

Private & Confidential

AUDITORS' REPORT
ON
THE FINANCIAL STATEMENTS
OF
SIMTEX INDUSTRIES LIMITED

Khagan, Birulia, Savar
Dhaka, Bangladesh

For the year ended June 30, 2015

AUDITOR:

=====

AHMED ZAKER & CO, Chartered Accountants

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AHMED ZAKER & Co.

CHARTERED ACCOUNTANTS



A MEMBER FIRM OF KINGSTON SOREL INTERNATIONAL, DEVONSHIRE HOUSE, 60 GOSWELL ROAD, LONDON EC1M 7AD

Auditors' Report

To the Shareholder of Simtex Industries Limited

We have audited the accompanying financial statements of **Simtex Industries Limited** which comprises the Statement of financial position as at 30 June 2015 along with Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, Companies Act. 1994, Bangladesh Securities and Exchange Rules 1987 and others applicable rules and regulation. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Simtex Industries Limited** as of June 30, 2015 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Bangladesh Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report on other legal and regulatory requirements

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of financial position, statement of Profit or Loss and other comprehensive income, Statement of Changes in equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts.
- d) the expenditures incurred were for the purpose of the Company's business.

Dated: August 23, 2015

Dhaka


AHMED ZAKER & CO.

Chartered Accountants

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Simtex Industries Limited
Statement of Financial Position
As at 30 June 2015

PARTICULARS	Notes	Amount In Taka	
		30.06.2015	30.06.2014
APPLICATION OF FUND			
ASSETS			
A : NON-CURRENT ASSETS		837,717,122	762,317,115
Property, Plant & Equipment	3	837,717,122	757,606,729
Machinery in Transit	4	-	4,710,386
B: CURRENT ASSETS		601,585,719	619,327,113
Accounts Receivable	5	294,926,929	290,013,522
Investment in Share	6	43,595,289	60,559,367
Advance, Deposit & Prepayments	7	32,082,307	53,596,711
Inventory	8	222,529,822	204,195,593
Cash & Cash Equivalent	9	8,451,372	10,961,920
TOTAL ASSETS (A+B)		1,439,302,841	1,381,644,228
SOURCES OF FUND			
SHAREHOLDERS EQUITY & LIABILITIES			
C : SHAREHOLDERS EQUITY		642,239,409	563,358,556
Share Capital	10	287,500,000	287,500,000
Reserve & Surplus	11	103,668,899	103,668,899
Gain/(Loss) on Marketable Securities (Unrealised)		(11,448,032)	6,288,594
Retained Earnings	12	262,518,542	165,901,062
D : NON-CURRENT LIABILITIES		433,188,433	501,556,464
Long term Loan Net of Current Portion	13	417,771,816	477,112,753
Deferred Tax	14	15,416,617	24,443,711
E : CURRENT LIABILITIES		363,874,999	316,729,209
Accounts Payable	15	2,074,151	2,296,000
Short term Loan from Bank & Others	16	264,546,617	207,433,697
Current portion of Long Term Loan	17	62,205,492	63,503,325
Liabilities For Expenses	18	9,121,460	20,815,771
Provision For Income Tax	19	25,927,280	22,680,416
TOTAL EQUITY & LIABILITIES (C+D+E)		1,439,302,841	1,381,644,228
Net Assets value (NAVs)		22.34	19.60

The annexed notes are (1-30) form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Simtex Industries Limited
Statement of Profit or Loss and other Comprehensive Income
For the Year ended 30 June 2015

PARTICULARS	Notes	Amount In Taka	
		30.06.15	30.06.14
(A) Turnover	20	1,364,024,239	1,359,191,916
(B) Cost of Goods Sold	21	1,058,455,527	1,051,808,398
(C) Gross Profit (A-B)		305,568,713	307,383,518
(D) Operating Expenses		33,965,544	30,821,504
Administrative Expenses	22	28,156,272	27,890,803
Selling & Distribution Expenses	23	5,809,272	2,930,701
(E) Profit from Operation (C-D)		271,603,169	276,562,014
(F) Financial Expenses	24	168,888,027	145,299,477
(G) Other Income/Loss	25	545,095	1,873,049
(H) Net Profit Before Tax & WPPF (E-F)		103,260,237	133,135,586
(I) Workers Profit Participation Fund (WPPF)	26	-	6,339,790
(J) Net Profit Before Tax (H-I)		103,260,237	126,795,796
Less: Provision for Tax:		6,642,758	30,956,426
Current Tax	27	15,669,852	19,113,022
Deferred Tax	28	(9,027,094)	11,843,404
Net Profit After Tax		96,617,480	95,839,370
Other Comprehensive Income	29	(17,736,626)	6,288,594
Total Comprehensive Income		78,880,854	102,127,965
Earnings Per Share (EPS)	30	3.36	3.33

The annexed notes are (1-30) form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Signed as per our separate report on same date

Dated: August 23, 2015
Dhaka


Ahmed Zaker & Co.
Chartered Accountants

Simtex Industries Limited
Statement of Changes in Equity
For the Year ended 30 June 2015

PARTICULARS	Amount in Taka			
	Share Capital	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 30.06.15	287,500,000	103,668,899	262,518,542	653,687,441

Simtex Industries Limited
Statement of Changes in Equity
For the Year ended 30 June 2014

PARTICULARS	Amount in Taka			
	Share Capital	Revaluation Surplus	Retained Earnings	Total
Balance as on 01.07.13	250,000,000	103,668,899	107,561,692	461,230,591
Stock Dividend issued during the year	37,500,000	-	(37,500,000)	-
Net Profit during the Year	-	-	95,839,370	95,839,370
Closing Balance as on 30.06.14	287,500,000	103,668,899	165,901,062	557,069,961



Managing Director



Director



Company Secretary

Signed as per our separate report on same date

Dated: August 23, 2015
Dhaka


Ahmed Zaker & Co.
Chartered Accountants

Simtex Industries Limited
Statement of Cash Flows
For the Year ended 30 June 2015

PARTICULARS	Amount In Taka	
	30.06.2015	30.06.2014
		Restated
Cash Flow from Operating Activities:		
Cash Collection From Turnover & Others	1,359,110,832	1,313,386,787
Cash Paid to Suppliers, Employee & Others	(1,053,634,650)	(1,062,134,162)
Cash Generated from Operation	305,476,182	251,252,625
Interest Paid	(166,805,951)	(143,580,978)
Income Tax Paid	(7,169,551)	(11,801,511)
Net Cash flow from Operating Activities:(A)	131,500,680	95,870,136
Cash Flows from Investing Activities:		
Investment in Share	(812,100)	(54,270,773)
Dividend Income	3,616,318	1,873,049
Acquisition of Property, Plant & Equipment	(145,489,595)	(48,266,471)
Receive from disposal of Property Plant & Equipment	12,200,000	-
Advance Against Acquisition of Machinery	-	(3,152,717)
Net Cash used in Investing Activities:(B)	(130,485,377)	(103,816,912)
Cash flow from Financing Activities		
Increase/(Decrease) in short Term Bank Loan	57,112,920	29,602,454
Increase/(Decrease) in Long Term Bank Loan	(60,638,770)	(15,310,784)
Net Cash flow from Financing Activities:(C)	(3,525,850)	14,291,670
Net increase/decrease in cash & Cash equivalents:(A+B+C)	(2,510,547)	6,344,895
Cash & Cash equivalents at the beginning of the year	10,961,920	4,617,025
Closing Cash & Cash equivalents at the end of the year	8,451,372	10,961,920



Managing Director



Director



Company Secretary

Signed as per our separate report on same date

SIMTEX INDUSTRIES LIMITED
Notes to the Financial Statements
For the year ended June 30, 2015

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.

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:

<u>Kind of assets</u>	<u>Rate of Depreciation</u>
a) Land & Developments	0%
b) Building & Fabricated Shade	10%
c) Plant & Machinery	10%
d) Trolley	10%
e) Gas and Electrical Line	10%
f) Electrical Equipment	10%
g) Spare parts and Tools	10%
h) Transport & Vehicle	10%
i) Office Equipment	10%
j) Furniture & Fixture	10%
k) Shade Book	15%
l) Int. Panton 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 incorporated in the accounts date December 31, 2012.

2.06 Investment in Securities:

Investment in quoted shares are 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:

We are a 100% export oriented sewing thread manufacture industry and member of BSTMEA. As per Sub-Section 3 of Section 232 of Bangladesh Labour Act 2006 re-placed by the Act No 30, Para 63 of the year 2013 as follows:

“in case of a 100% export-oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector-based central fund comprising of buyers and owners, form a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector.”

We have transferred total amount of Workers Profit Fund (WPPF) in Trustee account and we have not made provision during the year for WPPF because of not yet forming Board for fund raise and utilization by the government. The board shall format the rules of determination of subscription, procedure of collection and utilization of fund. We are a 100% export oriented company also the member of BSTMEA, that’s why company can’t recognize WPPF before forming Board for fund and utilization by the Authority.

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:

	2013-2014	2014-2015
	Cones	Cones
Total Production Capacity in Cones	37,500,000	37,500,000
Capacity Utilization in Cones	26,526,703	26,745,573
Capacity Utilization for the year	70.74%	71.32%

2.14 Capital expenditure commitment:

There was no capital expenditure commitment during the year.

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. Siddiqur 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
Mr. Md. Siddiqur Rahman	Land Purchase	45,696,080
Mrs. Mahfuza Rahman	Land Purchase	68,544,120



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. The Company has obtained consent letter No. BSEC/CI/IPO-215/2013/345 dated 23.07.2015 from Bangladesh Security Exchange Commission (BSEC) for capital raising from paid-up capital Tk. 287,500,000 to 587,500,000 through issuing number of Share 30,000,000 @ Tk. 20 each including premium Tk. 10 through Initial Public Offering (IPO).

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% 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-30. 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.



2.21 Leased Assets:

The company with a bid to acquire machinery and vehicle have executed lease agreement with Reliance Finance Limited and Trust Bank Limited as finance lease having terms and conditions.

Additional Information on Financial Statements:

2.22 Responsibility for preparation and presentation of financial statements:

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

2.23 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on August 23, 2015.

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, 2015.
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2015.
- c) Statement of Changes in Equity for the year ended June 30, 2015.
- d) Statement of Cash Flows for the year ended June 30, 2015.
- 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.

Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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, 2014 to June 30, 2015.



Amount in Taka	
30.06.2015	30.06.2014

3.00 PROPERTY, PLANT AND EQUIPMENT: Tk. 837,717,122

Opening Balance (at cost)	880,659,477	832,393,006
Add : Addition made during the year	150,199,981	48,266,471
Add : Revaluation Reserve	103,668,899	103,668,899
Less: Disposal	18,709,907	-
Closing Balance	1,115,818,450	984,328,376
Less : Accumulated Depreciation	278,101,328	226,721,648
Written Down Value	837,717,122	757,606,729
Total:		

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

4.00 MACHINERY IN TRANSIT: TK.0

	-	4,710,386
Total:	-	4,710,386

5.00 ACCOUNTS RECEIVABLE: Tk. 294,926,929

This is made up as follows:

Particulars

Accounts Receivable	562,065,795	598,748,553
Less: Adjustment of Inland Bill Purchase (5.01)	267,138,866	308,735,031
Total:	294,926,929	290,013,522

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	296,820,962	341,286,675
Dues within 3 months to 6 months	265,244,833	257,461,878
Total:	562,065,795	598,748,553

5.01 ADJUSTMENT OF INLAND BILL PURCHASE (Net off Assets & Liabilities) : Tk.267,138,866

This is made up as follows:

Particulars

	<u>Branch Name</u>	<u>No. of L/C</u>
Jamuna Bank Limited	Foreign Exchange branch, Motijheel	-
Southeast Bank Limited	Principal Branch, Motijheel	42,547,624
Trust Bank Limited	Millennium Corporate Branch, Dhaka	224,591,242
Total:		308,735,031

6.00 INVESTMENT : Tk.43,595,289

This represents Investment made by the Company in Reliance Brokerage Services Limited. The Investment is made up as under:

Investment In Shares	43,595,289	60,559,367
Total:	43,595,289	60,559,367

	<u>Cost Price</u>		
FAS Finance & Investment Ltd.	54,192,361	42,864,014	60,513,902
Grameen Phone	850,960	731,275	-
Lanka Bangla Finance Ltd.	-	-	45,465
Total:	55,043,321	43,595,289	60,559,367



Amount in Taka	
30.06.2015	30.06.2014

7.00 ADVANCE, DEPOSITS & PREPAYMENTS: Tk. 32,082,307

This is made up as follows:

Particulars

Advance, Deposit & Prepayments

Tax Deductions at source (TDS)
Advances against Expenses
Advances against Purchases
Prepaid Insurance Premium
Advanced against salary

24,905,811	26,680,342
4,148,074	9,401,511
6,961,800	3,653,468
11,072,000	12,136,705
1,621,027	1,346,356
1,102,910	142,302

Deposit

L/C margin deposit
Material in Transit
Bank Guarantee Margin
Security Deposit (7.01)

7,176,496	26,916,369
2,901,806	12,253,482
-	9,232,261
-	406,861
4,274,690	5,023,765

Total:

32,082,307	53,596,711
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7.01 SECURITY DEPOSIT: Tk. 4,274,690

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.

454,790	1,019,965
1,713,800	1,713,800
16,000	16,000
2,090,100	2,274,000

Total:

4,274,690	5,023,765
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8.00 INVENTORY: Tk. 222,529,822

The above balance is made up as follows:

Particulars	30.06.2015		30.06.2014	
	Qty.Kgs/Pcs	Taka	Qty.Kgs/Pcs	Taka
Raw material of Yarn	681,227.52 Kgs	156,982,071	632,191.49Kgs	145,682,209
Raw material of Dyes & Chemical	63,986.90 Kgs	30,751,468	52,395.71 Kgs	25,180,857
Packing Materials	16,000 kgs & 3,302,170 pcs	7,963,806	17,000 kgs & 3,655,172 pcs	9,252,508
Work-in-process	31,190.94 Kgs	7,829,625	24,122 Kgs	6,055,162
Finished goods	404,316 Cones	19,002,852	383,508 Cones	18,024,857
Total:		222,529,822		204,195,593

9.00 CASH & CASH EQUIVALENT: Tk. 8,451,372

This is made up as follows:

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

2,587,914	2,820,522
3,765	818,753
5,859,693	7,322,645

Total:

8,451,372	10,961,920
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9.01 CASH IN HAND: Tk.2,587,914

This Balance Represent as per cash folio of the Company.



Amount in Taka	
30.06.2015	30.06.2014

9.02 CASH AT BANK: Tk. 5,859,693

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	3,646,138	2,895,035
Trust Bank Ltd.	CD-011882	Millennium Branch	6,578	8,225
Trust Bank Ltd.	CD-0320	Millennium Branch	-	2,659,293
Trust Bank Ltd.	CD-118	Millennium Branch	1,798,455	-
Mercantile Bank Ltd.	CD-77163	Main Branch	120,445	1,362,615
Southeast Bank Ltd.	CD-48059	Principal Branch	288,077	397,477
Total:			5,859,693	7,322,645

We have verified and reconciled the above Bank balances with the Bank statements as at June 30,2015 and found correct.

10.00 SHARE CAPITAL: Tk. 287,500,000

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

28,750,000 Ordinary Shares of Tk.10 each

287,500,000

287,500,000

Name of the Directors & Share Holders

	30.06.2015		30.06.2014	
	No. of Shares	Face value	No. of Shares	Face value
Mr. Md. Siddiqur Rahman	14,909,750	149,097,500	14,909,750	149,097,500
Mrs. Mahfuza Rahman	2,127,500	21,275,000	2,127,500	21,275,000
Mr. Md. Shafiquzzaman	143,750	1,437,500	143,750	1,437,500
Maj. (Retd) Nazmus Sakeve jugbhery	437,000	4,370,000	437,000	4,370,000
Mr. Neaz Rahman Shaqib	1,380,000	13,800,000	1,380,000	13,800,000
Mr. Istiaq Rahman Imran	1,380,000	13,800,000	1,380,000	13,800,000
Mrs. Amina Sultana Daisy	1,265,000	12,650,000	1,265,000	12,650,000
Mr. Md. Zahangir Alam	437,000	4,370,000	437,000	4,370,000
Mrs. Jannatul Maua	1,380,000	13,800,000	1,380,000	13,800,000
Mr. Md. Ensan Ali Sheikh	1,265,000	12,650,000	1,265,000	12,650,000
Mrs. Hafiza Khanam	1,265,000	12,650,000	1,265,000	12,650,000
Mr. Abu Hassan	1,380,000	13,800,000	1,380,000	13,800,000
Mr. Md. Abdus Sattar	1,380,000	13,800,000	1,380,000	13,800,000
	28,750,000	287,500,000	28,750,000	287,500,000

11.00 RESERVE & SURPLUS: Tk. 103,668,899

This is made up as follows:

Opening Revaluation Surplus on Land & Development

103,668,899

103,668,899

Add : Revaluation Surplus on Land during the year

-

-

This Balance Represents as per last Accounts

103,668,899

103,668,899

12.00 RETAINED EARNINGS: Tk. 262,518,542

This is made up as follows:

Balance as on 01.07.2014

165,901,062

107,561,692

Add : Net Profit/(Loss) During the Year

96,617,480

95,839,370

Less : Stock Dividend 2012-2013

-

(37,500,000)

Total:

262,518,542

165,901,062



Amount in Taka	
30.06.2015	30.06.2014

13.00 LONG TERM LOAN FROM BANK & FINANCIAL INSTITUTION Tk. 417,771,816

Particulars	<u>Name of Branch</u>		
Reliance Finance Limited (13.01)	Motijheel, Dhaka	86,793,186	88,130,217
TBL-HPSM (13.02)	Millennium Branch, Jahangir Gate, Dhaka	391,595,375	452,485,861
SEBL-Term loan (13.03)	Principal Branch, Dilkusha	1,588,747	-
Total Term Loan Outstanding		479,977,308	540,616,078
Less: Current Portion		62,205,492	63,503,325
Total:		417,771,816	477,112,753

13.01 RELIANCE FINANCE LIMITED

Nature of Loan	<u>Name of Branch</u>		
Time Loan (13.1.1)	Motijheel, Dhaka	80,000,000	80,000,000
Lease Finance (13.1.2)	Motijheel, Dhaka	6,793,186	8,130,217
Total:		86,793,186	88,130,217

13.1.1 TIME LOAN

Particulars	<u>Name of Branch</u>	<u>Agreement No.</u>		
Reliance Finance Limited	Motijheel, Dhaka	TL47012	80,000,000	80,000,000
Total:			80,000,000	80,000,000

This loan is secured by registered mortgage of 40 decimal lands located at Chotokakor, Ashulia, Dhaka- 1241 and personal guarantee of all Directors of the Company. This loan is repayable principal amount at the end of the period if not renewed. The loan bears 19% interest which is subject to change time to time.

13.1.2 LEASE FINANCE

Particulars	<u>Name of Branch</u>	<u>Agreement No.</u>		
Reliance Finance Limited	Motijheel, Dhaka	REFL/SIL/3329/201	6,793,186	8,130,217
Total:			6,793,186	8,130,217

This loan is secured by registration & Insurance of the Vehicle (s) in the name of Reliance Finance Limited and Personal guarantee of all Directors of the Company. This loan is repayable in 60 equal monthly rentals.

13.02 PROJECT LOAN-TBL

Particulars	<u>Name of Branch</u>	<u>A/C NO.</u>		
Trust Bank Ltd.	Millennium Branch, Jahangir Gate, Dhaka	0018	387,937,172	448,284,861
Trust Bank Ltd.	Millennium Branch, Jahangir Gate, Dhaka	0027	3,658,203	4,201,000
Total:			391,595,375	452,485,861

This loan 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. This Loan is secured by registered mortgage of 722.64 Decimal land located at Khagan, Gouripur, Bashaid, Aukpara Ashulia and joarsahara Bashundhara Dhaka and personal guarantee of all Directors of the Company. This Loan is repayable in 60 equal monthly installments as per sanction letter. The loan bears 15% interest which is subject to change time to time.



13.03 TERM LOAN-SEBL

Southeast Bank Ltd. Principal Branch, Dilkusha

A/C NO.

7185

Total:

Amount in Taka	
30.06.2015	30.06.2014
1,588,747	-
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 15% interest which is subject to change time to time.

14.00 DEFERRED TAX : Tk. 15,416,617

Carrying Value

837,717,122

757,606,729

Tax Base

734,939,677

594,648,659

Temporary/(Deductible) Difference

102,777,445

162,958,071

Effective Tax Rate

15%

15%

Deferred Tax Liability/(Asset)

15,416,617

24,443,711

15.00 ACCOUNTS PAYABLE: Tk. 2,074,151

This is made up as follows:

Particulars

Sagar Packaging Ltd.

-

53,000

Keya Packaging Industries.

470,000

334,000

Olympic Accessories Ltd.

748,000

246,500

Excel Trade Link Ltd.

-

164,300

Islam Brothers Ltd.

32,201

84,000

M A Accessories Ltd.

-

377,000

Tanim Plastic Industries

589,950

637,200

Hawa Enterprise

152,000

300,000

M/S Jewel Packaging

82,000

100,000

Total:

2,074,151

2,296,000

16.00 SHORT TERM LOAN FROM BANK (Secured): Tk. 264,546,617

This is made up as follows:

Particulars

Loan Against Trust Received (LTR)

114,101,470

196,933,697

Cash Credit Loan (C C)

445,147

10,500,000

Time Loan

150,000,000

-

264,546,617

207,433,697

17.00 CURRENT PORTION OF LONG TERM LOAN: Tk. 62,205,492

This is made up as follows:

Particulars

Name of Branch

Reliance Finance Limited

Motijheel, Dhaka

1,585,421

1,323,810

Trust Bank Limited

Millennium Branch, Jahangir Gate, Dhaka

59,828,071

62,179,515

Southeast Bank Ltd. (SEBL)

Principal Branch, Motijheel

792,000

-

Total:

62,205,492

63,503,325



Amount in Taka	
30.06.2015	30.06.2014

18.00 LIABILITY FOR EXPENSES: Tk. 9,121,460

This is made up as follows:

Particulars

Salary & Wages	7,469,254	6,908,960
Electricity Bill	151,929	160,037
Telephone Bill	1,105	2,485
WPPF Payable	-	11,084,423
Internet Bill	14,000	14,000
Office Rent	23,980	23,980
Audit Fees	172,500	172,500
Gas bill	1,288,692	2,449,386
Total:	9,121,460	20,815,771

19.00 PROVISION FOR INCOME TAX: Tk. 25,927,280

This is made up as follows:

Particulars

Opening Balance	22,680,416	13,410,743
Add: Provision for Current year tax (27.00)	15,669,852	19,113,022
Less: Tax Paid for Assessment Year 2012-2013	(1,521,477)	(2,400,000)
Less: Tax Paid for Assessment Year 2013-2014	(1,500,000)	-
Less: Adjustment during the year	(9,401,511)	(7,443,349)
Closing Balance as on June 30, 2015	25,927,280	22,680,416

20.00 TURNOVER: Tk. 1,364,024,239

This is made up as follows:

Export Sales (20.01)	1,364,024,239	1,359,191,916
Total	1,364,024,239	1,359,191,916

20.01 EXPORT SALES

Particulars	30.06.2015		30.06.2014	
	Qty (Kgs)	Taka	Qty (Kgs)	Taka
Sewing Thread	2,841,773	1,290,165,216	2,828,712	1,284,235,361
Poly Corespun Thread	7,478	8,764,041	9,771	11,451,376
Filament Thread	97,448	65,094,983	95,068	63,505,179
Total	2,946,699	1,364,024,239	2,933,551	1,359,191,916

21.00 COST OF GOODS SOLD: Tk. 1,058,455,527

Raw materials Consumption (21.01)	736,193,830	734,530,146
Dyes & Chemical Consumption (21.02)	88,047,372	85,632,552
Packing Materials Consumption (21.03)	75,932,300	74,883,645
Factory Overhead (21.04)	164,120,233	169,650,760
Cost of Production	1,064,293,735	1,064,697,103
	(1,774,463)	(2,643,462)
Opening work-in process	6,055,162	3,411,700
Closing work-in process	7,829,625	6,055,162
	(977,995)	(9,734,877)
Opening finished goods	18,024,857	8,289,980
Closing finished goods	19,002,852	18,024,857
Goods available for sale	1,061,541,277	1,052,318,764
Sample expense	(3,085,750)	(510,366)
Total Cost of Goods Sold	1,058,455,527	1,051,808,398



		Amount in Taka	
		30.06.2015	30.06.2014
21.01 RAW MATERIALS CONSUMPTION: Tk. 736,193,830			
Opening Inventory		145,682,209	143,854,720
Add: Purchased during the year		747,493,692	736,357,635
Less: Closing Inventory		156,982,071	145,682,209
		736,193,830	734,530,146
21.02 DYES & CHEMICAL CONSUMPTION: Tk. 88,047,372			
Opening Inventory		25,180,857	14,246,458
Add: Purchased during the year		93,617,983	96,566,951
Less: Closing Inventory		30,751,468	25,180,857
		88,047,372	85,632,552
21.03 PACKING MATERIALS CONSUMPTION: Tk. 75,932,300			
Opening Inventory		9,252,508	4,728,482
Add: Purchased during the year		74,643,598	79,407,671
Less: Closing Inventory		7,963,806	9,252,508
		75,932,300	74,883,645
21.04 FACTORY OVERHEAD: Tk. 164,120,233			
This is made up as follows:			
Particulars			
Wages		80,545,083	80,252,170
Overtime		4,314,640	4,142,785
Tiffin Bill		2,624,892	2,734,262
Electricity Bill		1,855,039	7,344,402
Repair & Maintenance		2,657,596	2,768,329
Festival Bonus for workers		1,482,502	1,335,940
Loading & Unloading-Labor		408,042	425,044
Fuel & Lubricant		3,790,290	3,948,219
Gas Bill		15,428,324	12,507,473
ETP. Operating Expense		750,915	782,203
Depreciation		50,262,910	53,409,933
	Total:	164,120,233	169,650,760
22.00 ADMINISTRATIVE EXPENSES: Tk. 28,156,272			
This is made up as follows:			
Particulars			
Salary & allowance		9,184,121	9,045,959
Director's Remuneration		2,130,000	2,130,000
Tours & Travelling Expenses		1,835,950	1,704,115
Board Meeting Attendance Fee		105,000	138,000
Festival Bonus		1,161,290	1,105,510
Mobile Bill		553,116	555,329
Internet Bill		168,000	168,000
Telephone Bill		27,097	28,226
Electricity Expenses		180,173	187,680
Subscription and donation		9,264	9,650
Audit Fees		172,500	172,500
Fees Forms and Renewal		250,130	260,552
Entertainment		707,361	580,584
Managing Director Remuneration		600,000	600,000
Office Rent		119,900	119,900
Canteen Subsidy		447,792	345,617
Fees		40,589	42,280



	Amount in Taka	
	30.06.2015	30.06.2014
House Rent	432,000	-
Medical Expenses	154,188	108,529
Insurance	2,154,590	1,784,303
Office Maintenance	257,196	205,412
Miscellaneous Expenses	90,936	73,892
Staff Uniform	106,573	105,805
Car Maintenance	159,557	166,205
Fuel & Lubricant	816,098	850,102
Conveyance	930,812	926,887
Postage & Courier	198,447	175,466
Stationery Expenses	568,586	566,235
Depreciation	4,595,008	5,734,065
Total:	28,156,272	27,890,803

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	105,000	138,000

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) Eight (08) 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.

23.00 SELLING & DISTRIBUTION EXPENSES: Tk. 5,809,272

This is made up as follows:

Particulars

Advertisement	139,692	145,513
Promotional Expenses	77,596	80,829
Conveyance	508,959	530,166
Collection and C & F Charges	554,092	160,512
Expenses for Product development	376,514	392,202
Sample Expenses	3,085,750	510,366
Fuel & Lubricant for Vehicle	907,476	945,288
Car Maintenance	159,192	165,825
Total:	5,809,272	2,930,701

24.00 FINANCIAL EXPENSES: Tk. 168,888,027

This is made up as follows:

Particulars

Bank Charges, Commission & Brokerage Fees	2,082,076	1,718,499
Interest on CC Loan-294	-	230,050
Interest on CC Loan-TBL	2,618,516	3,092,599
Interest on CC Loan-SEBL	1,872,081	-
Interest on IBP	39,085,631	34,883,387
Interest on Term Loan-217	-	2,786,327
Interest on HPSM General-0016	397,965	-
Interest on Term Loan 7185	160,747	-
Interest on Term Loan-HPSM on TBL	63,729,114	59,684,861
Interest on RFL	26,220,630	22,976,243
Interest on LTR	32,721,267	16,617,558
Interest on IIDFC	-	3,309,953
Total:	168,888,027	145,299,477



		Amount in Taka	
		30.06.2015	30.06.2014
25.00 OTHER INCOME: Tk. 545,095			
This is made up as follows:			
Particulars			
Dividend Income		3,616,318	1,873,049
Realized Gain/Loss on sale of Share		(39,553)	-
Gain/(Loss) on disposal of Vehicle		(3,031,670)	-
Total:		545,095	1,873,049
26.00 WORKERS PROFIT PERTICIPATION FUND: Tk. 0			
Opening Balance		11,084,423	4,744,633
Addition During The Year (Note: 26.01)		-	6,339,790
		11,084,423	11,084,423
Paid During The Year		11,084,423	-
Total:		-	11,084,423
26.01 WPPF ADDITION: Tk. 0			
Profit Before Tax & WPPF		103,260,237	133,135,586
WPPF	Profit Before Tax x 5 105	-	6,339,790
27.00 CURRENT YEAR TAX : TK. 15,669,852			
This is made up as follows:			
Particulars			
Profit before Tax except other Income		99,643,919	
Tax Rate on Operating Profit		15%	
Tax On Operating Profit		14,946,588	18,738,412
Tax on Other Income (Dividend)	3,616,318	20%	723,264
		14,946,588	18,738,412
Total:		15,669,852	19,113,022
28.00 CURENT YEAR DEFERRED TAX : Tk.-9,027,094			
This is made up as follows:			
Particulars			
Total Deferred Tax		15,416,617	24,443,711
Less: Opening Balance		24,443,711	12,600,307
Total:		(9,027,094)	11,843,404
29.00 OTHER COMPREHANCIVE INCOME: TK.-17,736,626			
This is made up as follows:			
Fair Value Gain/(Loss)		(17,736,626)	6,288,594
Total:		(17,736,626)	6,288,594
30.00 i) EARNINGS PER SHARE			
Net Profit after Taxes		96,617,480	95,839,370
Weighted Average No. of Share (Note: ii)		28,750,000	28,750,000
Earning per share (Taka)		3.36	3.33
ii) Weighted average/Total existing no. of share:			
Opening no. of share outstanding		28,750,000	25,000,000
Add: Issued during the year		-	3,750,000
		28,750,000	28,750,000



Simtex Industries Limited
Schedule of Property, Plant & Equipment
For the Year ended 30 June 2015

Schedule-A/1
Amount in Taka

Particulars	Cost Value					Rate	Depreciation			W. D. V As on 30.06.2015
	Opening Balance As on 01.07.14	Addition during the Year	Revaluation Surplus	Disposal	Closing Balance As on 30.06.2015		Charged during the Year	Disposal	Closing Balance As on 30.06.15	
Factory:										
Land & Development	107,271,801	114,240,200	103,668,899		325,180,900	0%	-		-	325,180,900
Building & Fabricated Shade	218,755,853	1,696,300			220,452,153	10%	15,138,910		82,647,022	137,805,131
Plant and Machinery	393,950,365	10,725,366			404,675,731	10%	28,222,598		149,065,630	255,610,101
Trolley	67,058	-			67,058	10%	3,324		37,141	29,917
Gas and Electrical Line	5,141,080	-			5,141,080	10%	405,471		1,491,837	3,649,243
Electrical Equipment	50,231,778	-			50,231,778	10%	3,906,321		15,074,893	35,156,885
Spare Parts & Tools	28,073,650	2,477,761			30,551,411	10%	2,299,544		8,410,156	22,141,255
Furniture and Fixture	3,181,800	1,255,000			4,436,800	10%	286,741		810,297	3,626,503
Sub Total	806,673,385	130,394,627	103,668,899		1,040,736,911		50,262,910		257,536,977	783,199,934
Office										
Transport & Vehicles	50,255,069	17,979,564		18,709,907	49,524,726	10%	2,688,432	3,478,238	12,432,605	37,092,121
Office Equipment	9,284,897	1,143,450			10,428,347	10%	778,751		2,869,529	7,558,818
Furniture and Fixture	9,709,609	500,000			10,209,609	10%	742,337		3,528,576	6,681,033
Shade Book	115,000				115,000	15%	6,674		77,181	37,819
Int. Pantton Book	84,500				84,500	15%	5,449		53,624	30,876
Air Condition	3,825,500	180,000			4,005,500	10%	292,246		1,255,286	2,750,214
Crockeries	114,017	2,340			116,357	10%	8,287		41,381	74,976
Software	597,500				597,500	20%	72,832		306,170	291,330
Sub Total	73,986,092	19,805,354	-	18,709,907	75,081,539		4,595,008	3,478,238	20,564,351	54,517,188
GRAND TOTAL	880,659,477	150,199,981	103,668,899	18,709,907	1,115,818,450	-	54,857,918	3,478,238	278,101,328	837,717,122

