Apex™

ANNUAL REPORT
2017 - 2018

AMAR STOCK

Apex Footwear Limited

Events of AGM



27th Annual General Meeting held on 12 November 2017





Shareholders speaking at the 27th Annual General Meeting



Shareholders at the 27th Annual General Meeting

Apex's Board of Directors











Clockwise from top left:

Syed Manzur Elahi
Chairman

Syed Nasim Manzur
Managing Director

Kazi Sanaul Hoq
Director

Munize Manzur
Director

Dr. Mohammed Farashuddin
Independent Director

Apex's Management Team



Syed Nasim Manzur
Managing Director



Abdul Momen Bhuiyan
DMD & Chief Executive Officer (Unit-1)



Rajendran Chandran Pillai
Chief Executive Officer (Unit-2)



Dilip Kajuri
Chief Financial Officer



Sudarshan Reddy
Chief Operating Officer



Syed Masud Nizam
Chief Commercial Officer



S. M. Shahjahan
Company Secretary



Atiqul Islam
Sr. General Manager



Syed Md. Mustaque
Sr. General Manager



Md. Azam Khan
General Manager



Quazi Salahuddin Mahmud
General Manager



Pradip Kanti Saha
General Manager



Md. Mizanur Rahman
General Manager



Razya Rahim Chowdhury
General Manager



Mohammad Akhter Aziz
General Manager



Md. Fazlul Bakey
General Manager



Md. Alauddin Khan
General Manager



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Corporate Directory

BOARD OF DIRECTORS

Syed Manzur Elahi	Chairman
Syed Nasim Manzur	Managing Director
Kazi Sanaul Hoq	Director
Munize Manzur	Director
Dr. Mohammed Farashuddin	Independent Director

BOARD AUDIT COMMITTEE

Dr. Mohammed Farashuddin	Chairman
Syed Manzur Elahi	Member
Munize Manzur	Member

MANAGEMENT TEAM

Syed Nasim Manzur	Managing Director
Abdul Momen Bhuiyan	Deputy Managing Director & Chief Executive Officer (Unit-1)
Rajendran Chandran Pillai	Chief Executive Officer (Unit-2)
Dilip Kajuri	Chief Financial Officer
Sudarshan Reddy	Chief Operating Officer
Syed Masud Nizam	Chief Commercial Officer
S. M. Shahjahan	Company Secretary
Atiqul Islam	Senior General Manager- Leather
Syed Md. Mustaque	Senior General Manager- Factory
Md. Azam Khan	General Manager- Planning
Quazi Salahuddin Mahmud	General Manager- Technical
Pradip Kanti Saha	General Manager- Planning & Business Development
Md. Mizanur Rahman	General Manager- Human Resources
Razya Rahim Chowdhury	General Manager- Product
Mohammad Akhter Aziz	General Manager- Merchandising
Md. Fazlul Bakey	General Manager
Md. Alauddin Khan	General Manager- Finance

STATUTORY AUDITORS

M/s. Hoda Vasi Chowdhury & Co.
Chartered Accountants

CORPORATE GOVERNANCE COMPLIANCE AUDITORS

M/s. Al-Muqtadir Associates
Chartered Secretaries

TAX ADVISOR

ATM Kamal Uddin
Partner, Section & Clause pc

LEGAL ADVISORS

Muhammad Mohsen Rashid
Advocate, Supreme Court of Bangladesh

Syed Afzal Hasan Uddin
Barrister
Advocate, Supreme Court of Bangladesh

REGISTERED OFFICE

House No. 06, Road No. 137, Block-SE(D), Gulshan-1
Dhaka-1212, Bangladesh
Email: info@apexfootwearltd.com
Phone: +88 02 55044841
Fax: +88 02 55044843
Web: www.apexfootwearltd.com

BANKERS

Bank Asia Limited
The City Bank Limited
Dhaka Bank Limited
Dutch-Bangla Bank Limited
Bank Al Falah Limited
State Bank of India
Mercantile Bank Limited
Prime Bank Limited
The Premier Bank Limited
Habib Bank Limited
National Credit and Commerce Bank Limited
Janata Bank Limited

FACTORY

Unit-1:

Ward No. 07, Holding No. G-66, Chandra
Kaliakoir Municipality, Kaliakoir, Gazipur.

Unit-2:

Ward No. 08, Holding No. D-53/5, East Chandra
Kaliakoir Municipality, Kaliakoir, Gazipur.

AMARSTOCK

Key Milestones

1990	Incorporation of the Company
1992	National Export Trophy-Silver: FY: 1991-1992
1993	Listing with Dhaka Stock Exchange Ltd.
1994	National Export Trophy-Gold: FY: 1993-1994
1995	Listing with Chittagong Stock Exchange Ltd.
1996	National Export Trophy-Gold: FY: 1995-1996
1997	National Export Trophy-Gold: FY: 1996-1997
1998	National Export Trophy-Gold: FY: 1997-1998
1999	National Export Trophy-Gold: FY: 1998-1999
2007	Production capacity reached 10,000 pairs/day
2008	Production capacity reached 15,000 pairs/day
2009	Awarded Compliance Certificate by Business Social Compliance Initiative (BSCI)
2010	Commenced commercial production for domestic market HSBC Export Excellence Award 2010 -Exporter of the Year Macy's 5 Star Vendor Award Member of UN Global Compact
2011	Macy's 5 Star Vendor Award
2012	Divisional Award for Highest VAT Payer - Category Business, FY: 2010-2011 Achieved WRAP Gold Certification Macy's 5 Star Vendor Award
2013	Unveiled New Corporate Logo Macy's 5 Star Vendor Award
2014	Divisional Award for Highest VAT Payer - Category Business, FY: 2012-2013 MCCI Centenary Award - Entrepreneurship Development Macy's 5 Star Vendor Award
2015	National Award for Highest VAT Payer - Category Business, FY: 2013-2014 COMMWARD 2015- Gold (Eid Campaign) AFL, Tannery Unit achieved ISO 14001:2004 Certification Compliance Certification by Business Social Compliance Initiative (BSCI) Achieved Supplier Ethical Data Exchange (SEDX) membership certification Macy's 5 Star Vendor Award
2016	National Award for Highest VAT Payer - Category Business, FY: 2014-2015 COMMWARD 2016 -1 Grand Prix (Eid Campaign) and 1 Silver (Eid Campaign) zLabels Best Performer Award - Logistic Achieved WRAP Gold Certification Compliance Certification by Business Social Compliance Initiative (BSCI) Achieved Membership from Better Work Bangladesh
2017	AFL, Tannery Unit achieved ISO 9001:2015 Certification AFL, Tannery Unit rated as 'GOLD' against LWG Audit Compliance Certification by Business Social Compliance Initiative (BSCI)
2018	Achieved Alliance standard in workplace safety Achieved WRAP Gold Certification Best strategic partner for 2017 by zLabels Compliance with amfori BSCI code of conduct by improving social performance in supply chain. Partnership with UNICEF, El Corte Ingles for "Better Business for Children." AFL, Tannery Unit achieved ISO 14001:2015 Certification

Our Global Standards

LWG Gold Rated

WRAP Gold Certification

Ensuring Building Safety

Works with UNICEF for "Better Business for Children"

Trade with Purpose by Improving Social Performance

Environmental Management System ISO 14001 : 2015

Quality Management System ISO 9001 : 2015

Follow Labour standards, Social Protection, and Work Opportunities

Trade Partnership Against Terrorism


প্রথম আলো

সোমবার

নিরীক্ষা মানে সেরা এপেক্স

এনভায়রনমেন্টালি স্বীকৃত ট্যানারি

APEX ACHIEVED THE BEST RATING IN LWG AUDIT

One of the most popular national dailies 'Prothom Alo' published an article on 03 September 2018 on leather and leather products where they stated that the Tannery Unit of Apex Footwear Limited at Chandra, Kaliakoir, Gazipur is the only Company in Bangladesh having certified by the Leather Working Group (LWG). Moreover, the Tannery Unit of Apex Footwear Limited has been rated as 'GOLD' against LWG audit. This certification assesses the compliance and environmental stewardship practices of leather manufacturers and provides a framework for rewarding good environmental practices.

Our Brands

Apex offers a diverse collection of shoes, sandals and accessories through its different brands. Through its nine in-house brands, the company provides footwear and lifestyle solutions for its diverse consumer base ensuring that there is something that is just right for each individual.

Apex

Apex offers an array of shoes and sandals from the finest quality leather and craftsmanship wrapped in comfort, only for those who value authenticity and originality above everything. When designing Apex, equal emphasis is given designs, comfort and durability.

Venturini

Venturini is an exclusively designed dress and casual shoe collection, tailor-made to suit the individualistic taste and luxurious lifestyle of a man who enjoys success. Venturini is the ultimate shoe made from the finest quality materials and premium accessories that exudes luxury and exclusivity in every step.

Maverick

Maverick is the definitive casual footwear brand with unique and trend-breaking designs for the fashionably relaxed, adventurous spirit. The designs focus on innovation and utmost comfort, to complement the unconventional yet cool demeanor of a Maverick.

Sprint

Sprint is the youthful lifestyle footwear brand for the outgoing, hip, youngsters. It is designed as cool and lightweight, keeping in mind the active lifestyle of today's youth. A Sprint shoe is style that performs.

nino rossi

Nino Rossi is all about grace and feminine designs created especially for the stylist at heart. Available in a variety of colours, shapes and designs, Nino Rossi offers diversity and freshness in its designs.

Moochie

Moochie is the exclusively crafted line of premium footwear for ladies who standout. Bold, attractive and sensual. Moochie is elegance personified, designed to excite and attract attention.

Sandra Rosa

Sandra Rosa is designed to cater for the young women with a unique sense of fashion. Sandra Rosa is made to reflect youthful exuberance and carefree lifestyle with bright, colours and trendy designs.

SchoolSmart

SchoolSmart is a range of children's school shoes made from materials that blend comfort and durability. Considerable thought has been given to health benefits of the children when designing SchoolSmart. The shoes have cushioned in-soles and are designed to be lightweight and fit accurately to support well being and growth of children.

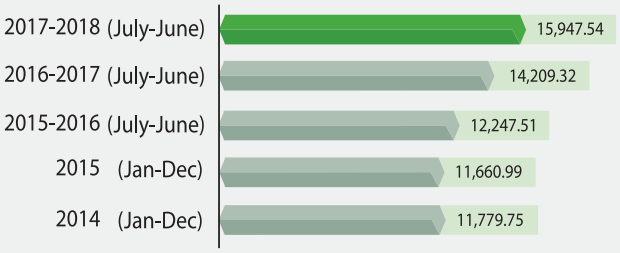
twinkler

For the active, fun-loving kids of today, Twinkler provides a wide range of designs that are fashionable, comfortable and durable. The brand delivers the right kind of footwear that is perfectly suited for the natural development of children's feet.

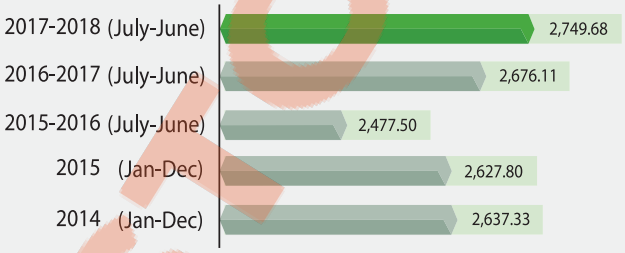
Key Financial Trends

BDT in Million except per share data

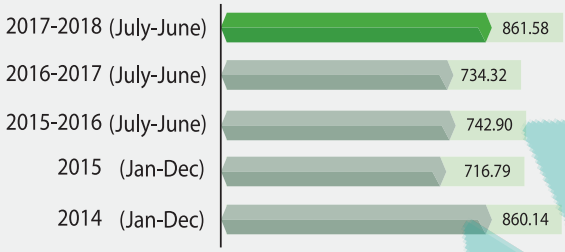
REVENUE
+ 12.23% YoY



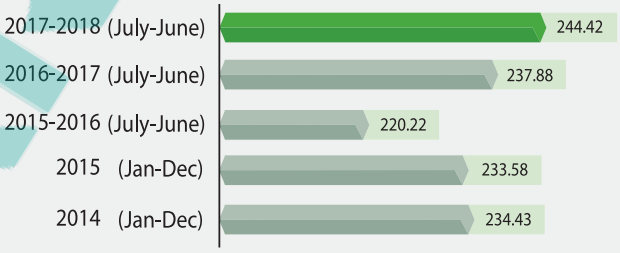
SHAREHOLDERS EQUITY
+2.75% YoY



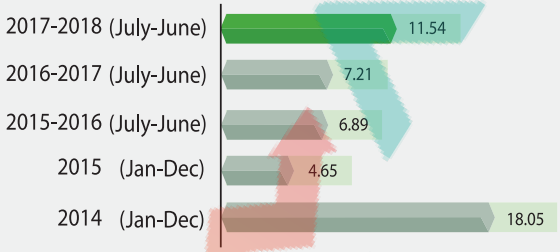
OPERATING PROFIT
+17.33% YoY



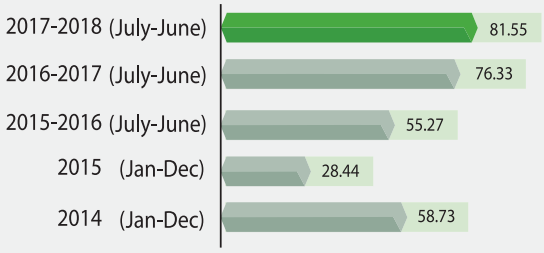
NAVPS
+2.75% YoY



EPS
+60.05% YoY



NOCFPS
+6.84% YoY



AMARSTOCK

Profile of Board of Directors



Syed Manzur Elahi
Chairman

Syed Manzur Elahi, is an Alumni of Dhaka University, having a Masters in Economics. He is the Founding Chairman of Apex Footwear Ltd., Apex Tannery Ltd., Pioneer Insurance Co. Ltd. and Mutual Trust Bank Ltd., which are all listed as "A" category on the Main Board of the Stock Exchanges. He is also the Founding Chairman of Apex Enterprises Ltd., Grey Advertising Bangladesh Ltd., Blue Ocean Footwear Ltd. and Quantum Consumer Solutions Ltd. Besides the foregoing, he also chairs Apex Pharma Ltd., Apex Investments Ltd., ManusherJonno Foundation and Bangladesh Freedom Foundation. He also serves on the Board of International Publications Ltd. which publishes the Financial Express, Credit Rating Agency of Bangladesh Ltd. (CRAB), Board of Trustees of Centre for Policy Dialogue (CPD) and Diabetic Association of Bangladesh. He previously served as the Chairman of the Bangladesh Association of Banks (BAB), Central Depository Bangladesh Ltd., Chairman of the East West University Foundation (EWUF), Vice Chairman of the Bangladesh Association of Publicly Listed Companies (BAPLC) and Director of Bangladesh Bank, Sonali Bank, Bangladesh Krishi Bank, Export Promotion Bureau (EPB), Bangladesh, President of the Metropolitan Chamber of Commerce and Industry (MCCI), Member, Regulatory Reforms Commission, Member, Public Administration Reforms Commission and Trustee of Freedom Foundation, President, Bangladesh Employers' Association (BEA), President of the Dhaka University Alumni Association (DUAA), and Honorary Consul for Belgium in Bangladesh. He has won numerous awards for his contribution to trade and industry, which include Business Executive Award and Business Person of the Year. Besides being an eminent and well recognized industrialist and business leader, he has served twice in the Cabinet of the People's Republic of Bangladesh, holding some of the most important portfolios, as Adviser to Caretaker Governments in the year 1996 and 2001. He has earned international recognition and respect for his leadership and professional qualities. He is also a well known philanthropist.



Syed Nasim Manzur
Managing Director

Syed Nasim Manzur graduated in Economics in Entrepreneurial Management from the Wharton School of the University of Pennsylvania in 1990. He is the Chairman of Landmark Footwear Ltd. and Founding Director of Apex Footwear Ltd., Quantum Consumer Solutions Ltd., Blue Ocean Footwear Ltd., Apex Investments Ltd., and Guardian Life Insurance Ltd. He is also a Director of Apex Tannery Ltd., Apex Pharma Ltd., Grey Advertising Bangladesh Ltd., Apex Enterprises Ltd., Pioneer Insurance Co. Ltd. International Publications Ltd., Sunbeams School Limited and Advisor of the Leathergoods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB). He is an avid art enthusiast and takes keen interest in promoting art and culture through the Society for Promotion of Bangladesh Art (SPBA). He is also a Director of an internationally acclaimed Non Government Organization called FRIENDSHIP which provides health and educational service in remote and inaccessible chars of the Northern region of the Country through self propelled floating hospitals and riverine ambulances etc. He is the past President of Metropolitan Chamber of Commerce and Industry (MCCI). He is also a regular guest speaker at the National Defence College (NDC), Mirpur, Dhaka.



Kazi Sanaul Hoq
Director

Mr. Kazi Sanaul Hoq joined as Director on the Board of Apex Footwear Limited in September, 2017 as nominated by Investment Corporation of Bangladesh (ICB). He has been the Managing Director of Investment Corporation of Bangladesh since 10 August 2017, the core public sector investment bank of the country. He started his career as a Senior Officer in ICB on 25 October 1984 and served different position in the same organization. Before his joining he acted as Managing Director at Rajshahi Krishi Unnayan Bank (RAKUB). During his service life he served different Banks and Financial Institutions. He served as Managing Director (Current Charge) and Deputy Managing Director at Agrani Bank Ltd. In addition to that Kazi Sanaul Hoq served as General Manager at Bangladesh Development Bank Ltd. He also served as CEO at ICB Securities Trading Company Ltd. He has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh Co. Ltd., Linde Bangladesh Limited, GlaxoSmithKline Bangladesh Ltd., Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust, United Power Generation & Distribution Co. Ltd., Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL) and some other Directorship. He completed his B. Com (Hon's) and M. Com in Accounting from the University of Dhaka.



Munize Manzur
Director

Munize Manzur obtained her B.A. in English Literature from Bryn Mawr College, Pennsylvania, USA and a Masters in Broadcasting, Telecommunications and Mass Media from Temple University, Philadelphia, Pennsylvania, USA. She is the Managing Director of Sunbeams School Limited. Aside from teaching English, she performs administrational duties for effective school performance and is a member of the Governing Body for policy-making decisions. In addition to her present role, she is a member of the Audit and CSR committees of Apex Footwear Ltd. She was a founding Director of Mutual Trust Bank Limited, during her time on the Board she effectively contributed as chairperson of various committees. She was also the Literary Editor of The Daily Star and author of an anthology, published in 2013.



Dr. Mohammed Farashuddin
Independent Director

Dr. Mohammed Farashuddin has been elected as an Independent Director on the Board of Apex Footwear Limited in May, 2017. He is the Chairperson of Board of Trustees, East West University, Member, Executive Council of South Asian University, Senate Member, University of Dhaka, Syndicate Member, Jagannath University, Syndicate Member, Sylhet Agricultural University and also a Member of the International Civil Service Commission (ICSC) of the United Nations for a four year term starting from January 01, 2017. Professor Mohammed Farashuddin has been appointed as the Chairperson of the Government Committee for determining the Vision, Size and Strategic Direction for Higher Education in Bangladesh 2015-2030. Previously, he has served as Chairman in different Government autonomous bodies and organizations such as Planning Commission Reorganizing Committee, Pay and Service Commission-2013, Sonali Bank-1998, Palli Karma-Sahayak Foundation (PKSF), Governor of Bangladesh Bank-1998 to 2001 and others. As a Governor of Bangladesh Bank, he introduced major reforms toward health, sound and default free banking system and as the Controller of Capital Issues in the Ministry of Finance, he helped to create a new look and potentially vigorous Capital Market. He also assisted in the opening of the banking and insurance to the private sector.

Dr. Mohammed Farashuddin did his BA Honors and MA in Economics from University of Dhaka. MA (Econ), MA (Political Economy) and Ph.D as an outstanding foreign student from Boston University, USA and a certificate course in Project Planning from Project Planning Centre Bradford University, UK. He has been honored with various awards home and abroad in recognition of his contribution in economics, higher education, banking and public service. Dr. Farashuddin has a good number of publications to his credit.

Apex Footwear Limited

Notice of Annual General Meeting

Notice is hereby given that the **28th Annual General Meeting of APEX FOOTWEAR LIMITED** will be held on **Wednesday, 14 November 2018 at 10:30 a.m. at Bangladesh Shooting Sport Federation, Shooting Complex, Gulshan-1, Dhaka-1212** to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2018 and the Reports of the Auditors and Directors thereon.
2. To declare Dividend for the financial year ended on 30 June 2018.
3. To elect Director.
4. To appoint Statutory Auditors for the year 2018-2019 and to fix their remuneration.
5. To appoint Compliance Auditor for the year 2018-2019.

By order of the Board

Dhaka, 30 October 2018

S. M. Shahjahan
Company Secretary

Notes:

a) The Record Date of the Company is Sunday, 14 October 2018.

b) The Form of Proxy, duly stamped with a revenue stamp of Tk. 20.00 must be deposited at the registered office of the Company not later than 72 hours before the meeting.

c) In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013, No Gift /Gift Coupon/ Food Box /Biscuit Box shall be distributed at the Annual General Meeting.

AMARSTOCK

Key Financial Highlights

BDT in Million except per share data

	12 Months Ended				
	2017-2018 (July-June)	2016-2017 (July-June)	2015-2016 (July-June)	2015 (Jan-Dec)	2014 (Jan-Dec)
Authorized Capital	500.00	500.00	500.00	500.00	500.00
Issued, Subscribed & Paid up Capital	112.50	112.50	112.50	112.50	112.50
Sales	15,947.54	14,209.32	12,247.51	11,660.99	11,779.75
Gross Profit	3,332.95	2,832.52	2,467.88	2,214.51	2,132.97
Profit before Tax	243.77	204.02	186.29	147.41	303.56
Profit after Tax	129.83	81.13	77.47	52.34	203.09
Non-Current Assets	4,096.81	3,276.61	2,889.81	2,724.33	2,411.99
Current Assets	10,943.98	10,602.99	10,375.17	10,150.05	9,975.63
Shareholders' Equity	2,749.68	2,676.11	2,477.50	2,627.80	2,637.33
Non- Current Liabilities	1,400.73	924.77	1,101.41	825.68	1,171.49
Current Liabilities	10,890.38	10,278.73	9,686.06	9,420.91	8,578.79
Net Current Assets	53.60	324.26	689.10	729.15	1,396.84
Current Ratio (Times)	1.01	1.03	1.07	1.08	1.16
Quick Ratio (Times)	0.32	0.33	0.34	0.16	0.19
Return on Shareholders' Fund (%)	4.72	3.03	3.13	1.99	7.70
Interest Coverage Ratio (Times)	1.40	1.39	1.34	1.26	1.56
Earning Per Share (Taka)	11.54	7.21	6.89	4.65	18.05
Cash Dividend Per Share (%)	55.00	50.00	-	50.00	55.00
Market Value Per Share at year end (Taka)	360.90	344.20	319.40	347.03	443.49
Net Asset Value Per Share (Taka)	244.42	237.88	220.22	233.58	234.43
Net Operating Cash Flow Per Share (Taka)	81.55	76.33	55.27	28.44	58.73
Price Earning Ratio (Times)	31.27	47.73	46.38	74.63	24.57

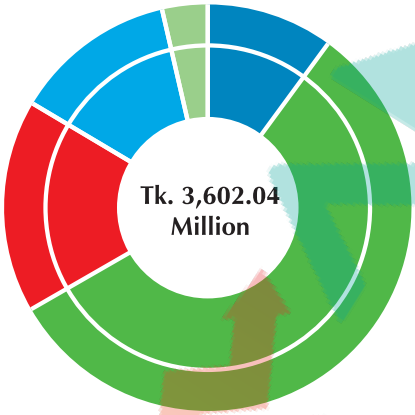
Value Added Statement

For the period ended 30 June 2018

BDT in Million

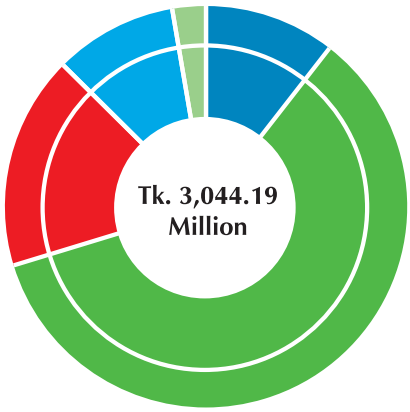
	July'17 - June'18		July'16 - June'17	
Source of Fund				
Revenue	16,237.90		14,471.94	
Bought in Materials and Services	(12,638.15)		(11,430.30)	
Other Income	2.29		2.55	
Value Added	**3,602.04**		**3,044.19**	
Application of Fund		**%**		**%**
National Exchequer	362.19	10.06	320.01	10.51
Salaries & Benefits to Employees	2,039.59	56.62	1,819.48	59.77
Interest & Charges	607.91	16.88	522.66	17.17
Depreciation	462.52	12.84	299.98	9.85
Retained Earnings	129.83	3.60	82.06	2.70
	3,602.04	**100.00**	**3,044.19**	**100.00**

2017-2018



- National Exchequer **10.06%**
- Salaries & Benefits to Employees **56.62%**
- Interest & Charges **16.88%**
- Depreciation **12.84%**
- Retained Earnings **3.60%**

2016-2017



- National Exchequer **10.51%**
- Salaries & Benefits to Employees **59.77%**
- Interest & Charges **17.17%**
- Depreciation **9.85%**
- Retained Earnings **2.70%**

SMARTSTOCK

পরিচালকমন্ডলীর প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি পরিচালকমন্ডলীর পক্ষ থেকে আপনাদের কোম্পানী এপেক্স ফুটওয়্যার লিমিটেডের এই ২৮তম বার্ষিক সাধারণ সভায় সকলকে স্বাগত জানাচ্ছি এবং সেই সাথে কোম্পানীর ৩০শে জুন ২০১৮ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরনী, নিরীক্ষকের প্রতিবেদনসহ কোম্পানীর বার্ষিক প্রতিবেদন সানন্দে উপস্থাপন করছি।

২০১৭ তে বৈশ্বিক পাদুকা শিল্পের অবস্থা



২০১৭ সনে চামড়াজাত পাদুকা ব্যতীত অন্যান্য পাদুকার উৎপাদন এবং রপ্তানী প্রবৃদ্ধির ধারায় প্রত্যাবর্তন

এশিয়ার প্রধান প্রধান পাদুকা উৎপাদনকারী দেশসমূহের বাড়তি অভ্যন্তরীণ চাহিদা, উন্নত বাজারসমূহে রপ্তানীর প্রবাহ বৃদ্ধি এবং গড় রপ্তানী মূল্য বৃদ্ধির ফলে বিশ্বে পাদুকার উৎপাদন এবং রপ্তানী বাজার গত বছর প্রবৃদ্ধির ধারায় ফিরেছে।

পর্তুগীজ ফুটওয়্যার এসোসিয়েশন কর্তৃক প্রকাশিত "World Footwear Yearbook 2018"- এর প্রতিবেদন অনুযায়ী, বৈশ্বিক পাদুকার উৎপাদন পূর্ববর্তী বছরের তুলনায় ২০১৭ সনে ২ শতাংশ বৃদ্ধি পেয়ে ২৩.৫ বিলিয়ন জোড়ায় উন্নীত হয়েছে। যদিও এই প্রবৃদ্ধি এখন পর্যন্ত ২০১০ থেকে ২০১৪ সনের পাদুকা শিল্পের ১৫.৪ শতাংশ প্রবৃদ্ধির অনেক নিচে অবস্থান করছে, তথাপি এটাকে অন্তত: একটি ইতিবাচক প্রবৃদ্ধিতে প্রত্যাবর্তন হিসেবে গন্য করা যায়।

রপ্তানী সক্ষমতার ক্রমশ: সংকোচন সত্ত্বেও বিশ্বব্যাপী পাদুকা উৎপাদনের ৮৭ শতাংশ উৎপাদন করে বিশ্ববাজারে চীন তাদের আধিপত্য বজায় রেখেছে। চীন তার নেতিবাচক ধারা থেকে ঘুরে দাড়িয়েছে এবং বিশ্ব রপ্তানীর দুই-তৃতীয়াংশ পাদুকা এখনো চীন থেকে রপ্তানী হয় যার পরিমান ৯.৩১ বিলিয়ন জোড়া। ২০১৭ সনে বিশ্বব্যাপী ব্যবহৃত পাদুকা ২৩.৫ বিলিয়ন জোড়ার মধ্যে ৬৭.৩ শতাংশ রয়েছে চীনের দখলে। বিগত পাঁচ বছরে চীন ক্রমাগতভাবে তাদের বাজার হারাতে থাকে, যার পরিমান ৬ শতাংশের সমান, কিন্তু ২০১৭ সনে ০.২ শতাংশ পূনরুদ্ধার করতে সক্ষম হয়।

ইউরোপ, বিশেষ করে ইতালি, স্পেন এবং পর্তুগাল রপ্তানীতে সাফল্য দেখিয়েছে। ২০১৭ সনে এ অঞ্চল এক দশকের মধ্যে বিশ্ব পাদুকা বাজারে তাদের অবস্থানে সর্বোচ্চ প্রবৃদ্ধি দেখাতে সক্ষম হয়েছে যা পরিমানের দিক থেকে ১৩.৮ শতাংশ এবং মূল্যমানের হিসাবে ৩৬.৭ শতাংশ যা বিগত ৬ বছরের মধ্যে সর্বোচ্চ।

একই ধারায় চলমান থাকা এবং গত দুই বছর ধরে পতনের পর, বিশ্বব্যাপী পাদুকা রপ্তানী পরিমানের হিসাবে ০.৭ শতাংশ এবং মূল্যমানের হিসাবে ৩.৭ শতাংশ বৃদ্ধি পেয়েছে।

২০১৭ সনে বিশ্ব গড় রপ্তানী মূল্য ৩ শতাংশ বৃদ্ধি পেয়ে প্রতি জোড়া ৯.১৮ মার্কিন ডলারে উন্নীত হয়েছে।

২০১৭ সনে চামড়াজাত পাদুকার রপ্তানী মূল্যে ৬ শতাংশ পতন

চামড়াজাত পাদুকার বৈশ্বিক রপ্তানীতে অবনমন ২০১৭ সনেও অব্যাহত থাকে, মূল্যমানের হিসাবে যার পরিমান ছিল ৫২ বিলিয়ন মার্কিন ডলার যা ২০১৬ সনের চেয়ে ৬ শতাংশ কম, এমনকি এটি ২০১৩ সনের ৫৫.৩ বিলিয়ন ডলারের চেয়েও কম।

মহাদেশসমূহের মধ্যে এশিয়া হতে চামড়াজাত পাদুকা রপ্তানী মূল্যমানের ভিত্তিতে ছিল সর্বোচ্চ যা ২৬.৪ বিলিয়ন মার্কিন ডলার বা মোট বিশ্ব রপ্তানীর ৫০.৭ শতাংশ। এরপরই ছিল ইউরোপের অবস্থান, যা মোট বিশ্ব রপ্তানীর ৪৪.৮ শতাংশ বা ২৩.৩ বিলিয়ন মার্কিন ডলারের সমান।

২০১৭ সনে শীর্ষ ১৫ চামড়াজাত পাদুকার রপ্তানীকারক দেশসমূহ

মার্কিন ডলার মূল্য বিবেচনায় ২০১৭ সনে শীর্ষ ১৫ চামড়াজাত পাদুকার রপ্তানীকারক দেশের তালিকা নিম্নরূপ ঃ

১. চীন ঃ ৯.১ বিলিয়ন (মোট রপ্তানীকৃত চামড়াজাত পাদুকার ১৭.৪ শতাংশ)
২. ইতালি ঃ ৭.৭ বিলিয়ন (১৪.৮ শতাংশ)
৩. ভিয়েতনাম ঃ ৬ বিলিয়ন (১১.৬ শতাংশ)
৪. জার্মানী ঃ ৩.৩ বিলিয়ন (৬.৩ শতাংশ)
৫. ইন্দোনেশিয়া ঃ ২.৬ বিলিয়ন (৪.৯ শতাংশ)
৬. পর্তুগাল ঃ ১.৯ বিলিয়ন (৩.৭ শতাংশ)
৭. ফ্রান্স ঃ ১.৯ বিলিয়ন (৩.৬ শতাংশ)
৮. বেলজিয়াম ঃ ১.৮ বিলিয়ন (৩.৫ শতাংশ)

৯. নেদারল্যান্ডস্ ঃ ১.৭ বিলিয়ন (৩.২ শতাংশ)

১০. স্পেন ঃ ১.৭ বিলিয়ন (৩.২ শতাংশ)

১১. হংকং ঃ ১.৫ বিলিয়ন (৩ শতাংশ)

১২. ভারত ঃ ১.৪ বিলিয়ন (২.৭ শতাংশ)

১৩. যুক্তরাজ্য ঃ ১.২ বিলিয়ন (২.২ শতাংশ)

১৪. কম্বোডিয়া ঃ ৭২০ মিলিয়ন (১.৪ শতাংশ)

১৫. রোমানিয়া ঃ ৬৭১.৫ মিলিয়ন (১.৩ শতাংশ)

উল্লেখিত ১৫টি দেশ ২০১৭ সনে মূল্যমানের হিসাবে সর্বমোট চামড়াজাত পাদুকা রপ্তানীর ৮২.৯ শতাংশ রপ্তানী করেছে।

উপরোক্ত দেশসমূহের মধ্যে ২০১৩ সন থেকে দ্রুততম প্রবৃদ্ধি অর্জনকারী দেশসমূহ হচ্ছে ঃ কম্বোডিয়া (২৬১.৮ শতাংশ বৃদ্ধি), ভিয়েতনাম (৬৬.১ শতাংশ বৃদ্ধি), জার্মানী (২৪ শতাংশ বৃদ্ধি), ইন্দোনেশিয়া (১২.৩ শতাংশ বৃদ্ধি) এবং ফ্রান্স (১০.৩ শতাংশ বৃদ্ধি)।

চামড়াজাত পাদুকা রপ্তানী হ্রাস পাওয়া দেশসমূহের মধ্যে অন্যতম হচ্ছে ঃ হংকং (৫০.৭ শতাংশ হ্রাস), ভারত (২৮.৮ শতাংশ হ্রাস), রোমানিয়া (২৭.৫ শতাংশ হ্রাস), চীন (২২.৭ শতাংশ হ্রাস) এবং বেলজিয়াম (২০.৩ শতাংশ হ্রাস)।

পরিবর্তনশীল চাহিদার দৃশ্যপট

২০১৭ সনে চাহিদার বিচারে ভারত দ্বিতীয় সর্বোচ্চ পাদুকা ব্যবহারকারী দেশ হিসাবে যুক্তরাষ্ট্রকে অতিক্রম করেছে যা শক্তিশালী মানব বৈচিত্র এবং অর্থনৈতিক ধারার প্রতিফলন হিসাবে বিবেচনা করা যেতে পারে। শীর্ষ দশ পাদুকা ব্যবহারকারী দেশসমূহের মধ্যে চীন তার শীর্ষস্থান ধরে রেখেছে। এটা উল্লেখ করা আবশ্যক যে, বিশ্বের বৃহত্তম পাদুকা উৎপাদনকারী দেশ হিসাবে চীন এবং ভারতের অবস্থান যথাক্রমে প্রথম এবং দ্বিতীয়, তারা তাদের পাদুকা ব্যবহারের সিংহভাগই অভ্যন্তরীণ উৎপাদন থেকে মিটিয়ে থাকে। এই দেশ দুটির বৃহৎ বাজারের আকৃতির তুলনায় আমদানী নির্ভরতা অতি নগন্য অর্থাৎ দুটি বাজারেই রপ্তানীর ব্যাপক সম্ভাবনা রয়েছে।

বিশ্ব প্রেক্ষাপট বিচারে এশিয়ার দেশসমূহে পাদুকা ব্যবহারের হার সর্বাধিক (৫৪ শতাংশ) যার পরের অবস্থানে রয়েছে ইউরোপ (১৬ শতাংশ) এবং উত্তর আমেরিকা (১৫ শতাংশ)।

বিশ্বব্যাপী পাদুকা আমদানীর অর্ধেকই করে থাকে ইউরোপ যা পরিমানের হিসাবে ৩৬.২ শতাংশ এবং মূল্যমানের হিসাবে ৪৯.৩ শতাংশ, তাই ইউরোপ হচ্ছে বিশ্ব পাদুকা রপ্তানীর সবচেয়ে গুরুত্বপূর্ণ গন্তব্যস্থল।

এপেক্স ফুটওয়্যার এর ২০১৭-১৮ সনের ব্যবসা পর্যালোচনা

রপ্তানী ব্যবসা

বিশ্ব রপ্তানী বাজার অত্যন্ত চ্যালেঞ্জিং অবস্থায় থাকা সত্ত্বেও এপেক্স ২০১৭-১৮ সনে প্রায় ১৩ শতাংশ প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে। পাদুকার নকশায় পরিবর্তন ও মান উন্নয়ন, বাজার ধরে রাখার তীব্র প্রচেষ্টা এবং এর পাশাপাশি নিজেদের সামর্থের পূর্ণাঙ্গ ব্যবহার ও পণ্যের মান, কমপ্লায়েন্স ও সেবার স্তর ধরে রাখার ক্ষেত্রে ক্রমাগত বিনিয়োগের মাধ্যমে এই লক্ষ্য অর্জন সম্ভব হয়েছে।

ত্রৈমাসিক ভিত্তিতে গত বছরের তুলনায় রপ্তানী প্রবৃদ্ধির শতকরা হার ছিলো নিম্নরূপ ঃ

ত্রৈমাসিক সময়কাল	রপ্তানী (জোড়া)	রপ্তানী (রাজস্ব)
১ম	-৮.৩৯%	-১.৩৪%
২য়	১৩.০৮%	৩৬.৮৫%
৩য়	১৫.৬৩%	৩৪.২০%
৪র্থ	৪.০১%	১.৫৪%
মোট	**৪.২১%**	**১২.৭২%**

পাদুকা শিল্পে আন্তর্জাতিক মান সম্পন্ন স্থানীয় সাপ্লাই চেইনের অনুপস্থিতি এপেক্স-এর রপ্তানী প্রবৃদ্ধির ক্ষেত্রে প্রধান অন্তরায়। আমাদের স্থানীয় বাজারে পাওয়া পণ্যের নিম্নমানের কারনে জুতার ফিতা, মেটাল ট্রিমস্ এর মত ছোট খাটো বস্তুও আমদানীর প্রয়োজন হয়, উপরন্তু ইউরোপ ও উত্তর আমেরিকার প্রধান শহরগুলোর সাথে জলপথ এবং আকাশপথে সরাসরি বাংলাদেশে আমদানী ও বাংলাদেশ থেকে রপ্তানী উভয় ক্ষেত্রেই সীমাবদ্ধতার বিষয়টি সর্বজনবিদিত। ঢাকা ও চট্রগ্রাম বিমানবন্দর থেকে আমদানী ও রপ্তানী কার্যক্রম অত্যন্ত মন্থরগতিসম্পন্ন যা বাণিজ্যের "Lead Time"- কে অতিমাত্রায় দীর্ঘায়িত করে, ফলে আগ্রহ থাকা সত্ত্বেও অনেক ক্রেতা বাংলাদেশ থেকে পণ্য কিনতে চায় না। অথচ আমাদের পার্শ্ববর্তী দেশের প্রতিদ্বন্দ্বীরা অনেক কম সময়ে রপ্তানী আদেশ বাস্তবায়ন করতে সক্ষম। এর প্রধান কারন হচ্ছে তাদের অভ্যন্তরীণ বাজারে প্রয়োজনীয় মানসম্পন্ন পণ্যের প্রাপ্যতা এবং দ্রুততম সময়ে সেবা দানের সক্ষমতা।

বাংলাদেশের প্রবৃদ্ধি অর্জনে একটি বড় অন্তরায় হচ্ছে ব্যবসা পরিচালনার ব্যয় বৃদ্ধি। এটি কখনও কখনও স্থানীয় পরিস্থিতির প্রেক্ষিতে আকস্মিকভাবেই দ্রুত গতিতে বৃদ্ধি পায়, যা অনেক সময়ই বৈশ্বিক পরিস্থিতি ও বাজারের সাথে সামঞ্জস্যপূর্ণ থাকে না। ২০১৭ সনের শেষের দিকে ব্যাংক ঋনের সুদের হারে হঠাৎ এবং অস্বাভাবিক বৃদ্ধি তেমনই একটি ঘটনা, যা ভীষণভাবে ব্যবসায়িক আস্থা বিনষ্ট করেছে। ব্যবসায় পরিচালনার ব্যয় বৃদ্ধির সাথে সাথে উৎপাদনশীলতার আনুপাতিক বৃদ্ধি না হওয়ায় প্রবৃদ্ধি অর্জনের হার ধরে রাখা সম্ভব হচ্ছে না।

স্থানীয় ব্যবসা

২০১৭-১৮ অর্থবছরে এপেক্স স্থানীয় পাদুকা বাজারে তার প্রবৃদ্ধি অব্যাহত রাখতে সক্ষম হয়েছে যা পূর্ববর্তী অর্থবছরের তুলনায় প্রায় ১২ শতাংশ বেশি। ২০১৬-১৭ অর্থবছরে স্থানীয় বাজারে বিক্রয়ের পরিমান ছিল ৬,২২৩.৬৯ মিলিয়ন টাকা যা ২০১৭-১৮ অর্থবছরে বেড়ে

হয়েছে ৬,৯৪৫.৮৫ মিলিয়ন টাকা। পূর্ববর্তী অর্থবছরের তুলনায় ২০১৭-১৮ অর্থবছরে স্থানীয় বাজারে বিক্রয় বৃদ্ধি পেয়েছে ৭২২.১৬ মিলিয়ন টাকা যা ১১.৬০ শতাংশ প্রবৃদ্ধির সমান। ২০১৭-১৮ অর্থবছরে কোম্পানীর নিজস্ব বিক্রয় কেন্দ্রের সংখ্যা ২২৭ থেকে বেড়ে দাঁড়ায় ২৫২ টি, খুচরা বিক্রয় ডিলারের সংখ্যা ৩১২ থেকে ৩৪৭ টি এবং পাইকারি বিক্রয় ডিলারের সংখ্যা ২০৯ থেকে ২১৭ টি।

বৈচিত্রময় পণ্যের যোগান, নিত্যনতুন আন্তর্জাতিক ব্র্যান্ড চালুকরন এবং আমাদের খুচরা বিপননের সার্বিক অভিজ্ঞতা ও সর্বোত্তম সেবা দানের মাধ্যমে ২০১৭-১৮ সনে আমরা গ্রাহকদের সন্তুষ্টি বৃদ্ধি করতে সক্ষম হয়েছি।

পাদুকা শিল্পের সার্বিক অবস্থা

বৈশ্বিক

সিনথেটিক এবং টেক্সটাইল পাদুকার উত্থানের ফলে বিশ্বে চামড়াজাত পাদুকার বাজার বিশেষ করে পুরুষদের জন্য তৈরী পাদুকা বাজার হুমকির মুখে পড়েছে। অধিকাংশ উন্নত বাজারে এ্যথলেটিক ও ফ্যাশান এ্যথলেটিক পাদুকা প্রবৃদ্ধির মূল চালিকাশক্তি হিসাবে থাকবে, এমনকি ভারতের মত উন্নয়নশীল বাজারেও একই অবস্থা বিরাজমান থাকবে। সারা বিশ্বে পাদুকা ব্যবহারকারীরা এখন অধিকতর আরামদায়ক ও দীর্ঘ সময় ধরে স্বাচ্ছন্দে ব্যবহার করা যায় এমন ধরনের পাদুকা চাইছে, এরকম একটা পরিবর্তীত পরিস্থিতির সাথে সমন্বয় ঘটাতে আমাদেরকেও আমাদের পণ্য, উৎসায়ন এবং উৎপাদন কৌশলে পরিবর্তন আনতে হবে। আগামী দিনের চ্যালেঞ্জ মোকাবেলায় মহিলাদের জন্য তৈরী পাদুকার উৎপাদন প্রসারে অভিযাত্রা অব্যাহত রাখতে হবে, নতুন নতুন সোল ব্যবহারের ধারাবাহিকতা বজায় রাখতে হবে, নতুন বাজার খুঁজে বের করা এবং পাদুকার শ্রেণী সম্প্রসারণের চেষ্টা অব্যাহত রাখতে হবে বলে আমরা বিশ্বাস করি। এপেক্স-এর অগ্রাধিকার তালিকায় রয়েছে এশিয়ার নতুন নতুন বাজারে ঢোকা এবং বিশ্ববাজারে বহুল পরিচিত নামি-দামি ব্র্যান্ডের পাদুকা আমাদের নিজস্ব কারখানায় তৈরী করা।

পাদুকার বিভিন্ন ব্র্যান্ডের মধ্যে চলমান একিভূতকরন, অনলাইন বিক্রয়ের প্রাধান্যতা, বেশ কিছু বৃহৎ খুচরা ব্যবসায়ীর পতন, পাশাপাশি বিশ্ব রাজনৈতিক অস্থিরতা এবং বেশ কিছু বাজারে বাণিজ্যে অধিক রক্ষণশীলতা পাদুকা শিল্পের প্রসারের ক্ষেত্রে ঝুঁকির কারন বলে আমরা অনুধাবন করছি।

ক্রমবর্ধমান শ্রম এবং সংশ্লিষ্ট অন্যান্য ব্যয়কে স্বপ্রনোদিত ও অধিকতর দক্ষতার সমন্বয়ের মাধ্যমে আমাদের কাংক্ষিত মুনাফা অর্জন নিশ্চিত করতে হবে। এক্ষেত্রে সামগ্রিকভাবে ব্যয় নিয়ন্ত্রণ করতে হবে, যেমন অধিকতর দক্ষতার সাথে মানব-সম্পদ ব্যবস্থাপনার মাধ্যমে ক্রেতাদের সন্তুষ্টি বাড়াতে হবে। আমাদের উৎপাদন এবং বিক্রয়ের ক্ষেত্রে নতুন মেধার যথাযথ প্রশিক্ষণ এবং উন্নয়নের বিষয়টিকে আরও গুরুত্ব দিতে হবে। আমাদের কর্মীদের দক্ষতা, সক্ষমতা এবং উৎপাদনশীলতা বৃদ্ধিকল্পে তাদের প্রশিক্ষণ এবং পরামর্শ প্রদানে আমাদের ব্যাপক বিনিয়োগ অব্যাহত রাখতে হবে।

আমাদের প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতার মান বজায় রেখে শিল্প সংশ্লিষ্ট কর্মকান্ড নিশ্চিত করতে হবে যা আমাদের কর্মীদের উন্নত নৈতিকতা নিশ্চিতকরনসহ তাদেরকে ধরে রাখতে সহায়ক হবে।

বাংলাদেশ

বাংলাদেশে চামড়া, চামড়াজাত পণ্য ও পাদুকা শিল্প ইতিমধ্যে দেশের দ্বিতীয় বৃহত্তম রপ্তানী খাতে পরিণত হয়েছে, যার রপ্তানী আয় গত অর্থবছরে ছিল প্রায় ১.৫০ বিলিয়ন মার্কিন ডলার এবং একই সাথে উল্লেখযোগ্য হারে মূল্য সংযোজন ও কর্মসংস্থানের সুযোগ করে দিতে সক্ষম হয়েছে।

এখন আমাদের লক্ষ্য হলো স্বাধীনতার ৫০তম বছর ২০২১ সালের মধ্যে এ শিল্প থেকে রপ্তানী আয় ৫ বিলিয়ন মার্কিন ডলারে উন্নীত করা। আমাদের দেশের ৭ম পঞ্চবার্ষিকী পরিকল্পনায় রপ্তানী পণ্য বহুমূখীকরণের বিষয়টিকে যথেষ্ট গুরুত্ব দেওয়া হয়েছে এবং ২০২১ সালের মধ্যে জাতীয় রপ্তানীতে তৈরী পোষাক ব্যতীত অন্যান্য শিল্পখাতের অবদান ৩০ শতাংশে উন্নীত করার লক্ষ্যমাত্রা নির্ধারণ করা হয়েছে। এই লক্ষ্য অর্জনে দীর্ঘমেয়াদী নীতিগত সহায়তা নিশ্চিত করা অত্যন্ত গুরুত্বপূর্ণ। আমরা বিদেশী বড় বড় ব্র্যান্ডকে তাদের পণ্য বাংলাদেশে উৎপাদনে আকৃষ্ট করতে চাই, কিন্তু এক্ষেত্রে সবচেয়ে বড় সীমাবদ্ধতা হচ্ছে "সাভার চামড়া শিল্প পার্ক" যেখানে এখন পর্যন্ত দূষন নিয়ন্ত্রনের গ্রহণযোগ্য ন্যূনতম মান অর্জন করা সম্ভব হয়নি।

বাংলাদেশ পরিসংখ্যান ব্যুরোর (২০১৬) হিসাবে পাদুকার স্থানীয় বাজার প্রায় ২ বিলিয়ন মার্কিন ডলার এবং এই বাজারে যথেষ্ট প্রবৃদ্ধির সুযোগ রয়েছে। বাংলাদেশের মাথাপিছু জিডিপিতে প্রবৃদ্ধির ধারা চলমান রয়েছে। ১৯৭২ সনে যে মাথাপিছু আয় ছিল ৩১৮ মার্কিন ডলার তা ২০১৭-১৮ সনে বেড়ে হয়েছে ১,৭৫১ মার্কিন ডলার, ক্রয়ক্ষমতার সক্ষমতা ২০১৮ সনে ৪,৫৭১ মার্কিন ডলারে এসে দাঁড়িয়েছে।

এইচএসবিসি এর সাম্প্রতিক এক পূর্বাভাসে দেখা যায়, বাংলাদেশ ২০৩০ সনের মধ্যে ১.৫ ট্রিলিয়ন মার্কিন ডলারের অধিক জিডিপি অর্জনকারী ৭৫টি দেশের মধ্যে ২৩তম অবস্থানে পৌঁছাবে। তাদের প্রতিবেদন অনুযায়ী একমাত্র বাংলাদেশেই বার্ষিক প্রবৃদ্ধি ২০৩০ সন পর্যন্ত ৭ শতাংশের অধিকহারে বৃদ্ধি পাওয়ার সম্ভাবনা রয়েছে, আর পূর্ববর্তী অর্থবছরে জিডিপিতে প্রবৃদ্ধি হয়েছে ৭.৮৬ শতাংশ যা লক্ষ্যণীয়।

চীন এবং আমেরিকার মধ্যে চলমান বাণিজ্যিক লড়াই এর ফলে বাংলাদেশের সামনে কিছু নতুন সম্ভাবনা দেখা দিতে পারে, যেহেতু ক্রেতারা চীন থেকে আমদানী ঝুঁকি কমাতে চেষ্টা করবে কিন্তু বিশ্বব্যাপী বিশেষ করে যুক্তরাষ্ট্রে

ক্রেতাদের আস্থা স্তিমিত হচ্ছে। দেশের সামগ্রিক বিনিয়োগ এবং বাণিজ্যিক পরিবেশ উন্নত করণের দ্বারা বাংলাদেশকে অবশ্যই এই সুযোগ নিতে হবে। কাস্টমস্, কর কর্তৃপক্ষ এবং ভিসা দপ্তরের কর্মকর্তাদের সার্বিক সুশাসনের স্তর এবং সেবা প্রদানের মান আরোও উন্নত করতে হবে।

এপেক্স ফুটওয়্যার লিমিটেড

২০১৮-১৯ সনের জন্য এপেক্স ফুটওয়্যার লিমিটেড নিম্নলিখিত বিষয়গুলোকে যথাযথ গুরুত্বসহ বিবেচনায় রেখেছে ঃ

১. মানব-সম্পদের প্রশিক্ষণ ও উন্নয়নে বিনিয়োগ বৃদ্ধি করতে হবে
২. উৎপাদন প্রক্রিয়ার সাথে সরাসরি জড়িতদের আরও কর্মক্ষম করতে হবে
৩. মুনাফা অর্জনে উন্নতির চেষ্টা অব্যাহত রাখতে হবে
৪. ব্যয় ও উৎপাদন প্রক্রিয়ায় ক্ষতি কমিয়ে আনতে হবে
৫. উৎপাদনশীলতা বৃদ্ধিতে আরো উদ্যোগ নিতে হবে
৬. আমাদের পণ্যের মান ব্যবস্থাপনা দল এবং প্রক্রিয়াকে শক্তিশালী করতে হবে
৭. ক্রেতাদের সেবার প্রতি আরো যত্নবান হতে হবে
৮. বৈচিত্রময় ও উন্নত ডিজাইন এবং টেকসই প্রবৃদ্ধির উপর মনোযোগ বাড়াতে হবে
৯. সর্বোস্তরে মজুত পণ্যের পরিমান হ্রাস করার জন্য Supply Chain Management কে শক্তিশালী করতে হবে
১০. সক্ষমতা বৃদ্ধি করতে হবে

জুলাই ২০১৭ থেকে কোম্পানীর উল্লেখযোগ্য অর্জন সমূহ

১. কোম্পানী কর্মক্ষেত্রে শ্রমিক নিরাপত্তায় আন্তর্জাতিকভাবে স্বীকৃত 'Alliance Standard' অর্জন করেছে।
২. কোম্পানীর ট্যানারী ইউনিট ISO 9001:2015 সনদ অর্জন করেছে যা প্রতিষ্ঠানের গুনগতমান সম্পন্ন ব্যবস্থপনা প্রক্রিয়ার নির্দেশক।
৩. কোম্পানী "Worldwide Responsible Accredited Production (WRAP)" থেকে কমপ্লায়েন্সের জন্য GOLD Certificate অর্জন করেছে।
৪. কোম্পানী বৃহত্তম জার্মান ই-কমার্স প্রতিষ্ঠান 'zLabels'-এর সাথে কৌশলগত অংশীদারিত্বে নিয়োজিত হয়েছে।

তুলনামূলক বার্ষিক ফলাফল (জুলাই - জুন)

	মিলিয়ন টাকায় ২০১৭-১৮	২০১৬-১৭	পরিবর্তন (+/-)
বিক্রয়	১৫,৯৪৭.৫৪	১৪,২০৯.৩২	+১২.২৩%
মোট মুনাফা	৩,৩৩২.৯৫	২,৮৩২.৫২	+১৭.৬৬%
সুদ ও কর পূর্ববর্তী মুনাফা	৮৬৩.৮৬	৭৩৬.৮৮	+১৭.২৩%
কর পরবর্তী মুনাফা	১২৯.৮৩	৮১.১৩	+৬০.০২%
টাকার হিসাবে শেয়ার প্রতি আয়	১১.৫৪	৭.২১	+৬০.০৫%

২০১৬-১৭ অর্থবছরের তুলনায় ২০১৭-১৮ অর্থবছরে লক্ষ্যনীয় পরিবর্তনাদির বিশ্লেষন

রপ্তানী বিক্রয় বেড়েছে (টাকায়)	১২.৭২%
রপ্তানী বিক্রয় বেড়েছে (পরিমাণে)	৪.২১%
স্থানীয় বিক্রয় বেড়েছে (টাকায়)	১১.৬০%
পণ্য ব্যবহারের খরচ (বিক্রয়ের বিপরীতে) কমেছে	১.২৭%
প্রত্যক্ষ মজুরি ব্যয় বেড়েছে	১২.৬৭%
কারখানার খরচ বেড়েছে	২০.৩৪%
দোকানের ভাড়া বেড়েছে	২৩.৯৪%

জুন ২০১৭ সনের তুলনায় জুন ২০১৮ সনের শেষে কোম্পানীর আর্থিক অবস্থায় পরিবর্তনের মূখ্য বিষয়গুলোর উপর আলোকপাত

সম্পদ, স্থাপনা ও সরঞ্জামাদি

এই বছরে সম্পদ, স্থাপনা ও সরঞ্জামাদি বৃদ্ধি পেয়েছে ৪৩৫.৭২ মিলিয়ন টাকার সমপরিমাণ, যার মধ্যে ভবন নির্মান খাতে বেড়েছে ২৯.৯৪ মিলিয়ন টাকা, যন্ত্রপাতি খাতে বেড়েছে ১৫৭.৪৭ মিলিয়ন টাকা, যানবাহন খাতে বেড়েছে ৬.৭৩ মিলিয়ন টাকা, অফিস সরঞ্জামাদিতে বেড়েছে ৭৩.৩৩ মিলিয়ন টাকা, কম্পিউটার্স এবং প্রিন্টার্স খাতে বেড়েছে ২.৬১ মিলিয়ন টাকা, আসবাবপত্রে বেড়েছে ২১.৬৪ মিলিয়ন টাকা এবং ১৪৪.০০ মিলিয়ন টাকা বেড়েছে দোকানের সাজ-সজ্জার জন্য।

অসম্পন্ন মূলধনী বিনিয়োগ

এই বছরে এ ধরণের বিনিয়োগ বৃদ্ধি পেয়েছে ৩৬৭.৬৪ মিলিয়ন টাকা, মূলত নতুন ভবনে বিনিয়োগের জন্য যা নির্মানাধীন রয়েছে।

মজুতসমূহ

এ বছর শেষে মজুতের পরিমাণ বৃদ্ধি পেয়েছে ১৯২.৮৪ মিলিয়ন টাকা যা জুন ২০১৭ সময়ের তুলনায় ২.৬৭ শতাংশ বেশি। অভ্যন্তরীণ বাজারে ক্রমবর্ধমান চাহিদা মেটাতে ও দেশের সর্বত্র আমাদের খুচরা বিক্রয়কেন্দ্রগুলোতে পণ্যের প্রাপ্যতা নিশ্চিত করতে এই অধিক মজুতের প্রয়োজন পড়ে। জুন ২০১৭ এর তুলনায় জুন ২০১৮ শেষে চামড়া ও অন্যান্য কাঁচামালের মজুত কমেছে ১২৯.৭৫ মিলিয়ন টাকা, তৈরীকৃত জুতা ও অন্যান্য পণ্যের মজুত বৃদ্ধি পেয়েছে ৪৫৯.১০ মিলিয়ন টাকা, আনুষঙ্গিক সরঞ্জামাদি ও উপাদানসমূহের মজুত হ্রাস পেয়েছে ১৬৪.২৪ মিলিয়ন টাকা, প্যাকিং সংক্রান্ত পণ্যের মজুত বৃদ্ধি পেয়েছে ৫৩.৮৮ মিলিয়ন টাকা এবং অবশিষ্ট ২৬.১৫ মিলিয়ন টাকার মজুত হ্রাস পেয়েছে উৎপাদন প্রক্রিয়াধীন পণ্য কম থাকার কারণে।

ব্যবসায়িক পাওনাসমূহ

ব্যবসায়িক ও অন্যান্য পাওনা জুন ২০১৭ এর তুলনায় জুন ২০১৮-তে ১২.৭৮ শতাংশ বা ২১১.৪৭ মিলিয়ন টাকা বেড়েছে। নিরাপত্তা ও বিগত বছরগুলোর পাওনার শতভাগ আদায়ের নিরিখে সকল পাওনাকেই আদায়যোগ্য বলে ধরে নেওয়া যায়।

অগ্রিম প্রদান, জমা ও অগ্রিম পরিশোধ

অগ্রিম প্রদান, জমা ও অগ্রিম পরিশোধের পরিমাণ জুন ২০১৭ এর তুলনায় জুন ২০১৮-তে ১৪.২০ শতাংশ বা ১৯৩.১৮ মিলিয়ন টাকা বেড়েছে যা মুলত: বিক্রয় কেন্দ্র / ডিপো / অফিস রেন্ট এর জন্য প্রদেয় অগ্রিমের বৃদ্ধিসহ অগ্রিম আয়কর বৃদ্ধির কারণে।

স্বল্পকালীণ সময়ে পরিশোধনীয় ঋণের দায়

স্বল্পকালীন সময়ে পরিশোধনীয় ঋণের দায় জুন ২০১৭ এর তুলনায় জুন ২০১৮-তে ২.৪৪ শতাংশ বা ২০০.৪৯ মিলিয়ন টাকা বেড়েছে। এই বৃদ্ধির মূল কারণ ছিল অভ্যন্তরীণ বাজারে ব্যবসার প্রবৃদ্ধির কারণে অধিক পরিমাণ মজুতের প্রয়োজন এবং নতুন দোকান ভাড়া নেওয়ার ক্ষেত্রে অগ্রিম প্রদানসহ বর্তমান দোকানসমূহের চুক্তি নবায়নের ক্ষেত্রে ব্যয় বৃদ্ধি।

মুনাফার বন্টন

	মিলিয়ন টাকায়
সংরক্ষিত মুনাফা তহবিল এর ব্যালেন্স জুলাই ১, ২০১৭	১,৪২৪.৮৭
বাদ: ২০১৬-১৭ এর নগদ লভ্যাংশের জন্য ব্যবহৃত	(৫৬.২৫)
যোগ: ২০১৭-১৮ সনের কর পরবর্তী মুনাফা	১২৯.৮৩
বন্টনযোগ্য সংরক্ষিত মুনাফা তহবিল এর ব্যালেন্স	১,৪৯৮.৪৫

লভ্যাংশ

পরিচালকমন্ডলী ২০১৭-১৮ সালের জন্য ৫৫ শতাংশ নগদ অর্থাৎ প্রতিটি ১০/- টাকার শেয়ারের বিপরীতে ৫.৫০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন। উক্ত লভ্যাংশের শতভাগই চলতি বছরের কর পরবর্তী মুনাফা হতে প্রদানের সুপারিশ করেছেন এবং এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে তা শেয়ারহোল্ডাদের মধ্যে বিতরন করা হবে।

লভ্যাংশ সমতাকরন তহবিল

পরিচালকমন্ডলী চলতি বছরের মুনাফার ২০ শতাংশ বা ২৫.৯৬ মিলিয়ন টাকা এই বার্ষিক সাধারন সভায় শেয়ারহোল্ডারগনের অনুমোদন সাপেক্ষে লভ্যাংশ সমতাকরন তহবিলে স্থানান্তরের সুপারিশ করেছেন, যা আগামী বছরগুলোতে লভ্যাংশ ঘোষনার ধারাবহিকতা বজায় রাখার ক্ষেত্রে সহায়ক হবে।

প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতা (CSR)

এপেক্স ফুটওয়্যার লিমিটেড একটি সামাজিক দায়বদ্ধ প্রতিষ্ঠান হিসাবে এর সামাজিক কার্যক্রম পরিচালনায় পূর্ণ প্রতিজ্ঞাবদ্ধ এবং জুলাই ২০১৭ হতে জুন ২০১৮ পর্যন্ত কোম্পানীটি বিভিন্ন ধরনের CSR কার্যক্রমে ব্যাপকভাবে সক্রিয় ছিল।

এ সময়ে এপেক্স ফুটওয়্যার লিমিটেড COEL (Centre of Excellence for Leather Skill Bangladesh Limited যা একটি অলাভজনক প্রতিষ্ঠান) এর সাথে সহযোগিতা চলমান রেখেছে যা চামড়া ও পাদুকা খাতে ওয়ান-স্টপ সেবা প্রদানকারী হিসাবে কাজ করে আসছে। COEL শিল্প দক্ষতার উন্নয়নকল্পে অত্যন্ত সক্রিয়ভাবে তার অংশীদারী শিল্পকে সহায়তা ও প্রশিক্ষণার্থীদের চাকুরী নিশ্চিতকল্পে সদা সচেষ্ট রয়েছে।

এপেক্স ফুটওয়্যার লিমিটেড Sprint to Share নামক কর্মসূচীর মাধ্যমে Sprint Brand এর নির্বাচিত কিছু পণ্যের বিক্রয়লব্দ অর্থের একটি অংশ সামাজিক উন্নয়নমূলক কাজে ব্যয় করে আসছে। ২০১৭-১৮ সনে এই উদ্যোগের মাধ্যমে যে অর্থ অর্জিত হয় তা SOS Children's Village International in Bangladesh এর শিক্ষা কর্মসূচীর জন্য দান করা হয়।

চলমান কার্যক্রম হিসাবে কোম্পানী এ বছরও বন্যার্ত ও অসহায় মানুষদের আর্থিক সহায়তা প্রদান করেছে এবং লেদার এন্ড ফুটওয়্যার এসোসিয়েশনের (এলএফএমইএবি) এর মাধ্যমে বাংলাদেশের প্রধানমন্ত্রীর ত্রান তহবিলে আর্থিক অনুদানের ব্যবস্থা করেছে।

বাংলাদেশ একটি ধর্মীয় বৈচিত্রময় ও সম্প্রীতির দেশ এবং এপেক্স ফুটওয়্যার লিমিটেড এ ধারা অক্ষুন্ন রাখতে সবধরনের সহযোগিতা প্রদানে দৃঢ়ভাবে প্রতিজ্ঞাবদ্ধ। বাংলাদেশের মুসলিমদের সকল প্রধান ধর্মীয় উৎসবের পাশাপাশি হিন্দু সম্প্রদায়ের পূজা উদযাপনেও এপেক্স সহযোগিতা করে আসছে।

এপেক্স নগর সৌন্দর্যবর্ধন কর্মকান্ডে অংশগ্রহন ছাড়াও সরকারী বিভিন্ন সেক্টরের নানাবিধ কার্যক্রম, সেমিনারের আয়োজন, প্রশিক্ষণ ইত্যাদিতে বিশেষ অবদান রেখেছে। কোম্পানীটি এর কারখানার পার্শ্ববর্তী এলাকায় বসবাসরত জনগনের কল্যাণার্থে বিনামূল্যে নিয়মিত চিকিৎসা সেবা, ঔষধপত্র প্রদান ও স্থানীয় স্কুল-মাদ্রাসায় অনুদান প্রদানসহ নানাবিধ সামাজিক উন্নয়নমূলক কাজে সাহায্য-সহযোগিতা করেছে। PSC, JSC & SSC তে ভালো ফলাফলের জন্য কোম্পানী তার কারখানার শ্রমিকদের সন্তানদেরকে বৃত্তি প্রদানের মাধ্যমে আর্থিক সহযোগিতা প্রদান করেছে ।

পরিচালকমন্ডলীর পুনঃগঠন

স্বাধীন পরিচালক হিসাবে নিহাদ কবির এর মেয়াদ শেষ হওয়ায়, কোম্পানীর পরিচালকমন্ডলীর ১৪ই নভেম্বর ২০১৭ তারিখে অনুষ্ঠিত ২৫০তম সভায় পরিচালকমন্ডলী নিম্নরূপে পুনঃগঠন করা হয় ঃ

(ক) সৈয়দ মঞ্জুর এলাহী	চেয়ারম্যান
(খ) সৈয়দ নাসিম মঞ্জুর	ব্যবস্থাপনা পরিচালক
(গ) কাজী ছানাউল হক	পরিচালক (আইসিবি কর্তৃক মনোনীত)
(ঘ) মুনিজে মঞ্জুর	পরিচালক
(ঙ) ডঃ মোহাম্মদ ফরাসউদ্দিন	স্বাধীন পরিচালক

পরিচালক নির্বাচন

সৈয়দ মঞ্জুর এলাহী এই বার্ষিক সাধারণ সভায় কোম্পানীর সংঘবিধির ১১৩ ও ১১৪ ধারা অনুসারে অবসর গ্রহন করছেন এবং যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার জন্য ইচ্ছা প্রকাশ করেছেন। বার্ষিক প্রতিবেদন এর ৬ নং পৃষ্ঠায়

অবসরপ্রাপ্ত পরিচালকের সংক্ষিপ্ত জীবন বৃত্তান্তসহ স্বার্থসংশ্লিষ্ট প্রতিষ্ঠানের তথ্য উল্লেখিত আছে।

সংবিধিবদ্ধ নিরীক্ষকের নিয়োগ

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নম্বর বিএসইসি/ সিএমআরআরসিডি/ ২০০৬-১৫৮/২০৮/এডমিন/৮১ তারিখ ২০শে জুন ২০১৮ অনুযায়ী মেসার্স হোদা ভাসী চৌধুরী এন্ড কোং, চাটার্ড একাউন্ট্যান্টস, নিরীক্ষক হিসাবে অবসর গ্রহন করেছেন এবং পর পর তিন বছর নিরীক্ষক হিসাবে কার্যক্রম পরিচালনা করেছেন বিধায় পুনঃনিয়োগপ্রাপ্ত হওয়ার যোগ্য নন। এমতাবস্থায় শেয়ারহোল্ডারগন এই বার্ষিক সাধারন সভায় নতুন নিরীক্ষক নিয়োগ করবেন। নিম্নের চাটার্ড একাউন্ট্যান্ট ফার্মসমূহ কোম্পানীর নিরীক্ষক হিসাবে নিয়োগ পাওয়ার জন্য আবেদন করেছেন ঃ

১) মেসার্স এম জে আবেদিন এন্ড কোং, চাটার্ড একাউন্ট্যান্টস

২) ম্যবস এন্ড জে পার্টনার, চাটার্ড একাউন্ট্যান্টস

পরিচালকমন্ডলী ২০শে সেপ্টেম্বর ২০১৮ তারিখের সভায় মেসার্স এম জে আবেদিন এন্ড কোং, চাটার্ড একাউন্ট্যান্টস ফার্মকে কোম্পানীর ২০১৮-১৯ সনের নিরীক্ষক হিসাবে নিয়োগ দানের প্রস্তাব করেছেন এবং অডিট ফি হিসাবে ৬ লক্ষ টাকা প্রদানের সুপারিশ করেছেন।

কম্প্লায়েন্স নিরীক্ষকের নিয়োগ

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নম্বর বিএসইসি/সিএমআরআরসিডি/ ২০০৬-১৫৮/২০৮/এডমিন/৮০ তারিখ ৩রা জুন ২০১৮ অনুযায়ী কোম্পানীর এই ২৮তম বার্ষিক সাধারন সভায় শেয়ারহোল্ডারগনের দ্বারা একজন পেশাদার কম্প্লায়েন্স নিরীক্ষক নিয়োগ প্রাপ্ত হবেন, যিনি কর্পোরেট গভর্নেন্স কোড অনুযায়ী ২০১৮-১৯ সনের জন্য কম্প্লায়েন্স সনদপত্র প্রদান করবেন। নিম্নের ২ টি ফার্ম কোম্পানীর ২০১৮-১৯ সনের কম্প্লায়েন্স নিরীক্ষক হিসাবে নিয়োগ প্রাপ্তির জন্য আবেদন করেছেন ঃ

১) মেসার্স আল মুক্তাদির এসোসিয়েটস, চাটার্ড সেক্রেটারিজ

২) মেসার্স এস এফ আহমেদ এন্ড কোং, চাটার্ড একাউন্ট্যান্টস

পরিচালকমন্ডলী ২০শে সেপ্টেম্বর ২০১৮ তারিখের সভায় মেসার্স আল মুক্তাদির এসোসিয়েটস, চাটার্ড সেক্রেটারিজ ফার্মকে কোম্পানীর ২০১৮-১৯ সনের কম্প্লায়েন্স নিরীক্ষক হিসাবে নিয়োগ দানের সুপারিশ করেছেন।

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের কমপ্লায়েন্স প্রতিবেদন

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের ১৯৬৯ সনের অধ্যাদেশের ২সিসি ধারা অনুযায়ী ২০১৮ সালের ৩রা জুন তারিখের কমিশনের প্রজ্ঞাপন নং বিএসইসি/ সিএমআরআরসিডি/২০০৬-১৫৮/২০৮/এডমিন/৮০ এর ৫ নং শর্ত অনুযায়ী কমপ্লায়েন্স প্রতিবেদন সংযুক্ত করা হলো।

মান নির্ধারণ প্রতিবেদন

"ক্রেডিট রেটিং ইনফরমেশন এন্ড সার্ভিসেস লিঃ (CRISL) আর্থিক এবং অন্যান্য সংশিষ্ট সংখ্যাগত ও গুনগত তথ্যের ভিত্তিতে এপেক্স-কে দীর্ঘমেয়াদী ঋণের ক্ষেত্রে "AA" এবং স্বল্পমেয়াদী ঋণের ক্ষেত্রে "ST-2" মান প্রদান করেছে। এই মান প্রদান করা হয়েছে ২০১৭ সনের ৩০শে জুন পর্যন্ত কোম্পানীর নিরীক্ষিত আর্থিক প্রতিবেদনসহ ২০১৭-১৮ সনের ১ম কোয়ার্টার এর অনিরীক্ষিত আর্থিক প্রতিবেদনকে বিবেচনা করে এবং অন্যান্য সংশ্লিষ্ট সংখ্যাগত ও গুনগত তথ্যের ভিত্তিতে। এই মান পুনরায় প্রদান করা হয়েছে মূলত: কোম্পানী তার মৌলিকত্ব যেমন গড় ব্যবসা নৈপুন্য, ভালো অবকাঠামোগত সুবিধা, নিয়মিত ঋণ পরিশোধের ইতিহাস, অভিজ্ঞ ব্যবস্থাপনা, ভাল বিতরন নেটওয়ার্ক ইত্যাদি ধারাবাহিকভাবে অক্ষুন্ন রাখার ভিত্তিতে। তথাপি উপরোক্ত মান কোম্পানীর ঋণের পরিমান, মূল্য ওঠানামার ঝুঁকি ইত্যাদির কারণে খানিকটা বাধাগ্রস্থ হয়েছে।

দীর্ঘ মেয়াদে এ ধরনের মানপ্রাপ্ত প্রতিষ্ঠানসমূহকে উচ্চমানের বলে ধরে নেয়া হয়। এরূপ প্রতিষ্ঠানসমূহ নিরাপদ বিনিয়োগ আকর্ষনে সক্ষম এবং ভাল ঋণগ্রহীতা হিসেবে বিবেচিত। এমন মানপ্রাপ্ত ব্যবসায়িক প্রতিষ্ঠান দৃঢ় ঋণ ব্যবস্থাপনার পরিচায়ক। এধরণের প্রতিষ্ঠানে বিনিয়োগে ঝুঁকি অত্যন্ত কম এবং তা মূলতঃ দেশের অর্থনৈতিক অবস্থার উপর নির্ভরশীল। স্বল্প মেয়াদী ঋণের ক্ষেত্রে এ প্রতিষ্ঠানের মান সঠিক সময়ে ঋণ পরিশোধে সর্বোচ্চ নিরাপত্তার পরিচায়ক।

CRISL প্রতিষ্ঠানটিকে "স্থিতিশীল অবস্থা" হিসাবে নির্ধারন করেছে এবং আশাব্যাক্ত করে যে অদূর ভবিষ্যতেও কোম্পানী এই মৌলিকত্ব বজায় রাখতে সক্ষম হবে। ক্রেডিট রেটিং রিপোর্ট নং- আরআর/১৮২৬৪/১৮, তারিখ ১লা জানুয়ারী, ২০১৮, পৃষ্ঠা-১।

স্বীকৃতি

পরিচালকমণ্ডলীর পক্ষ থেকে আমি সম্মানিত শেয়ারহোল্ডারগণের প্রতি তাদের সহযোগিতা ও সমর্থনের জন্য কৃতজ্ঞতা প্রকাশ করছি এবং সেই সাথে আমাদের পণ্য ও প্রতিষ্ঠানের উপর গভীর আস্থা রাখার জন্য ক্রেতাদের জানাই ধন্যবাদ। এ ছাড়া ২০১৭-১৮ সনে আন্তরিক ও নিরলস পরিশ্রমের জন্য কোম্পানীর সকল কর্মকর্তা ও কর্মচারীবৃন্দকে জানাচ্ছি অভিনন্দন। পরিশেষে ভবিষ্যতে কোম্পানীর উত্তরোত্তর উন্নয়নের চালিকা শক্তি হিসাবে আপনাদের সকলের সার্বক্ষণিক সহযোগিতা এবং সমর্থন কামনা করছি।

পরিচালকমন্ডলীর পক্ষে

সৈয়দ মঞ্জুর এলাহী
চেয়ারম্যান

সেপ্টেম্বর ২০, ২০১৮
ঢাকা

Report of the Directors

Dear Shareholders,

On behalf of the Board of Directors of Apex Footwear Limited, I welcome you all to this 28th Annual General Meeting of your Company and have the pleasure of presenting the Annual Report along with the Audited Financial Statements for the year ended 30 June 2018.

State of the Global Footwear Industry in 2017



World Footwear Production and Exports Returned to Growth in 2017 but not Leather Footwear

World footwear production and exports returned to growth last year, fuelled by higher consumption in the main Asian manufacturing countries, growth in export flows to developed markets and an increase in average export prices.

Global footwear production grew 2% over previous year to reach 23.5 billion pairs in 2017, as per the World Footwear Yearbook 2018, published by the Portuguese Footwear Association, although this is still much below the glory days of 15.4% growth between 2010 and 2014, it is at least a return to positive growth .

China continues to dominate global production with a 87% share of all footwear manufactured, and even though export capacity is shrinking, China has recovered from a negative trend and is still responsible for two out of every three pairs of shoes exported globally, reaching 9.31 billion pairs, and representing 67.3% of the total 23.5 billion pairs of shoes the world consumed in 2017. After a continued loss during the last five years, which cut its market share by 6 points, in 2017 China recovered 0.2 point.

Europe, especially Italy, Spain and Portugal, have been gaining ground in worldwide exports. In 2017 the region reached its highest market share in a decade, accounting for 13.8% in terms of quantity. In terms of value, Europe accounts for 36.7% of the global market, its highest level over the last six years.

Moving in the same direction, and after falling over a two years period, worldwide footwear exports grew by 0.7% in terms of quantity and by 3.7% in terms of value.

In 2017, the world average export price for footwear increased by 3% reaching USD 9.18 a pair.

Leather Footwear Export Sales Declined 6% in Value Terms in 2017

Global sales from leather shoe export continued to decline and in 2017 it was USD 52 billion, which represented a 6% decline over 2016. 2017 leather footwear sales were even lower than 2013 level of USD 55.3 billion.

Among continents, Asian countries accounted for the highest dollar value worth of exported leather shoes USD 26.4 billion or 50.7% of worldwide export sales. European exporters were close behind, exporting USD 23.3 billion worth or 44.8% of the global total.

Top 15 Leather Shoe Exporters in 2017

Below are the 15 countries that exported the highest USD value worth of leather shoes during 2017:

1. China: 9.1 billion (17.4% of total exported leather shoes)
2. Italy: 7.7 billion (14.8%)
3. Vietnam: 6 billion (11.6%)
4. Germany: 3.3 billion (6.3%)
5. Indonesia: 2.6 billion (4.9%)
6. Portugal: 1.9 billion (3.7%)
7. France: 1.9 billion (3.6%)
8. Belgium: 1.8 billion (3.5%)
9. Netherlands: 1.7 billion (3.2%)
10. Spain: 1.7 billion (3.2%)
11. Hong Kong: 1.5 billion (3%)
12. India: 1.4 billion (2.7%)
13. United Kingdom: 1.2 billion (2.2%)
14. Cambodia: 720 million (1.4%)
15. Romania: 671.5 million (1.3%)

In terms of value the listed 15 countries shipped 82.9% of all leather shoes export in 2017.

Among the above countries, the fastest growing leather shoe exporters since 2013 were: Cambodia (up 261.8%), Vietnam (up 66.1%), Germany (up 24%), Indonesia (up 12.3%) and France (up 10.3%).

Those countries that posted declines in their exported leather shoe sales were led by: Hong Kong (down 50.7%), India (down 28.8%), Romania (down 27.5%), China (down 22.7%) and Belgium (down 20.3%).

Changing Demand Scenario

On the demand side, India overtook the US in 2017 as the second largest consumer of footwear, reflecting strong demographic and economic trends. China remains in pole position at the head of the ten largest footwear consumers. However it must be noted that as China and India are also the number one and number two largest footwear manufacturing nations in the world respectively, the majority of their consumption is met by domestic production. Imports in both these huge markets remain minuscule compared to the total market size, which means there is a huge potential to export to these markets.

From a global perspective, Asia continues to be the main region for footwear consumption (54%), followed by Europe (16%) and North America (15%).

Europe is sharing half of world imports with 36.2% of the total quantity and 49.3% of total value, is the most important destination for footwear exports.

Apex Footwear's Business : 2017-18 in Review

Export Business

AFL was able to generate almost 13% growth in its export sales revenue 2017-18, despite very challenging market conditions, due to a combination of improved product design and development capability, intense marketing efforts especially to avoid large drops in exports in some months thereby ensuring better capacity utilization and continued investments in quality, compliance and service levels.

The table below represents quarterly percentage growth, year on year , in exports:

Quarter	Export pairs	Export Revenue
Q1	-8.39%	-1.34%
Q2	13.08%	36.85%
Q3	15.63%	34.20%
Q4	4.01%	1.54%
TOTAL	**4.21%**	**12.72%**

AFL export growth continues to be depressed by a lack of world class local supply chain for the footwear industry. Even small items such as shoe laces and metal trims need to be imported due to poor local quality and as we all know imports to Bangladesh and exports from Bangladesh are both constrained by the lack of any direct shipping connections or air connections with any major European and North American city. Import and export activities from Chittagong and Dhaka airport are too slow and make our lead times too long for many many customers who would otherwise wish to buy from Bangladesh. Competitors in neighbouring countries are able to turn around much faster their export orders due to in country supply chain and also faster transit times to their key markets and suppliers .

The rising cost of doing business in Bangladesh is also a major deterrent to growth as it continues to rise, often unexpectedly, due to sudden changes in local conditions that have no correlation to global markets or conditions. The sudden abnormal rise in bank interest rates from late 2017 was one such event that severely damaged business confidence. Cost increases are not being accompanied by a commensurate rise in productivity that is very alarming.

Domestic Business

AFL sales continued to grow in the domestic market as well in 2017-18, registering almost 12% growth compared to previous year. Domestic sales revenue grew from Tk. 6,223.69 million in FY 2016-17 to Tk. 6,945.85 million in FY 2017-18. Domestic sales increased by Tk. 722.16 million during the financial year 2017-18, which was equivalent to 11.60% growth, year on year. In FY 2017-18 the Company increased its own retail outlets from 227 to 252, its retail sales dealers from 312 to 347 and its wholesale dealers from 209 to 217.

AFL has remained firmly committed to improving customer satisfaction at every level in 2017-18 through improving its product offering, launching new international brands and ensuring that we try to deliver the best possible retail experience and service to our customers.

Outlook for the Industry

Global

Leather shoes are under threat globally from the rise of synthetic and textile shoes, especially in the mens category. Athletic and Fashion athletic products will continue to be the main growth driver in most developed markets and even in many developing markets like India. The shift towards more comfort and performance footwear is also a reality and we need to adjust our own product, sourcing, development and manufacturing strategies to address that. We believe that our move towards more ladies footwear, new sole materials and also new markets and product categories must be continued and accelerated to meet the challenges ahead. New market opportunities in Asia and targeting brands to make in AFL must also be priority for AFL.

We foresee continued risks within the industry and the external environment, including ongoing consolidation among footwear brands, the shift of end-sales to online platforms, demise of many "big box format " retailers, as well as global political risks, and growing calls for trade protectionism in a number of markets.

Rising labour and other costs also mean that we must continue to make proactive adjustments to

our manufacturing business to further boost efficiencies and protect our margins. This includes maintaining strict cost control measures, such as closely managing headcounts and working hours to deliver value to our customers. The training and development of new talent remains a core focus at both our manufacturing and branding businesses. We will continue to invest heavily in the training and mentoring of our workforce to further boost their skills and capabilities and improve productivity.

We will also ensure that our industrial relations practices conform our corporate social responsibility standards to uphold employee morale and to reduce labour turnover.

Bangladesh

The leather, leather goods and footwear industry in Bangladesh has already become the second highest foreign exchange earning export sector reaching almost USD 1.5 billion in last FY, with significant value addition and employment generation.

The next target of this sector is to reach USD 5 billion exports by 2021 for Bangladesh's 50th year of independence. The 7th Five Year Plan of Bangladesh has set export product diversification and increasing the share of non RMG exportables to 30% in our national export basket by 2021 as targets. Long term policy support for the sector will be critical for this target to be attained. We wish to attract the biggest brands to make in Bangladesh but the biggest deterrent is the Savar Leather Industrial Park which has still not achieved even minimally acceptable standards in terms of pollution control .

The Bangladesh Bureau of Statistics figures (2016) show that the domestic footwear market is valued at approximately USD 2 billion. So, there is great opportunity to grow in our local market consistently. The per capita GDP of Bangladesh has been steadily rising. From USD 318 in 1972 it has reached USD 1,751 per capita in 2017-18; in terms of purchasing power parity in 2018 it is USD 4,571 per capita.

A recent HSBC forecast ranked Bangladesh as 23rd out of 75 economies of the world with a GDP of over USD 1.5 trillion by 2030. As per their report, Bangladesh is the only country expected to maintain 7.0 plus growth rate annually upto 2030 and even beyond; where the GDP growth in last fiscal year was 7.86%.

The emergence of the trade war between China and USA may offer some new opportunities for Bangladesh as buyers try to de-risk some part of their sourcing from China but is also dampening buyer confidence globally, especially in USA. Bangladesh must try its best to capture some of this opportunity by improving the overall investment and business environment on the ground. The overall governance levels and service delivery standards from government agencies like customs, tax authorities and visa officials have to be improved.

Apex Footwear Limited

For 2018-19 Apex Footwear Limited is focused on the following:

1) Invest more in training and human resource development
2) Strengthen production team
3) Improve margin recovery
4) Reduce cost and process loss
5) Boost productivity
6) Strengthen quality management team and system
7) Become more customer centric
8) Continue the move towards higher design content and sustainability
9) Improve supply chain management to reduce inventory levels at all stages
10) Improve capacity utilization

AFL Milestones since July 2017

- The Company achieved 'Alliance Standard' in workplace safety;
- The Company's Tannery Unit achieved the ISO 9001:2015 certification, which reflects the standard in 'Quality Management System' of the Company;
- The Comapny achieved Worldwide Responsible Accredited Production (WRAP) Gold Certificate of Compliance.
- The Company entered into a strategic partnership with 'zLabels'- largest German e-commerce Company.

Performance Summary - Year on Year (July-June)

	Tk. in Million 2017-18	2016-17	Changes (+/-)
Sales	15,947.54	14,209.32	+12.23%
Gross Profit	3,332.95	2,832.52	+17.66%
Profit before Interest & Tax	863.86	736.88	+17.23%
Profit after Tax	129.83	81.13	+60.02%
Earnings Per Share in full taka terms	11.54	7.21	+60.05%

Key Performance Indicators : 2017-18 versus 2016-17

Export Sales increased in taka terms	12.72%
Export Sales increased in pairage terms	4.21%
Local Sales increased in taka terms	11.60%
Cost of Materials (against sales) decreased	1.27%
Cost of Direct Labour increased	12.67%
Cost of Factory Overhead increased	20.34%
Cost of Rent for Outlets/Depots increased	23.94%

Highlights on Changes in Financial Position at the end of June 2018 on June 2017

Property, Plant & Equipment

During the year net increase in Property, Plant & Equipment was Tk. 435.72 million, out of which Tk. 29.94 million increased in Building, Tk. 157.47

million increased in Plant & Machinery, Tk. 6.73 million increased in Vehicles, Tk. 73.33 million increased in Office Equipment, Tk. 2.61 million increased in Computers & Printers, Tk. 21.64 million increased in Furniture & Fittings and Tk. 144.00 million increased in Outlet Decoration.

Capital Work-in-Progress

During the year Capital Work-in-Progress has increased by Tk. 367.64 million mainly for investment in new Buildings under construction.

Inventories

Inventories have increased by Tk. 192.84 million which is equivalent to a 2.67% increase versus 2017 June end balance. This increase was required to maintain stock availability in all our outlets & depots throughout the country considering the growth in domestic business. Stock of Raw Materials has decreased by Tk. 129.75 million; Stock of Finished Shoes & Other Products has increased by Tk. 459.10 million; Stock of Accessories & Components has decreased by Tk. 164.24 million; Stock of Packing Materials has increased by Tk. 53.88 million and Tk. 26.15 million decreased for holding the Inventories in different stages of production (Work-in-Process).

Accounts Receivable

Accounts Receivable increased by 12.78% equivalent to Tk. 211.47 million compared to the balance of 2017 June end and all the Receivables are considered good in terms of security and previous collection history.

Advances, Deposits and Prepayments

Advances, Deposits and Prepayments increased by 14.20% equivalent to Tk. 193.18 million mainly because of increase in advance for Outlet/Depot/Office Rent and the increase in Advance Income Tax.

Short Term Borrowings

Short Term Borrowings increased by 2.44% equivalent to Tk. 200.49 million mainly for holding enough inventories considering the growth potential in our local business and also for giving advance/deposit to the lessors of our new outlets and depots; which also require at the time of renewal of matured lease rental agreements.

Appropriation of Profits

	Tk. in Million
Retained Earnings Balance on July 1, 2017	1,424.87
Less : Amount used for 2016-17 Cash Dividend	(56.25)
Add : Profit after Tax for the year 2017-18	129.83
Retained Earnings available for Appropriation	1,498.45

Dividend

The Board of Directors is pleased to report to you that for the year 2017-18, a cash dividend of 55% equivalent Tk. 5.50 per share of Tk. 10.00 each has been recommended and the full amount to be given from current year's after tax profit, and after your approval in this Annual General Meeting, will be distributed amongst the shareholders.

Dividend Equalization Fund

The Board of Directors has recommended to transfer an amount of Tk. 25.96 million equivalent to 20% of current year's after tax profit to Dividend Equalization Fund, subject to your approval in this Annual General Meeting, with a view to maintain the consistency in dividend declaration in the years' to come.

C S R

Apex Footwear Limited is fully committed to operating as a socially responsible corporate and has continued to participate in a varied gamut of CSR activities during the year 2017-18.

During the year Apex Footwear Limited continued its partnership with Centre of Excellence for Leather Skill Bangladesh Limited (COEL), a not-for-profit institute which provides one-stop-skills solution for the leather and footwear sector. COEL has been actively engaged with industry partners to ensure upliftment of industry skills levels and employment of its trainees.

The Company launched its Sprint to Share program whereby a part of the sale proceeds from selected Sprint brand products are donated for selected social initiatives. During the year, the fund generated from this initiative were donated to SOS Children's Village International in Bangladesh for the benefit of the children of SOS Bangladesh.

As a continuous practice the Company provided financial support during the year to the flood affected people, underprivileged and disabled people; it has also made donation to Bangladesh Prime Minister's Relief Fund through the Leather & Footwear Association (LAFMEAB).

Bangladesh is a country of religious diversity and harmony and Apex Footwear Limited is committed to helping preserve this great Bangladeshi tradition of secularism and religious freedom. Along with participating in all major Muslim religious festivals, the Company also participated in the celebration of Puja, the largest religious festival of the Hindu Community of Bangladesh.

In addition to supporting some City beautification activities, the Company also contributed towards the activities of different government agencies, arrangement of seminars, and training.

Further as a continuous practice the Company arranged doctors and medicines for the general health care of the people residing in areas adjacent to the Company's factory, and donated to the local schools and madrasas. The Company also provided financial support to the children of its factory workers through giving scholarship for their brilliant results in PSC, JSC & SSC examinations.

Re-constitution of Board

Due to expiration of tenure as Independent Director of Ms. Nihad Kabir, the Board of Directors of the Company vide its 250th Meeting dated November 14, 2017 reconstituted the Board with the following members:

Syed Manzur Elahi	Chairman
Syed Nasim Manzur	Managing Director
Kazi Sanaul Hoq	Director (Nominee of ICB)
Munize Manzur	Director
Dr. Mohammed Farashuddin	Independent Director

Election of Directors

Syed Manzur Elahi retired at this Annual General Meeting as per Articles 113 & 114 of Articles of Association of the Company and being eligible, offered himself for re-election. A brief resume of the retiring Director and the names of the Companies where he has interest is mentioned in the Annual Report on page No 06.

Appointment of Statutory Auditor

As per the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the retiring auditor M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, is not eligible for re-appointment as Auditor since the Firm has already completed its assignment as Auditor for 3 (three) consecutive years. As such a new Auditor will be appointed by the valued shareholders at this Annual General Meeting. The following Chartered Accountant Firms have applied to become the Auditor of the Company for the year 2018-19.

(1) M/s. M. J. Abedin & Co., Chartered Accountants
(2) MABS & J Partners, Chartered Accountants

The Board in its meeting held on 20 September 2018 recommended to appoint M/s. M. J. Abedin & Co., Chartered Accountants as the statutory auditor of the Company for the year 2018-19 at a remuneration of Tk. 6,00,000/- (Taka six lac) only.

Appointment of Compliance Auditor

According to the Bangladesh Securities and Exchange Commission's Notification on Corporate Governance Code BSEC/CMRRCD/2006-158/208/Admin/80 dated 03 June 2018, the professional who will provide the certificate on compliance of 'Corporate Governance Code' for the year 2018-19 shall be appointed by the shareholders at this 28th Annual General Meeting. The following two Firms have applied to become the compliance auditor of the Company for the year 2018-19.

(1) M/s. Al-Muqtadir Associates, Chartered Secretaries
(2) M/s. S. F. Ahmed & Co., Chartered Accountants

The Board in its meeting held on 20 September 2018 recommended to appoint M/s. Al-Muqtadir Associates, Chartered Secretaries, as the compliance auditor of the Company for the year 2018-19.

Bangladesh Securities and Exchange Commission Compliance

The compliance status certification and report required to be presented by the Company in pursuance to Condition No. 5 of Corporate Governance Code of Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued by Bangladesh Securities and Exchange Commission under Section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is attached on page No. 46 & 35.

Credit Rating Report

"Credit Rating Information and Services Limited (CRISL) has reaffirmed "AA" (pronounced as double A) rating in the Long Term and "ST-2" rating in the Short Term to Apex Footwear Limited ("AFL"). The above ratings have been based on its audited financials up to June 30, 2017 along with the published unaudited financials of the first quarter of 2017-18 and other relevant quantitative and qualitative information up to the date of the rating. The above ratings have been reassigned due to consistent maintenance of its fundamentals such as stable business performance, good production facilities, experienced management team, good distribution network, etc. However, the above ratings are constrained, to some extent, by debt base of the Company, moderate profitability, exposure to exchange rate risk, etc.

The Long Term rating indicates that entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The Short Term rating indicates high certainty of timely repayment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL also placed the entity under "Stable Outlook" believing that the concern will be able to maintain existing fundamentals in the foreseeable future. Credit Rating Report # RR/18264/18 dated January 01, 2018, Page - 1.

Acknowledgement

On Behalf of the Board I would like to acknowledge the continued support and cooperation from our valued shareholders, and the confidence and trust our customers have bestowed in our products and Company. I would like to particularly thank all the employees for their commitment and hard work that have enabled us to achieve our results during the year 2017-18. We look forward to your continued cooperation and support as the driving force of honest and sustainable growth of your Company in the future.

On behalf of the Board



September 20, 2018
Dhaka

Syed Manzur Elahi
Chairman

Annexure-1

Pursuant to Bangladesh Securities and Exchange Commission's Notification on 'Corporate Governance Code' dated 03 June 2018, the Directors also report that:

- There is no extraordinary gain or loss occurred during the financial year;
- Details of risk management process has been discussed on the Management's Discussion & Analysis page No. 25;
- Details of related party transactions has been presented in Note No. 32 in the Notes to the financial statements;
- The Company's IPO and Right share issue were made in 1993 and 1994 respectively. No further issue of any instrument was made during the year;
- The amount of total remuneration to Directors including Independent Directors has been presented in Note No. 33 in the Notes to the financial statements;
- The financial statements of the Company fairly presented its state of affairs, result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been followed in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- The financial statements were prepared in accordance with IAS/IFRS and any departure thereof has been adequately disclosed;
- The internal control system is sound in design and has been effectively implemented and monitored;
- There are no significant doubts about the Company's ability to continue as a going concern;
- Significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained;
- Rights and interest of minority shareholders have been protected by means of proper disclosure of material information of the Company;
- Key operating and financial data of at least preceding 5 (five) years have been summarized on page No. 10 of this Annual Report;
- No bonus or stock dividend has been declared as interim dividend during the year;
- The number of Board meetings and attendance of Directors during the year 2017-18 has been presented in Annexure-2;
- The pattern of shareholding as on 30 June 2018 has been presented in Annexure-3.
- A report on Management's Discussion and Analysis has been presented on page No. 25 of this Annual Report.
- Certification under the Corporate Governance Code the Managing Director and Chief Financial Officer on the financial reporting has been presented on page No. 47 of this Annual Report.
- Status of compliance of conditions of BSEC's Corporate Governance Code dated 03 June 2018 has been presented on page No. 35 of this Annual Report.
- Certificate regarding compliance condition of BSEC's Corporate Governance Code dated 03 June 2018 has been presented on page No. 46 of this Annual Report.

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Annexure-2

Directors Meeting & Attendance: During the financial year 2017-18 under review total 04 (four) Board meetings were held. The Company Secretary and Chief Financial Officer were present in all the Board Meetings. The attendance by each Director is mentioned below:

Name of the Directors	Position	No. of Meetings held during his/her tenure	Meeting attended	Remarks
Mr. Syed Manzur Elahi	Chairman	04	04	Continuing
Mr. Syed Nasim Manzur	Managing Director	04	04	Continuing
Mr. Kazi Sanaul Hoq	Director	03	03	Continuing
Ms. Munize Manzur	Director	04	04	Continuing
Dr. Mohammed Farashuddin	Independent Director	04	03	Continuing
Ms. Nihad Kabir	Independent Director	02	00	Tenure as Independent Director expired on 21 Nov 2017

Annexure-3

Pattern of Shareholding: As at 30 June 2018

Name & Description of Shareholders		Shares Held	% of Holding
A. Parent/ Subsidiary/Associated/ Related Parties:			
Apex Tannery Limited		1,36,700	1.22
Apex Enterprises Limited		5,62,500	5.00
Pioneer Insurance Company Limited		Nil	---
Apex Pharma Limited		Nil	---
B. Directors/MD/CS/CFO/HIAC and their Spouses and Minor Children:			
Syed Manzur Elahi	- Chairman	4,15,000	3.69
Syed Nasim Manzur	- Managing Director	4,10,900	3.65
Munize Manzur	- Director	2,25,000	2.00
Kazi Sanaul Hoq	- Director (Nominee of ICB)	9,97,024	8.86
Dr. Mohammed Farashuddin	- Independent Director	Nil	
Niloufer Manzur	- Spouse (Chairman)	7,24,900	6.44
S. M. Shahjahan	- Company Secretary	Nil	---
Dilip Kajuri	- Chief Financial Officer	Nil	---
Md. Saiful Islam	- Internal Audit In -charge	Nil	---
C. Executives:			
Syed Gias Hussain	- Additional Managing Director	16,800	0.15
Abdul Momen Bhuiyan	- Deputy Managing Director & Chief Executive Officer (Unit -1)	Nil	---
Rajendran Chandran Pillai	- Chief Executive Officer (Unit -2)	Nil	---
Safi Rahman Khan	- Executive Director	Nil	---
Sudarshan Reddy	- Chief Operating Officer	Nil	---
D. Shareholders who hold 10% or more:		Nil	---
E. Other shareholders who hold less than 10%:		77,61,176	68.99
		1,12,50,000	**100**

FAAMAR STOCK

Report on Management's Discussion & Analysis

Apex is a leading developer, manufacturer and retailer of quality footwear, operating in all major export markets such Europe, North America and Japan as well as in the domestic market in Bangladesh.

Operating since 1990, Apex is a leading ODM footwear manufacturer that offers private label as well as branded footwear solutions to major retailers and brands globally.

Our business is built on our core strengths of leather development, best in class Italian product design and development capabilities, integrated, vertical and sustainable manufacturing and most importantly a team of more than 13,000 dedicated members.

We launched our domestic retail, distribution and branding business in 2007 which led to the creation of our in-house contemporary brands - Apex, Venturini, Mouchie, Nino Rossi, Maverick, Sprint, Twinkler and SchoolSmart. These brands are all designed in-house and have quickly developed a loyal following in the Bangladeshi market.

Financial Highlights

Shipment Volume Recover in 2017-18

Apex saw a moderate recovery in shipment volume in the year, which was driven by continued growth in the casual fashion segment as well as recovery in demand in some key markets and from some key clients.

The key financial performance indicators of the Company are revenue growth both export and local, cost of goods sold, operating profit, EBIDTA, pre-tax profit and earnings per share.

Our consolidated revenue for the year ended 30th June, 2018 rose 12.23% to BDT 15,947.54 million (2016-17 : BDT 14,209.32 million).

Export revenue for the year under consideration rose 12.72% to BDT 9,001.68 million.

Domestic sales revenue for the year ended 30th June, 2018 rose 11.60% to BDT 6,945.85 million (2016-17 : BDT 6,223.69 million).

Geographically Western Europe, USA and Japan remain our largest markets with sales ratio between Eurozone markets versus Dollar markets (North America & Japan) remaining virtually unchanged at 85 : 15%.

Our Company continued to expand the breadth and scope of our branded business domestically by increasing to a new total of 816 points of sale nationwide in Bangladesh (748 in 2016-17).

Profitablity Growth

Our gross profit increased to BDT 3,332.95 million for the year ended 30th June, 2018 which was an increase of 17.67% (2016-17 : BDT 2,832.52 million).

Profitability was driven by relentless focus on controlling direct material costs and increasing efficiency in supply chain. Overall material costs accounted for 63.88% of consolidated revenues in 2017-18 versus 65.15% in 2016-17, representing a reduction of 1.27% year on year.

EBIDTA increased to BDT 1,326.38 million in 2017-18 which was an increase of 27.92% (2016-17 : BDT 1,036.85 million).

Pre Tax Profit increased 19.48% to BDT 243.77 million 2017-18 (2016-17 : BDT 204.02 million).

EPS increased 60.05% to BDT 11.54 (2016-17 : BDT 7.21 as restated).

Our cash generated from operation remained healthy at Tk. 81.55 per share for 2017-18 versus Tk 76.33 per share in 2016-17.

Our return on investment was at 6.06% in 2017-18 (operating profit for year divided by the average of total assets excluding cash & cash equivalents).

Business Review

Renewed demand Q-2 & Q-3 in export and domestic

Permanent shift to ath-leisure and comfort

Global manufacturing footprint aligning to new market reality

Country	Production (Mn Pairs)	Export Price Leather Shoes only USD / Pair
ITALY	188	64
FRANCE	44	63
SPAIN	100	37
PORTUGAL	82	31
GERMANY	37	36
GREAT BRITAIN	5	29
BRAZIL	20	23
CHINA	680	13.70
BANGLADESH	40	15.58

Source : 2017 Yearbook Portuguese Footwear

Risk Management

In the financial statements of the year 2017-18 we have applied accounting principles and policies in respect of material items consistently. All the estimates/provisions considered for preparation of financial statements against the expenditure required to settle the obligation at the date of statement of financial position. We are always concern about any

credit risk, liquidity risk, market risk, currency risk and interest rate risk which can affect our business and shareholder value. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit risk exposures from financial assets are very nominal and with regards to liquidity risk, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through dynamic cash flow forecasting and ensuring sufficient liquidity to meet all obligations, in time. Currency risk is prevalent in our business specially for export, along with change in competitor foreign exchange rates, change in tariff rates, changes in import/export policy of any foreign country all can impact our business and management is constantly seeking best possible ways to mitigate such risks. Interest rate risk arises due to changes in interest rates on borrowings. There was no foreign currency loan, subject to floating rates of interest. Local borrowings, however, are significantly affected by fluctuations in local interest rates, even though our banking partners work closely with us to offer most competitive pricing to us due to our credit worthiness and financial track record.

Comparative Analysis of Key Financials

Comparative analysis of key financial performance and financial position (including effects of inflation) as well as cash flows for current financial year with immediate preceding five years:

	2018	2017	2016	2015	2014	2013
Export Revenue growth %	12.72	15.44	(0.35)	(10.62)	(6.43)	15.03
Local Revenue growth %	11.60	16.77	20.95	19.20	40.06	4.23
Direct Labour Cost Increase/(Decrease)%	12.67	15.97	5.95	(10.65)	13.51	58.45
Factory Overhead Increase/(Decrease)%	20.34	17.47	9.09	12.89	14.98	(4.05)
Rental expenses growth %	23.94	12.78	24.85	31.20	14.02	37.02
Profit after Tax growth %	60.02	4.73	48.01	(74.23)	(23.54)	2.62
Non-Current Assets growth %	25.03	13.38	6.07	12.95	11.98	2.03
Non-Current Liabilities growth %	51.47	(16.04)	33.40	(29.52)	43.28	(0.37)
Shareholders' Equity change %	2.75	8.02	(5.72)	(0.36)	5.66	9.16
Net Asset Value Per Share in BDT	244.42	237.88	220.22	233.58	234.43	221.88
Net Operating Cash Flow Per Share in BDT	81.55	76.33	55.27	28.44	58.73	72.39

*The Company was following January to December as its financial reporting period till December 2015; to follow the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) it has changed its financial reporting period since July 2016; which is now July to June.

Financial and Economic Scenario of the Country and Global

WTO has already identified that trade-related indicators are losing momentum, on top of declining global export orders and economic policy uncertainty. Fall in export orders will put pressure on Bangladeshi export-oriented manufacturers. Escalation of trade tensions coupled with a squeeze in the credit markets is the main reason for the predicted slow down. The emergence of trade frictions among the big countries is already apparent; even emerging economies like India enhanced its import tariff on a number of products including shoes from China. A gloomy outlook on global trade has a crucial implication for Bangladesh as its economic advancement significantly depends on external trade. Though small countries like Bangladesh are not feeling yet the heat of trade war, they may suffer on account of non-tariff barriers more rather than higher tariffs. On the domestic front, rising labour costs without commensurate increases in productivity as well as increasing costs of production and business like power could also hamper our competitiveness . Bangladesh also must prove to the world that it can deliver environmentally sustainable leather from the Savar leather park if it wants its own leather export industry to survive. Otherwise buyers will simply not risk associating themselves with yet another environmental disaster like Hazaribagh.

Syed Nasim Manzur
Managing Director

Report of Audit Committee

Apex Footwear Limited has an Audit Committee of the Board of Directors, in compliance with the Notification of Bangladesh Securities and Exchange Commission (BSEC) No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. All Members of the Audit Committee are financially literate and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee. The terms of reference of the Audit Committee has been determined by the Board in accordance with the BSEC Notification.

Composition of Audit Committee

The Board Audit Committee of Apex Footwear Limited is comprised of three Members of the Board of Directors including one Independent Director. The composition of the present Board Audit Committee is as follows:

Dr. Mohammed Farashuddin (Independent Director)	Chairman
Mr. Syed Manzur Elahi	Member
Ms. Munize Manzur	Member

Further the Company Secretary attends the Committee's meetings as the Secretary of the Committee. The Managing Director and Head of Finance/CFO attend the meetings by invitation. The Head of Internal Audit and the External Auditors attend the meetings as and when invited.

Role and Responsibilities of the Audit Committee

The Audit Committee's role flows directly from the Board's oversight function, and the purpose, authority, composition, duties and responsibilities of the Audit Committee are delineated in its terms of reference. Some of the major responsibilities of the Audit Committee are as follows:

- Reviewing the form and content, and monitoring the integrity of the Company's annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board for approval.
- Reviewing the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with laws and regulations and the codes of conduct.
- Recommending to the Board the appointment, reappointment, audit fee and any question of resignation or dismissal of the external auditors.
- Exercising its oversight of the work of internal audit. Reviewing the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examining audit findings and material weaknesses and monitoring implementation of audit action plans.
- Reviewing the corrective measures taken by the Management as regards the incidents relating to fraud-forgery, deficiencies in internal control or other similar issues detected by Internal and External Auditors and Inspectors of the Regulatory Authorities and inform the Board on a regular basis.
- Reviewing and evaluating the factors related to the independence of the External Auditors and assist them in preserving their independence.

Authority

The Audit Committee is authorized by the Board to review any activity within the business as per its terms of reference. It is authorized to seek any information it requires from, and require the attendance at any of its meetings of, any Director or Member of Management, and all employees are expected to cooperate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company's Legal Advisors, Tax Consultant, Statutory Auditor and Compliance Auditor if required.

Meetings and Attendance

During the period of 12 months (July 2017 to June 2018) under review, the Committee held four meetings. The attendance of the Members at these meetings is as under:

Name of the Member	Position	No. of Meetings held whilst a Committee Member	Meetings Attended	Remarks
Dr. Mohammed Farashuddin (Independent Director)	Chairman	2	2	Appointed as Chairman of the Audit Committee on 22 November 2017
Ms. Nihad Kabir (Independent Director)	_	2	2	• Previous Chairperson of Audit Committee; • Tenure as Independent Director expired on 21 November 2017.
Mr. Syed Manzur Elahi	Member	4	3	Continuing
Ms. Munize Manzur	Member	4	4	Continuing
Mr. S. M. Shahjahan	Secretary	4	4	Continuing

Activities Carried Out during the 12 Months Period from 1st July 2017 to 30th June 2018

In accordance with the 'Audit Committee Charter', the Audit Committee worked and evaluated items that were raised for consideration as well as discussed issues related to key events of every financial reporting cycle:

Financial Reporting

- Reviewed the quarterly, half yearly and interim financial results of the Company and the relevant announcements to the Bangladesh Securities and Exchange Commission and the Stock Exchanges by the Board of Directors.
- Reviewed all the draft financial statements of the Company prior to submission to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities laws, provisions of the Companies Act 1994, applicable Accounting Standards/IFRSs, any conflict of interest and other relevant legal and regulatory requirements.

Internal Audit

- Reviewed the audit plans including the audit methodology in assessing and rating risks of auditable areas to ensure adequate scope and comprehensive coverage on the audit activities of the Company.
- Reviewed the effectiveness of the audit process, resource requirements and assessed the performance of the Internal Audit Department. The competence and performance of the Head of Internal Audit was also reviewed.
- Reviewed the internal audit reports which encompassed the audit issues, audit recommendations and Management's responses to these recommendations. Improvement actions in the area of internal controls, systems and efficiency enhancements suggested by the Internal Auditors were discussed together with Management.
- Reviewed the implementation of these recommendations through follow-up audit reports to ensure all key areas were addressed.
- Suggested additional improvement opportunities in the areas of internal control, systems and efficiency improvement.

External Audit

- The Committee met with External Auditors at the conclusion of their audits in the absence of Management and also reviewed their findings of observations and the Management's response thereto.
- Reviewed with the External Auditors about the scope of their audit, audit strategies and audit plans.
- Reviewed the external audit reports and areas of concern highlighted to the Management and the Management's responses to the findings of the External Auditors.
- Reviewed the performance, appointment process and audit fees based on scope of work and magnitude of the external auditors.

VETTAIR STOCK

Reporting of the Committee

On discharging its responsibilities, the Audit Committee has ensured the following:

- Financial statements have been prepared and presented in compliance with all laws, regulations & standards as applicable.
- Adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is adequately managed.

Observations, findings and suggestions of the Committee were communicated to the Board of Directors and the Board of Directors had taken appropriate measures on the reports.

Recommendations

- The Committee highlighted the importance of improving, efficiency and productivity at all levels to ensure continued profitability of the Company.
- The Committee highlighted the lack of local backward linkage industry for footwear as a weakness of this sector, which is also creating high levels of working capital requirement compared to our competitor countries. This backward linkage will also help to reduce lead-time from Bangladesh for export.
- The Committee recognized the need for a critical mass of factories working for export to improve bargaining power and attract more buyers.
- The Committee highlighted the need to invest in continuous training and human resource development for the Company.
- The Audit Committee considered and made recommendation to the Board on the appointment and remuneration of External Auditors, M/s. M. J. Abedin & Co., Chartered Accountants with fees of Tk. 6.00 lac only for the next annual audit, subject to the approval of the Members at the 28th Annual General Meeting of the Company.

On behalf of the Audit Committee

Dr. Mohammed Farashuddin (Independent Director)
Chairman of the Board Audit Committee

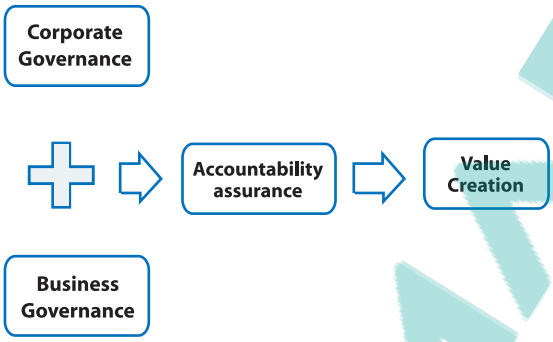
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Report on Corporate Governance

The Board of Directors of Apex Footwear Limited (AFL) and the Management of the Company are committed for achieving high standards of corporate governance through increasing transparency, accountability, better risk assessment and mitigation and compliance with Bangladesh Securities and Exchange Commission's Notification dated 03 June 2018 on "Corporate Governance Code".

Governance Model

The Company operates within a comprehensive governance model, which combines of both corporate governance and business governance. Corporate governance emphasizes on conformance with relevant laws, rules and regulations, while business governance focuses on business performance and growth. We believe both are the key drivers for value creation for the Company.



Corporate Governance Model of AFL

The diagram below describes the governance framework at Apex Footwear Limited. It shows the interaction between our shareholders and the Board, demonstrates how the Board Committee structure facilitates the relationship between the Board and the Managing Director and illustrates the flow of delegation from shareholders. We have robust processes in place to ensure the delegation flows through the Board and its committees to the Managing Director, the Executive Committee (EXCO) and into the organization. At the same time, accountability flows upwards from the Company to shareholders. This process helps to ensure alignment with shareholders. While the senior management has responsibility for the day-to-day management of the Company, the EXCO retains responsibility for planning, controlling and directing the activities of the Company, including strategic, investment and operational decisions and recommendations to the Board.



Compliance Statement

Apex Footwear Limited being a listed Company in Dhaka Stock Exchange and Chittagong Stock Exchange is committed to maintain the highest standards of Corporate Governance. The guidelines and practices of the Company is in compliance with the applicable laws and regulations of the country and comply among other with the guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide its notification dated 03 June 2018, as well as Listing Regulations of Stock Exchanges.

Bangladesh Securities and Exchange Commission's Notification on Corporate Governance Code

Apex Footwear Limited is listed on the Stock Exchanges in Bangladesh, we comply with the BSEC's notification on Corporate Governance Code. For the period ended 30 June 2018, we have complied with the relevant conditions set out in pages 35 to 45 in this report.

The Board of Directors

The Board of Directors is the supreme authority in the Company's affairs and shall oversee the management and governance of the Company and to monitor the performance of the Management, review the financial controls and reporting systems of the Company and approve the financial statements and financial reporting of the Company and determine targets for the Management. The Board is always eager to achieve superior performance and long-term & sustainable growth to meet the stakeholders' expectations with sound corporate governance. All Directors have distinguished themselves in their field of expertise and have advised the Board in the area of their respective specialty, where this is relevant to the Company's business activities and strategic development. Key points reserved for the Board are as under:

- Setting strategic objectives and providing input into and final approval of overall strategic direction;
- Monitoring financial performance including approving business plans, the annual operating and capital expenditure, budgets, funding strategy and financial statements;
- Establishing, monitoring and evaluating the effectiveness of internal controls, risk management and compliance issues;
- Establishing and maintaining a code of conduct of all Board Members.

Composition of the Board

The Board composition is based on the Company's Articles of Association and guidelines of regulatory authorities. The regulators set upper and lower limits with the number of Directors not permitted to be less than five and more than twenty as per BSEC's Corporate Governance Code. The Board of Apex Footwear Limited comprises of five members including Chairman, Managing Director, two Directors and an Independent Director. As on 30 June 2018, the composition of the Board was as follows:

Name	Position
Syed Manzur Elahi	Chairman
Syed Nasim Manzur	Managing Director
Kazi Sanaul Hoq	Director
Munize Manzur	Director
Dr. Mohammed Farashuddin	Independent Director

In compliance with Condition No. 1(4)(a) of the Corporate Governance Code separate individuals fill the positions of Chairman and Managing Director of the Company.

Directors' Appointment, Retirement and Re-appointment

As per Companies Act 1994, the office of non-executive Directors is subject to retirement i.e. at least one-third of the Directors shall retire by rotation in every Annual General Meeting. On the other hand, the Managing Director is appointed/re-appointed for a maximum period of five years. Contrariwise, the office tenure of an Independent Director is three years and may be extended by another three years. Provided that after a time gap of three years from his or her completion of consecutive six years, a former Independent Director may be considered for re-appointment for another tenure, i.e. three years.

Meetings of the Board

The schedule of the Board and Board Committee meetings has been scheduled in advance to assist the Directors in scheduling their program. The agenda of the Board and Board Committee meetings are finalized in consultation with the Chairman of the Company and with the Chairman of the Committee. The agenda of the meeting is pre-circulated with detailed notes and supporting documents.

Pursuant to the Companies Act, 1994, the Company held a minimum of one Board of Directors meeting in each quarter and must meet at least four times a year. During the reviewed period, the Board held 04 (four) meetings in person and during this period, the Board also took certain decision through circular resolution.

Audit Committee

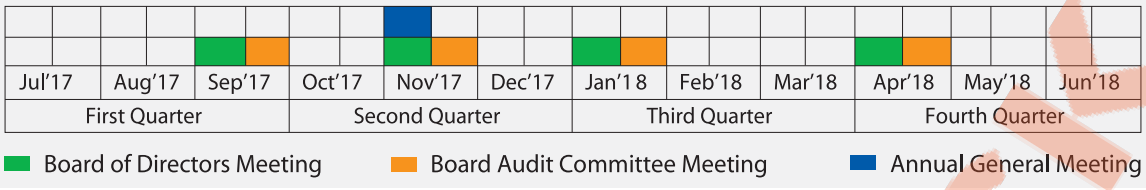
Apex Footwear Limited has an Audit Committee as a sub-committee of the Board. The Board Audit Committee advocates with the BSEC's Corporate Governance Code. The membership of the Audit Committee consists of three members, where Dr. Mohammed Farashuddin, Independent Director is the Chairman of the Committee in compliance with the Corporate Governance Code.

The primary duties of the Board Audit Committee are to assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company, providing an independent view of the effectiveness of the Company's financial reporting process and its internal control and risk management systems, oversee the external audit process, the internal audit process and to perform any other duties and responsibilities as are assigned to it by the Board. During the reviewed period, the Audit Committee held 04 (four) meetings.

Meetings and Attendance

Percentage for attendance of Directors was more than 80% of the Board and Board Committee Meetings held during the financial year, with the majority having full attendance. This reflects Board members' commitment and dedication in fulfilling their duties and responsibilities. Directors who were unable to attend a meeting placed their application for leave which was duly recorded and approved.

Board, Board Committee and Annual General Meetings held in FY 2017-18:



Internal Control

The Board is responsible for the Company's system of internal controls and its effectiveness. The internal control system has been designed to mitigate the Company's risk exposure; to facilitate the effectiveness and efficiency of operations; to safeguard the assets against loss and misappropriation; to maintain proper accounting records for producing reliable financial information and ensuring compliance with applicable laws and regulations.

The Board Audit Committee is established to, inter alia, reviewing internal control issues identified by the internal audit department, external auditors, regulatory authorities and management, and evaluate the adequacy and effectiveness of the Company's risk management and internal control systems.

Disclosure of Directors' Remuneration

The Directors do not get any performance based remuneration, incentive or allowance. The Board members get only fees for attending Board/ Board Committee meeting to the maximum of Tk. 20,000/- per meeting. The remuneration package of the Managing Director is determined by the Board.

Separate Role of the Chairman and Managing Director

The Chairman and the Managing Director of Apex Footwear Limited are different persons selected from the Board of Directors. There is a clear division of responsibilities between the Chairman and the Managing Director. The respective responsibilities borne by the Chairman and the Managing Director are:

Chairman's core responsibilities:

- Determines broad strategic direction;
- Provides leadership of the Board;
- Encouraging a culture of openness to foster a high-performing team of Directors that operates effectively;
- Facilitating the relationship between the Board and the Managing Director;
- Maintains effective communication between the Board, management of the Company and shareholders generally.

Managing Director's core responsibilities:

- Provides leadership for the management;
- Oversees the realization by the Company of the objectives determined by the Board;
- Provides information to the Board as is necessary to enable the Board to monitor the performance of management;
- Leads the management of the Company's relationship with its stakeholders;
- Puts in place programs for management development and succession;
- Establishes and maintains proper internal control and risk mitigation;
- Discharges such duties and authorities as may be delegated in writing to him by the Board.

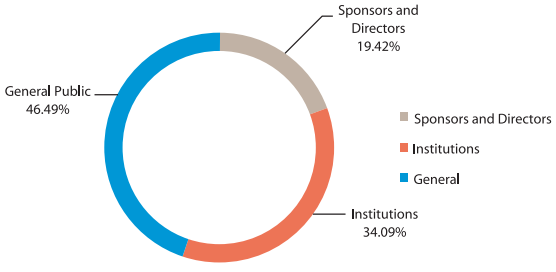
Role of the Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance

The Chief Financial Officer, the Company Secretary and the Head of Internal Audit & Compliance of the Company are the three separate persons as per BSEC's Corporate Governance Code. The Chief Financial Officer and the Company Secretary regularly advise and assist the Board on financial strategy and compliance issues of the regulatory bodies respectively. The Chief Financial Officer and the Company Secretary are also attending the Board Meetings as per Corporate Governance Code of BSEC.

Company's internal audit department is also headed by a Head of Internal Audit having professional expertise and experiences in the field of internal audit. The Head of Internal Audit is responsible for reporting to the Board Audit Committee of Apex Footwear Ltd. regarding any deviation from internal control systems of the Company.

Shareholdings

The Company has only ordinary shares and majority shares are held by the general public. All the shares of the Company are freely tradable on both the stock exchanges except sponsor/directors shares. As on June 30, 2018, the paid up capital of the Company was Tk. 11,25,00,000/- subdivided into 1,12,50,000 ordinary shares of Tk. 10 each.



Shareholding structure as on 30 June 2018

Annual General Meeting

A key part of our approach to governance involves shareholder's views being heard and understood. Through Annual General Meeting, the Company provides updated information to the shareholders on the Company's performance and offer an opportunity for shareholders to ask questions and vote. The Chairman, Directors including Independent Director, Managing Director, as well as key members of management team are present and available to answer questions. The Chairman of Audit Committee and the Statutory Auditor attend the AGM and are also available to answer questions.

The latest 27th Annual General Meeting of the Company was held on 12 November 2017 at Dhaka, where the shareholders in their meeting unanimously resolved the following agenda:

1. Received, considered and adopted the Audited Financial Statements for period ended 30 June 2017 and the Reports of the Auditors and Directors thereon.
2. Declared 50% cash dividend for the 18th months period ended on 30 June 2017.
3. Elected directors.
4. Re-appointed statutory auditors for the year 2017-2018 and fixed their remuneration.
5. Approved the re-appointment of Managing Director.
6. Approved the appointment of Independent Director.

Dividend

The Board of Directors of the Company has recommended 55% Cash Dividend for the financial year ended 30 June 2018 subject to the declaration by shareholders at the forthcoming AGM. The dividend, if declared, will be paid within 30 days of Meeting. The Company encourages shareholders to have their dividends paid directly into their bank account. This payment method is quicker and avoids the cost and inconvenience of lost, stolen, damaged or out of date warrants.

Means of Communication and Disclosure

The quarterly, half-yearly, annual financial statements and annual reports are communicated to shareholders and regulators in a timely and accurate manner. In this connection, interim & annual results and other price sensitive information have been published in two national daily newspaper, one in Bangla and another in English and also published the same in online newspaper and also uploaded in the website of the Company.

Paper publication

Pursuant to BSEC's Order dated 07 December 2015 any kind of price sensitive information (PSI) has to be published in two widely circulated national daily newspapers, one in Bangla and the other in English. PSI means any such information, which if published, may influence market price of the concerned security. During the reviewed period, we have published in newspaper the following information as PSI and Notice to the shareholders:

Disclosure	Publication date	Newspaper for publication
Major financial indicators for the year ended on June 30, 2017 and 27th AGM related disclosure	25 September 2017	• The Daily Financial Express • The Daily Samakal
Notice for 27th Annual General Meeting	11 October 2017	• The Daily Financial Express
Publication of 1st quarter financial results ended on September 30, 2017	15 November 2017	• The Daily Financial Express • The Daily Samakal
Publication of 2nd quarter financial results ended on December 31, 2017	31 January 2018	• The Daily Financial Express • The Daily Samakal
Publication of 3rd quarter financial results ended on March 31, 2018	25 April 2018	• The Daily Financial Express • The Daily Samakal

Website

Listing Regulations, 2015 of both DSE and CSE emphasized the functional website of the issuer as one of the means to communicate with the shareholders and other stakeholders. Apex Footwear Limited is compliant with the regulation and uploaded the information within the stipulated time-line.

Particulars	Status on website
Affairs of the Company	Available
Profile & Photograph of Board of Directors & Senior Management	Available
Quarterly & Annual audited financial statements	Available
The latest Directors' Report	Available
Price Sensitive Information	Available
Shareholding position	Available
Status of Compliance with the Corporate Governance Code	Available
Contact information for Investor Relations	Available

MD and CFO Certification

Certification as required under the Corporate Governance Code has provided by Mr. Syed Nasim Manzur, Managing Director and Mr. Dilip Kajuri, Chief Financial Officer of the Company which had duly been placed before the board and can be found on page No. 47 of this Annual Report.

Appointment of Compliance Auditor

According to BSEC Notification dated 03 June 2018 on Corporate Governance the Company is required to obtain a certificate regarding compliance of conditions of Corporate Governance Code. In compliance with that M/s. Al-Muqtadir Associates, Chartered Secretaries has been appointed to conduct compliance audit for the financial year ended 30 June 2018.

Moreover, pursuant to the aforesaid Notification, the professional who will provide the certificate on compliance of 'Corporate Governance Code' for the year 2018-19 shall be appointed by the shareholders at 28th Annual General Meeting. The Board in its meeting held on 20 September 2018 recommended the shareholders to appoint M/s. Al-Muqtadir Associates, Chartered Secretaries as the compliance auditors of the Company for the year 2018-19.

Auditors' Certificate on Corporate Governance

The Auditors' certificate on compliance of Corporate Governance Code can be found in page No. 46 of this Annual Report.

Appointment of Statutory Auditors

The Statutory Auditor is appointed by the shareholders in the AGM. Based on the recommendation of the Audit Committee, the Board of Directors of Apex Footwear Limited in its meeting held on 20 September 2018 recommends to the Shareholders for appointment of M/s. M. J. Abedin & Co., Chartered Accountants as statutory auditors for the year 2018-19.

Independence of Statutory Auditors

The Company's statutory auditors are prohibited from non-audit services as prescribed by the BSEC's Notification dated 03 June 2018. Tax and other professional services of the Company are conducted by separate professional individual/firms to ensure the Auditors' independence. Mr. ATM Kamal Uddin Partner, Section & Clause pc retains for company taxation services on the other hand Muhammad Mohsen Rashid, Advocate, Supreme Court of Bangladesh and Barrister Syed Afzal Hasan Uddin, Advocate, Supreme Court of Bangladesh provides legal services to the Company.

Compliance with Rules, Regulations and Laws

The leather footwear industry is subject to very high and dynamic compliance standards and Apex is continuously striving to achieve best in class standards to become a vendor of choice. As a listed company, Apex operates in compliance with multiple local laws and regulations from different agencies like BSEC, RJSC, NBR, Tax & VAT authorities. Our internal processes and policies are all designed in line with these requirements.

Human Capital

Apex firmly believes that investing in developing and upgrading the human capital is a pre-requisite for sustained growth of the Company. Therefore the focus of our Human Resource Development activities must continue to be on improving the diversity, quality and productivity of all our team members. These must include clear career progression, regular performance appraisals, and feedback and continuous training and counseling. Special attention will continue to be given to improving working conditions and OSH standards in our own factories and operations as well as those of our partners and supply chain. Apex strives to attract, retain and promote the best talent in class throughout its organization.

Environmental & Social Compliance

Apex has always been pledge bound to respect all local environmental, social and factory regulation applicable to the industry and will continue to do so in the future. In many cases Apex has gone beyond local regulatory requirements, such as in the case of insurance coverage of its workforce. Apex is proud to have achieved and maintained many FIRSTS in class in Bangladesh such as : WRAP GOLD Certification, and also in its Tannery Unit FIRST EVER IN BANGLADESH "Gold Rating Against LWG Standards with Traceability Rating A" and ISO 14001:2015 and ISO 9001:2015 certification.

Status of Compliance Report on BSEC'S Notification

Status of compliance of Apex Footwear Limited with the Conditions imposed by BSEC's Notification on Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column)		
		Complied	Not Complied	Remarks (If any)
1	**Board of Directors (BoD)**			
1(1)	Size of the Board of Directors (number of Board members - minimum 5 and maximum 20).	✓		
1(2)	**Independent Directors**			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors.	✓		
1(2)(b)	**Independent Director means a Director**			
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the company.	✓		
1(2)(b)(ii)	Not a sponsor of the company or not connected with the company's any sponsor/director/nominated director/shareholder/associates/sister concerns/subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family member also shall not hold said mentioned shares in the company.	✓		
1(2)(b)(iii)	Not been an executive of the Company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company/ subsidiary/ associated companies.	✓		
1(2)(b)(v)	Not a member or TREC holder, director or officer of any stock exchange.	✓		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or conducting special audit or professional certifying compliance of the Code.	✓		
1(2)(b)(viii)	Not be an independent director in more than 5 (five) listed companies.	✓		
1(2)(b)(iX)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or NBFI.	✓		
1(2)(b)(X)	Not been convicted for a criminal offence involving moral turpitude.	✓		

LEAFLET STOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
1(2)(c)	Appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1(2)(d)	Not remain vacant for more than 90 (ninety) days.	✓		No such event in the year
1(2)(e)	The office tenure of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	**Qualification of Independent Director**			
1(3)(a)	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 the business.	✓		
1(3)(b)(i)	Business Leader: Promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association.	.....	.....	Not applicable
1(3)(b)(ii)	Corporate Leader: Top level executive not lower than Chief Executive Officer /Managing Director/Deputy Managing Director/Chief Financial Officer/Head of Finance or Accounts/Company Secretary/Head of Internal Audit and Compliance/Head of Legal Service or a person with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100 million or of a listed company.	.....	.....	Do
1(3)(b)(iii)	Former Govt. Official: Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale having educational background of bachelor degree in economics or commerce or business or law.`	✓		
1(3)(b)(iv)	University Teacher: Having educational background in economics or commerce or business studies or law.	✓		
1(3)(b)(v)	Professional: An advocate practicing in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	.....	.....	Not applicable
1(3)(c)	Shall have at least 10 (ten) years of experiences as mentioned in clause 1(3)(b)(1) to (v).	✓		
1(3)(d)	In special cases, the above qualifications may be relaxed subject to prior approval of the Commission.	.....	.....	None
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director**			
1(4)(a)	Chairperson of the Board and the Managing Director of the Company shall be filled by different individuals.	✓		

AMAR STOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
1(4)(b)	The Managing Director of a listed company shall not hold the same position in another listed company.	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director.	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such case in the year
1(5)	**The Directors' Report to Shareholders**			
1(5)(i)	An industry outlook and possible future developments in the industry.	✓		Included in the Directors' Report
1(5)(ii)	The segment-wise or product-wise performance.	✓		Do
1(5)(iii)	Risks and concerns.	✓		Do
1(5)(iv)	Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.	✓		Do
1(5)(v)	Discussion on continuity of an extraordinary activities and their implications (gain or loss).	✓		Do
1(5)(vi)	Disclosure for related party transactions.	✓		Do
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or any other instruments.	…..	…..	Not applicable
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Share Offer, Direct Listing, etc.	…..	…..	No such case
1(5)(ix)	Explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.	✓		Included in the Directors' Report
1(5)(x)	Disclosure for remuneration paid to the directors including independent directors.	✓		Do
1(5)(xi)	Fairness of financial statements.	✓		Do
1(5)(xii)	Maintenance of proper books of accounts.	✓		Do
1(5)(xiii)	Adoption of appropriate accounting policies and estimates.	✓		Do
1(5)(xiv)	Followed IAS or IFRS as applicable in preparation of the financial statement and departure there from has been adequately disclosed.	✓		Do
1(5)(xv)	Internal control system is sound in design and has been effectively implemented and monitored.	✓		Do
1(5)(xvi)	The interest of the minority shareholders have been duly protected.	✓		Do

FINANCE STOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
1(5)(xvii)	Going concern (ability to continue as a going concern).	✓		Do
1(5)(xviii)	Highlighted and explain significant deviations from the last year's operating results.	✓		Do
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Do
1(5)(xx)	Reasons for non-declaration of dividend.	.....	.....	Not applicable
1(5)(xxi)	No bonus share or stock dividend has been declared as interim dividend during the year.	✓		As confirmed in the Directors' Report
1(5)(xxii)	Total number of Board meetings held during the year and attendance by each director.	✓		Disclosed in the Directors' Report
1(5)(xxiii)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares)**			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties.	✓		Included in the Directors' Report
1(5)(xxiii)(b)	Directors, MD, CS, CFO, HIAC and their spouses and minor children.	✓		Do
1(5)(xxiii)(c)	Executives(top five (5) other than mentioned 1(5)(xxiii)(b).	✓		Do
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest.	✓		Do
1(5)(xxiv)	**In case of the appointment/reappointment of a director, disclose**			
1(5)(xxiv)(a)	A brief resume of the director.	✓		Do
1(5)(xxiv)(b)	Expertise in specific functional areas.	✓		Do
1(5)(xxiv)(c)	Holding the directorship and the membership of committees of the Board other than AFL.	✓		Do
1(5)(xxv)	**Management's Discussion and Analysis**			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	✓		Do
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, disclose the effects on financial results and position as well cash flows.	.....	.....	Not applicable
1(5)(xxv)(c)	Comparative analysis of financial results and position as well as cash flows for current year with immediate preceding five years.	✓		Do
1(5)(xxv)(d)	Compare financial results and positions as well as cash flows with the peer industry.	✓		Do
1(5)(xxv)(e)	Discussion on financial and economic scenario of the country and the global.	✓		Do
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	✓		Do
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position.	✓		Do
1(5)(xxvi)	Declaration on Financial Statements for the year ended on 30 June 2018 by the MD and the CFO to the Board.	✓		Do

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
1(5)(xxvii)	The report and the certificate regarding compliance of conditions of Corporate Governance Code.	✓		Do
1(6)	**Meetings of the Board of Directors**			
	Meeting of the Board of Directors and record the minutes as well as keep required statutory books and records in line with the relevant provisions of Bangladesh Secretarial Standards (BSS) duly adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).	✓		
1(7)	**Code of Conduct (CoC) for Board of Directors**			
1(7)(a)	The Board shall lay down a code of conduct, for the Chairperson of the Board, other board members and Managing Director.	---	---	Under Process
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	---	---	Under Process
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	The composition of the Board of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	---	---	Not applicable, since there is no subsidiary of Apex Footwear Ltd.
2(b)	At least 1 (one) Independent Director on the Board of the holding company shall be a Director on the Board of the subsidiary company.	---	---	Not Applicable
2(c)	Submission of Minutes to the holding company.	---	---	Not Applicable
2(d)	Review of Minutes by the holding company.	---	---	Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	---	---	Not Applicable
3	**Managing Director (MD), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).	✓		
3(1)(b)	The positions of the MD, CS, CFO, HIAC shall be filled by different individuals.	✓		
3(1)(c)	The MD, CS, CFO and HIAC of a listed company shall not hold any executive position in other company.	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of CFO, HIAC and CS.	✓		
3(1)(e)	With Board's approval the MD, CS, CFO and HIAC are removed from their position and immediate dissemination to the commission and stock exchanges.	✓		No such case in the year

DMARSTOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
3(2)	The MD, CS, CFO and HIAC of the Company shall attend the meetings of the Board except such part of the meeting which involves an agenda relating to their personal matters.	✓		
3(3)(a)	**The MD and CFO shall certify to the board that they have reviewed financial statements for the year 2017-2018 and to the best of their knowledge and belief**			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
3(3)(b)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's code conduct for Board of Directors.	✓		
3(3)(c)	The certification of the MD and CFO shall be disclosed in the Annual Report.	✓		
4	**Board of Directors' Committee**			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee (NRC)	✓		The Board in its meeting on 20 September 2018 constituted NRC
5	**Audit Committee**			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board.	✓		
5(1)(b)	Assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	**Constitution of the Audit Committee**			
5(2)(a)	Shall be composed of at least 3 (three) members.	✓		
5(2)(b)	The Board shall appoint members of the Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	✓		
5(2)(d)	Casual vacancy shall be filled by the Board not later than 1 (one) month from the date of vacancy.	---	---	No such case in the year

AMARSTOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(2)(e)	The Company Secretary shall act as the secretary of the Committee.	✓		
5(2)(f)	The quorum of the Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Committee, who shall be an independent director.	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such case in the year
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	**Role of Audit Committee**			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the statutory auditors for review of the annual financial statements before submission to the Board for approval.	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval.	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	✓		
5(5)(h)	Review the adequacy of internal audit function.	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	✓		
5(5)(j)	Review all related party transactions.	✓		

FINALSTOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	---	---	No such case in the year
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.	✓		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.	---	---	Not applicable
5(6)	**Reporting of the Audit Committee**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests.	---	---	Not applicable
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.	---	---	Not applicable
5(6)(a)(ii)(c)	Report on suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations.	---	---	Not applicable
5(6)(a)(ii)(d)	Report on any other matter deems necessary shall be disclosed to the Board immediately.	---	---	Not applicable
5(6)(b)	Reporting to BSEC (If any material impact on the financial condition and results of operation, unreasonably ignored by the Board and management).	---	---	Not applicable
5(7)	Reporting to the shareholders of Audit Committee activities, which shall be signed by the Chairperson of the committee and disclosed in the Annual Report.	✓		
6	**Nomination and Remuneration Committee (NRC)**			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	✓		The Board at its meeting held on 20 September 2018 constituted NRC
6(1)(b)	Assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing.	---	---	Under process
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director.	✓		
6(2)(b)	All members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	✓		

WWW.STOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee.	✓		
6(2)(e)	Casual vacancy shall be filled by the Board within 180 days of occurring such vacancy.	---	---	No such case in the year
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.	---	---	No such case in the year
6(2)(g)	The Company Secretary shall act as the secretary of the Committee.	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	---	---	No such case in the year
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	---	---	Not applicable for the FY: 2017-18
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	---	---	The NRC was constituted on 20 September 2018
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	---	---	Not applicable
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.	---	---	Not yet applicable
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	---	---	Not yet applicable

AMAR STOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board.	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	✓		
6(5)(c)	Disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	---	---	Under process
7	**External or Statutory Auditors**			
7(1)(i)	Non- engagement in appraisal or valuation services or fairness opinions.	✓		
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System.	✓		
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements.	✓		
7(1)(iv)	Non-engagement in Broker-Dealer services.	✓		
7(1)(v)	Non-engagement in Actuarial services.	✓		
7(1)(vi)	Non-engagement in Internal Audit or special audit services.	✓		
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines.	✓		

VALUE STOCK

Condition No.	Title	Compliance Status ("✓"has been put in the appropriate column) Complied	Not Complied	Remarks (If any)
7(1)(viii)	Non-engagement in audit or certification services on compliance of Corporate Governance as required under condition no. 9(1).	✓		
7(1)(ix)	Non-engagement of any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment; his or her family members also shall not hold any shares in the said company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting to answer the queries of the shareholders.	✓		
8	**Maintaining a website by the Company**			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	**Reporting and Compliance of Corporate Governance**			
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		A separate agenda to be provided in the ensuing 28th AGM.
9(3)	The directors of the Company shall attach the compliance status in the directors' report whether the Company has complied with these conditions or not.	✓		

APEX STOCK

Corporate Governance Certificate

Al-Muqtadir Associates
Chartered Secretaries & Consultants

Business Office
Block: D, Road: 8
House# 412, Apartment: 8
Bashundhara R/A, Dhaka-1229
Bangladesh

Phones : 01730 340 340
01552 108 522
e-mail : akamuqtadir@gmail.com
VAT Reg : 19041063900
BIN No : 000179575

Report to the Shareholders of Apex Footwear Limited on compliance with the Corporate Governance Code

(As required under the BSEC Codes of Corporate Governance)

We have examined the compliance status to the Corporate Governance Code by **Apex Footwear Limited** for the year ended on 30th June 2018. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

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

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the attached Compliance Statement :

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

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2017-18.

Al-Muqtadir Associates
Chartered Secretaries & Consultants

A.K.A. Muqtadir FCS
CEO & Chief Consultant

Dhaka, October 14, 2018

MD & CFO Certification on Financial Statements

Date: 20 September 2018

The Board of Directors
Apex Footwear Limited
House No. 06, Road No. 137
Block-SE(D), Gulshan-1
Dhaka-1212

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

Dear Sirs,

Pursuant to Condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 under Section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Apex Footwear Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:

  (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,

(Syed Nasim Manzur)
Managing Director

(Dilip Kajuri)
Chief Financial Officer

Hoda Vasi Chowdhury & Co
Chartered Accountants

INDEPENDENT AUDITORS' REPORT
To the shareholders of

Apex Footwear Limited

We have audited the accompanying financial statements of Apex Footwear Limited (hereinafter referred to as "the Company) which comprise the statement of financial position as at 30 June 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

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 (BFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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 (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 prepared in accordance with the Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Apex Footwear Limited as at 30 June 2018 and the results of its financial performance and its cash flows for the period then ended and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

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 statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 42 dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred and payments made were for the purposes of the Company's business.

Dhaka, 20 September 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

National Office : BTMC Bhaban (6th & 7th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh
Chittagong Office : Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chittagong-4100, Bangladesh

Apex Footwear Limited

Statement of Financial Position

As at 30 June 2018

	Notes	30-Jun-18	Amount in Taka 30-Jun-17 (Restated)
ASSETS			
Non-Current Assets		**4,096,813,293**	**3,276,612,810**
Property, Plant and Equipment	7.00	3,377,590,382	2,941,870,731
Capital Work-in-Progress	8.00	584,269,348	216,626,799
Investment in CDBL	9.00	1,569,450	1,569,450
Deferred Tax	10.00	133,384,113	116,545,830
Current Assets		**10,943,983,595**	**10,602,991,827**
Inventories	11.00	7,414,551,754	7,221,720,188
Accounts Receivable and Others	12.00	1,865,677,732	1,654,211,723
Advances, Deposits and Prepayments	13.00	1,553,136,934	1,359,954,198
Cash and Cash Equivalents	14.00	110,617,175	367,105,718
Total Assets		**15,040,796,888**	**13,879,604,637**
EQUITY AND LIABILITIES			
Shareholders' Equity		**2,749,684,436**	**2,676,105,117**
Share Capital	15.00	112,500,000	112,500,000
Share Premium	16.00	68,804,919	68,804,919
Dividend Equalization Fund	17.00	11,250,000	11,250,000
Revaluation Surplus	18.00	1,058,680,999	1,058,680,999
Retained Earnings		1,498,448,518	1,424,869,199
Non-Current Liabilities		**1,400,733,144**	**924,767,011**
Long Term Borrowings - Net off Current Maturity	19.00	1,066,468,390	619,768,538
Retirement Benefit Obligations - Gratuity		334,264,754	304,998,473
Current Liabilities and Provisions		**10,890,379,308**	**10,278,732,510**
Short Term Borrowings	20.00	8,390,867,724	8,190,372,869
Long Term Borrowings - Current Maturity	19.00	493,547,332	413,931,612
Creditor for Goods	21.00	525,109,504	441,513,181
Creditor for Services	22.00	263,569,418	403,211,500
Accrued Expenses		341,487,327	241,728,366
Interest Payables		165,485,555	8,188,221
Provision for Taxation	23.00	696,420,396	565,645,271
Unclaimed Dividend		13,892,052	14,141,490
Total Equity and Liabilities		**15,040,796,888**	**13,879,604,637**
Net Asset Value (NAV) Per Share (2017 Restated)	30.00	244.42	237.88
Net Asset Value (NAV) Per Share (Published)	30.00	244.42	227.52

The accompanying Notes 1 to 42 form an integral part of these financial statements.

S. M. Shahjahan
Company Secretary

Dr. Mohammed Farashuddin
Independent Director

Syed Nasim Manzur
Managing Director

As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dated: Dhaka, 20 September 2018

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Apex Footwear Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Notes	01 July 2017 - 30 June 2018			01 July 2016 - 30 June 2017 (Restated)		
		Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka
Revenue (Net)	24.00	**9,001,683,860**	**6,945,852,198**	**15,947,536,058**	**7,985,626,212**	**6,223,692,598**	**14,209,318,810**
Cost of Goods Sold	25.00	(8,067,036,537)	(4,547,551,306)	(12,614,587,843)	(7,202,535,236)	(4,174,262,793)	(11,376,798,029)
Gross Profit		**934,647,323**	**2,398,300,892**	**3,332,948,215**	**783,090,976**	**2,049,429,805**	**2,832,520,781**
Operating Expenses		**(599,659,967)**	**(1,871,712,507)**	**(2,471,372,474)**	**(520,880,540)**	**(1,577,318,985)**	**(2,098,199,525)**
Administration	26.00	(155,001,238)	(155,013,592)	(310,014,830)	(137,911,267)	(109,203,886)	(247,115,153)
Marketing, Selling and Distribution	27.00	(443,743,729)	(1,714,709,974)	(2,158,453,703)	(382,024,898)	(1,466,588,824)	(1,848,613,722)
Audit Fee		(300,000)	(300,000)	(600,000)	(300,000)	(300,000)	(600,000)
Other Professional Fees		(615,000)	(1,688,941)	(2,303,941)	(644,375)	(1,226,275)	(1,870,650)
Profit from Operations		**334,987,356**	**526,588,385**	**861,575,741**	**262,210,436**	**472,110,820**	**734,321,256**
Other Income	28.00	960,644	1,326,602	2,287,246	1,210,623	1,344,247	2,554,870
Finance Cost		(195,329,143)	(412,579,375)	(607,908,518)	(140,146,641)	(382,509,157)	(522,655,798)
Profit before WPPF and Tax		**140,618,857**	**115,335,612**	**255,954,469**	**123,274,418**	**90,945,910**	**214,220,328**
Contribution to WPPF		(6,696,136)	(5,492,172)	(12,188,308)	(5,870,210)	(4,330,758)	(10,200,968)
Profit before Tax		**133,922,721**	**109,843,440**	**243,766,161**	**117,404,208**	**86,615,152**	**204,019,360**
Income Tax:		**(89,099,800)**	**(24,837,042)**	**(113,936,842)**	**(87,564,396)**	**(35,323,468)**	**(122,887,864)**
Current Tax		(89,099,800)	(41,675,325)	(130,775,125)	(87,564,396)	(34,394,118)	(121,958,514)
Deferred Tax	10.01	-	16,838,283	16,838,283	-	(929,350)	(929,350)
Net Profit after Tax-Transferred to Changes in Equity		**44,822,921**	**85,006,398**	**129,829,319**	**29,839,812**	**51,291,684**	**81,131,496**
Other Comprehensive Income		-	-	-	-	-	-
Total Comprehensive Income		**44,822,921**	**85,006,398**	**129,829,319**	**29,839,812**	**51,291,684**	**81,131,496**
Basic Earnings per Share (par value Taka 10) (2017 Restated)	29.00	3.98	7.56	11.54	2.65	4.56	7.21
Basic Earnings per Share (par value Taka 10) (Published)	29.00	3.98	7.56	11.54	2.65	4.64	7.29

The accompanying Notes 1 to 42 form an integral part of these financial statements.

S. M. Shahjahan
Company Secretary

Dated: Dhaka, 20 September 2018

Dr. Mohammed Farashuddin
Independent Director

Syed Nasim Manzur
Managing Director

As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Apex Footwear Limited

Statement of Changes in Equity

For the year ended 30 June 2018

Amount in Taka

	Share Capital	Share Premium	Dividend Equalization Fund	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2016	**112,500,000**	**68,804,919**	**11,250,000**	**1,091,423,710**	**1,193,519,812**	**2,477,498,441**
Prior year's adjustment **(Note - 6)**				(32,742,711)	150,217,891	117,475,180
Balance as on 01 July 2016 (Restated)	**112,500,000**	**68,804,919**	**11,250,000**	**1,058,680,999**	**1,343,737,703**	**2,594,973,621**
Net Profit for the Year after Tax (Restated)	-	-	-	-	81,131,496	81,131,496
Balance as on 30 June 2017 (Restated)	**112,500,000**	**68,804,919**	**11,250,000**	**1,058,680,999**	**1,424,869,199**	**2,676,105,117**
Balance as on 01 July 2017	**112,500,000**	**68,804,919**	**11,250,000**	**1,058,680,999**	**1,424,869,199**	**2,676,105,117**
Cash Dividend for the year 2016-17					(56,250,000)	(56,250,000)
Net Profit for the Year after Tax	-	-	-	-	129,829,319	129,829,319
Balance as on 30 June 2018	**112,500,000**	**68,804,919**	**11,250,000**	**1,058,680,999**	**1,498,448,518**	**2,749,684,436**

The accompanying Notes 1 to 42 form an integral part of these financial statements.

S. M. Shahjahan
Company Secretary

Dr. Mohammed Farashuddin
Independent Director

Syed Nasim Manzur
Managing Director

Dated: Dhaka, 20 September 2018

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Apex Footwear Limited

Statement of Cash Flows

For the year ended 30 June 2018

		Amount in Taka
	01 July 2017 - 30 June 2018	01 July 2016 - 30 June 2017
A) Cash Flow from Operating Activities		
Cash Receipts from Customers and Others	15,738,277,301	14,354,273,971
Cash Paid to Suppliers, Employees and Others	(14,707,493,516)	(13,372,397,884)
Income Tax Paid	(113,392,601)	(123,136,680)
Net Cash Generated from Operating Activities	**917,391,184**	**858,739,407**
B) Cash Flow from Investing Activities		
Acquisition of Property, Plant and Equipment	(1,394,429,532)	(570,232,508)
Sale of Property, Plant and Equipment	850,000	-
Net Cash Used in Investing Activities	**(1,393,579,532)**	**(570,232,508)**
C) Cash Flow from Financing Activities		
Loan Taken	2,252,312,056	2,851,214,240
Loan Repaid	(1,525,501,629)	(2,400,654,977)
Interest Paid	(450,611,184)	(662,283,863)
Dividend Paid	(56,499,438)	(620,116)
Net Cash Generated from/(Used) in Financing Activities	**219,699,805**	**(212,344,716)**
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	**(256,488,543)**	**76,162,183**
Cash and Cash Equivalents at 1 July	367,105,718	290,943,535
Cash and Cash Equivalents at 30 June	**110,617,175**	**367,105,718**
Net Operating Cash Flow Per Share (NOCFPS)	**81.55**	**76.33**

The accompanying Notes 1 to 42 form an integral part of these financial statements.

S. M. Shahjahan
Company Secretary

Dr. Mohammed Farashuddin
Independent Director

Syed Nasim Manzur
Managing Director

Dated: Dhaka, 20 September 2018

Apex Footwear Limited

Notes to the Financial Statements

For the year ended 30 June 2018

1.00 Background and Introduction

1.1 Incorporation and legal status

Apex Footwear Limited (hereinafter referred to as "the Company") is a company limited by shares. It was incorporated in Bangladesh on 04 January 1990, registered with the Registrar of Joint Stock Companies and Firms. It was listed with Dhaka Stock Exchange Limited since 11 July 1993 and Chittagong Stock Exchange Limited since 22 October 1995. On 27 December 2006, the Company's name was changed to Apex Adelchi Footwear Limited and on 15 December 2013 the name has been rechanged to Apex Footwear Limited.

The registered office of the Company is at House # 6, Road # 137, Block SE (D), Gulshan - 1, Dhaka - 1212, Bangladesh and Company's factory having two individual units namely Unit 1 (Export) and Unit 2 (Local) located at Chandra, Shafipur, Kaliakoir, Gazipur.

1.2 Nature of business

The Company is engaged in footwear business, having two individual factories namely Unit 1 (Export) and Unit 2 (Local). Unit 1 is engaged in manufacturing and exporting footwear products in international market under the administration and supervision of the Customs Bond Commissionerate of the National Board of Revenue (NBR). Unit 2 is dedicated for manufacturing footwear products for selling in the local market. Moreover, the Company's local unit has been outsourcing some footwear and fashionable products and selling the same along with its own products through its own Retail Outlets, Retail Sale Dealers and Wholesale Dealers.

2.00 Basis of Preparation of Financial Statements

2.1 Basis of measurement

The financial statements have been prepared on going concern basis and at historical cost convention except land which was revalued as on 30 October 2011 as disclosed in the accompanying **Note 18** to the financial statements.

2.2 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities and Exchange Commission Ordinance, 1969 and Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable and in accordance with Bangladesh Financial Reporting Standards (BFRSs). In addition, the Company complies with the relevant provisions of the following laws and regulations:

The Income Tax Ordinance, 1984 with subsequent amendments;

The Income Tax Rules, 1984 with subsequent amendments;

The Value Added Tax Act, 1991 with subsequent amendments;

The Value Added Tax Rules, 1991 with subsequent amendments;

The Labour Law, 2006 with subsequent amendments in 2013; and Others as applicable.

2.3 Reporting period

These financial statements cover 12 months period from 01 July 2017 to 30 June 2018.

2.4 Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on 20 September 2018.

2.5 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. Figures have been rounded off to the nearest Taka except where indicated otherwise.

2.6 Comparative information

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Comparative information have been rearranged wherever considered necessary to ensure better presentation and comparability with the current period.

2.7 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) 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, and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of accounting estimates is recognized in the period in which the estimate is revised and in any future periods affected.

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In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, current and deferred taxes, accrued expenses and other payables.

3.00 Significant Accounting Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Items of property, plant and equipment excluding land are measured at cost less accumulated depreciation in compliance with the requirements of **BAS 16: "Property, Plant and Equipment".** Land is measured at revalued amount.

The cost of acquisition of an asset comprises of its purchase price and directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.1.2 Maintenance activities

The Company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

3.1.3 Depreciation

Land is held on freehold basis and is not depreciated considering the infinite life. In respect of all other fixed assets, depreciation is charged using the straight-line method. Full month depreciation is charged on assets from when the assets are available for use while no depreciation is charged in the month of disposal. The Company reviews the non-current assets' useful life every year and there is no change in the estimated useful life.

Depreciation rates applied to the principal categories are:

Particulars	Depreciation Rate
	30-Jun-18
Buildings	10%
Plant and machinery	15%
Vehicles	20%
Office equipment	20%
Computers and printers	33.33%
Furniture and fittings	20%
Outlet decoration	33.33%

3.1.4 Retirements and disposals

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sale proceeds or realized amount.

3.1.5 Impairment

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, then the asset's recoverable amount is estimated and impairment loss is recognized in the statement of profit or loss and other comprehensive income. There is no impairment loss in 2017 and 2018.

3.1.6 Capital work-in- progress

The non-current assets which are not ready for use at the year end, are shown as capital work-in-progress and subsequently transferred to property, plant and equipment when all the necessary works are completed.

The amount spent for procuring IFS software, construction of buildings and acquiring machineries and tools which are under progress and not put to use during the period under audit are disclosed under capital work-in-progress.

3.2 Leased assets

In compliance with the ***BAS 17: "Leases",*** cost of assets acquired under finance lease along with related obligation has been accounted for as assets and liabilities respectively of the Company, and the interest element has been charged as expenses. Lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability.

3.3 Borrowing cost

Borrowing costs are recognized as expenses in the period in which they are incurred unless capitalization of such is allowed under ***BAS 23: "Borrowing Costs".***

3.4 Accounts receivable & others

Accounts receivable are initially recognized at invoice amounts which is the fair value of the consideration given in return.

Provisions for doubtful debts are made where there is evidence of a risk of non-payment, taking into account aging, previous experience as well as general economic conditions and ultimately the prospects of realisability.

3.5 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by ***BAS 2: "Inventories".*** Cost is determined on a weighted average cost basis. Net realizable value of the finished goods is determined at selling price in the ordinary course of business less costs to sell, while raw and packing materials as well as accessories and components are valued at cost including expenditures incurred for acquiring the inventories.

3.6 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position.

3.7 Employee benefits

The Company operates a defined contributory provident fund and gratuity plans for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in respective deeds. The details of employee benefits are as under:

(a) Provident fund (Defined contribution plan)

The Company has a recognized provident fund scheme (Defined Contribution Plan) for employees of the Company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute a certain percentage of their basic salary to the provident fund and the Company also makes equal contribution.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

(b) Contribution to workers' profit participation / welfare funds

This represents 5% of net profit before tax contributed by the Company as per provisions of the The Labour Law, 2006 (with subsequent amendments in 2013) and is transferred to Apex Footwear Limited Workers' Welfare Fund (the Fund). The trustee of the fund manages the distribution of the WPPF according to the guidelines of The Labour Law, 2006 (with subsequent amendments in 2013).

(c) Gratuity (Defined benefits plan)

This represents unfunded gratuity scheme for its permanent employees. Employees are entitled to gratuity benefit after completion of minimum five years of service in the Company. The gratuity is calculated on latest applicable basic pay and is payable at the rate of one month basic pay for every completed year of service.

Though no valuation was done to quantify actuarial liabilities as per ***BAS 19: "Employee Benefits",*** such is not likely to yield any significant deviation from the current provision.

(d) Insurance scheme

Employees of the Company are covered under group insurance scheme.

3.8 Share premium

The share premium shall be utilized in accordance with the provisions of the Companies Act, 1994 and as per direction of the Securities and Exchange Commission in this respect.

3.9 Revenue recognition

(a) In compliance with the requirements of **BAS 18: "Revenue",** revenue is recognized on preparation of invoices after 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, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue from export sales are recognized upon ex-factory delivery and local sales are recognized when goods are delivered from its own retail outlets and depots.

(b) Cash dividend income on investment in shares is recognized on approval of said dividend in the Annual General Meeting. Stock dividend is accounted for at zero value.

(c) Interest income is recognized on cash basis.

3.10 Income tax expenses

(a) Current tax

Income tax expense for current year is recognised on the basis of Company's computation based on the best estimated assessable profit for the year at the applicable tax rate pursuant to provisions of Income Tax Ordinance, 1984. The tax rates for the period is applied based on the enacted tax rates in the relevant Finance Acts.

(b) Deferred tax

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of **BAS 12: "Income Taxes".** Current ruling tax rate is used in the determination of deferred income tax.

No deferred tax was accounted for in these financial statements for the export unit as no temporary difference arises due to the fact that tax deducted on income from exports is considered to be the final discharge of tax liability as per prevailing tax law.

Deferred tax assets are recognized for Unit 2 (Local) to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

3.11 Earnings per share (EPS)

This has been calculated in compliance with the requirements of **BAS 33: "Earnings per Share".** Earnings per share equals the basic earnings divided by the weighted average number of ordinary shares outstanding during the period.

3.12 Foreign currency transactions

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The monetary assets and liabilities, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are treated as revenue/expenditure in compliance with the provisions of **BAS 21: "The Effects of Changes in Foreign Exchange Rates".**

3.13 Proposed dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to accounts along with dividend per share in accordance with the requirements of **BAS 1: "Presentation of Financial Statements".** Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of **BAS 10: "Events after the Reporting Period",** because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

Dividend proposed by the Board of Directors for the period under review shall be accounted for after the approval of shareholders in the Annual General Meeting and in the period of such approval.

4.00 Events after Reporting Period

Events after reporting period that provide additional information about the Company's position at the date of statement of financial position are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes, when material.

5.00 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the requirements of **BAS 7: "Statement of Cash Flows".** The cash generated from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules, 1987 and following the benchmark treatment of **BAS 7,** whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

In accordance with the gazette notofication dated 08 August 2018 by Bangladesh Securities and Exchange Commission, an additional disclosure on reconciliation of net profit with cash flows from operating activities making adjustments for non-cash items, non-operating and net changes in operating accruals has been provided under **Note 36** in the notes to the accompanying financial statements.

6.00 Prior Year Adjustment (Error occurred in recognizing deferred tax)

Historically, no deferred tax has been recognized in the Unit 2 (Local) as recognition would give rise to a deferred tax asset. The management followed prudence in deferred tax recognition. However, during the year it has been decided to comply with the requirement of **BAS 12: "Income Taxes".** The prior non-recognition of deferred tax has been classified as an error under **BAS 8: "Accounting Policies, Changes in Accounting Estimates and Error"** and has been rectified with retrospective adjustment. Accordingly, opening retained earnings of 2017 has been restated with a corresponding adjustment in deferred tax asset. Deferred tax asset has been recognized Taka 117,475,180 with corresponding adjustment under retained earnings Taka 150,217,891 and revaluantion surplus of land Taka 32,742,711 detailed calculation of which has been shown under **Note 10.**

However, although deferred tax has been accounted for in line with relevant BFRSs, the management will follow the prudent practice not to consider this income while distribution of profit since this is yet to realize.

7.00 Property, Plant & Equipment

Amount in Taka

Particulars	COST / REVALUATION				DEPRECIATION					Written down value as on 30-June-18
	As on 01-July-17	Addition during the year	Adjustment during the year	As on 30-June-18	Rate %	As on 01-Jul-17	Charged during the year	Adjustment during the year	As on 30-June-18	
Land	1,278,891,000	-	-	1,278,891,000	-	-	-	-	-	1,278,891,000
Buildings	1,197,937,562	138,219,832	-	1,336,157,394	10	387,361,931	108,286,905	-	495,648,836	840,508,558
Plant and Machinery	1,025,428,074	277,649,271	-	1,303,077,345	15	605,202,459	120,180,045	-	725,382,504	577,694,841
Vehicles	108,154,155	24,146,916	1,400,000	130,901,071	20	55,371,831	16,645,257	629,994	71,387,094	59,513,977
Office Equipments	222,727,511	110,251,242	-	332,978,753	20	137,624,842	36,920,463	-	174,545,305	158,433,448
Computers and Printers	52,442,132	11,965,300	-	64,407,432	33.33	39,058,819	9,350,080	-	48,408,899	15,998,533
Furniture and Fittings	244,547,324	57,372,665	-	301,919,989	20	134,953,955	35,732,126	-	170,686,081	131,233,908
Outlet Decoration	801,994,469	279,400,143	-	1,081,394,612	33.33	630,677,659	135,400,836	-	766,078,495	315,316,117
As on 30-June-18	**4,932,122,227**	**899,005,369**	**1,400,000**	**5,829,727,596**		**1,990,251,496**	**462,515,712**	**629,994**	**2,452,137,214**	**3,377,590,382**

Note :

(a) Depreciation charged to Cost of Goods Sold **(Note - 25.00)**
(b) Depreciation charged to Administration **(Note - 26.00)**
(c) Depreciation charged to Marketing, Selling & Distribution **(Note - 27.00)**

01 July 2017 - 30 June 2018		
Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka
150,488,998	77,977,952	228,466,950
25,616,246	73,031,680	98,647,926
-	135,400,836	135,400,836
176,105,244	**286,410,468**	**462,515,712**

AMARSTOCK

Amount in Taka

Particulars	COST / REVALUATION				DEPRECIATION					Written down value as on 30-June-17
	As on 01-July-16	Addition during the year	Adjustment during the year	As on 30-June-17	Rate %	As on 01-July-16	Charged during the year	Adjustment during the year	As on 30-June-17	
Land	1,278,891,000	-	-	1,278,891,000	-	-	-	-	-	1,278,891,000
Buildings	759,065,706	438,871,856	-	1,197,937,562	10	322,644,184	64,717,747	-	387,361,931	810,575,631
Plant & Machinery	821,516,993	203,911,081	-	1,025,428,074	15	530,850,037	74,352,422	-	605,202,459	420,225,615
Vehicles	68,373,143	39,781,012	-	108,154,155	20	46,181,540	9,190,291	-	55,371,831	52,782,324
Office Equipment	187,914,295	34,813,216	-	222,727,511	20	114,182,583	23,442,259	-	137,624,842	85,102,669
Computers & Printers	44,210,102	8,232,030	-	52,442,132	33.33	30,664,453	8,394,366	-	39,058,819	13,383,313
Furniture & Fittings	169,004,310	75,543,014	-	244,547,324	20	117,943,224	17,010,731	-	134,953,955	109,593,369
Outlet Decoration	726,427,096	75,567,373	-	801,994,469	33.33	527,810,285	102,867,374	-	630,677,659	171,316,810
As on 30-June-17	**4,055,402,645**	**876,719,582**	**-**	**4,932,122,227**		**1,690,276,306**	**299,975,190**	**-**	**1,990,251,496**	**2,941,870,731**

Note :

(a) Depreciation charged to Cost of Goods Sold **(Note - 25.00)**
(b) Depreciation charged to Administration **(Note - 26.00)**
(c) Depreciation charged to Marketing, Selling & Distribution **(Note - 27.00)**

01 July 2016 - 30 June 2017		
Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka
92,569,592	46,500,577	139,070,169
26,491,097	31,546,550	58,037,647
-	102,867,374	102,867,374
119,060,689	**180,914,501**	**299,975,190**

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		Amount in Taka
8.00 Capital Work-in-Progress	**30-Jun-18**	**30-Jun-17**
Buildings	523,036,941	107,416,290
ERP System	60,600,353	51,467,694
Furniture and Fittings	-	12,134,526
Office Equipment	632,054	45,608,289
	584,269,348	**216,626,799**

9.00 Investment in Central Depository Bangladesh Limited (CDBL)	**1,569,450**	**1,569,450**

This represents 571,181 shares (including 414,236 bonus shares) of Taka 10 each.

The share price is unquoted; therefore, no fair value is readily available. As such, this investment has been shown at cost. Impairment test has been carried out at the end of the reporting period and there is no indication of impairment loss.

10.00 Deferred Tax Asset

Deferred tax asset has been recognized in accordance with the provision of **BAS 12: "Income Taxes"** based on temporary differences arising due to differnce in the carrying amount of the assets or liabilities and their tax base.

Balance as at 01 July - Deferred tax asset	(149,288,541)	(150,217,891)
Deferred tax (Income)/Expense for the year **(Note 10.01)**	(16,838,283)	929,350
Revaluation surplus	32,742,711	32,742,711
Balance as at 30 June - Deferred Tax Asset	**(133,384,113)**	**(116,545,830)**

10.01 Deferred Tax (Income)/Expense

	Carrying Amount (Taka)	Tax Base (Taka)	Taxable/ (Deductible) Temporary Difference (Taka)
Deferred Tax (Income)/Expense for the year ended 30 June 2018			
Property, Plant and Equipment (excluding land)	1,008,237,780	1,581,171,206	(572,933,426)
Gratuity Provision	(91,573,870)	-	(91,573,870)
Deductiable Temporary Difference			**(664,507,296)**
Applicable tax rate			25%
Deferred tax assets as at 30 June 2018			(166,126,824)
Deferred tax assets as at 30 June 2017			(149,288,541)
Deferred Tax (Income) for the year ended 30 June 2018			**(16,838,283)**
Deferred Tax (Income)/Expense for the year ended 30 June 2017			
Property, Plant and Equipment (excluding land)	784,407,183	1,315,133,333	(530,726,150)
Gratuity Provision	(66,428,013)	-	(66,428,013)
Deductiable Temporary Difference			**(597,154,163)**
Applicable tax rate			25%
Deferred tax assets as at 30 June 2017			(149,288,541)
Deferred tax assets as at 30 June 2016			(150,217,891)
Deferred Tax Expense for the year ended 30 June 2017			**929,350**

11.00 Inventories		
Raw Materials	**1,980,131,885**	**2,109,878,947**
Leather and Synthetics	1,858,076,504	1,986,453,276
Wet Blue Leather	122,055,381	123,425,671
Accessories and Components	**1,471,190,742**	**1,635,433,762**
Insole and Outsole	325,475,623	404,746,429

		Amount in Taka
	30-Jun-18	**30-Jun-17**
Other Components	891,877,621	998,541,966
Other Accessories	253,837,498	232,145,367
Packing Materials	**245,334,716**	**191,456,732**
Work-in-Process	**1,432,815,294**	**1,458,969,036**
Leather and Synthetics	713,899,777	784,219,860
Insole and Outsole	207,861,284	158,657,438
Other Components	326,411,755	349,584,010
Other Accessories	84,728,250	80,546,377
Packing Materials	99,914,228	85,961,351
Finished Stock	**2,285,079,117**	**1,825,981,711**
Finished Shoes and Other Products	2,285,079,117	1,825,981,711
	7,414,551,754	**7,221,720,188**

As the Company deals in large number of items which vary in units, item-wise quantity statement of inventories could not be given.

12.00 Accounts Receivable and Others

	1,865,677,732	**1,654,211,723**
Aging of the accounts receivable is given below:		
Below six months	1,667,746,785	1,654,211,723
Above six months	197,930,947	Nil

Accounts receivable is considered good in terms of security and previous collection history.

13.00 Advances, Deposits and Prepayments

Advances	**1,395,554,095**	**1,238,046,797**
Goods-in-transit	29,854,638	35,138,153
Purchases and Expenses	72,299,125	120,648,108
Salary and Allowances	8,967,364	14,049,959
Advance VAT	9,926,707	101,818
Outlet, Depot and Office Rent	586,830,445	493,825,544
Advance Income Tax	687,675,816	574,283,215
Deposits	**132,228,971**	**103,424,558**
L/C Margin Deposit	101,880,750	79,520,856
Telephone and Others	1,793,405	1,046,906
Dhaka Polli Bidyut Samity	18,105,277	18,105,277
Titas Gas	10,449,539	4,751,519
Prepayments	**25,353,868**	**18,482,843**
Insurance Premium	24,774,832	17,307,179
Bond Officer's Allowance	579,036	1,175,664
	1,553,136,934	**1,359,954,198**

14.00 Cash and Cash Equivalents

Cash in Hand	**45,249,221**	**206,379,628**
Head Office	2,015,718	4,366,540
Factory	424,508	3,168,435
Cash with Outlets and Depots	42,808,995	198,844,653
Cash at Bank	**65,367,954**	**160,726,090**

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		Amount in Taka
	30-Jun-18	**30-Jun-17**
Current Account	10,253,090	26,356,304
STD Account	2,473,484	1,075,519
FC USD	5,789,681	1,983,100
FC EUR	40,917,064	75,699,093
RAD USD	174,780	8,161,251
RAD EUR	-	1,129,552
SND Account	5,759,855	46,321,271
	110,617,175	**367,105,718**

15.00 Share Capital

Authorised		
50,000,000 Ordinary shares of Taka 10 each	**500,000,000**	**500,000,000**
Issued, Subscribed and Paid-up		
5,000,000 Ordinary shares of Taka 10 each paid up in cash	50,000,000	50,000,000
2,500,000 Right shares issued in 1994	25,000,000	25,000,000
3,750,000 Bonus shares issued in 2007	37,500,000	37,500,000
	112,500,000	**112,500,000**

Initially, the face value of the share was Taka 100 which was subsequently denominated to Taka 10 as on 03 November 2011. Necessary amendments to Memorandum and Articles of Association were duly made by the Company.

	30-Jun-18		**30-Jun-17**	
(a) Composition of Shareholdings	**No. of shares**	**%**	**No. of shares**	**%**
Sponsors and Directors	2,184,624	19.42	2,184,624	19.42
Institutions	3,834,974	34.09	4,041,592	35.93
General Public	5,230,402	46.49	5,023,784	44.65
	11,250,000	**100.00**	**11,250,000**	**100.00**

(b) The distribution schedule of the shares as at 30 June 2018 is given below:

Range of Holdings	**No. of shareholders**	**No. of shares**	**Holdings %**
Less than 500 shares	1,807	320,763	2.85
500 to 5000 shares	813	1,128,502	10.04
5001 to 10000 shares	56	407,967	3.63
10001 to 20000 shares	33	493,217	4.38
20001 to 30000 shares	12	299,684	2.66
30001 to 40000 shares	4	142,321	1.27
40001 to 50000 shares	7	313,148	2.78
50001 to 100000 shares	12	811,622	7.21
100001 and above shares	20	7,332,776	65.18
	2,764	**11,250,000**	**100.00**

16.00 Share Premium

		Amount in Taka
Share Premium Received	90,000,000	90,000,000
Adjusted	(21,195,081)	(21,195,081)
	68,804,919	**68,804,919**

The share premium was received at the time of issuing 250,000 right shares of Taka 100 each at a premium of Taka 300 on 12 March 1994. Subsequently, these shares were denominated at Taka 10 each. This amount has been fully utilized as per the Bangladesh Securities and Exchange Commission guidelines.

		Amount in Taka
	30-Jun-18	**30-Jun-17**

17.00 Dividend Equalization Fund

Opening Balance	11,250,000	11,250,000
Adjustment during the period	-	-
	11,250,000	**11,250,000**

18.00 Revaluation Reserve

Revaluation Surplus	1,091,423,710	1,091,423,710
Deferred Tax	(32,742,711)	(32,742,711)
	1,058,680,999	**1,058,680,999**

The Company revalued its land in 2011 by a professional firm of surveyors and valuers. The Board in its 224th meeting held on 30 October 2011 approved the revaluation report and accordingly, the effect of revaluation surplus of Taka 1,091,423,710 was given in the financial statements for the year ended 31 December 2011. Deferred tax on revaluation surplus has been recognized using the tax rate applicable to this surplus.

The original cost of revalued land was Taka 103,051,290 for 1,869.50 decimal land which were mostly acquired during 1990 - 1991.

No revaluation has been made during the year as the management believes that the carrying value of the land is unlikely to differ significantly with fair value of the land.

19.00 Long Term Borrowings- Net off Current Maturity

Dhaka Bank Limited	647,676,331	762,282,160
The City Bank Limited	646,240,345	153,396,594
Dutch-Bangla Bank Limited	6,534,673	8,315,415
Bank Asia Limited	54,143,919	43,256,576
Prime Bank Limited	205,420,454	-
One Bank Limited	-	66,449,405
	1,560,015,722	**1,033,700,150**
Current Maturity	(493,547,332)	(413,931,612)
	1,066,468,390	**619,768,538**

Facility Details:

Bank	Facilities	Limit (Taka)	Tenor	Installments
Dhaka Bank Limited	Lease finance	200,000,000	5 years	60 EMI
	Term loan	700,000,000	5 years	54 EMI
	Term loan	194,000,000	5 years	60 EMI
The City Bank Limited	Term loan	773,500,000	5 years	60 EMI
Bank Asia Limited	Lease finance	90,000,000	4 years	48 EMI
Prime Bank Limited	Term loan	300,000,000	5 years	60 EMI

20.00 Short Term Borrowings

Overdrafts	**5,843,823,931**	**5,003,905,144**
Bank Asia Limited	599,492,284	339,815,871
Bank Al Falah Limited	94,670,438	95,829,631
The City Bank Limited	182,770,193	37,271,103
Dhaka Bank Limited	250,659,898	494,445,227
State Bank of India	248,475,526	213,856,413
Mercantile Bank Limited	1,499,985,674	1,373,903,481

		Amount in Taka
	30-Jun-18	30-Jun-17
Dutch-Bangla Bank Limited	982,528,957	989,755,338
Premier Bank Limited	1,296,885,187	1,158,907,689
Habib Bank Limited	199,662,620	199,037,926
Prime Bank Limited	488,693,154	-
One Bank Limited	-	101,082,465
Short Term	**2,547,043,793**	**3,186,467,725**
Bank Asia Limited	1,093,462,716	944,806,750
Bank Al Falah Limited	100,000,000	100,000,000
The City Bank Limited	302,220,245	486,440,451
Dhaka Bank Limited	1,360,832	292,179,060
State Bank of India	750,000,000	763,041,464
Habib Bank Limited	100,000,000	100,000,000
Prime Bank Limited	200,000,000	-
Dutch-Bangla Bank Limited	-	500,000,000
	8,390,867,724	**8,190,372,869**

Facility Details:

Bank	Facilities	Limit (Taka)	Maturity	Facilities	Limit (Taka)
Bank Asia Limited	Overdraft	600,000,000	Revolving	Short Term Loan	2,600,000,000
Bank Al Falah Limited	Overdraft	100,000,000	Revolving	Short Term Loan	200,000,000
The City Bank Limited	Overdraft	200,000,000	Revolving	Short Term Loan	2,200,000,000
Dhaka Bank Limited	Overdraft	900,000,000	Revolving	Short Term Loan	780,000,000
State Bank of India	Overdraft	250,000,000	Revolving	Short Term Loan	750,000,000
Mercantile Bank Limited	Overdraft	1,500,000,000	Revolving	-	-
Premier Bank Limited	Overdraft	1,300,000,000	Revolving	-	-
Dutch-Bangla Bank Limited	Overdraft	1,000,000,000	Revolving	-	-
Habib Bank Limited	Overdraft	200,000,000	Revolving	Short Term Loan	100,000,000
Prime Bank Limited	Overdraft	500,000,000	Revolving	Short Term Loan	500,000,000

Security and Collaterals

1. Registered mortgage of 1,549 decimal land with building located at Gazipur;
2. Registered charge with RJSC on all fixed assets of the Company;
3. First ranking charge with RJSC on floating assets of the Company ;
4. Corporate guarantees and personal guarantees of all shareholding directors of the Company;
5. First ranking charge on pari-pasu security sharing agreement basis on the floating assets of the Company;
6. Hypothecation of stock of raw materials, work-in-process and finished goods stored in the factory premises outlets and depots;
7. Sole ownership of the leasehold assets under the banks finance in favor of related banks;
8. Undated/postdated cheque covering the entire facility amount;
9. Charge over current assets of the Company; and
10. Lien on export LC and export documents.

21.00 Creditor for Goods

		Amount in Taka
Suppliers, Contractors and Others	524,964,405	441,160,637
Printing and Stationery	145,099	352,544
	525,109,504	**441,513,181**

		Amount in Taka
	30-Jun-18	30-Jun-17
22.00 Creditor for Services		
Clearing and Forwarding	74,475,779	55,840,364
Technical Know-how/ Design and Development	114,574,993	288,167,536
Sales Commission	73,918,646	58,603,600
Audit Fee	600,000	600,000
	263,569,418	**403,211,500**
23.00 Provision for Taxation		
Provision for the assessment year 2012-2013	52,953,426	52,953,426
Provision for the assessment year 2013-2014	75,677,047	75,677,047
Provision for the assessment year 2014-2015	106,610,655	106,610,655
Provision for the assessment year 2015-2016	109,180,257	109,180,257
Provision for the assessment year 2016-2017	73,876,187	73,876,187
Provision for the assessment year 2016-2017	25,389,185	25,389,185
Provision for the assessment year 2017-2018	121,958,514	121,958,514
Provision for the assessment year 2018-2019	130,775,125	-
	696,420,396	**565,645,271**

AMAR STOCK

	01 July 2017 - 30 June 2018			01 July 2016 - 30 June 2017		
	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka
24.00 Revenue						
Export Sales	9,001,683,860	-	9,001,683,860	7,985,626,212	-	7,985,626,212
Local Sales :						
Sales Including VAT	-	7,236,217,113	7,236,217,113	-	6,486,305,352	6,486,305,352
Less: VAT	-	(290,364,915)	(290,364,915)	-	(262,612,754)	(262,612,754)
	9,001,683,860	**6,945,852,198**	**15,947,536,058**	**7,985,626,212**	**6,223,692,598**	**14,209,318,810**

In view of innumerable items of sales and diversified quantities, it is not feasible to disclose the quantities against each items of sale.

25.00 Cost of Goods Sold						
Work-in-Process (Opening)	1,313,951,364	145,017,672	1,458,969,036	1,508,716,195	60,735,824	1,569,452,019
Raw Materials Consumption **(Note - 25.01)**	2,916,679,025	2,066,258,384	4,982,937,409	2,489,128,170	1,962,779,475	4,451,907,645
Accessories and Components Consumption **(Note - 25.02)**	2,787,936,282	2,327,280,290	5,115,216,572	2,412,340,863	1,981,066,993	4,393,407,856
Packing Materials Consumption **(Note - 25.03)**	314,213,972	208,021,952	522,235,924	306,493,685	59,174,114	365,667,799
Direct Labour	945,607,086	160,614,384	1,106,221,470	844,333,045	137,486,814	981,819,859
Factory Overhead **(Note - 25.04)**	731,403,142	192,275,397	923,678,539	667,493,318	150,849,644	818,342,962
Freight and Forwarding	110,089,925	58,684,718	168,774,643	135,950,803	44,251,551	180,202,354
Depreciation **(Note - 7.00 (a))**	150,488,998	77,977,952	228,466,950	92,569,592	46,500,577	139,070,169
Total Manufacturing Cost	**9,270,369,794**	**5,236,130,749**	**14,506,500,543**	**8,457,025,671**	**4,442,844,992**	**12,899,870,663**
Work-in-Process (Closing)	(1,288,291,942)	(144,523,352)	(1,432,815,294)	(1,313,951,364)	(145,017,672)	(1,458,969,036)
Cost of Goods Manufacturing	**7,982,077,852**	**5,091,607,397**	**13,073,685,249**	**7,143,074,307**	**4,297,827,320**	**11,440,901,627**
Finished Goods (Opening)	315,367,670	1,510,614,041	1,825,981,711	374,828,599	1,387,049,514	1,761,878,113
Finished Goods Available	**8,297,445,522**	**6,602,221,438**	**14,899,666,960**	**7,517,902,906**	**5,684,876,834**	**13,202,779,740**
Finished Goods (Closing)	(230,408,985)	(2,054,670,132)	(2,285,079,117)	(315,367,670)	(1,510,614,041)	(1,825,981,711)
	8,067,036,537	**4,547,551,306**	**12,614,587,843**	**7,202,535,236**	**4,174,262,793**	**11,376,798,029**

ANNUAL REPORT STOCK

	01 July 2017 - 30 June 2018			01 July 2016 - 30 June 2017		
	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka
25.01 Raw Materials Consumption						
Opening Stock	1,915,705,580	194,173,367	2,109,878,947	1,846,713,431	114,397,931	1,961,111,362
Add: Purchase during the period	2,707,682,324	2,145,508,023	4,853,190,347	2,558,120,319	2,042,554,911	4,600,675,230
Less: Closing Stock	(1,706,708,879)	(273,423,006)	(1,980,131,885)	(1,915,705,580)	(194,173,367)	(2,109,878,947)
	2,916,679,025	**2,066,258,384**	**4,982,937,409**	**2,489,128,170**	**1,962,779,475**	**4,451,907,645**
25.02 Accessories and Components Consumption						
Opening Stock	1,278,801,270	356,632,492	1,635,433,762	1,401,294,600	131,196,989	1,532,491,589
Add: Purchase during the period	2,695,326,576	2,255,646,976	4,950,973,552	2,289,847,533	2,206,502,496	4,496,350,029
Less: Closing Stock	(1,186,191,564)	(284,999,178)	(1,471,190,742)	(1,278,801,270)	(356,632,492)	(1,635,433,762)
	2,787,936,282	**2,327,280,290**	**5,115,216,572**	**2,412,340,863**	**1,981,066,993**	**4,393,407,856**
25.03 Packing Materials Consumption						
Opening Stock	86,155,529	105,301,203	191,456,732	209,734,279	33,520,510	243,254,789
Add: Purchase during the period	433,590,825	142,523,083	576,113,908	182,914,935	130,954,807	313,869,742
Less: Closing Stock	(205,532,382)	(39,802,334)	(245,334,716)	(86,155,529)	(105,301,203)	(191,456,732)
	314,213,972	**208,021,952**	**522,235,924**	**306,493,685**	**59,174,114**	**365,667,799**
25.04 Factory Overhead						
Salary and Allowances	395,366,428	87,080,695	482,447,123	348,352,515	56,268,053	404,620,568
Electricity	102,577,688	34,179,664	136,757,352	90,932,514	29,078,610	120,011,124
Fuel for Generator	36,817,741	8,775,000	45,592,741	46,577,304	8,704,550	55,281,854
Gas and Water	4,657,100	9,191,911	13,849,011	4,098,376	8,750,872	12,849,248
Paper and Periodicals	18,017	-	18,017	17,074	-	17,074
Insurance Premium	4,970,212	2,683,907	7,654,119	5,064,557	1,944,735	7,009,292
Repairs and Maintenance-Factory	67,819,936	25,163,962	92,983,898	59,774,557	24,106,405	83,880,962
Repairs and Maintenance-Machinery	52,841,156	12,990,329	65,831,485	47,809,110	16,739,918	64,549,028
Conveyance	566,209	238,231	804,440	441,863	217,413	659,276
Printing and Stationery	4,711,082	814,614	5,525,696	4,497,751	494,815	4,992,566
Vehicle Maintenance	4,676,820	2,399,744	7,076,564	3,664,222	1,073,490	4,737,712
Fuel for Vehicle	4,817,064	51,380	4,868,444	4,706,592	1,044,419	5,751,011
Guest House Expense	2,011,412	-	2,011,412	1,709,316	-	1,709,316
Rent, Rates and Taxes	45,519,030	8,015,110	53,534,140	46,421,297	1,972,164	48,393,461
Telephone, Internet, Telex and Fax	4,033,247	690,850	4,724,097	3,426,270	454,200	3,880,470
	731,403,142	**192,275,397**	**923,678,539**	**667,493,318**	**150,849,644**	**818,342,962**

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26.00 Administration

	01 July 2017 - 30 June 2018			01 July 2016 - 30 June 2017		
	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka
Salary and Allowances	78,378,301	45,111,662	123,489,963	62,103,765	46,011,160	108,114,925
Directors Remuneration	13,000,000	13,000,000	26,000,000	13,000,000	13,000,000	26,000,000
Staff Welfare	3,102,723	142,700	3,245,423	221,235	217,348	438,583
Conveyance	368,825	2,150,469	2,519,294	534,685	1,080,447	1,615,132
Printing and Stationery	809,746	704,636	1,514,382	297,372	504,479	801,851
Postage and Courier	40,086	158,609	198,695	56,604	71,074	127,678
Rent, Rates and Taxes	13,857,140	7,044,454	20,901,594	15,103,618	5,683,974	20,787,592
Telephone, Internet, Telex and Fax	2,269,189	1,090,142	3,359,331	2,191,792	813,324	3,005,116
Office Maintenance	8,552,628	7,954,301	16,506,929	9,866,363	5,957,177	15,823,540
Fuel and Lubricant	3,229,284	986,970	4,216,254	2,003,192	732,457	2,735,649
Vehicle Maintenance	4,136,949	2,372,032	6,508,981	3,380,974	2,353,479	5,734,453
Insurance Premium	940,121	565,937	1,506,058	1,960,570	532,417	2,492,987
AGM Expense	460,000	460,000	920,000	480,000	480,000	960,000
Board Meeting Fees	240,000	240,000	480,000	220,000	220,000	440,000
Depreciation ***(Note - 7.00 (b))***	25,616,246	73,031,680	98,647,926	26,491,097	31,546,550	58,037,647
	155,001,238	**155,013,592**	**310,014,830**	**137,911,267**	**109,203,886**	**247,115,153**

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	01 July 2017 - 30 June 2018			01 July 2016 - 30 June 2017		
	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka
27.00 Marketing, Selling and Distribution						
Salary and Allowances	8,573,981	292,860,117	301,434,098	6,708,086	292,221,821	298,929,907
Staff Welfare	207,900	476,932	684,832	14,824	726,421	741,245
Conveyance	32,930	4,655,881	4,688,811	47,739	2,339,226	2,386,965
Entertainment	120,324	5,360,456	5,480,780	128,643	6,303,514	6,432,157
Printing and Stationery	180,889	4,546,613	4,727,502	66,430	3,255,117	3,321,547
Postage and Courier	4,071	628,615	632,686	5,748	281,687	287,435
Rent, Rates and Taxes	-	553,987,587	553,987,587	-	446,997,149	446,997,149
Telephone, Internet, Telex and Fax	224,862	14,264,624	14,489,486	217,192	10,642,432	10,859,624
Office Maintenance	2,057,900	159,045,617	161,103,517	2,512,813	123,127,855	125,640,668
Advertisement	370,303	117,142,308	117,512,611	337,818	76,040,283	76,378,101
Fuel and Lubricant	53,242	2,180,694	2,233,936	33,027	1,618,351	1,651,378
Vehicle Maintenance	131,418	5,304,256	5,435,674	107,403	5,262,767	5,370,170
Insurance Premium	185,031	20,098,091	20,283,122	385,871	18,907,710	19,293,581
Export Promotion	15,235,883	-	15,235,883	4,400,330	-	4,400,330
Outlet Expense	-	380,140,358	380,140,358	-	364,744,000	364,744,000
Sales Commission	394,121,741	-	394,121,741	349,942,907	-	349,942,907
Travelling Expense	22,243,254	18,616,989	40,860,243	17,116,067	11,253,117	28,369,184
Depreciation ***(Note - 7.00 (c))***	-	135,400,836	135,400,836	-	102,867,374	102,867,374
	443,743,729	**1,714,709,974**	**2,158,453,703**	**382,024,898**	**1,466,588,824**	**1,848,613,722**
28.00 Other Income						
Dividend on CDBL Investment	713,977	713,977	1,427,954	713,976	713,976	1,427,952
Interest on Bank Deposit	246,667	532,631	779,298	496,647	630,271	1,126,918
Profit on Disposal of Non-Current Assets	-	79,994	79,994	-	-	-
	960,644	**1,326,602**	**2,287,246**	**1,210,623**	**1,344,247**	**2,554,870**
29.00 Basic Earnings per Share						
(a) Earnings attributable to the Ordinary Shareholders (Net Profit after Tax) (Restated 2017)	44,822,921	85,006,398	129,829,319	29,839,812	51,291,684	81,131,496
(b) Weighted average number of Ordinary Shares outstanding during the period	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000
(c) **Earnings per Share (EPS) (2017 Restated)**	**3.98**	**7.56**	**11.54**	**2.65**	**4.56**	**7.21**
Earnings per Share (EPS) (Published)	**3.98**	**7.56**	**11.54**	**2.65**	**4.64**	**7.29**

No diluted EPS is required to be calculated for the period as there was no scope for dilution of shares.

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Amount in Taka

30.00 Net Asset Value

	30-Jun-18	30-Jun-17
Non-Current Assets	4,096,813,293	3,276,612,810
Net Current Assets	53,604,287	324,259,317
Non-Current Liabilities	(1,400,733,144)	(924,767,011)
	2,749,684,436	2,676,105,116
Number of Ordinary Shares of Taka 10 each at Balance Sheet Date	11,250,000	11,250,000
NAV - Per Share at Balance Sheet Date (2017 Restated)	**244.42**	**237.88**
NAV - Per Share at Balance Sheet Date (Published)	**244.42**	**227.52**

31.00 Net Operating Cash Flow per Share

	01 July 2017 - 30 June 2018	01 July 2016 - 30 June 2017
Cash Flows from Operating Activities as per Statement of Cash Flows	917,391,184	858,739,407
Number of Ordinary Shares of Taka 10 each at Balance Sheet Date	11,250,000	11,250,000
Net Operating Cash Flow - Per Share on Shares at Balance Sheet Date	**81.55**	**76.33**

32.00 Related Party Transactions - Disclosure Under BAS 24

The Company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below:

Name of Related Parties	Nature of Transactions	01 July 2017 - 30 June 2018	01 July 2016 - 30 June 2017
Apex Tannery Limited	Lease Rental and Obligations	33,000,000	32,250,000
Pioneer Insurance Company Limited	Fixed Assets and LC Related	101,821,547	88,295,121
Apex Enterprises Limited	Lease Rental and Obligations	3,600,000	23,388,000
Apex Pharma Limited	Buying Medical Products	953,862	1,510,088

33.00 Salaries/Perquisites to Directors and Officers

The aggregate amounts paid/provided during the period in respect of directors and officers of the Company as defined in the Securities and Exchange Rules 1987 are disclosed below:

Directors	01 July 2017 - 30 June 2018	01 July 2016 - 30 June 2017
Board Meeting Fees	480,000	440,000
Director's Remuneration	26,000,000	26,000,000
Accommodation	3,600,000	3,600,000
Officers		
Salary and Allowances	907,371,184	811,665,400

34.00 Number of Employees

"Total number of employees of the Company was 12,630 including thirteen expatriates as on 30 June 2018. Total number of employees of the Company was 11,801 including six expatriates as on 30 June 2017. "

35.00 Financial Risk Management

(a) Credit risk

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

Exposure to credit risk **Amount in Taka**

Particulars	Note	30-Jun-18	30-Jun-17
Accounts Receivable & Others	12	1,865,677,732	1,654,211,723
Cash & Cash Equivalents	14	110,617,175	367,105,718
		1,976,294,907	**2,021,317,441**

The aging of trade receivables at the reporting date was:

Particulars	30-Jun-18	30-Jun-17
Dues below 6 months	1,667,746,785	1,654,211,723
Dues over 6 months	197,930,947	Nil

b) Liquidity risk

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

01 July 2017 - 30 June 2018	Amount in Taka	
	6 - 12 Months	Above 12 Months
Creditors for Goods	525,109,504	-
Short Term Loan from Banks	8,390,867,724	-
Long Term Loan from Banks	493,547,332	-
As at 30 June 2018	**9,409,524,560**	-
01 July 2016 - 30 June 2017		
Creditors for Goods	441,513,181	-
Short Term Loan from Banks	8,190,372,869	-
Long Term Loan from Banks	413,931,612	-
As at 30 June 2017	**9,045,817,662**	-

(c) Market risk

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

(i) Currency risk

The Company is exposed to currency risk on maximum revenues and purchases such as revenue from foreign customers and import of raw materials, machines and equipment. Majority of the Company's foreign currency transactions are denominated in Euro and USD and relate to export, procurement of raw materials, machineries and equipment from abroad.

Amount in Taka

Particulars	Currency Name	01 July 2017 - 30 June 2018	01 July 2016 - 30 June 2017
Materials & Others	EUR	18,058,511	18,317,043
	USD	57,075,025	56,043,506
Export Earnings	EUR	71,071,321	70,400,944
	USD	14,412,464	13,572,712

	Exchange rates as at	
Currency Name	**30-Jun-18**	**30-Jun-17**
	Taka	**Taka**
EUR	93.01	88.79
USD	82.40	79.51

(ii) Interest rate risk

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

36.00 Disclosures on Direct Method of Cash Flows

	01 July 2017 - 30 June 2018 Taka
Net Profit before Tax	243,766,161
Adjustments	
Add : Depreciation Charged During the Year	462,515,712
Add : Finance Cost	607,908,518
Less : Profit on Disposal of Non- Current Assets	(79,994)
	1,314,110,397
Changes in Working Capital	
Increase in Inventories	(192,831,566)
Increase in Accounts Receivable and Others	(211,466,009)
Increase in Advances, Deposits and Prepayments	(79,790,135)
Increase in Creditor for Goods	83,596,323
Decrease in Creditor for Services	(139,642,082)
Increase in Accrued Expenses	99,758,961
Increase in Interest Payables	157,297,334
Decrease in Unclaimed Dividend	(249,438)
	1,030,783,785
Less : Income Tax Paid	(113,392,601)
Net Cash Generated from Operating Activities	**917,391,184**

37.00 Production Capacity and Capacity Utilization

(a) Machine capacity for one shift of 8 hours : Shoes, Sandals and other products 8,910,300 (8,505,197 - 2016-17) pairs/pcs per period (29,701 pairs/pcs per day) (28,351 - 2016-17 pairs/pcs per day).

(b) Present attainable capacity : The Company at present is capable to run 2 shifts, where by the theoretical capacity stands at 17,107,776 (16,107,141 - 2016-17) pairs/pcs shoes, sandals and other products.

(c) At present the Company is running 2 shifts and the actual capacity utilized is as under:

	Pairs/ Pcs			Utilization
Period	Machine Capacity	Attainable Capacity	Capacity Utilized	%
2017-18	17,820,600	17,107,776	16,337,926	91.68
2016-17	17,010,393	16,107,141	15,499,871	91.12

38.00 Number of Outlets and Depots in Local Market

30 June 2018: Retail outlets 252, Wholesale dealers 217 and Retail sales dealers 347

30 June 2017: Retail outlets 227, Wholesale dealers 209 and Retail sales dealers 312

39.00 Commitments

	30-Jun-18 Taka	30-Jun-17 Taka
a) Outstanding Letters of Credit	**66,064,176**	**73,519,675**
b) Capital Expenditure Commitment		
Contracted but not accounted for	**88,924,252**	**480,982,492**
Number of proposed outlets	**7**	**8**
Approved but not contracted for	**27,910,000**	**22,210,000**

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40.00 Contingent liabilities

	30-Jun-18 Taka	30-Jun-17 Taka
a) Bank guarantee - Titas Gas	**2,112,400**	**2,112,400**

b) Income Tax

The Deputy Commissioner of Taxes (DCT) selected the Company for tax audit for the assessment years 2012-13 (income year 2011) and 2013-14 (income year 2012) and disallowed Technical Know how/Design Development expenses, and thereby demanded additional taxes arbitrarily. The Company filed appeal before the Commissioner of Taxes (Appeal) and having no favourable judgement subsequently the management filed appeal before the Appellate Tribunal. As the judgment of the Appellate Tribunal went against the Company, the management submitted petition to the Hon'abl High Court of Dhaka, the decision of which is still pending. The litigations involve Taka 35,857,414 and Taka 81,114,782 for the assessment years 2012-13 and 2013-14 respectively. However, the management strongly believes that there are cogent grounds on the allowability of the said expenses which is also supported by lawyers' opinion and hence, no provision is made in these financial statements.

41.00 Events after the Reporting Period

Subsequent to the balance sheet date, the Board of Directors has proposed 55% cash dividend i.e. Taka 5.50 per share which will be recognized in the accounts as and when approved by the shareholders in the annual general meeting.

Excepting to that, no circumstances have arisen since the date of statement of financial position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

42.00 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the Company's Board of Directors meeting on 20 September 2018.

S. M. Shahjahan
Company Secretary

Dr. Mohammed Farashuddin
Independent Director

Syed Nasim Manzur
Managing Director

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Photo Gallery







The 17th Annual Sales Conference of the Company was held on 6 March 2018. "সবাই মিলে সাফল্যের পথে" was the theme of this year's event.









In its pursuit to provide high quality footwear to its valued consumers, Apex has opened and renovated stores around the country to better serve its customers.





To enhance the skill of our workforce, regular training and developement sessions are conducted by the HR team.











Apex is fully committed to operating as a socially responsibal corporate and has continued to participate in a varied gamut of CSR activities.







Apex sponsored the event "Shotabdi Perie Shawkat Osman" in honor of renowned Bangladeshi novelist and short story writer Shawkat Osman.

Apex celebrated "International Women's Day".



Apex arranged a workshop at its factory titled "Mother @ Work-an Investment in Working Mother is an Investment in Business".





Apex sponsored the "9th Apex Cup Golf Tournament" where renowned golfers from home and abroad participated.

Apex organized "FLY Dealers' Night" program to honor the top performing retail sales dealers and wholesale dealers.





Registration Certificate

This is to certify that the Management Systems of

Apex Footwear Ltd. – Tannery Unit

have been assessed by AJA Registrars Ltd and registered against the requirements of

ISO 14001:2015

Certificate No. :	**AJA15/AN1968**	Date of Original Registration :	**9th September 2015**
Expiry Date :	**20th August 2021**	Date of Re-Registration :	**4th October 2018**
Previous Expiry Date :	**20th August 2018**		

ANAB ACCREDITED ISO/IEC 17021 MANAGEMENT SYSTEMS

Certification General Manager - AJA Registrars Ltd

MEMBER OF MULTILATERAL RECOGNITION ARRANGEMENT IAF

AJA REGISTRARS ANGLO JAPANESE AMERICAN

This certificate is issued in respect of the locations & scope of registration detailed in the Associated Registration Schedule.
This certificate is the property of AJA Registrars Ltd Unit 6 Gordano Court Gordano Gate Business Park Serbert Close Portishead Bristol UK BS20 7FS and must be returned on request. A member of the AJA Group of Companies

AMAR STOCK

Registration Certificate

This is to certify that the Management Systems of

Apex Footwear Ltd. – Tannery Unit

have been assessed by AJA Registrars and registered
against the requirements of

ISO 9001:2015

Certificate No. : **AJA17/18337** Date of Original Registration : **27th July 2017**

Expiry Date : **26th July 2020** Date of Re-Registration : **N/A**

UKAS MANAGEMENT SYSTEMS
0059

Chief Executive - AJA Registrars Ltd

MEMBER OF MULTILATERAL RECOGNITION ARRANGEMENT
IAF

AJA REGISTRARS
ANGLO JAPANESE AMERICAN

This certificate is issued in respect of the locations & scope of registration detailed in the Associated Registration Schedule.
This certificate is the property of AJA Registrars Ltd Unit 6 Gordano Court Gordano Gate Business Park Serbert Close Portishead Bristol UK BS20 7FS
and must be returned on request. A member of the AJA Group of Companies

AMARSTOCK

LWG ENVIRONMENTAL STEWARDSHIP AUDIT

GOLD RATED

AUDITED AGAINST LWG STANDARDS

Apex Footwear Limited

TANNERY UNIT
East Chandra
Shafipur
Kaliakoir
Gazipur District 1751
Bangladesh

Registration number: APX101

This tannery, which is classified as Category D – Tanned hides to finished leather, has been audited against the Leather Working Group Environmental Auditing Protocol
Issue 6.4.1

Traceability Rating A

Audited by: Samir Gaur

Date of audit: 5 & 6 August 2017 Expiry Date: 5 August 2019

Initial Audit: 31 August & 1 September 2015

BLC Leather Technology Centre Ltd,
Kings Park Road, Moulton Park, Northampton NN3 6JD UK
tel +44 (0) 1604 679999 fax +44 (0) 1604 679998
info@blcleathertech.com www.blcleathertech.com
www.leatherworkinggroup.com

AMARSTOCK

GOLD CERTIFICATE OF COMPLIANCE

Apex Footwear Limited

WRAP #:	**13750**		
Certification Period:	**February 21, 2018 to February 21, 2019**		
Facility Address:	Chandra, Shafipur, Kaliakoir Gazipur Bangladesh		
Production Processes:	Leather Finishing, Component , Cutting, Sewing, Lasting, and Packing		
Sample Size:	35		
Average Weekly Hours in Periods Reviewed:	December 2016: 49	July 2017: 49	November 2017: 49

Please refer to the full audit report for details.

Avedis H. Seferian
President & CEO

WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION
WRAP

Charles C. Masten
Chairman

Subject to the terms and conditions of the WRAP Certification Program and full compliance with the WRAP Production Principles

AMARSTOCK

APEX FOOTWEAR LIMITED

Registered Office: House No. 06, Road No. 137
Block- SE(D), Gulshan-1, Dhaka-1212, Bangladesh

FORM OF PROXY

I/We.....

of ..... being Member

of **Apex Footwear Limited**, hereby appoint.....

of.....as my / our proxy to attend and vote for me / us and on my / our behalf at the **28th Annual General Meeting** of the Company to be held on **Wednesday, 14 November 2018** at 10:30 a.m. and /or at any adjournment thereof.

As witness my hand this ..... day of ..... 2018.

(Signature of the Proxy)

(Signature of the Shareholder)

Folio No. / BO ID.....

No. of shares held .....

Signature on Tk. 20/-

Revenue Stamp

Note: A Member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the Registered Office of the Company not later than 72 hours before the time fixed for the meeting.

APEX FOOTWEAR LIMITED

Registered Office: House No. 06, Road No. 137
Block- SE(D), Gulshan-1, Dhaka-1212, Bangladesh

ATTENDANCE SLIP

(Please complete the attendance slip and hand over at the entrance of the meeting venue)

I, hereby record my attendance at the **28th Annual General Meeting** being held on **Wednesday, 14 November 2018** at 10:30 a.m. at Bangladesh Shooting Sport Federation, Shooting Complex, Gulshan-1, Dhaka-1212.

Name of Member / Proxy.....

Folio No. / BO ID.....

.....
Signature
Shareholder / Proxy

ANNUAL STOCK





Apex™

A Syed Manzur Elahi Enterprise

Apex Footwear Limited

House No. 06, Road No. 137, Block - SE(D)
Gulshan -1, Dhaka -1212, Bangladesh
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Web: www.apexfootwearltd.com

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