropriation		
Profit/Loss after tax	128,828,447	96,617,480
Un-appropriated profit brought forward from previous year	262,518,542	165,901,062
Prior Year Adjustment (Over Provision of Tax)	5,451,499	-
Total Amount available for Appropriation	396,798,488	262,518,542
Appropriation		
Closing Retained Earnings at Year end (before Proposed Final Dividend)	396,798,488	262,518,542
Proposed Dividend for the year 2016 (20% cash and 2% stock) (in 2015: 0%)	129,250,000	-
Retained Earnings after Proposed Dividend	267,548,488	262,518,542

Statutory Auditors

The Auditors of the Company, M/S Pinaki & Company, Chartered Accountants 2/A, AHSANDELL, Mymensingh Road (2nd Floor), Shahbag Dhaka-1000 has carried out the audit of the Company for the year ended 30 June 2016. They were appointed as Statutory Auditor in 8th 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 re-appointment of M/S Pinaki and Company, Chartered Accountants, 2/A, AHSANDELL, Mymensing Road, 2nd Floor, Shahbagh, Dhaka at an annual fee of Tk.1,50,000. A proposal for re-appointment of M/S Pinaki and Company, Chartered Accountants as auditor for the year 2016-17 of the Company will be placed in the forth coming 9th AGM for shareholders' approval and fixation of their fees.

Acknowledgement

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 Ltd (DSE), Chittagong Stock Exchange Ltd (CSE), Registrar of Joint Stock Companies & Firms (RJSC), Central Depository Bangladesh Limited (CDBL), Government and private sector Organizations 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, executives, officers, staff and workers of the Company for their excellent, sincere, dedicated efforts in achieving Company's target during the year under review.

To ensure improved result and financial stability we always welcome your suggestions and opinion for furthering present and future performances of the Company.

Thanking you,

On behalf of the Board of Directors

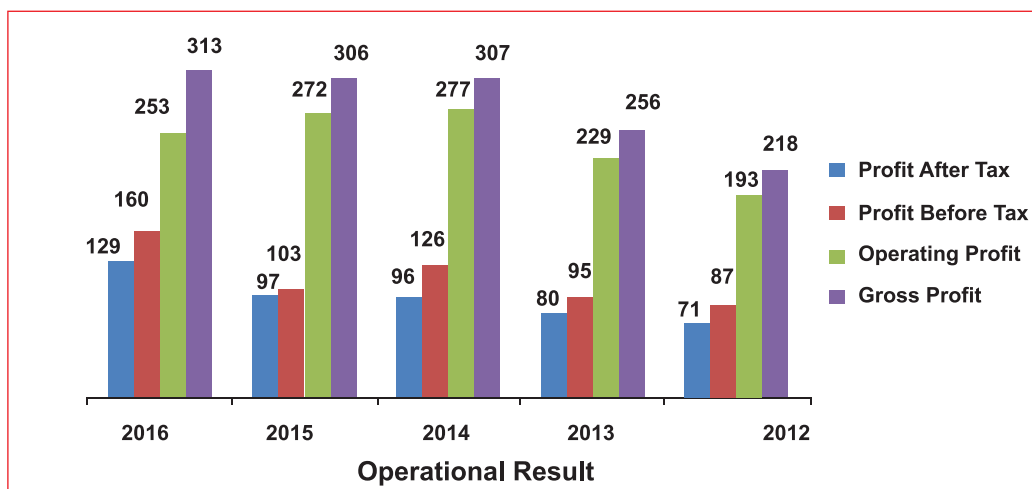
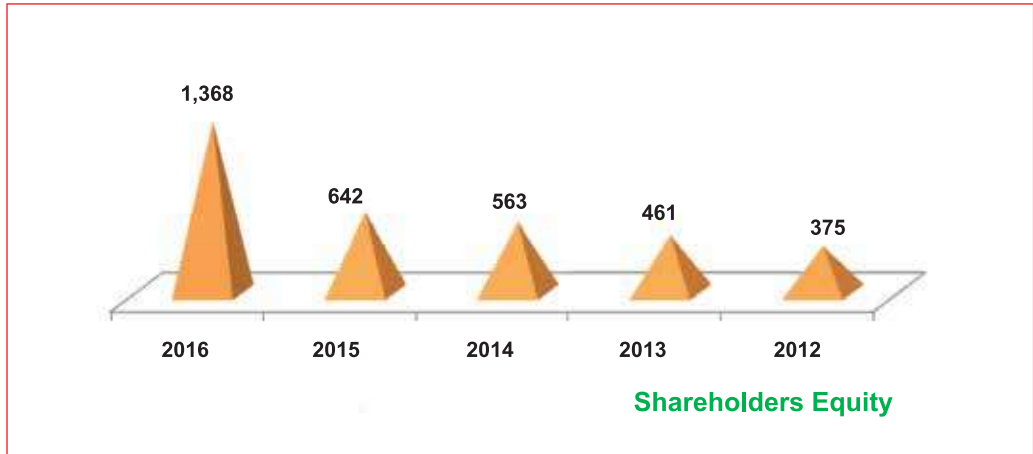
Ms. Mahfuza Rahman Baby
Chairman

Financial Highlights

Operational Result	Amount in Taka				
	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Turnover	1,380,435,126	1,364,024,239	1,359,191,916	1,131,544,681	981,122,530
Gross Profit	313,087,747	305,568,713	307,383,518	256,424,045	218,252,562
Profit from Operation	252,534,564	271,603,169	276,562,014	228,638,178	192,814,969
Net Profit before tax	159,629,251	103,260,237	126,795,796	94,892,659	87,479,783
Net Profit after Tax	128,828,447	96,617,480	95,839,370	80,129,672	71,405,220
Financial Position					
Non-Current Assets	831,396,032	837,717,122	762,317,115	770,041,924	720,190,959
Current Assets	1,038,728,639	601,585,719	619,327,113	466,801,113	318,150,330
Shareholder's Equity	1,368,246,302	642,239,409	563,358,556	461,230,591	374,871,996
Current Liability	157,811,096	363,874,999	316,729,209	309,436,391	262,451,573
Non- Current Liability	344,067,274	433,188,433	501,556,464	466,176,055	401,017,719
Key Financial Ratio					
Current Ratio	6.58	1.65	1.96	1.51	1.21
Quick Ratio	5.09	1.04	1.31	0.94	0.62
Debt to Equity Ratio	0.37	1.24	1.45	1.68	1.77
Net Income Ratio (%)	9.33%	7.08%	7.05%	7.08%	7.28%
Return on Equity (%)	9.42%	15.04%	17.01%	17.37%	19.05%
Earnings Per Share	2.54	3.36	3.33	3.21	2.86
Net Asset Value (NAV) Per Share	23.29	22.34	19.60	18.45	13.64

Financial Highlights in the form of Graphical Representation

Amount in Million





Simtex Industries Limited

Event Highlights



Lottery for allotment of Shares



Signing Ceremony-Dhaka Stock Exchange Ltd.



Blanket Distribution



Annual Picnic



Family Day



REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES

Status of compliance with the conditions imposed by the Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.0	Board of Directors			
1.1	Board's Size			
	The number of Board Directors should not be less than 5 (five) and more than 20 (twenty)	√		
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
(ii) a)	Who either does not hold any share or holds less than 1% shares to the total paid-up shares of the company;	√		
(ii) b)	Who is not a sponsor of the company and is not connected with the companies any sponsor or director or shareholder who holds one percent (1%) or more share of the total paid-up shares of the company on the basis of family relationship.	√		
(ii) c)	Who does not have any other relationship whether pecuniary or otherwise, with the company or its subsidiary/ associated companies or its subsidiary /associated companies.	√		
(ii) d)	Who is not a member, director or officer of any stock exchange?	√		
(ii) e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
(ii) f)	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.	√		
(ii) g)	Who shall not be an independent director in more than 3 (three) listed companies.	√		
(ii) h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	√		
(ii) i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.			No such vacancy created 2016
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		



Condition No.	Title	Compliance Status		Remarks (If any)	
		Complied	Not Complied		
1.3	Qualification of Independent Director (ID)				
	(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
	(ii)	The person should be a Business Leader / Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background / Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management / professional experience.	√		
	(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	Chairman of the Board and Chief Executive Officer				
		The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals with defined different roles and responsibilities. The Chairman of the company shall be elected from among the directors of the company.	√		
1.5	The Directors' Report to Shareholders				
	(i)	Industry outlook and possible future development in the industry.	√		
	(ii)	Segment-wise or product-wise performance.	√		
	(iii)	Risks and concerns.	√		
	(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
	(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		Included in the Directors' Report
	(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	√		Presented in the Financial Statement
	(vii)	Utilization of proceeds from public issues, rights issues and / or through any others instruments.	√		
	(viii)	An explanation if the financial result deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable
	(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			No such variance occurred
	(x)	Remuneration to directors including independent directors.	√		
	(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
	(xii)	Proper books of account of the issuer company have been maintained.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		Ability of the company to continue as going concern
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			Not Applicable
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			Not Applicable
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	The pattern of shareholdings and name wise details disclosing the aggregate number of shares:			
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	√		
(xxi) c)	Executives (top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit).	√		
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
(xxii)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:			
(xxii) a)	A brief resume of the director.	√		
(xxii) b)	Nature of his/her expertise in specific functional areas.	√		
(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0 Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)				
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		



Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors.	√		
3.0 Audit Committee				
(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1 Constitution of the Audit Committee				
(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.			There was no such vacancy created
(v)	The company secretary shall act as the secretary of the Committee.	√		
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2 Chairman of the Audit Committee				
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
3.3 Role of Audit Committee				
(i)	Oversee the financial reporting process.	√		
(ii)	Monitor choice of accounting policies and principles.	√		
(iii)	Monitor Internal Control Risk management process.	√		
(iv)	Oversee hiring and performance of external auditors	√		
(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
(vii)	Review the adequacy of internal audit function.	√		
(viii)	Review statement of significant related party transactions submitted by the management.	√		
(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	√		
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
(ii) a)	Report on conflicts of interests.			Not Applicable
(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.			Not Applicable
(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations.			Not Applicable
(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.			Not Applicable
3.4.2	Reporting to the Authorities:			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier			Not Applicable
3.5	Reporting to the Shareholders and General Investors:			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company	√		



Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
4.0	External /Statutory Auditors should not engage in the following services			
	(i)	Appraisal or valuation services or fairness opinions.	√	
	(ii)	Financial information systems design and implementation.	√	
	(iii)	Book-keeping or other services related to the accounting records or financial statements.	√	
	(iv)	Broker-dealer services.	√	
	(v)	Actuarial services.	√	
	(vi)	Internal audit services.	√	
	(vii)	Any other service that the Audit Committee determines.	√	
	(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√	
	(ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√	
5.0	Subsidiary Company			
	(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Not Applicable	
	(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Not Applicable	
	(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Not Applicable	
	(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Not Applicable	
	(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
		The CEO and CFO shall certify to the Board that:-		
	(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:		
	(i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√	
	(i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√	
	(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√	



Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
7.0	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		The certificate is enclosed in this Annual Report 2016
(ii)	The directors of the company shall state in the directors' report whether the company has complied with these conditions.	√		



MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants


CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES TO THE MEMBERS OF SIMTEX INDUSTRIES LIMITED

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Simtex Industries Limited** for the year ended 30 June 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance 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 Corporate Governance.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

Place - Dhaka.
Date - September 25, 2016


Mazumdar Sikder and Associates
Cost & Management Accountants



Application of Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Financial Instruments : Disclosure	BFRS-07	Applied
Fair Value Measurement	BFRS-13	Applied.
Presentation of Financial Statements	BAS - 01	Applied
Inventories	BAS - 02	Applied
Statement of Cash Flows	BAS - 07	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS - 08	Applied
Events after the Reporting Period	BAS - 10	Applied
Income Taxes	BAS - 12	Applied
Property, Plant and Equipment	BAS - 16	Applied
Revenue Recognition	BAS - 18	Applied
Employee Benefits	BAS - 19	Applied
The effects of Changes in Foreign Exchange Rates	BAS - 21	Applied
Borrowing Costs	BAS - 23	Applied
Related Party Disclosures	BAS - 24	Applied
Financial Instruments: Presentation	BAS - 32	Applied
Earnings Per Share	BAS - 33	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS - 37	Applied
Intangible Assets	BAS - 38	Applied
Financial Instruments: Recognition & Measurement	BAS - 39	Applied



Audit Committee Report (for the year ended 30 June 2016)

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 statements reflect true and fair view of the Company.

Composition of Audit Committee

In compliance with the BSEC directives, the Board of Directors of Simtex Industries Limited has formed an Audit Committee headed by Company’s Independent Director Mr. Uzzal Kumar Nandi. The Committee is comprised of 3 (three) members of the Board. The members of the Audit Committee are as follows:

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

Meeting and Attendance

During the year under review, the Audit Committee of Simtex Industries Limited met 4 (four) times on the following date:

1. August 18, 2015
2. November 04, 2015
3. January 24, 2016
4. April 17, 2016

Audit Meeting Attended by Members

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

The Roles and Responsibilities of the Audit Committee

The Roles and Responsibilities of the Audit Committee are clearly mentioned in the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 condition no 3.3. The key responsibilities of the Audit Committee are as follows.

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk Management process.
- Oversee hiring and performance of external auditors
- Review along with the Management, the Annual Financial Statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.
- Review the adequacy of Internal Audit function.



- Review statement of significant related party transactions submitted by the management.
- Review Management Letter/Letter of Internal Control weakness issued by statutory auditors.
- Review the Utilization Report of Initial Public Offering (IPO) proceeds.

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

- The financial statements of the quarterly, half yearly and the full year were reviewed by the Committee and subsequently recommended to the Board for consideration, adoption 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, 2016. This reviews included in the accounting policies and key judgments and estimates underpinning financial statements as disclosed in Notes to the Accounts.
- The Committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The Committee reviewed the compliance with existing laws and regulation.
- Approved the internal audit plan.
- Reviewed the effectiveness and independence of the Statutory Auditors and recommended for re-appointment of external auditors.

On behalf of the Committee

Uzzal Kumar Nandi, FCA

Chairman, Audit Committee



Simtex Industries Limited

CEO & CFO's Declaration to the Board of Directors

In Compliance with condition no.06 of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we do here by certify to the Board of Directors that:

01. We have reviewed the financial statements for the year ended on 30 June 2016 and state 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 together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
02. There are to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

Md. Siddiqur Rahman, MBA, FCS
Managing Director

Md. Nazmul Karim
Chief Financial Officer (CFO)

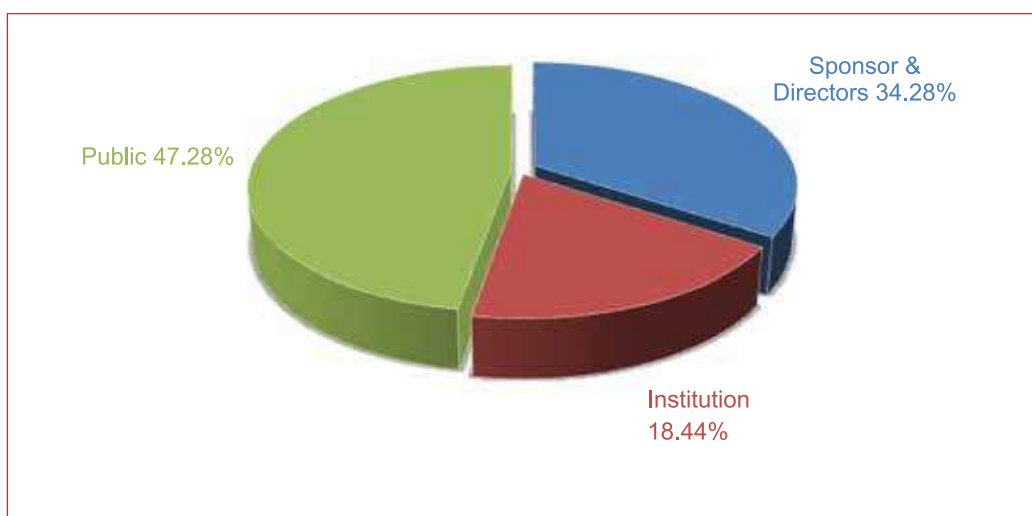
Information Relating to Company Capital

Simtex Industries Limited is the 2nd largest sewing thread manufacturing Company in Bangladesh. The Company started its business with paid up Capital TK. 6 million and now its existing paid up capital stands at 587.5 million. The Authorized Capital of the Company is TK. 1000 million. In 2015 the Company has 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 denominated as under:

Particulars	Amount in Taka	Percentage
Sponsor & Director	: 201,480,000/-	34.28
Institution	: 108,322,070/-	18.44
Public	: 277,697,930/-	47.28
	587,500,000/-	100

The Range of Shareholding as on 30 June, 2016

Particulars of Investors	Number of Shareholders	Number of Shares	Percentage of Shareholding (%)
1 to 500 Shares	12,867	3,740,376	6.37
501 to 5,000 shares	1,060	2,011,580	3.42
5,001 to 10,000 shares	183	1,393,165	2.37
10,001 to 20,000 shares	112	1,657,139	2.82
20,001 to 30,000 shares	34	824,971	1.40
30,001 to 40,000 shares	21	763,100	1.30
40,001 to 50,000 shares	10	470,143	0.80
50,001 to 100,000 shares	30	2,320,169	3.95
100,001 to 1,000,000 shares	41	12,631,665	21.50
Over 1,000,000	14	32,937,692	56.06
Total	14,372	58,750,000	100%





Credit Rating

Simtex Industries Limited has been rated as A (Pronounced as single A) long term credit rating and ST-3 Short term credit rating by Credit Rating Information and Services Ltd. (CRISL) based on audited financial statements up to 30 June, 2015, Bank liability position as on 27 March, 2016 and other available information up to the date of rating declaration. The date of rating was on 12 April, 2016. The outlook on the rating is Stable.

Long Term Rating
A

Short Term Rating
ST-3

Outlook
Stable

Date of Validity
April 11, 2017

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

CREDIT RATING INFORMATION AND SERVICES LIMITED

CREDIT RATING REPORT - RATIONALE

Mukta Haras/6th & 3th Floor
Sylhet Road, Dhaka, Dhaka 1000, Bangladesh
Tel: +880 21 9857811
Email: crisl@crisl.com

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

Setting Global Standard of National Level
CRISL/CER/162/16

SIMTEX INDUSTRIES LIMITED

RATING SPECIFICS

Date of Rating	April 12, 2016	
Entity Rating	Long Term	Short Term
Outlook	A	ST-3
	Stable	

1.0 RATIONALE

CRISL has reassigned 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 assigned based on consistent maintenance of some fundamentals of the company which includes the rating affirmations reflect good business performance, sound infrastructure, experienced management team, sound quality control mechanism etc. Risk factors include debt based capital structure, low capacity utilization, significant financial burden, moderate liquidity, exposure to price fluctuation risk etc.

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

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

Sarwat Amina
EVP and Head of Operations
Credit Rating Information and Services Limited



CERTIFICATE

Hohenstein
Textile Testing Institute
GmbH & Co. KG

HOHENSTEIN

Schloss Hohenstein · 74357 Boennigheim · Germany

Institute of the International Association for Research and Testing in the Field of Textile Ecology

The company

Simtex Industries Limited

Khagan, Birulia

Savar, Dhaka - 1341, BANGLADESH

is granted authorisation according to Oeko-Tex® Standard 100 to use the Oeko-Tex® mark, based on our **test report 15.0.68194**



Tested for harmful substances

according to Oeko-Tex® Standard 100

07.KA.53099

HOHENSTEIN HTTI



for the following articles

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

The results of the inspection made according to Oeko-Tex® Standard 100, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the standard presently established for baby articles.

The certified articles fulfil the requirements of Annex XVII of REACH (incl. the use of azo-dyes, nickel, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA, with the exception of accessories made from glass).

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

This authorisation is valid until 31.10.2016

Boennigheim, 22.09.2015

S. Droste

Dr. Stefan Droste
Managing Director

M. Elisabeth Weisheit

Dipl.-Ing. (FH) Elisabeth Weisheit
Head of Certification Body Oeko-Tex®





**AUDITOR'S REPORT
TO THE SHAREHOLDERS
OF
SIMTEX INDUSTRIES LIMITED**

We have audited the accompanying financial statements of **SIMTEX INDUSTRIES LIMITED** which comprises the Statement of Financial Position as at June 30, 2016 and the related Statement of Profit or Loss and other comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at June 30, 2016 and of the results of its operations and its cash flows for the year then ended and comply with the Bangladesh Securities and Exchange Rules 1987, the companies Act 1994 and other applicable laws and regulations. However, documentation process need be strengthened further.

We also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received;
- (iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business;

Dhaka
Dated: September 07, 2016


Pinaki & Company
Chartered Accountants



Simtex Industries Limited
Statement of Financial Position

As at 30 June 2016

PARTICULARS	Notes	Amount in Taka	
		30.06.2016	30.06.2015
APPLICATION OF FUND			
ASSETS			
A : NON-CURRENT ASSETS			
Property, Plant & Equipment	3	831,396,032	837,717,122
B: CURRENT ASSETS			
Accounts Receivable	4	369,795,068	294,926,929
Investment in Share	5	34,474,463	43,595,289
Advance, Deposit & Prepayments	6	62,945,324	32,082,307
Inventory	7	235,631,036	222,529,822
Goods in Transit	8	13,244,800	-
Cash & Cash Equivalent	9	322,637,949	8,451,372
TOTAL ASSETS (A+B)		1,870,124,671	1,439,302,841
SOURCES OF FUND			
SHAREHOLDERS EQUITY & LIABILITIES			
C : SHAREHOLDERS EQUITY			
Share Capital	10	587,500,000	287,500,000
Share Premium	11	300,000,000	-
Revaluation Reserve	12	103,668,899	103,668,899
Unrealised Gain/(Loss) on Marketable Securities	13	(19,721,085)	(11,448,032)
Retained Earnings	14	396,798,488	262,518,542
D : NON-CURRENT LIABILITIES			
Long term Loan Net of Current Portion	15	323,382,992	417,771,816
Deferred Tax	16	20,684,281	15,416,617
E : CURRENT LIABILITIES			
Accounts Payable	17	2,145,650	2,074,151
Short term Loan from Bank & Others	18	20,424,572	264,546,617
Share Money (Refundable)		880,222	-
Current portion of Long Term Loan	19	81,754,926	62,205,492
Liabilities For Expenses	20	10,606,428	9,121,460
Provision For Income Tax	21	41,999,298	25,927,280
TOTAL EQUITY & LIABILITIES (C+D+E)		1,870,124,671	1,439,302,841
Net Assets value (NAVs) Per Share		23.29	22.34

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

Chairman

Company Secretary

Dated: September 07, 2016
Dhaka

Managing Director

Director

Signed as per our annexed report of evendate

Chief Financial Officer

Pinaki & Company

Chartered Accountants

**Simtex Industries Limited****Statement of Profit or Loss and other Comprehensive Income**

For the year ended 30 June 2016

PARTICULARS	Notes	Amount In Taka	
		30.06.2016	30.06.2015
(A) Turnover	22	1,380,435,126	1,364,024,239
(B) Cost of Goods Sold	23	1,067,347,378	1,058,455,527
(C) Gross Profit (A-B)		313,087,747	305,568,713
D) Operating Expenses		60,553,183	33,965,544
Administrative Expenses	24	53,153,513	28,156,272
Selling & Distribution Expenses	25	7,399,670	5,809,272
(E) Profit from Operation (C-D)		252,534,564	271,603,169
(F) Financial Expenses	26	107,461,745	168,888,027
(G) Other Income/Loss	27	14,556,431	545,095
(H) Net Profit Before Tax (E-F+G)		159,629,251	103,260,237
Less: Provision for Tax:		30,800,804	6,642,758
Current Tax	28	25,533,139	15,669,852
Deferred Tax	29	5,267,665	(9,027,094)
Net Profit After Tax		128,828,447	96,617,480
Other Comprehensive Income	30	(8,273,053)	(17,736,626)
Total Comprehensive Income		120,555,394	78,880,854
Earnings Per Share (EPS)		2.54	3.36
Number of Shares used to Compute EPS		50,799,180	28,750,000

The annexed notes 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

Dated: September 07, 2016
Dhaka

 Pinaki & Company
 Chartered Accountants

Simtex Industries Limited
Statement of Changes in Equity

For the year ended 30 June 2016

PARTICULARS	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01.07.15	287,500,000	-	103,668,899	262,518,542	653,687,441
Share Issued during the year	300,000,000	-	-	-	300,000,000
Share Premium during the year	-	300,000,000	-	-	300,000,000
Prior Year Adjustment of Tax (Over Provision)				5,451,499	5,451,499
Net Profit during the year	-	-	-	128,828,447	128,828,447
Closing Balance as on 30.06.2016	587,500,000	300,000,000	103,668,899	396,798,488	1,387,967,387

Simtex Industries Limited
Statement of Changes in Equity

For the year ended 30 June 2015

PARTICULARS	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01.07.14	287,500,000	-	103,668,899	165,901,062	557,069,961
Net profit during the year	-	-	-	96,617,480	96,617,480
Closing Balance as on 30.06.2015	287,500,000	-	103,668,899	262,518,542	653,687,441

The annexed notes 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

 Dated: September 07, 2016
 Dhaka


 Pinaki & Company
 Chartered Accountants



Simtex Industries Limited
Statement of Cash Flows
For the year ended 30 June 2016

PARTICULARS	Amount in Taka	
	30.06.2016	30.06.2015
Cash Flow from Operating Activities:		
Cash Collection From Turnover & Others	1,305,566,987	1,359,110,832
Cash Paid to Suppliers, Employee & Others	(1,118,349,370)	(1,053,634,650)
Cash Generated from Operation	187,217,617	305,476,182
Interest Paid	(106,521,023)	(166,805,951)
Income Tax Paid	(17,196,874)	(7,169,551)
Net Cash flow from Operating Activities:(A)	63,499,721	131,500,680
Cash Flows from Investing Activities:		
Investment in Share	651,577	(812,100)
Receive from Interest Income	15,878,631	-
Receive from Dividend Income	17,768	3,616,318
Paid for Acquisition of Property, Plant & Equipment	(52,604,908)	(145,489,595)
Receive from disposal of Property Plant & Equipment	4,825,000	12,200,000
Net Cash used in Investing Activities:(B)	(31,231,932)	(130,485,377)
Cash flow from Financing Activities		
Share Capital	300,000,000	-
Share Premium	300,000,000	-
IPO Subscription Money (Refundable)	880,222	-
Bank Loan Receive/Payment	(318,961,435)	(3,525,850)
Net Cash flow from Financing Activities:(C)	281,918,787	(3,525,850)
Net increase/decrease in cash & Cash equivalents:(A+B+C)	314,186,577	(2,510,547)
Cash & Cash equivalents at the beginning of the year	8,451,372	10,961,920
Closing Cash & Cash equivalents at the end of the year	<u>322,637,949</u>	<u>8,451,372</u>
Net operating cashflows per share (NOCFPS)	<u>1.25</u>	<u>4.57</u>


Chairman


Managing Director


Director


Chief Financial Officer

Signed as per our annexed report of even date


Company Secretary

Dated: September 07, 2016
Dhaka


Pinaki & Company
Chartered Accountants

SIMTEX INDUSTRIES LIMITED
Notes to the Financial Statements
For the year ended 30 June 2016

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 dated November 15, 2012. Its Authorized Capital is BDT 1,000 Million and present Paid-up Capital BDT 587.5 Million. The Company went for Initial Public Offering of shares in July 2015 which was fully subscribed and issued. The Company was listed with Dhaka Stock Exchange Limited (DSE) on November 03, 2015 and Chittagong Stock Exchanges (CSE) on 29 October 2015.

1.02 Registered Office of the Company:

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

1.03 Principal activities and nature of the business:

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

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Preparation of Financial Statements

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

2.01 Going Concern:

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

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

2.02 Changes in Accounting Policies & Estimates:

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

2.03 Cash Flow Statement:

Cash flow statement is prepared in accordance with BAS-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 BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

2.04 Property, Plant, Equipment and Depreciation:

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per BAS-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. Pantan Book	15%
m) Air Condition	10%
n) Crockery	10%
o) Software	20%

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

The Property, Plant and Equipment only land of the company were 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 date December 31, 2012.

2.06 Investment in Securities:

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

2.07 Revenue Recognition:

In compliance with the requirements of BAS - 18 Revenue, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

2.08 Impairment:

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

2.09 Financial Instrument:

Derivative

According to BFRS-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 BAS-39 "Financial Instruments: Recognition and Measurement".

2.10 Valuation of Current Assets:
Accounts Receivable:

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

Inventories:

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

2.11 Creditors and Accrued Expenses:

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

2.12 Employee Benefit Plan:

The Company has Contributory Provident Fund plan which contribute both employer & employee an equal amount.

Number of Employees:

During the year under review, the number of employees stands at 694 and each Employee has been receiving minimum remuneration of Tk. 5,300/= and above per month. There was no part-time employee in the Company during the Year under audit.

2.13 Capacity Utilization:

	2014-2015	2015-2016
	Cones	Cones
Total Production Capacity in Cones	37,500,000	37,500,000
Capacity Utilization in Cones	26,745,573	27,448,458
Capacity Utilization for the year	71.32%	73.20%

2.14 Capital expenditure commitment:

There was some capital expenditure commitment through IPO fund during the year which is under process.

2.15 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 BAS-24. The following related party transactions have been appeared during the year.

NAME	TYPE OF TRANSACTION	AMOUNT (TK.)
Mr. Md. Siddiquir Rahman	Managing Director Remuneration	600,000
Mrs. Mahfuza Rahman	Director Remuneration	600,000
Mrs. Hafiza Khanam	Director Remuneration	780,000
Mr. Md. Ensan Ali Sheikh	Director Remuneration	750,000
FAS Finance & Investment Ltd.	Share Purchase	54,192,361

2.16 Even after the Balance sheet Date:

As per BAS-10 "Even after the Balance sheet Date" are those event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorized for issue. Subsequent to the Statements of Financial Position date, the Board of Directors in their meeting held on September 05, 2016 recommend 20% cash dividend & 2% stock dividend to existing share held at record date for the year ended 30 June 2016. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.



2.17 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 BAS-21. The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

2.18 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 BAS-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 BAS-12. During the year the Company has recognized for Deferred Tax as per provision of BAS-12.

2.19 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 BAS-23 "Borrowing Cost".

2.20 Earnings per share:

The company calculates Earning per Share (EPS) in accordance with BAS-33 "Earning per Share" which has been shown on the face of the Profit or Loss and other Comprehensive Income and the computation of EPS is elaborated in Note-31. The Earning per share has been calculated using weighted average method.

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

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

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

2.21 Responsibility for preparation and presentation of financial statements:

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

2.23 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on September 05, 2016.

2.24 Components of the Financial Statements:

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

- a) Statement of Financial Position as at June 30, 2016.
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2016.



- c) Statement of Changes in Equity for the year ended June 30, 2016.
- d) Statement of Cash Flows for the year ended June 30, 2016.
- e) Explanatory notes to the financial statements.

2.25 Comparative Information

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

- Statement of Financial Position as of the end of the preceding financial year.
- Statement of Profit or Loss and other Comprehensive Income for the comparable year of preceding financial year.
- Statement of Changes in Equity for the comparable year of preceding financial year.
- Statement of Cash Flows for the comparable year of preceding financial year.

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

2.26 General:

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering one year from July 01, 2015 to June 30, 2016.
- 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.

2.27 Application of Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Financial Instruments : Disclosure	BFRS-07	Applied
Fair Value Measurement	BFRS-13	Applied
Presentation of Financial Statements	BAS - 01	Applied
Inventories	BAS - 02	Applied
Statement of Cash Flows	BAS - 07	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS - 08	Applied
Events after the Reporting Period	BAS - 10	Applied
Income Taxes	BAS - 12	Applied
Property, Plant and Equipment	BAS - 16	Applied
Revenue Recognition	BAS - 18	Applied
Employee Benefits	BAS - 19	Applied
The effects of Changes in Foreign Exchange Rates	BAS - 21	Applied
Borrowing Costs	BAS - 23	Applied
Related Party Disclosures	BAS - 24	Applied
Financial Instruments: Presentation	BAS - 32	Applied
Earnings Per Share	BAS - 33	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS - 37	Applied
Intangible Assets	BAS - 38	Applied
Financial Instruments: Recognition & Measurement	BAS - 39	Applied

**Simtex Industries Limited
Notes to the Financial Statement**

As at 30 June 2016

3.00 PROPERTY, PLANT AND EQUIPMENT: Tk. 831,396,032

	Amount in Taka	
	30.06.2016	30.06.2015
Opening Balance (at cost)	1,012,149,551	880,659,477
Add : Addition made during the year	52,604,908	150,199,981
Add : Revaluation Reserve	103,668,899	103,668,899
Less: Disposal	8,250,000	18,709,907
Closing Balance	1,160,173,358	1,115,818,450
Less : Accumulated Depreciation	328,777,326	278,101,328
Written Down Value	Total: 831,396,032	837,717,122

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

4.00 ACCOUNTS RECEIVABLE: Tk. 369,795,068

This is made up as follows:

Particulars

Accounts Receivable	579,303,529	562,065,795
Less: Adjustment of Inland Bill Purchase (4.01)	209,508,461	267,138,866
Total:	369,795,068	294,926,929

i) The balance is represents dues from various parties against export sales. The balances are considered good and collectable. No bad debts were made during the year from the outstanding balances.

ii) No amount was due to managing partner, employees & Officers during the year

Aging of Accounts Receivable

Dues within 3 months	232,787,179	296,820,962
Dues within 3 months to 6 months	346,516,350	265,244,833
Total:	579,303,529	562,065,795

4.01 ADJUSTMENT OF INLAND BILL PURCHASE (Net off Assets & Liabilities) : Tk.209,508,461

This is made up as follows:

Particulars**Branch Name**

Southeast Bank Limited , Foreign Exchange branch, Motijheel	18,539,352	42,547,624
Trust Bank Limited Millennium Corporate Branch, Dhaka	190,969,109	224,591,242
Total:	209,508,461	267,138,866

5.00 INVESTMENT : Tk.34,474,463

This represents Investment made by the Company in FAS Capital Management Limited. The Investment is made up as under:

Investment In Shares	34,474,463	43,595,289
Total:	34,474,463	43,595,289

Details**Cost Price**

FAS Finance & Investment Ltd.	54,192,361	34,471,312	42,864,014
Grameen Phone	-	-	731,275
Reckitt Benck.(BD) Ltd	3,187	3,150	-
	54,195,548	34,474,463	43,595,289

Simtex Industries Limited Notes to the Financial Statement

As at 30 June 2016

6.00 ADVANCE, DEPOSITS & PREPAYMENTS: Tk. 62,945,324

This is made up as follows:

Particulars

Advance, Deposit & Prepayments

Tax Deductions at source (TDS)

Advances against Expenses

Advances against Purchases

Prepaid Insurance Premium

Prepaid Group Insurance Premium

Advanced against salary

Deposit

L/C margin deposit

Security Deposit (6.02)

Note-6.01

		Amount in Taka	
		30.06.2016	30.06.2015
		56,767,336	24,905,811
		17,335,326	4,148,074
		16,585,885	6,961,800
		17,102,768	11,072,000
		1,610,201	1,621,027
		14,732	-
		4,118,425	1,102,910
		6,177,988	7,176,496
		1,719,398	2,901,806
		4,458,590	4,274,690
	Total:	62,945,324	32,082,307

6.01 Tax Deductions at source (TDS)

This is made up as follows:

Particulars

Opening Balance

Addition during the year

Adjustment during the year

	4,148,074	9,401,511
	13,187,252	4,148,074
	-	(9,401,511)
	17,335,326	4,148,074

6.02 SECURITY DEPOSIT: Tk. 4,458,590

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

Particulars

Bank Guarantee Margin for Titas Gas

Electricity Demand note (REB)

Bangladesh Telegraph and Telephone Board (BTTB)

Titas Gas Transmission & Distribution Ltd.

Total:

	454,790	454,790
	1,713,800	1,713,800
	16,000	16,000
	2,274,000	2,090,100
	4,458,590	4,274,690

7.00 INVENTORY: Tk. 235,631,036

Particulars	30.06.2016		30.06.2015	
	Qty.Kgs/Pcs	Taka	Qty.Kgs/Pcs	Taka
Raw material of Yarn	737,053.85 Kgs	169,846,690	681,227.52 Kgs	156,982,071
Raw material of Dyes & Chemical	62,934.68 Kgs	30,245,780	63,986.90 Kgs	30,751,468
Packing Materials	18,000 kgs & 3,396,896 pcs	8,546,691	16,000 kgs & 3,302,170 pcs	7,963,806
Work-in-process	30,856.39 Kgs	7,745,645	31,190.94 Kgs	7,829,625
Finished goods	409,494.25 Cones	19,246,230	404,316 Cones	19,002,852
Total:		235,631,036		222,529,822

8.00 GOODS IN TRANSIT: Tk. 13,244,800

The above balance is made up as follows:

Particulars	Bank	L/C Number	Dolar Amount	
Goods in Transit	TBL	236116050048	57,500	-
Goods in Transit	TBL	236116050059	10,000	-
Goods in Transit	TBL	236116050043	50,500	-
Goods in Transit	TBL	236116050049	46,060	-
Total:			13,244,800	-



**Simtex Industries Limited
Notes to the Financial Statement**

As at 30 June 2016

9.00 CASH & CASH EQUIVALENT: Tk. 322,637,949

This is made up as follows:

Cash in Hand (Note: 9.01)
Cash at Brokerage House (Reliance Brokerage Services Ltd)
Cash at Brokerage House (FAS Capital Management Limited)
Cash at Bank (Note: 9.02)

Amount in Taka	
30.06.2016	30.06.2015
744,247	2,587,914
-	3,765
2,401	-
321,891,301	5,859,693
Total: 322,637,949	8,451,372

9.01 CASH IN HAND: Tk.744,247

This Balance Represent as per cash folio of the Company.

9.02 CASH AT BANK: Tk. 321,891,301

The above has been made up as follows:

Particulars

Name of Bank	A/C NO.	Name of Branch		
Jamuna Bank Ltd.	CD-8310	Foreign Exchange Branch	412,545	3,646,138
Trust Bank Ltd.	CD-011882	Millennium Branch	4,607	6,578
Trust Bank Ltd.	CD-118	Millennium Branch	383,108	1,798,455
BRAC Bank Ltd.	CD-002	Gulshan Branch	16,589	-
BRAC Bank Ltd.	FC-003	Gulshan Branch	613,833	-
BRAC Bank Ltd.	FC-005	Gulshan Branch	266,389	-
SBAC Bank Limited	FDR-	Dhanmondi Branch	148,004,500	-
Trust Bank Ltd.	FDR-	Millennium Branch	110,000,000	-
NRBC Bank Limited	FDR-	Gulshan Branch	60,000,000	-
Trust Bank Ltd.	DAD-0031	Millennium Branch	1,976,993	-
Mercantile Bank Ltd.	CD-77163	Main Branch	117,621	120,445
Southeast Bank Ltd.	CD-48059	Principal Branch	95,116	288,077
Total:			321,891,301	5,859,693

10.00 SHARE CAPITAL: Tk. 587,500,000

This is made up as follows:

Particulars

Authorized Capital		
100,000,000 ordinary Shares of Tk.10 each	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid up Capital		
58,750,000 Ordinary Shares of Tk.10 each	587,500,000	287,500,000

The Distribution Schedule showing the number of Shareholders and corresponding holding percentage under DSE & CSE Listing Regulation .

Particulars of Investors	Number of Shareholders	Number of Shares	Percentage of Shareholding (%)
1 to 500 Shares	12,867	3,740,376	6.37
501 to 5,000 shares	1,060	2,011,580	3.42
5,001 to 10,000 shares	183	1,393,165	2.37
10,001 to 20,000 shares	112	1,657,139	2.82
20,001 to 30,000 shares	34	824,971	1.40
30,001 to 40,000 shares	21	763,100	1.30
40,001 to 50,000 shares	10	470,143	0.80
50,001 to 100,000 shares	30	2,320,169	3.95
100,001 to 1,000,000 shares	41	12,631,665	21.50
Over 1,000,000	14	32,937,692	56.06
Total	14,372	58,750,000	100

Simtex Industries Limited
Notes to the Financial Statement

As at 30 June 2016

Amount in Taka	
30.06.2016	30.06.2015

11.00 SHARE PREMIUM: Tk. 300,000,000

This is made up as follows:

Number of Shares	Premium Amount
30,000,000	TK. 10
	300,000,000
	Total: 300,000,000

12.00 REVALUATION RESERVE: Tk. 103,668,899

This is made up as follows:

Opening Revaluation Reserve on Land & Development	103,668,899	103,668,899
Add : Revaluation Reserve on Land during the year	-	-
This Balance Represents as per last Accounts	103,668,899	103,668,899

13.00 GAIN/LOSS ON MARKETABLE SECURITIES: Tk. -19,721,085

Opening Balance	(11,448,032)	6,288,594
Add: Unrealised gain/(Loss) on securities during the year	(8,273,053)	(17,736,626)
	(19,721,085)	(11,448,032)

14.00 RETAINED EARNINGS: Tk. 396,798,482

This is made up as follows:

Balance as on 01.07.2015	262,518,542	165,901,062
Add : Prior Year Adjustment of Tax (Over Provision)	5,451,499	-
Add : Net Profit/(Loss) During the year	128,828,447	96,617,480
Total:	396,798,488	262,518,542

15.00 LONG TERM LOAN FROM BANK & FINANCIAL INSTITUTION Tk. 323,382,992

Particulars	Name of Branch		
Reliance Finance Limited (15.01)	Motijheel, Dhaka	-	86,793,186
TBL-HPSM (15.02)	Millennium Branch, Jahangir Gate, Dhaka	404,175,197	391,595,375
Term loan -SEBL (15.3)	Principal Branch, Dilkusha	962,721	1,588,747
Total Term Loan Outstanding		405,137,918	479,977,308
Less: Current Portion		81,754,926	62,205,492
Total:		323,382,992	417,771,816

15.01 RELIANCE FINANCE LIMITED

Nature of Loan	Name of Branch		
Time Loan	Motijheel, Dhaka	-	80,000,000
Lease Finance	Motijheel, Dhaka	-	6,793,186
Total:		-	86,793,186

15.02 PROJECT LOAN-TBL

	A/C NO.		
Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka	0018	160,872,105	387,937,172
Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka	0027	2,910,980	3,658,203
Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka	0034	240,392,112	-
Total:		404,175,197	391,595,375

The loan account number 0018 sanction against takeover of various Investment facilities through 6-year HPSM Capital Machinery facility from Jamuna Bank Ltd., IIDFC, Reliance Finance Ltd., Premier Leasing and Fareast Finance & Investment Limited, which is repayable in 60 equal monthly installments as per sanction letter, also the Loan account number 0034 sanction against takeover the term loan liability with international leasing and services limited for 5-years HPSM facility which is repayable in 66 equal monthly installment. All this loan secured by registered mortgage of 694.44 Decimal land located at Khagan, Gouripur, Bashaid, Aukpara Ashulia and Joarsahara Bashundhara Dhaka and 1637.58 sft flat located at R/A, Sector -06, Road No-04, Plot No-05, Uttara Residential Area, and personal guarantee of all Directors of the Company. The loan bears 11% interest which is subject to change time to time.



**Simtex Industries Limited
Notes to the Financial Statement**

As at 30 June 2016

15.03 TERM LOAN-SEBL

Southeast Bank Ltd. Principal Branch, Dilkusha

A/C NO.

7185

Amount in Taka	
30.06.2016	30.06.2015
962,721	1,588,747
Total: 962,721	1,588,747

This loan sanction against takeover of Investment facilities through 3-years Capital Machinery facility from Southeast Bank Limited. This Loan is secured by registered mortgage of 8.14 Decimal land located at plot No. 1/A, Sector No. 07, Sonargaon Janapath Road, Uttara Dhaka and personal guarantee of all Directors of the Company. This Loan is repayable in 36 equal monthly installments as per sanction letter. The loan bears 11% interest which is subject to changetime to time.

16.00 DEFERRED TAX : Tk. 20,684,281

Carrying Value

831,396,032

837,717,122

Tax Base

693,500,822

734,939,677

Temporary/(Deductible) Difference

137,895,210

102,777,445

Effective Tax Rate

15%

15%

Deferred Tax Liability/(Asset)

20,684,281

15,416,617

17.00 ACCOUNTS PAYABLE: Tk. 2,145,650

This is made up as follows:

Particulars

Keya Packaging Industries.

280,000

470,000

Olympic Accessories Ltd.

445,000

748,000

Excel Trade Link Ltd.

115,000

-

Islam Brothers Ltd.

45,000

32,201

M/S Simi Enterprise

645,350

-

Masud Plastic

225,000

-

Tanim Plastic Industries

-

589,950

Hawa Enterprise

175,300

152,000

M/S Jewel Packaging

215,000

82,000

Total: 2,145,650

2,074,151

18.00 SHORT TERM LOAN FROM BANK (Secured): Tk. 20,424,572

This is made up as follows:

Particulars

Loan Against Trust Received (LTR)

-

114,101,470

Cash Credit Loan (C C)

1,025,250

445,147

Deferred LC (UPAS)

19,399,322

-

Time Loan

-

150,000,000

20,424,572

264,546,617

18.01 Loan Against Trust Received (LTR) : Tk. 0

Name of Bank

Name of Branch

Trust Bank Ltd.

Millennium Branch, Jahangir Gate, Dhaka

-

114,101,470

Total: -

114,101,470

18.02 CASH CREDIT LOAN (CC): Tk. 1,025,250

Name of Bank

A/C NO.

Name of Branch

Southeast Bank Ltd.

CC-1717

Principal Branch, Motijheel

1,025,250

445,147

Trust Bank Ltd.

Bai Muajjal

Millennium Branch, Jahangir Gate, Dhaka

-

-

Total: 1,025,250

445,147

Simtex Industries Limited
Notes to the Financial Statement

As at 30 June 2016

19.00 CURRENT PORTION OF LONG TERM LOAN: Tk. 81,754,926

This is made up as follows:

		Amount in Taka	
		30.06.2016	30.06.2015
<u>Particulars</u>	<u>Name of Branch</u>		
Reliance Finance Limited	Motijheel, Dhaka	-	1,585,421
Trust Bank Limited	Millennium Branch, Jahangir Gate, Dhaka	80,962,926	59,828,071
Southeast Bank Ltd. (SEBL)	Principal Branch, Motijheel	792,000	792,000
	Total:	81,754,926	62,205,492

20.00 LIABILITY FOR EXPENSES: Tk. 10,606,428

This is made up as follows:

<u>Particulars</u>		
Salary & Wages	7,514,000	7,469,254
Electricity Bill	151,929	151,929
Telephone Bill	1,288	1,105
Internet Bill	14,000	14,000
Provident Fund	805,960	-
Office Rent	-	23,980
Audit Fees	187,500	172,500
Gas bill	1,931,751	1,288,692
	Total:	9,121,460

21.00 PROVISION FOR INCOME TAX: Tk. 41,999,298

This is made up as follows:

<u>Particulars</u>		
Opening Balance	25,927,280	22,680,416
Add: Provision for Current year tax (28.00)	25,533,139	15,669,852
Less: Tax Paid for Assesstment Year 2012-2013	-	(1,521,477)
Less: Tax Paid for Assesstment Year 2013-2014	(1,500,726)	(1,500,000)
Less: Tax Paid for Assesstment Year 2014-2015	(2,508,896)	-
Less: Adjustment during the year	-	(9,401,511)
Less: Prior Year Adjustment (Over Provision)	(5,451,499)	-
Closing Balance as on June 30, 2016	Total:	25,927,280

Simtex Industries Limited
Notes to the Financial Statement

As at 30 June 2016

22.00 TURNOVER: Tk. 1,380,435,126

This is made up as follows:

Export Sales (22.01)

Amount in Taka	
30.06.2016	30.06.2015

1,380,435,126	1,364,024,239
1,380,435,126	1,364,024,239

22.01 EXPORT SALES

Particulars	30.06.2016		30.06.2015	
	Qty (Kgs)	Taka	Qty (Kgs)	Taka
Sewing Thread	2,932,336	1,331,280,619	2,841,773	1,290,165,216
Poly Corespun	2,989	3,503,206	7,478	8,764,041
Filament Thread	68,341	45,651,301	97,448	65,094,983
Total	3,003,665	1,380,435,126	2,946,699	1,364,024,239

23.00 COST OF GOODS SOLD: Tk. 1,067,347,378

 Raw materials Consumption (23.01)
 Dyes & Chemical Consumption (23.02)
 Packing Materials Consumption (23.03)
 Factory Overhead (23.04)
 Cost of Production

732,277,236	736,193,830
90,005,948	88,047,372
74,749,425	75,932,300
172,057,727	164,120,233
1,069,090,336	1,064,293,735
83,980	(1,774,463)

 Opening work-in process
 Closing work-in process

7,829,625	6,055,162
7,745,645	7,829,625
(243,378)	(977,995)

 Opening finished goods
 Closing finished goods
 Goods available for sale
 Sample expense

19,002,852	18,024,857
19,246,230	19,002,852
1,068,930,938	1,061,541,277
(1,583,560)	(3,085,750)

Total Cost of Goods Sold

1,067,347,378	1,058,455,527
----------------------	----------------------

23.01 RAW MATERIALS CONSUMPTION: Tk. 732,277,236

 Opening Inventory
 Add: Purchased during the year
 Less: Closing Inventory

156,982,071	145,682,209
745,141,855	747,493,692
169,846,690	156,982,071
732,277,236	736,193,830

23.02 DYES & CHEMICAL CONSUMPTION: Tk. 90,005,948

 Opening Inventory
 Add: Purchased during the year
 Less: Closing Inventory

30,751,468	25,180,857
89,500,260	93,617,983
30,245,780	30,751,468
90,005,948	88,047,372

23.03 PACKING MATERIALS CONSUMPTION: Tk. 74,749,425

 Opening Inventory
 Add: Purchased during the year
 Less: Closing Inventory

7,963,806	9,252,508
75,332,310	74,643,598
8,546,691	7,963,806
74,749,425	75,932,300



Simtex Industries Limited
Notes to the Financial Statement

For the year ended 30 June 2016

Amount in Taka	
30.06.2016	30.06.2015

23.04 FACTORY OVERHEAD: Tk. 172,057,727

This is made up as follows:

Particulars

Wages

Overtime

Tiffin Bill

Electricity Bill

Repair & Maintenance

Festival Bonus for workers

Loading & Unloading-Labor

Fuel & Lubricant

Gas Bill

ETP. Operating Expense

Depreciation

81,783,426	80,545,083
5,133,660	4,314,640
1,804,217	2,624,892
1,847,919	1,855,039
2,182,210	2,657,596
2,859,520	1,482,502
338,492	408,042
3,387,540	3,790,290
24,178,559	15,428,324
660,590	750,915
47,881,594	50,262,910

Total: 172,057,727 164,120,233

24.00 ADMINISTRATIVE EXPENSES: Tk. 53,153,513

This is made up as follows:

Particulars

Salary & allowance

Director's Remuneration

Tours & Travelling Expenses

Board Meeting Attendance Fee

IPO Expenses

Festival Bonus

Mobile Bill

Internet Bill

Telephone Bill

Electricity Expenses

Subscription and donation

Audit Fees

Provident Fund

Group Insurance

Fees Forms and Renewal

Entertainment

Managing Director Remuneration

Office Rent

Canteen Subsidy

Fees

House Rent

Medical Expenses

Insurance

Office Maintenance

Miscellaneous Expenses

Staff Uniform

Car Maintenance

Fuel & Lubricant

Conveyance

Postage & Courier

Stationery Expenses

Depreciation

11,062,670	9,184,121
2,130,000	2,130,000
1,689,760	1,835,950
156,000	105,000
18,600,769	-
1,245,320	1,161,290
591,780	553,116
168,000	168,000
22,632	27,097
253,457	180,173
69,560	9,264
297,084	172,500
402,980	-
7,368	-
645,046	250,130
1,454,572	707,361
600,000	600,000
269,975	119,900
467,210	447,792
234,700	40,589
804,000	432,000
151,341	154,188
2,157,760	2,154,590
267,540	257,196
619,161	90,936
698,930	106,573
234,680	159,557
1,025,616	816,098
1,071,965	930,812
112,465	198,447
565,540	568,586
5,075,632	4,595,008

Total: 53,153,513 28,156,272

**Simtex Industries Limited
Notes to the Financial Statement**

For the year ended 30 June 2016

Amount in Taka	
30.06.2016	30.06.2015

Payment/Perquisites to Directors and officers

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

Particulars

Directors Remuneration	2,130,000	2,130,000
Managing Director Remuneration	600,000	600,000
Board Meeting fee	156,000	105,000

i) The Board of Directors have drawn Tk. 3,000/- Per Board meeting attendance fees during the year under review

ii) No money was given to any directors for rendering special services to the Company.

iii) Eleven (11) meeting of the Board of Directors were held during the Year.

iv) The Company has been provided car facilities to the Managing Director, CFO & General Manager.

25.00 SELLING & DISTRIBUTION EXPENSES: Tk. 7,399,670

This is made up as follows:

Particulars

Advertisement	289,380	139,692
Promotional Expenses	698,500	77,596
Conveyance	908,680	508,959
Collection and C & F Charges	414,950	554,092
Expenses for Product development	426,710	376,514
Sample Expenses	1,583,560	3,085,750
Fuel & Lubricant for Vehicle	1,036,915	907,476
Car Maintenance	2,040,975	159,192
Total:	7,399,670	5,809,272

26.00 FINANCIAL EXPENSES: Tk. 107,461,745

This is made up as follows:

Particulars

Bank Charges, Commission & Brokerage Fees	940,722	2,082,076
Interest on CC Loan-TBL	2,566,105	2,618,516
Interest on CC Loan-SEBL	1,525,598	1,872,081
Interest on IBP	30,765,414	39,085,631
Interest on HPSM General-0016	-	397,965
Interest on Term Loan 7185	165,974	160,747
Interest on Term Loan-HPSM on TBL	43,422,482	63,729,114
Interest on International Leasing & Financial Service Ltd.	24,331,454	-
Interest on RFL	1,511,906	26,220,630
Interest on LTR	2,232,090	32,721,267
Total:	107,461,745	168,888,027

27.00 OTHER INCOME: Tk. 14,556,431

This is made up as follows:

Particulars

Interest Income	15,878,631	-
Dividend Income	17,768	3,616,318
Realized Gain/Loss on sale of Share	(196,196)	(39,553)
Gain/(Loss) on disposal of Vehicle	(1,143,772)	(3,031,670)
Total:	14,556,431	545,095.20

Simtex Industries Limited
Notes to the Financial Statement

For the year ended 30 June 2016

28.00 CURRENT YEAR TAX : TK. 25,533,139

This is made up as follows:

Particulars

		Amount in Taka	
		30.06.2016	30.06.2015
Profit before Tax except other Income	143,732,851		
Tax Rate on Operating Profit	15%		
Tax On Operating Profit	21,559,928	21,559,928	14,946,588
Tax on Other Income (Dividend)	17,768	3,554	723,264
Tax on Other Income (Interest)	15,878,631	3,969,658	-
		Total:	Total:
		25,533,139	15,669,852

29.00 CURRENT YEAR DEFERRED TAX : Tk.5,267,665

This is made up as follows:

Particulars

Total Deferred Tax		20,684,281	15,416,617
Less: Opening Balance		15,416,617	24,443,711
		Total:	Total:
		5,267,665	(9,027,094)

30.00 OTHER COMPREHANSIVE INCOME: TK.-8,273,053

This is made up as follows:

Fair Value Gain/(Loss) on marketable securities	Note-13	(8,273,053)	(17,736,626)
		Total:	Total:
		(8,273,053)	(17,736,626)

31.00 i) EARNINGS PER SHARE

Net Profit after Taxes		128,828,447	96,617,480
Weighted Average No. of Share (Note: ii)		50,799,180	28,750,000
Earning per share (Taka)		2.54	3.36

ii) Weighted average/Total existing no. of share:

Opening no. of share outstanding		28,750,000	28,750,000
Add: Issued during the period		22,049,180	-
		Total:	Total:
		50,799,180	28,750,000

Weighted average number of shares outstanding

Particulars	No. of Share	Weight	Weighted average no of share
Opening Share	28,750,000	1	28,750,000
Issue (IPO)	30,000,000	0.73	22,049,180
Total	58,750,000		50,799,180



Simtex Industries Limited
Schedule of Property, Plant & Equipment
For the year ended 30 June 2016

Particulars	Cost Value				Rate	Depreciation			W. D. V As on 30.06.2016
	Opening Balance As on 01.07.15	Addition during the year	Revaluation Surplus	Disposal		Closing Balance As on 30.06.2016	Charged during the year	Disposal	
Factory:									
Land & Development	221,512,001	-	103,668,899		0%				325,180,900
Building & Fabricated Shade	220,452,153	47,938,577			10%	82,647,022	15,717,875		98,364,897
Plant and Machinery	404,675,731	409,670			10%	149,065,630	25,567,838		174,633,468
Trolley	67,058				10%	37,141	2,992		40,132
Gas and Electrical Line	5,141,080				10%	1,491,837	364,924		1,856,762
Electrical Equipment	50,231,778				10%	15,074,893	3,515,689		18,590,581
Spare Parts & Tools	30,551,411	2,131,786			10%	8,410,156	2,347,811		10,757,968
Furniture and Fixture	4,436,800	72,615			10%	810,297	364,465		1,174,762
Sub Total	937,068,012	50,552,648	103,668,899			257,536,977	47,881,594		785,870,988
Office									
Transport & Vehicles	49,524,726			8,250,000	10%	12,432,605	3,203,385	2,281,228	13,354,761
Office Equipment	10,428,347	939,990			10%	2,869,529	792,475		3,662,003
Furniture and Fixture	10,209,609				10%	3,528,576	668,103		4,196,679
Shade Book	115,000				15%	77,181	5,673		82,854
Int. Pantan Book	84,500				15%	53,624	4,631		58,255
Air Condition	4,005,500	940,000			10%	1,255,286	328,279		1,583,565
Crockeries	116,357	32,730			10%	41,381	8,567		49,947
Software	597,500	139,540			20%	306,170	64,519		370,689
Sub Total	75,081,539	2,052,260	-	8,250,000		20,564,351	5,075,632	2,281,228	23,358,755
GRAND TOTAL	1,012,149,551	52,604,908	103,668,899	8,250,000	-	278,101,328	52,957,226	2,281,228	831,396,032



SIMTEX INDUSTRIES LIMITED

Registered Office, Khagan, Birulia, Savar, Dhaka

PROXY FORM

I/We.....of being a shareholders of Simtex Industries Limited and entitle to vote, hereby appoint Mr./Mrs./Miss.....as my/our proxy to attend and vote for me/us and on my/our behalf at the 9th Annual General Meeting of the Company to be held on Sunday, 23rd October at 10.00 a.m. at the Trust Milonayaton, 545 old Airport Road Dhaka Cantonment, Dhaka-1206 or at any adjournment thereof or at any ballot to be taken in consequence hereof.

Signed this.....Signature of proxy day of2016

Tk. 20

(Signature Shareholder)

(Signature of Proxy)

BO ID NO.

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No. of Shares

Note:

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



SIMTEX INDUSTRIES LIMITED

Registered Office, Khagan, Birulia, Savar, Dhaka

ATTENDANCE SLIP

I hereby record my attendance at 9th Annual General Meeting of the Company being held on Sunday, 23rd October, 2016 at 10.00 a.m. at the Trust Milonayaton, 545 old Airport Road Dhaka Cantonment, Dhaka-1206.

Name of the Member/Proxy :

BO ID NO.

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Signed this.....Signature of proxy day of2016

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



Simtex Industries Limited

Khagan, Birulia, Savar, Dhaka-1341
e-mail : info@simtexgroup.com
web : www.simtexgroup.com