

Report And Accounts

For the Year Ended
June 30, 2018

Apex Tannery Limited

MARSTOCK



41st Annual General Meeting of the Company held on September 25, 2017



A partial view of the Shareholders at the 41st Annual General Meeting





A partial view of the Shareholders at the 41st Annual General Meeting

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ANNUAL STOCK



OUR VISION, MISSION, VALUES AND OBJECTIVES



Our Vision

Our vision is to attain 100% customer satisfaction worldwide through continual quality improvement of our products.

Our Mission

To understand and satisfy customer's wants and needs, we always try to add value, reduce costs and provide innovative thinking for improvement of our product quality, with world class compliance and working standards.

Our Values

To our customers we offer

- A commitment to provide best quality product and timely delivery
- Production of world-class quality leather, meet the requirements of customers with competitive price and up to date fashion trends
- Quick response to the expectations of our valued customers in terms of quality and product development

To our employees we offer

- A desirable and rewarding place to work
- Provide motivation for team work and career development
- The opportunity to grow to employee's maximum potential
- Sufficient offsite and on the job training

To our shareholders we offer

- Attractive return with minimum risk of their investment
- A commitment to continuous improvement and adding value through all activities and managing resources

To our suppliers we offer

- Easy terms of trade
- Payment within due time

Our Objectives

- 100% on time delivery of the services to our valued customers
- 100% accuracy in documentation
- 100% customers acceptance of our services as valid and usables in accordance with their requirements
- Overall reduction of cost by 2% every year
- Reduction of customer complaints by 10% every year.



CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman
Syed Manzur Elahi

Managing Director
Md. Rahmatullah

Directors
Syed Nasim Manzur
Md. Hedayetullah
Kazi Sanaul Hoq
Faruq Ahmad Siddiqi
Sayed Alamgir Farrouk Chowdhury

AUDIT COMMITTEE

Chairman
Faruq Ahmad Siddiqi

Members
Syed Nasim Manzur
Md. Hedayetullah
Sayed Alamgir Farrouk Chowdhury

MANAGEMENT COMMITTEE

Chairman
Syed Manzur Elahi

Members
Md. Rahmatullah
Md. Hedayetullah
Ansarul Islam
M. Abdul Majed
Anup Kumar Mukherjee

HUMAN RESOURCES COMMITTEE

Chairman
Md. Hedayetullah

Members
Ansarul Islam
M. Abdul Majed
Anup Kumar Mukherjee
Md. Golam Sarwar

COMPANY SECRETARY
Sushanta Kumar Paul

AUDITORS
Malek Siddiqui Wali
Chartered Accountants

CORPORATE GOVERNANCE AUDITOR
ARTISAN
Chartered Accountants

CHIEF FINANCIAL OFFICER
Anup Kumar Mukherjee

TAX ADVISER
Khandker Fazlul Quadir

LEGAL ADVISER
Mohsen Rashid
Advocate, Supreme Court of Bangladesh

BANKERS
Agrani Bank Ltd.
State Bank of India
Uttara Bank Ltd.

REGISTERED OFFICE
Plot # XA1, XA2, XA3 and XS8
BSCIC Chamra Shilpa Nagari
Harindhara, Hemayetpur, Savar, Dhaka-1340

FACTORY
Unit I
Plot # XA1, XA2, XA3 and XS8
BSCIC Chamra Shilpa Nagari
Harindhara, Hemayetpur, Savar, Dhaka-1340

Unit II
Shafipur
Kaliakoir, Gazipur

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DIRECTORS AND MANAGEMENT TEAM



Syed Manzur Elahi
Chairman



Md. Rahmatullah
Managing Director



Syed Nasim Manzur
Director



Md. Hedayetullah
Director



Kazi Sanaul Hoq
Director



Faruq Ahmad Siddiqi
Independent Director



Sayed Alamgir Farrouk Chowdhury
Independent Director



M. Abdul Majed
Executive Director



Ansarul Islam
Executive Director



Anup Kumar Mukherjee
Chief Financial Officer
(Expired on August 12, 2018)



Sushanta Kumar Paul
Company Secretary

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PROFILE OF DIRECTORS



Syed Manzur Elahi
Chairman

Chairman
- Apex Footwear Ltd.
- Apex Investments Ltd.
- Apex Enterprises Ltd.
- Quantum Consumer Solutions Ltd.
- Blue Ocean Footwear Ltd.
- Apex Pharma Ltd.
- Grey Advertising Bangladesh Ltd.

Director
- International Publications Ltd. (Financial Express)
- Mutual Trust Bank Ltd.
- Central Depository Bangladesh Ltd. (CDBL)
- Credit Rating Agency of Bangladesh Ltd. (CRAB)

Trustee
- East West University

Other Activities
- Former Adviser, Caretaker Government of Bangladesh, 1996 and 2001
- Former Director, Bangladesh Krishi Bank
- Former Director, Export Promotion Bureau
- Former Director, Bangladesh Bank
- Former President, Metropolitan Chamber of Commerce and Industry
- Former Director, Sonali Bank Ltd.
- Former President, Bangladesh Employers Association
- Former Chairman of Bangladesh Association of Banks (BAB)
- Former Vice Chairman of the Bangladesh Association of Publicly Listed Companies (BAPLC)

Education
B.A. (Distinction) in 1962 from St. Xavier's College, Kolkata & M.A. (Economics) in 1964 from Dhaka University.



Md. Rahmatullah
Managing Director

Chairman
- F B Footwear Ltd.
- Footbed Footwear Ltd.
- Parliamentary Standing committee on Ministry of Information, Bangladesh Parliament

President
- Dhaka City North Awami League

Chairperson
- Bangladesh-Bharat Shampreeti Parishad

Managing Director
- Apex Property Development Ltd.
- Daichipex Textile Mills Ltd.

Director
- Pioneer Insurance Company Ltd.

Member
- Bangladesh Jatiya Sangshad (1986-1988, 1996-2001, 2008-2013 & 2014-till to date)
- Parliamentary Standing Committee on Ministry of Post Telecommunication & Technology.
- Bangladesh Press Council

Chief Adviser
- Bangladesh Finished Leather, Leathergoods and Footwear Exporters' Association (BFLLFEA)
- Dhaka Mahanagar Samity (Dhaka Samity)

Founder Chairman
- A.K.M. Rahmatullah University College Beraid, Gulshan, Dhaka
- Alhaj Rahimullah Madrasa & Yatimkhana Beraid, Gulshan, Dhaka
- Roushan Ara Girls High School Beraid, Gulshan, Dhaka
- Halima Rahmatullah Dakhil Madrasa & Yatimkhana, Fulbaria, Mymensingh

Education
Bachelor of Arts from Chittagong University.

PROFILE OF DIRECTORS



Syed Nasim Manzur
Director

Chairman
- Landmark Footwear Ltd.

Managing Director
- Apex Footwear Ltd.
- Apex Enterprises Ltd.

Founding Director
- Quantum Consumer Solutions Ltd.
- Blue Ocean Footwear Ltd.
- Apex Investments Ltd.
- Guardian Life Insurance Ltd.

Director
- Apex Pharma Ltd.
- Grey Advertising Bangladesh Ltd.
- Pioneer Insurance Co. Ltd.
- International Publications Ltd.
- FRIENDSHIP (An Internationally acclaimed Non Government Organization)

Adviser
- Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)

Past President
- Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka

Trustee
- Society for Promotion of Bangladesh Art (SPBA)

Education
- BSc. Economics from the Wharton School of the University of Pennsylvania, USA in 1990



Md. Hedayetullah
Director

Chairman
- Mutual Trust Bank Ltd.

Chairman
- Hedayetullah Securities Ltd.

Managing Director
- FB Footwear Ltd.
- Footbed Footwear Ltd.

Director
- Daichipex Textile Mills Ltd.
- Apex Property Development Ltd.

Education
- B.Sc (Honors) in Leather Technology from the British School of Leather Technology, Northampton, UK & M. A. in international Business from Webster University, Regents College, London, United Kingdom.

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PROFILE OF DIRECTORS



Kazi Sanaul Hoq
Director

Chairman
- ICB Capital Management Ltd.

Managing Director
- Investment Corporation of Bangladesh(ICB)

Director
- British American Tobacco Bangladesh Co. Ltd.(BATBC).
- Linde Bangladesh Ltd.
- GlaxoSmithKline Bangladesh Ltd. (GSK)
- Renata Ltd.
- Credit Rating Information and Services Ltd. (CRISL)
- Standard Bank Ltd.
- National Tea Company Ltd.
- Central Depository Bangladesh Ltd. (CDBL)

Trustee
- Bangladesh Krishi Gobeshona Endowment Trust (BKGET)

Past Responsibilities
- Managing Director, Rajshahi Krishi Unnayan Bank (RAKUB).
- Managing Director (Current Charge) and Deputy Managing Director, Agrani Bank Ltd.
- General Manager, BDBL.

Education

B.Com (Hons), M.Com in Accounting from University of Dhaka.



Faruq Ahmad Siddiqi
Independent Director

Former Chairman
- Bangladesh Securities and Exchange Commission (March 2006 to March 2009)

Retired Secretary to the Govt. of Bangladesh (2002 to 2006)
- Ministry of Education
- Ministry of Commerce
- Ministry of Post & Telecommunication

Member
- National Board of Revenue (1999-2001)

Independent Director
- Runner Automobile Ltd.
- Summit Power Ltd.

Education

B. A. (Hons), M. A. (English Literature) from the University of Dhaka. (1967)

Subsidiary Subjects

Economics, History.



Sayed Alamgir Farrouk Chowdhury
Independent Director

Retired Secretary to the Govt. of Bangladesh
- Ministry of Health and Family Welfare
- Ministry of Commerce
- Ministry of Local Government

Former President
- National Tennis Federation

Former Vice President
- Bangladesh National Football and Cricket Federation

Former Chairman
- Selection Committee for the Bangladesh National Cricket and Soccer teams

Former Commissioner
- Rajshahi Division

Former Director General
- Industries and Food

Former Advisor
- Bangladesh Enterprise Institute and FBCCI

Former Consultant
- CIDA, CUTS, EU, DFID, Oxford Policy Management, OPM, USAID

Education
- Masters Degree in Economics from University of Dhaka in 1964 and Masters Degree in Economics from Williams College, USA in 1978.

PROFILE OF MANAGEMENT TEAM



M. Abdul Majed
Executive Director

Director
- Pioneer Insurance Company Ltd.
- Alliance Leathergoods & Footwear Ltd.
- Alliance Focus Footwear Ltd.



Ansarul Islam
Executive Director

Past Responsibilities
- Served under Orbital Commerce & Agencies (BD) Ltd.

Education
B.Com. from University of Dhaka.



Anup Kumar Mukherjee FCA
Chief Financial Officer
(Expired on August 12, 2018)

Past Responsibilities
- Head of Accounts and Finance Sonargaon Textiles Ltd.
- Chief Accountant, Quality Group
- Chief Accountant, Fashion Group
- Manager-Accounts and Finance, Shagufta Group
- Dy. Manager-Audit & Consultancy ACNABIN, Chartered Accountants
- Finance Officer, CARE-Bangladesh

Education
M.com., Chartered Accountant



Sushanta Kumar Paul ACS
Company Secretary

Past Responsibilities
- Company Secretary, Dhaka Insurance Ltd.
- Company Secretary Continental Insurance Ltd.
- Senior Executive Officer, Pragati Life Insurance Ltd.
- Senior Executive Officer, Progressive Life Insurance Ltd.

Education
M.Com., Chartered Secretary

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পরিচালকমন্ডলীর প্রতিবেদন

সুধী শেয়ারহোল্ডারবৃন্দ,

আপনাদের পরিচালকমন্ডলীর পক্ষে আমি ২০১৮ ইং সালের জুন ৩০, সমাপ্ত আর্থিক বছরের প্রতিবেদন ও হিসাব আনন্দের সাথে উপস্থাপন করছি।

কার্যক্রম পর্যালোচনা

যদিও বিক্রয় গত বছরের তুলনায় ২৪% বৃদ্ধি পেয়েছে, নীট মুনাফা ১৪% হ্রাস পেয়েছে কারণ সাভার চামড়া শিল্প নগরী, ঢাকায় স্থাপিত নতুন কারখানার মূলধনী কাজের ব্যয় বাবদ গৃহীত ব্যাংক ঋণের ফলে আর্থিক ব্যয় বৃদ্ধি পেয়েছে।

তুলনামূলক বার্ষিক ফলাফল

		চলতি বছর	পূর্ববর্তী বছর	+ বৃদ্ধি -হ্রাস %
• বিক্রয়	(হাজার টাকায়)	২,৪১৩,৯৩৫	১,৯৫১,৮১৩	২৩.৬৮%
• কাঁচা চামড়ার (গরু) ক্রয় মূল্য	(প্রতি বর্গফুট, টাকায়)	৬৯.৪৭	৭৩.৪৯	-৫.৪৭%
• কাঁচা চামড়ার (ছাগল) ক্রয় মূল্য	”	৩৪.৩০	৩৪.৮২	-১.৪৯%
• গরুর চামড়ার বিক্রয় মূল্য	”	১৬৮.২৪	১৫৪.১২	৯.১৬%
• ছাগলের চামড়ার বিক্রয় মূল্য	”	৯৫.৬৪	৮৯.০০	৭.৪৬%
• কেমিক্যাল ব্যয়	”	৪২.৭১	৩৬.২০	১৭.৯৮%
• স্থায়ী খরচ	(হাজার টাকায়)	২০৫,৮৬৯	১৫৮,১৮৪	৩০.১৫%
• মোট মুনাফা	”	৩১৮,৪০৮	২৬০,৫৭৬	২২.১৯%
• নীট মুনাফা	”	৩৮,৬০০	৪৫,০২৮	-১৪.২৮%
• শেয়ার প্রতি আয়	(টাকা)	২.৫৩	২.৯৫	-১৪.২৪%

কাঁচামালের মজুদ

আমরা সাধারণত ঈদ-উল-আয্হার সময় বিপুল পরিমান কাঁচা চামড়া ক্রয় করে থাকি। যার ফলে ঈদ-উল-আয্হা ব্যতিত বছরের অন্যান্য সময়ে কাঁচা চামড়ার স্বল্প যোগান আমাদের উৎপাদনকে ব্যাহত করতে পারে না। এ বছর ১৩৮ দিনের উৎপাদন ব্যয়ের সমপরিমান কাঁচামাল মজুদ রয়েছে।

মুনাফার বন্টন

হাজার টাকায়

	সমাপনী বছর জুন ৩০, ২০১৮ ইং	সমাপনী বছর জুন ৩০, ২০১৭ ইং
কর পরবর্তী নীট মুনাফা	৩৮,৬০০	৪৫,০২৮
বিগত বছর সমূহের রিটেইন্ড মুনাফা (লভ্যাংশ পরবর্তী)	৪০৮,২২৮	৪০৮,১৬০
	৪৪৬,৮২৮	**৪৫৩,১৮৮**
প্রস্তাবিত নগদ লভ্যাংশ	৬০,৯৬০	৬০,৯৬০
চলতি বছরের মুনাফা হতে প্রদান	৩৮,৬০০	৪৪,৯৬০
ডিভিডেন্ড ইকুয়্যালাইজেশন ফান্ড হতে প্রদান	২২,৩৬০	১৬,০০০



লভ্যাংশ

এবছর আপনাদের কোম্পানীর ই,পি,এস ছিল ২.৫৩ টাকা। পরিচালক পর্ষদ ১২ই আগষ্ট ২০১৮ ইং তারিখের সভায় প্রতিটি ১০ টাকার শেয়ারের উপর ৪.০০ টাকা হারে লভ্যাংশ প্রস্তাব করেছে। এই সাধারণ সভায় আপনাদের সম্মতিতে উক্ত লভ্যাংশ প্রদান করা হবে।

কর্মসংস্থান

চামড়া শিল্প প্রতিষ্ঠানে শ্রমিকদের সার্বিক পরিস্থিতি মোটামুটি শান্ত ও সন্তোষজনক ছিল, যদিও তৈরী পোশাক শিল্পে শ্রমিক অসন্তোষ বিরাজিত ছিল। আপনাদের কোম্পানীর শ্রমিক এবং কর্মচারীদের সাথে সৌহার্দ্যপূর্ণ সুসম্পর্ক ও উচ্চ নৈতিকতা বজায় রয়েছে। প্রতিষ্ঠানের শ্রম শক্তি নিম্নরূপ ঃ

	বর্তমান বছরের মোট	পূর্ববর্তী বছরের মোট
শ্রমিক	৭১৫	৫৮৭
কর্মচারী	১৯৬	১৭০
ব্যবস্থাপনা	৩০	৩১

চামড়া শিল্পের ভবিষ্যত

চামড়ার জুতা ও চামড়াজাত পণ্য শিল্পে ফিনিসড চামড়া মূল পশ্চাদপদ পণ্য। জুতা ও চামড়াজাত পণ্যের বাজারে দুর্ভাগ্যজনকভাবে সিনথেটিক দ্রব্যের অধিকতর প্রচলন হচ্ছে। ক্রমাগতভাবে এ ধারা অব্যাহত থাকলে চামড়ার চাহিদা ব্যাপক হারে হ্রাস পাবে। বহুলাংশে চামড়ার দাম হ্রাস পেয়েছে এবং বিশ্বব্যাপী চামড়া শিল্প বিরাট প্রতিদ্বন্দ্বিতার সম্মুখীন হচ্ছে। আমরা জানিনা কখন এ অবস্থার উন্নতি হবে। বর্তমানে প্রক্রিয়াজাতকৃত চামড়া বাজারজাতকরণে তীব্র প্রতিযোগীতা করতে হয়। যাহোক, আমাদের প্রক্রিয়াজাতকৃত চামড়ার প্রধান বাজার চীন, জাপান ও ইতালি চামড়ার দাম হ্রাস করেছে ফলশ্রুতিতে বাংলাদেশের কাঁচা চামড়ার বাজার হ্রাস পাচ্ছে। আমরা এখন উক্ত দেশগুলোতে হ্রাসকৃত মূল্যে চামড়া বিক্রি করছি।

ব্যবসায়িক ঝুঁকি এবং বিবেচ্য বিষয়

গত বছর পরিচালকমন্ডলীর প্রতিবেদনে বিসিক (BSCIC) কর্তৃক নির্মিত সি.ই.টি.পি (CETP) দক্ষতার সাথে কার্যকরী না হওয়ায় চামড়া শিল্পের প্রধান ঝুঁকির বিষয়ে উল্লেখ করেছি। শোধনাগার তৈরী করতে বিসিক (BSCIC) সম্পূর্নভাবে ব্যর্থ হয়েছে। আমরা শিল্প মন্ত্রণালয়ের সাথে বেশ কয়েকবার উক্ত বিষয়ে সভা করেছি যা এখন পর্যন্ত অমীমাংসিত অবস্থায় আছে। যদি নিকট ভবিষ্যতে এ অবস্থার উন্নতি না হয় তাহলে বাংলাদেশের সমগ্র চামড়া শিল্পের ভবিষ্যত অন্ধকার।

যাহোক, গত বছরের ব্যাখ্যামতে আমরা নিজস্ব উদ্যোগে শোধনাগার তৈরীর অনুমতির জন্য মন্ত্রণালয়ে যোগাযোগ চালিয়ে যাচ্ছি। যদি এতে আমরা সফলকাম হই তাহলে এ সমস্যা থেকে উত্তোরণ সম্ভব হবে।

পরিচালক নির্বাচন

মোঃ রহমতউল্লাহ এবং মোঃ হেদায়েতউল্লাহ আর্টিকেলস্ অব এসোসিয়েশনের ধারা অনুযায়ী পরিচালক পর্ষদ থেকে অবসর গ্রহন করেছেন এবং যোগ্য বিধায় পুণঃনির্বাচিত হওয়ার প্রস্তাব করেছেন। পরিচালক পর্ষদ সৈয়দ আলমগীর ফারুক চৌধূরী কে ইনডিপেনডেন্ট পরিচালক হিসেবে পুণঃনিয়োগের জন্য মনোনয়ন প্রদান করেছেন। বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স প্রজ্ঞাপন অনুসারে এই সাধারণ সভায় তাহার পুণঃনিয়োগের জন্য অনুমোদন প্রয়োজন।



পরিচালক পর্ষদের সভা ও উপস্থিতি

আলোচ্য বছরে পরিচালক পর্ষদের চারটি সভা অনুষ্ঠিত হয়। উক্ত সভাসমূহে পরিচালকগণের উপস্থিতি ছিল নিম্নরূপ:

পরিচালকগণের নাম	সভায় উপস্থিতি
সৈয়দ মঞ্জুর এলাহী	৪
মোঃ রহমতউল্লাহ	৪
সৈয়দ নাসিম মঞ্জুর	৩
মোঃ হেদায়েতউল্লাহ	২
কাজী ছানাউল হক	-
ফারুক আহমদ সিদ্দিকী	৪
সৈয়দ আলমগীর ফারুক চৌধূরী	৪

যে সকল পরিচালকগণ সভায় উপস্থিত থাকতে পারেননি তাদের ছুটি মঞ্জুর করা হয়েছিল।

নিরীক্ষা কমিটি

কোম্পানীর আর্থিক অবস্থান, নিরীক্ষা এবং সংবিধিবদ্ধ ও নিয়ন্ত্রনকারী সংস্থাসমূহের প্রয়োজনীয় শর্তাবলী পরিপালনের লক্ষ্যে নিরীক্ষা কমিটি গঠিত হয়েছিল। কোম্পানীর নিরীক্ষক নিয়োগের ক্ষেত্রে কমিটি পরিচালক পর্ষদকে সুপারিশ করেছেন এবং অভ্যন্তরীন নিরীক্ষার ক্ষেত্রসমুহ মূল্যায়ন করেছেন। নিরীক্ষা কমিটির প্রতিবেদন সংযুক্ত করা হল।

নিম্নেবর্নিত পরিচালকগনের সমন্বয়ে নিরীক্ষা কমিটি গঠিত হয়েছিল:

১. ফারুক আহমদ সিদ্দিকী	ইনডিপেনডেন্ট পরিচালক	চেয়ারম্যান
২. সৈয়দ নাসিম মঞ্জুর	পরিচালক	সদস্য
৩. মোঃ হেদায়েতউল্লাহ	পরিচালক এবং অভ্যন্তরীন নিরীক্ষা প্রধান	সদস্য
৪. সৈয়দ আলমগীর ফারুক চৌধূরী	ইনডিপেনডেন্ট পরিচালক	সদস্য

কোম্পানীর বিষয়াবলী ও আর্থিক প্রতিবেদন

কোম্পানীর কর্পোরেট গভর্নেন্স বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের প্রয়োজনীয় দিক নির্দেশনার সাথে একাত্ব হয়েছে এবং তদানুযায়ী পরিচালকমন্ডলী আনন্দের সাথে নিশ্চিত করেছেন যে:

ক. আর্থিক বিবরনী ও তদসংক্রান্ত টীকাসমূহ কোম্পানী আইন ১৯৯৪ এবং বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের নীতিমালা ১৯৮৭ এর আলোকে প্রস্তুত করা হয়েছে। এই সকল বিবরনীসমূহে কোম্পানী সংক্রান্ত বিষয়াবলী, এর পরিচালনা নীতিমালা, অর্থ প্রবাহ এবং তারল্যের পরিবর্তন সঠিকভাবে উপস্থাপিত হয়েছে।

খ. কোম্পানীর হিসাববহি যথাযথভাবে রক্ষিত হয়েছে।

গ. আর্থিক বিবরনীসমূহ প্রস্তুতকালে হিসাবসংক্রান্ত নীতিমালা যথাযথভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত প্রাক্কলনসমূহ যৌক্তিকতা ও বিচক্ষণতার আলোকে করা হয়েছে।

ঘ. আর্থিক বিবরণী প্রস্তুতকালে বাংলাদেশে প্রযোজ্যতার ভিত্তিতে আন্তর্জাতিক হিসাব মানসমূহ অনুসরন করা হয়েছে।

ঙ. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা ছিল যথাযথ এবং এর কার্যকর প্রয়োগ নিশ্চিত করা হয়েছে।

চ. কোম্পানী সাধারণ ব্যবসায়িক কার্যক্রমের অংশ হিসাবে এপেক্স ফুটওয়্যার লিমিটেড, মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড, গার্ডিয়ান লাইফ ইন্স্যুরেন্স লিমিটেড এবং পাইওনিয়ার ইন্স্যুরেন্স কোম্পানী লিমিটেড এর সাথে লেনদেন করেছে।

ছ. চলমান প্রতিষ্ঠান হিসাবে কোম্পানীর সক্ষমতা নিঃসন্দেহে প্রমাণিত।

জ. পাঁচ বছরের কার্যকারিতা ও আর্থিক ফলাফলসমূহের উপাত্ত সংযুক্ত করা হয়েছে।



শেয়ার হোল্ডিং

কোম্পানীর পরিচালকদের ৩০শে জুন ২০১৮ইং তারিখে শেয়ারহোল্ডিং বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের দিক নির্দেশনা অনুযায়ী সংযুক্ত করা হল (Annexure - I)।

পরিচালকগণের পারিতোষিক

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের প্রজ্ঞাপন অনুযায়ী ৩০শে জুন, ২০১৮ইং সমাপ্ত বছরের জন্য পরিচালকগনকে প্রদত্ত পারিতোষিক নোট নং ৩৭-এ দেখানো হয়েছে।

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট

বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের দিক নির্দেশনা অনুযায়ী "কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট" সংযুক্ত করা হল।

শোক সংবাদ

আমাদের "চীফ ফিনান্সিয়াল অফিসার" (সিএফও) মিঃ অনুপ কুমার মুখার্জী, এফসিএ গত ১২ই আগষ্ট ২০১৮ ইং তারিখ হৃদযন্ত্রের ক্রিয়া বন্ধ হয়ে ঢাকায় মৃত্যুবরন করেন। আমরা তার অকাল মৃত্যুতে গভীরভাবে শোকাহত। আমরা তার বিদেহী আত্মার শান্তি কামনা করছি এবং তার শোক সন্তপ্ত পরিবারের প্রতি আমাদের গভীর সমবেদনা প্রকাশ করছি।

মিঃ মুখার্জী ২০০৭ সালে অত্র প্রতিষ্ঠানে যোগদান করেন। তার আন্তরিকতা, সততা, পেশাদারিত্ব আমরা অনুভব করছি। আর্থিক শৃঙ্খলা উন্নয়নের ক্ষেত্রে তার অসাধারন অবদান অত্র কোম্পানী সর্বদা স্মরন করবে।

বহি:নিরীক্ষক নিয়োগ

নিরীক্ষক মেসার্স মালেক সিদ্দিকি ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্ট্স আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। নিরীক্ষক মেসার্স সিরাজ খান বসাক এন্ড কোং, চার্টার্ড এ্যাকাউন্ট্যান্ট্স যোগ্য বিধায় ২০১৮-২০১৯ইং অর্থ বছরের জন্য পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত তারা নিয়োগ লাভের আগ্রহ প্রকাশ করেছেন। পরিচালক পর্ষদ মেসার্স সিরাজ খান বসাক এন্ড কোং, চার্টার্ড এ্যাকাউন্ট্যান্ট্স এর নিয়োগ অনুমোদনের সুপারিশ করেছেন।

স্বীকৃতি

পরিচালক পর্ষদ কোম্পানীর সকল সদস্য, গ্রাহক, সরবরাহকারী এবং অন্যান্য সংশ্লিষ্ট ব্যক্তিবর্গের অব্যাহত সমর্থন ও প্রচেষ্টা প্রদানের জন্য আন্তরিকভাবে ধন্যবাদ জানাচ্ছে। তাদের সমর্থন ছাড়া এই সাফল্য অর্জন করা কখনই সম্ভব হতো না।

পরিচালকমন্ডলীর পক্ষে,

সৈয়দ মঞ্জুর এলাহী
চেয়ারম্যান

আগষ্ট ১২, ২০১৮ইং
ঢাকা।



REPORT OF THE DIRECTORS

DEAR SHAREHOLDERS,

On behalf of your Directors, I have the pleasure in submitting the Report and Financial Statements for the year ended June 30, 2018.

PERFORMANCE REVIEW

Although turnover increased by about 24% as compared to previous year, net profit decreased by about 14% due mainly to increase in financial expenses arising out of bank borrowings for meeting the capital expenditures at Savar Tannery Industrial Park, Dhaka.

PERFORMANCE SUMMARY YEAR ON YEAR

		This Year	Previous Year	+ Increase - Decrease %
• Sales	(Taka in thousand)	2,413,935	1,951,813	23.68%
• Raw Cowhides purchase price	(Taka/sft.)	69.47	73.49	-5.47%
• Raw Goatskins purchase price	”	34.30	34.82	-1.49%
• Cow leather selling price	”	168.24	154.12	9.16%
• Goat leather selling price	”	95.64	89.00	7.46%
• Chemical cost	”	42.71	36.20	17.98%
• Operating expenses	(Taka in thousand)	205,869	158,184	30.15%
• Gross profit	”	318,408	260,576	22.19%
• Net profit	”	38,600	45,028	-14.28%
• Earnings per share	(Taka)	2.53	2.95	-14.24%

INVENTORIES

We normally purchase huge quantities of raw hides and skins during the Eid-ul-Azha festival, so that our production is not adversely affected due to low supply during the rest of the year. This year’s inventory represents 138 days of production.



APPROPRIATION OF PROFITS

Taka in thousand

	Year Ended June 30, 2018	Year Ended June 30, 2017
Profit after tax	38,600	45,028
Prior year's retained earnings (Post dividend)	408,228	408,160
Balance of profit available for Appropriation	**446,828**	**453,188**
Proposed cash dividend	60,960	60,960
Amount to be used from current year's profit	38,600	44,960
Amount to be used from dividend equalization fund	22,360	16,000

DIVIDENDS

During the year EPS of your Company was Taka 2.53. Directors decided in the Board Meeting held on August 12, 2018 to recommend dividend of Taka 4.00 per share of Taka 10/- each. After your approval in this General Meeting, the dividend will be paid to the Shareholders.

EMPLOYMENT

Although the labour situation in the RMG sector was unsatisfactory, if not violent sometimes, the labour environment in the leather sector was quiet. Labour relation in your Company was cordial and morale of the workers was high. The breakdown of your Company's human resources are:

	This Year Total	Previous Year Total
Workers	715	587
Staff	196	170
Management	30	31

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

Finished leather is the backward linkage to the footwear and leather goods industries. Unfortunately synthetic materials are very much in the fashion for the footwear & leather goods markets. This trend is still continuing resulting in a sharp drop in the demand for leather. Price have dropped drastically and the leather industries worldwide are struggling. We do not know when the situation will improve. Marketing of finished leather is a big challenge presently. However, our main markets in China, Japan and Italy have dropped their prices which have resulted in a drop in the raw hides and skins market in Bangladesh. We are still able to sell leather to these markets by reducing our prices.



RISKS AND CONCERNS

As explained last year in Directors Report, our biggest risks and concerns are the non-functioning of the CETP built by BSCIC. The Treatment Plant is a total failure by BSCIC. We have had several meetings with the Ministry of Industries regarding this matter which is unsettled still now.If the situation does not improve in the near future, the future of entire leather industry of Bangladesh is black.

However, as explained last year, we are trying to convince the Ministry to give us permission to build our own Treatment Plant. If we succeed, our problems are over.

DIRECTORS ELECTION

Mr. Md. Rahmatullah and Mr. Md. Hedayetullah retire from the Board in terms of Articles of Association and being eligible, offer themselves for re-election. The Board of Directors nominated Mr. Sayed Alamgir Farrouk Chowdhury for re-appointment as an Independent Director, his re-appointment require approval in this AGM according to BSEC Corporate Governance Notification.

BOARD MEETINGS AND ATTENDANCE

During the year four Board Meetings were held and the attendance by each Director was as follow:

Name of Directors	No. of meetings attended
Syed Manzur Elahi	4
Md. Rahmatullah	4
Syed Nasim Manzur	3
Md. Hedayetullah	2
Kazi Sanaul Hoq	-
Faruq Ahmad Siddiqi	4
Sayed Alamgir Farrouk Chowdhury	4

The Directors who could not attend the meetings were granted leave of absence.

AUDIT COMMITTEE

The Audit Committee was set up to review the financial results, audit and compliance with the statutory and regulatory requirements. The Committee recommended to the Board of Directors, the appointment of the Company's auditors and reviewed the scope of internal audit. Audit committee report is annexed.

1. Faruq Ahmad Siddiqi	Independent Director	Chairman
2. Syed Nasim Manzur	Director	Member
3. Md. Hedayetullah	Director & Head of Internal Audit	Member
4. Sayed Alamgir Farrouk Chowdhury	Independent Director	Member



CORPORATE & FINANCIAL REPORTING

The Company has complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission.

Accordingly the Directors are pleased to confirm the following:

(a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flows and changes in equity.

(b) Proper books of accounts of the Company have been maintained.

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

(d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of financial statements.

(e) The systems of internal control are sound and have been effectively implemented and monitored.

(f) The company has carried on transactions with Apex Footwear Limited, Mutual Trust Bank Ltd, Guardian Life Insurance Limited and Pioneer Insurance Company Limited in the normal course of business.

(g) There are no significant doubts upon the Company's ability to continue as a going concern.

(h) The key operating and financial data for last five years is annexed.

SHARE HOLDING

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, pattern of shareholdings as of 30th June 2018 are given in Annexure- I.

REMUNERATION OF DIRECTORS

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, remuneration of directors for the year ended 30th June 2018 are given in note number 37.

CORPORATE GOVERNANCE COMPLIANCE REPORT

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, "Corporate Governance Compliance Report" is annexed.

CONDOLENCE

Our Chief Financial Officer (CFO), Mr. Anup Kumar Mukherjee, FCA expired on August 12, 2018 from cardiac arrest in Dhaka. We deeply mourn his untimely demise. We pray for the salvation of his soul and express our deepest condolences to his family.

Mr. Mukherjee joined us in 2007 and we appreciate his sincerity, honesty and professionalism. His extra-ordinary contribution for improving the financial discipline of our company will always be remembered.

EXTERNAL AUDITORS APPOINTMENT

M/s. Malek Siddiqui Wali, Chartered Accountants, Auditors retires at this Annual General Meeting. M/s. Shiraz Khan Basak & Co., Chartered Accountants, Auditors offer themselves for appoitment for the year 2018-2019. The Board of Directors recommends M/S. Shiraz Khan Basak & Co., Chartered Accountants for appointment.

ACKNOWLEDGEMENT

The Directors take this opportunity to acknowledge the continued support and efforts of all members of the Company, as well as all customers, suppliers and associates during the past year. Our performance would not have been possible without their support.

On behalf of the Board,

August 12, 2018
Dhaka.

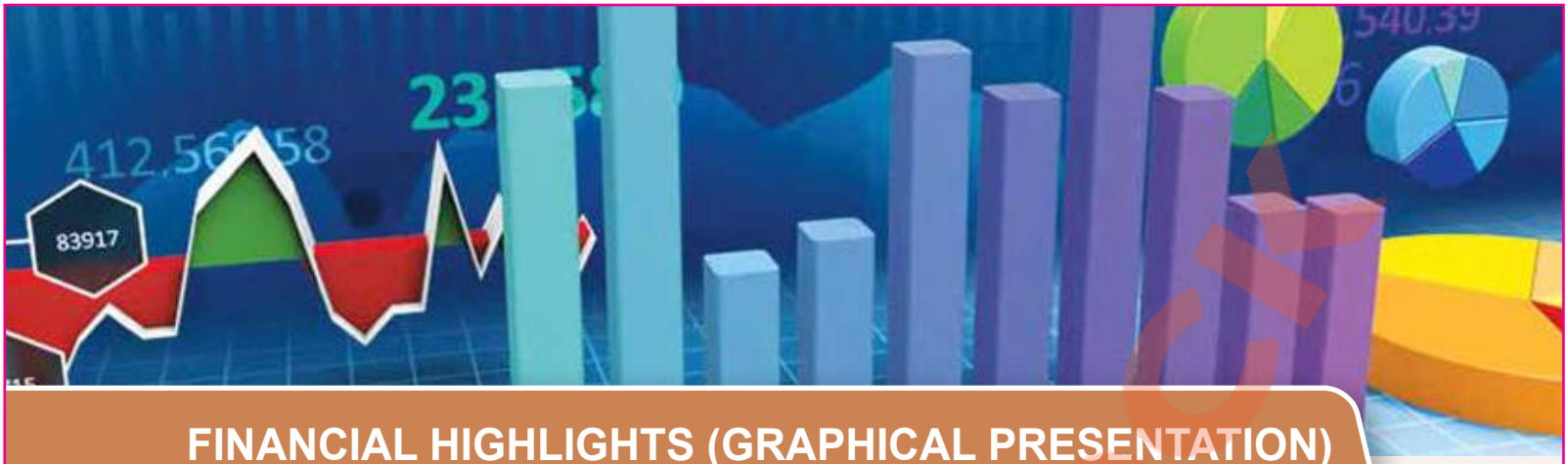
Syed Manzur Elahi
Chairman



FINANCIAL HIGHLIGHTS

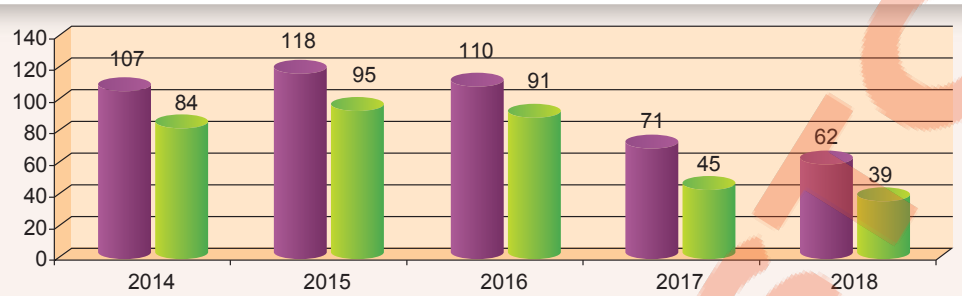
Taka in thousand

Particulars	2018	2017	2016 Restated	2015	2014
Sales	2,413,935	1,951,813	2,158,363	3,771,638	3,793,167
Gross profit	318,408	260,576	291,182	273,390	225,764
Profit before tax	62,077	71,298	110,010	117,843	106,931
Net profit after tax	38,600	45,028	91,418	95,269	84,024
Authorized capital	500,000	500,000	500,000	500,000	500,000
Issued and paid up capital	152,400	152,400	152,400	152,400	152,400
Property, plant & equipment	1,218,727	1,094,204	270,744	270,134	277,953
Investment & non-current assets	1,331,205	1,280,439	956,688	608,940	375,989
Current assets	1,141,565	1,095,562	917,218	1,144,001	1,109,035
Current liabilities	1,230,337	1,135,867	575,602	542,389	313,070
Net current assets	(88,772)	(40,305)	341,616	601,612	795,965
Dividend	60,960	60,960	60,960	68,580	68,580
Earnings per share (Taka)	2.53	2.95	6.00	6.25	5.51
Dividend per share (Taka)	4.00	4.00	4.00	4.50	4.50
Market value per share at year end (Taka)	147.20	152.00	139.10	110.70	142.60
Net asset value per share (Taka)	72.24	73.56	74.38	73.48	71.67
Net operating cash flow per share (Taka)	10.28	2.50	3.08	6.05	4.97
Price earnings ratio (Times)	58.18	51.53	23.18	17.71	25.88
Dividend yield ratio (%)	2.72	2.63	2.88	4.07	3.16
Current ratio	0.93	0.96	1.59	2.11	3.54
Quick ratio	0.28	0.34	0.54	1.14	2.10
Return on shareholder's fund (%)	3.66	4.19	8.37	8.87	8.02
Interest coverage ratio	1.77	2.27	4.38	3.23	3.70



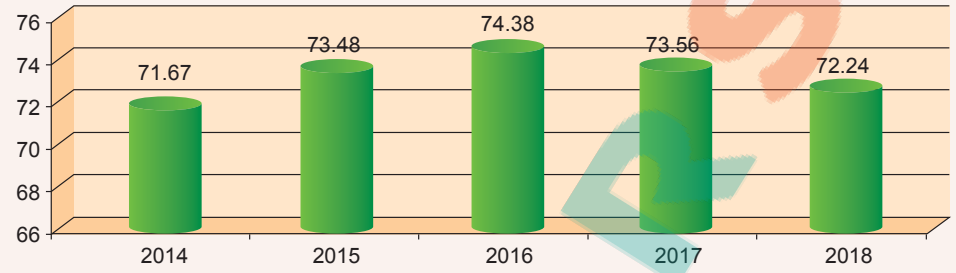
FINANCIAL HIGHLIGHTS (GRAPHICAL PRESENTATION)

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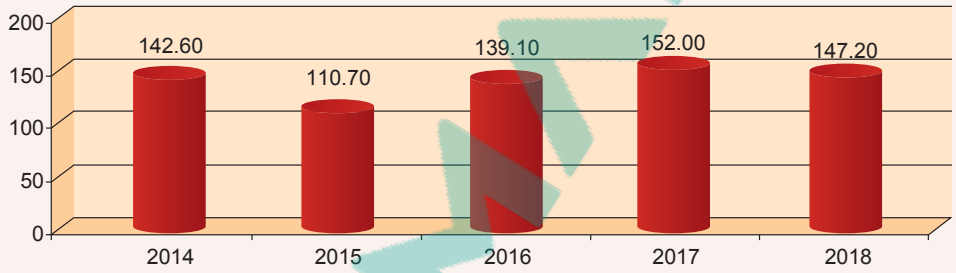


Profit before tax (Tk. in million)

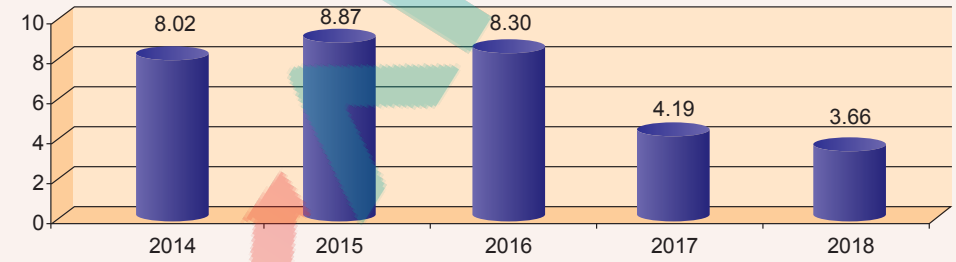
Net profit after tax (Tk. in million)



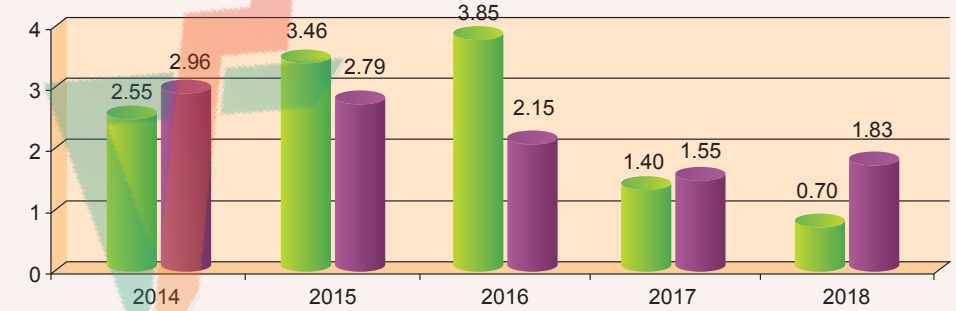
Net asset value per share (Tk.)



Market value per share (Tk.) at year end



Return on shareholder's fund (%)



Components of EPS (Tk.)

Net operating income

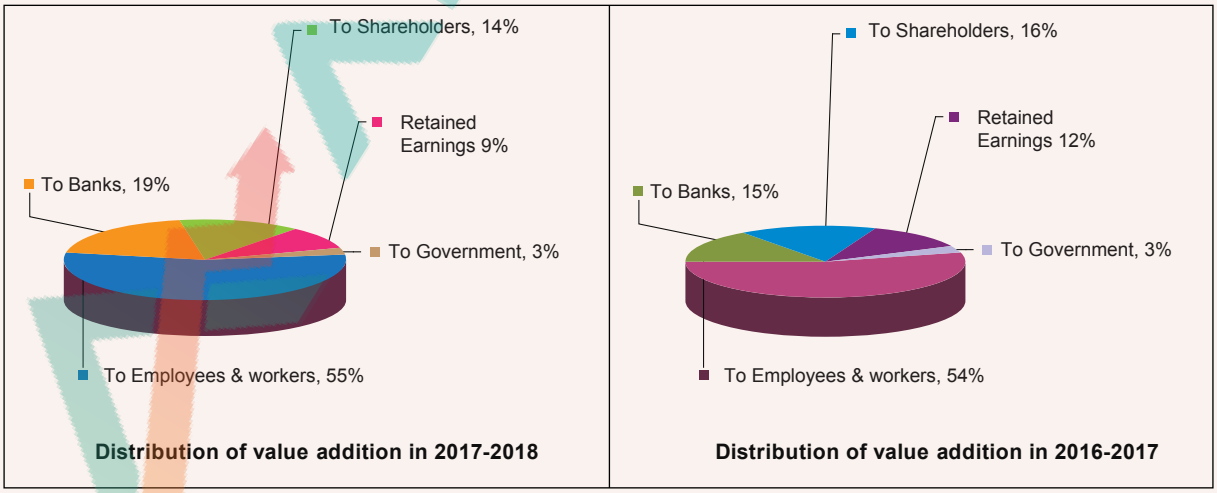
Net other income



STATEMENT OF VALUE ADDITION

Taka in thousand

	Year Ended June 30, 2018		Year Ended June 30, 2017	
Value added				
Sales	2,413,935		1,951,813	
Bought in materials and services	(2,007,260)		(1,592,695)	
Other income	37,100		31,437	
Available for distribution	**443,775**		**390,555**	
Distribution of value addition				
To Government (Income Tax)	13,890	03.13%	13,192	03.38%
To Employees & workers (Salary, wages and other benefits)	245,867	55.40%	212,409	54.38%
To Banks (Interest and charges)	84,458	19.03%	58,966	15.10%
To Shareholders (Dividend)	60,960	13.74%	60,960	15.61%
Retained earnings	38,600	08.70%	45,028	11.53%
	443,775	**100.00%**	**390,555**	**100.00%**



REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Apex Tannery Limited believes in commitment to society by achieving sustainable growth, protect interest of stakeholders, continual quality improvement of business, enhance shareholders value and manage risks in an improved way.

ATL maintain relationship, trust and commitment to stakeholder's interest through:

- Health care assistance to workers and people living in poverty
- Provide training on occupational health and safety for its employees
- Disaster relief to poor community people and slum dwellers
- Assist in education for poor community people and workers
- Donate to needy women for their marriage
- Donate to charitable organizations like mosques, graveyards etc.

Some of CSR activities conducted during the year:



Syed Mokbul Ahmed (Babu) of Harindhara, Savar received a cheque for his children's education from Mr. M. Abdul Majed, Executive Director of the Company.



Executive Director Mr. M. Abdul Majed provided a cheque to Md. Abdul Malek of Harindhara, Savar for his treatment.

Md. Golam Sarwar, Sr. Manager (Admn.) handed over a cheque as financial assistance to Md. Yousuf of Harindhara, Savar for his wife's treatment.



Executive Director Mr. M. Abdul Majed donated a cheque to Md. Abdur Rashid of Harindhara, Savar as financial assistance for his education.



AMARSTOCK

REPORT ON CORPORATE GOVERNANCE

Corporate Governance clearly defines the rights and responsibilities of the Board of Directors, Management, Shareholders and other Stakeholders. The Board supports Management, Internal and External Auditors and other related parties including the Shareholders. A good corporate reputation is the most valuable and competitive asset of a company. Apex Tannery Limited believes in the continued improvement of corporate governance. The Board of Directors and the Management Team of Apex Tannery Limited is committed to maintaining effective corporate governance through a culture of accountability and transparency.

Board of Directors

The Board of Directors comprises of 07 (Seven) members including two Independent Directors. All Directors have sound knowledge in the area of tannery, managerial expertise and sound academic and professional knowledge. They are well conversant with corporate governance.

Appointment of Board Members

The Directors of the Board are appointed by the Shareholders in the Annual General Meeting who are accountable to the Shareholders.

Appointment of Independent Directors

The Board of Directors appointed two Independent Directors. Shareholders approved re-appointment & appointment of Independent Directors in its 41st Annual General Meeting held on September 25, 2017 and 39th Annual General Meeting held on October 4, 2015 respectively. In selecting Independent Directors, the Company always look for individuals who possess experience; strong inter personal skill and independence. Independent Directors are considered by the Board to be independent of the Company and free of any business or other relationship that could interfere with the exercise of their independent judgment. The Board believes that their experience and knowledge assist in providing both effective and constructive contribution to the Board.

The Role of the Chairman and Managing Director

Position of the Chairman and Managing Director (CEO) are clearly identified. The Chairman is responsible for leading the Board and its effectiveness .The Managing Director serves as the Chief Executive of the Company.

Audit Committee

The Audit Committee was established as a sub-committee of the Board and has jurisdiction over Apex Tannery Limited. The Audit Committee is comprised of four members of the Board including two Independent Directors one of them is the Chairman of the Committee. The Audit Committee assists the Board.

Company Secretary

Sushanta Kumar Paul has been appointed as the Company Secretary of the Company. He provides legal matters to the Board. Among other functions, the Company Secretary:

- Bridges between the Board of Directors and Shareholders on strategic and statutory decision.
- Acts as a quality assurance agent in all information towards the Shareholders and the Board
- Is responsible for ensuring that the appropriate Board procedures are followed.
- Acts as the “Disclosure Officer” of the Company and monitors the compliance of the Acts, rules, regulations, notifications, guidelines, orders/directives etc. issued by the Bangladesh Securities and Exchange Commission, Stock Exchange (s) applicable to the conduct of the business activities of the Company.

The Company Secretary keeps the records of the Company’s compliance / noncompliance status of the conditions imposed by BSEC which has been shown in the compliance report on BSEC Notification.

Chief Financial Officer

Anup Kumar Mukherjee has been appointed as the Chief Financial Officer of the Company. He looks after the overall financial affairs of the Company. Among other functions, the Chief Financial Officer:

- Prepares quarterly and annual financial statements.
- Financial reporting procedures in line with the requirement of Bangladesh Accounting Standards.
- Reports financial position of the Company in its Board meeting.

Financial Reporting and Transparency

Financial Statements have been prepared in line with the International Accounting Standards, Bangladesh Accounting Standards and other legislations as applicable in Bangladesh. Timely publication of quarterly and annual financial statements with comprehensive details beyond the statutory requirement.

Compliance with Applicable Rules and Regulations

The Company's business activities are guided and supervised by local laws and regulations:

- The Companies Act 1994.
- The Bangladesh Securities and Exchange Commission.
- Listing rules of Dhaka and Chittagong Stock Exchange Limited.
- Bangladesh Accounting Standards.

Purchase Committee

A purchase committee is functioning with a group of executives, headed by a senior most executive to examine the purchase proposal of goods. Among others, the followings are the main responsibilities of the Committee:

- To evaluate the received proposal and find out the effectiveness of each proposal.
- To prepare a report on the basis of evaluation of the purchase proposal with recommendation and sent to concerned departments for obtaining approval from the competent authority.
- To supervise the entire activities against procurement.

Statutory Audit

Statutory Audit of the Company is governed by the Companies Act 1994. The Company Act provides guidelines for the appointment, scope of work and retirement of auditors. Shareholders appoint auditors and fix their remuneration in the Annual General Meeting.

Internal Audit

Internal Audit support the Company to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management and control. Internal Audit activity is governed by the Internal Team, which is approved by the Board.

Internal Control

The Company has an Internal Audit department consisting of five members and headed by the Head of Internal Auditor. The Internal control system is maintained and reviewed by an internal audit function that reports to Management and the Audit Committee.

Internal Control mechanism is built by the Company's systems and procedures to reduce the risk of error and fraud. It may be able to reduce the risk that financial statements contains. The Board of Directors ensures sound internal control to provide reasonable assurance regarding the achievement of the Company's objectives in the areas of:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with laws and regulations.

Code of Conduct

Apex Tannery Limited has adopted Codes of Conduct for securing good business ethics and conduct in all aspects of the Company's activities. The Code of Conduct is properly communicated to and with all employees and other activities and is strictly required to abide by it.

Management Committee

The day-to-day Management of the Company is entrusted with the Managing Director and the Management Committee. The Management Committee serves the interest of the Company and achieves sustainable growth. The members of the Management Committee are jointly accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategies.

Restrictions on dealing in the Company's share by insiders

The Company has established policy relating to trading shares by Directors, Employees and other insiders. The securities laws also impose restrictions on similar sort of transaction.

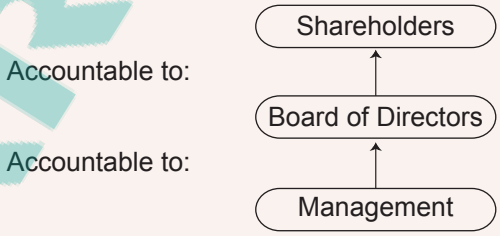
Group Term Life Insurance Policy

The Board of Directors has approved for group term life insurance policy for employees of Apex Tannery Limited with Guardian Life Insurance Limited.

Going Concern

The Company has adequate resources to continue operational existence for the future. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.

Communication with Shareholders



The Company encourages communication with shareholders throughout the year and welcomes their participation at shareholders meeting. The Company is transparent with the stakeholders, including the owners of the Company. Four times each year, Apex Tannery Limited reports to its shareholders regarding its business, financial position and earnings. These include:

- Quarterly and annual financial statements
- Annual General Meeting
- Price sensitive disclosure and other disclosure to the BSEC and Stock Exchanges

In additional information, the Company is under a legal and regulatory requirement to publish via the newspaper. Apex Tannery Limited believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance procedure.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of compliance with the conditions imposed by the Commissions Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (Report under Condition No.7.00)

Condition No.		Title	Compliance status	Remarks (If any)
1	**Board of Directors**			
1.1	**Board's Size** The number of the Board members shall not be less than 5 (five) and more than 20 (twenty);		Complied	The Apex Tannery Limited Board is comprised of 7 (Seven) Directors
1.2	**Independent Directors**			
	(i)	At least one fifth (1/5) of total number of directors shall be Independent Director;	Complied	There are two Independent Directors in the Board of Apex Tannery Limited, namely: Mr. Faruq Ahmad Siddiqi and Mr. Sayed Alamgir Farrouk Chowdhury.
	(ii)	For the purpose of this clause "independent director" means a director:		
	(ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the Company;	Complied	The Independent Directors have declared their compliances.
	(ii) b)	Who is not a sponsor and not connected with any sponsor/director/ shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship;	Complied	Do
	(ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	Complied	Do
	(ii) d)	Not a member, director or officer of any stock exchange;	Complied	Do
	(ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	Complied	Do
	(ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	Complied	Do
	(ii) g)	Not be an independent director in more than 3 (three) listed companies;	Complied	Do

Condition No.		Title	Compliance status	Remarks (If any)
	(ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Banking Financial Institution (NBFI);	Complied	The Independent Directors have declared their compliances.
	(ii) i)	Not been convicted for a criminal offence involving moral turpitude;	Complied	Do
	(iii)	Appointed by the Board of Directors and approved by the shareholders in the AGM;	Complied	In practice
	(iv)	The post of Independent Director can not remain vacant for more than 90 (ninety) days;	Complied	There was no vacancy in the position of Independent Director.
	(v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;	Complied	Every Director has signed a confirmation as to its compliance.
	(vi)	Tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	Complied	
1.3	**Qualification of Independent Director**			
	(i)	Shall be a Knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	Complied	The qualification and background of Independent Directors justify their ability as such.
	(ii)	Should be a Business Leader / Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background / Professionals like Chartered Accountants, Cost and Management Accountants, Chartered Secretaries. Must have at least 12 (twelve) years of corporate management / professional experiences;	Complied	Existing Independent Directors are Bureaucrat having more than 12 (Twelve) years experience.
	(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;	Not applicable	
1.4	**Chairman of the Board and Chief Executive Officer**			
		Chairman and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	Complied	Chairman of the Board and CEO are different individuals. The roles and responsibilities of Chairman and the CEO are approved in Board meeting.
1.5	**The Directors' Report to Shareholders**			
	(i)	Industry outlook and possible future developments in the industry;	Complied	The Directors report comply with the guidelines.

Condition No.		Title	Compliance status	Remarks (If any)
	(ii)	Segment-wise or product-wise performance;	Complied	The Directors report comply with the guidelines.
	(iii)	Risks and Concerns;	Complied	Do
	(iv)	Discussion on cost of goods sold, Gross Profit Margin and Net profit Margin;	Complied	Do
	(v)	Discussion on continuity of any Extra-ordinary gain or loss;	Not applicable	Do
	(vi)	Disclosure for related party transactions;	Complied	Do
	(vii)	Utilization of proceeds from public issues, rights issues and/or through any others;	Not applicable	Do
	(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer and Direct Listing;	Not applicable	Do
	(ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements;	Not applicable	Do
	(x)	Remuneration to directors including independent directors;	Complied	Do
	(xi)	Fairness of financial statement;	Complied	Do
	(xii)	Maintenance of proper books of account;	Complied	Do
	(xiii)	Application of appropriate accounting policies and estimates;	Complied	Do
	(xiv)	Followed IAS, BAS, IFRS, and BFRS in preparation of the financial statements;	Complied	Do
	(xv)	Soundness of internal control system;	Complied	Do
	(xvi)	Ability to continue as a going concern;	Complied	Do
	(xvii)	Significant deviations from the last year;	Complied	Do
	(xviii)	Key operating and financial data of at least preceding 5 (five) years;	Complied	Do
	(xix)	Reasons for not declared dividend;	Complied	Dividend has been declared. Mentioned in the Directors' Report.
	(xx)	Number of Board meetings held during the year and attendance;	Complied	Disclosed in Directors Report
	(xxi)	Pattern of shareholdings and name wise details disclosing aggregate number of shares;	Complied	Attached in Annexure-I
	(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (Name wise Details);	Complied	Attached in Annexure-I

Condition No.		Title	Compliance status	Remarks (If any)
	(xxi) b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children (Name wise details);	Complied	Attached in Annexure-I
	(xxi) c)	Executives (name wise details);	Complied	Attached in Annexure-I
	(xxi) d)	Shareholders holding ten percent (10%) or more voting interest (Name wise details);	Complied	Attached in Annexure-I
	(xxii)	Director appointment/re-appointment;	Complied	Disclosed in the Annual Report
	(xxii) a)	A brief resume of the director;	Complied	Do
	(xxii) b)	Expertise in specific functional areas;	Complied	Do
	(xxii) c)	Holding the directorship and the membership of committees of the board other than this company;	Complied	Do
2	**Chief Financial Officer (CFO), Head of Internal Audit (HIA), Company Secretary (CS)**			
	1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of CFO, the Head of Internal Audit and the CS;	Complied	The Company has appointed CFO, CS, and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by the Board as per requirement of BSEC notification.
	2	The Chief Financial Officer (CFO) and the Company Secretary (CS) of the Company shall attend the meetings of the Board of Directors;	Complied	In practice.
3	**Audit Committee**			
	(i)	The company shall have an Audit Committee as a sub- committee of the Board of Directors;	Complied	Already in place.
	(ii)	Assistance of the Audit Committee to the Board of Directors;	Complied	In practice.
	(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.;	Complied	Do
3.1	**Constitution of the Audit Committee**			
	(i)	Compositions (At least three members should be in Audit Committee);	Complied	The Audit Committee is composed of 4 (Four) members.
	(ii)	Appointment of Members of the Audit Committee (Members should appointed by the Board with at least one Independent Director);	Complied	The members of the Audit Committee are appointed by the Board who are Directors and which includes 2 (Two) Independent Directors.

Condition No.		Title	Compliance status	Remarks (If any)
	(iii)	Qualification of Members of the Audit Committee (Members should be "financially literate" and at least one (01) member shall have accounting or related financial management experience);	Complied	Based on the academic qualification and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are "Financially Literate" and they have "Related Financial Management experience" as per BSEC notification.
	(iv)	Casual vacancy in Audit Committee shall be filled by the Board;	Complied	The Board appointed Audit Committee member in due time.
	(v)	The Company Secretary shall act as the Secretary of the committee;	Complied	In practice
	(vi)	The quorum of the Audit Committee (AC) meeting shall not constitute without at least 1 (one) Independent Director;	Complied	Do
3.2	**Chairman of the Audit Committee**			
	(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director;	Complied	Mr. Faruq Ahmad Siddiqi has been appointed as Independent Director who is also Chairman of Audit Committee.
	(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM);	Complied	In practice
3.3	**Role of Audit Committee**			
	(i)	Oversee the financial reporting process;	Complied	In practice
	(ii)	Monitor choice of accounting policies and principles;	Complied	Do
	(iii)	Monitor Internal Control Risk management process;	Complied	Do
	(iv)	Oversee hiring and performance of external auditors;	Complied	Do
	(v)	Review the annual financial statements before submission to the board for approval;	Complied	Do
	(vi)	Review the quarterly financial statements before submission to the board for approval;	Complied	Do

Condition No.		Title	Compliance status	Remarks (If any)
	(vii)	Review the adequacy of internal audit function;	Complied	In practice
	(viii)	Review statement of significant related party transactions;	Complied	Do
	(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	Complied	Do
	(x)	Disclosure about the uses/ applications of funds raised by IPO/RPO/ Right Issue;	Not applicable	
3.4.1	**Reporting of the Audit Committee**			
	(i)	The Audit Committee shall report on its activities to the Board of Directors;	Complied	
	(ii)	The Audit Committee shall immediately report on the following findings to the Board:		
	(ii) a)	Report on conflicts of interest to the Board of Directors;	Not applicable	There was no reportable case of conflict of interest in the year 2017- 2018.
	(ii) b)	Will report any suspected or presumed fraud or irregularities or material defect in the internal control system to the Board;	Not applicable	Do
	(ii) c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board;	Not applicable	Do
	(ii) d)	Will report any other matters which shall be disclosed to the Board of Directors immediately;	Not applicable	Do
3.4.2	**Reporting to the Authorities (BSEC)** If any materials impact on the financial condition & results of operation, unreasonably ignored by the Board of Directors;		Not applicable	Do
3.5	**Reporting to the Shareholders and General Investors** Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company;		Complied	The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the Audit Committee.
4.	**Engagement of External/ statutory auditors**			
	(i)	Non-engagement of Appraisal or valuation services or fairness opinions;	Complied	In practice
	(ii)	Non-engagement in designing Financial information systems and implementation;	Complied	Do
	(iii)	Non-engagement in Book-keeping;	Complied	Do
	(iv)	Non-engagement in Broker-dealer services;	Complied	Do

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Condition No.		Title	Compliance status	Remarks (If any)
	(v)	Non-engagement in Actuarial services;	Complied	In practice
	(vi)	Non-engagement in Internal audit services;	Complied	Do
	(vii)	Non-engagement in services that the Audit Committee determines;	Complied	Do
	(viii)	No partner or employees of the external audit firm's shall possess any share of the company they audit at least during the tenure of their audit assignment of that company;	Complied	Do
	(ix)	Audit/certification Services on compliance of Corporate Governance as required under clause (i) of condition # 7	Complied	Do
5.	**Subsidiary Company**			
	(i)	Composition of the Board of Directors;	Not applicable	Apex Tannery Limited does not have any subsidiary company.
	(ii)	At least 1 (one) Independent Director to the subsidiary company;	Not applicable	
	(iii)	Submission of minutes to the holding company ;	Not applicable	
	(iv)	Review of minutes by the holding company ;	Not applicable	
	(v)	Review of Financial Statements by holding company;	Not applicable	
6.	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to the Board**			
	(i) a)	The CEO & CFO will certify to the Board that they have reviewed the financial statements and believe that these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	CEO and CFO certified to the Board regarding financial statements.
	(i) b)	The CEO & CFO will certify to the Board that they have reviewed the financial statements and believe that these financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	Do
	(ii)	There are, to the best knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct;	Complied	Do
7.	**Reporting and Compliance of Corporate Governance**			
	(i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines;	Complied	Certified by ARTISAN, Chartered Accountants
	(ii)	Directors shall state in the Directors' report about the compliance with the conditions of the Corporate Governance Notification;	Complied	Published with the Directors' Report

CEO AND CFO'S CERTIFICATION TO THE BOARD

Dated: 11 August, 2018

The Board of Directors
Apex Tannery Limited
Plot # XA1, XA2, XA3 and XS8
BSCIC Chamra Shilpa Nagari
Harindhara, Hemayetpur
Savar, Dhaka - 1340

Dear Sir,

(1) We have reviewed financial statements of the company for the year ended 30th June, 2018 and to the best of our knowledge and belief:

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

(b) These statements together present true and fair view of the Company's affairs and are in compliance with Bangladesh Accounting Standards (BAS) and other applicable laws.

(2) There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which is fraudulent, illegal or violation of the company's code of conducts.

Md. Rahmatullah
Chief Executive Officer

Anup Kumar Mukherjee FCA
Chief Financial Officer

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ARTISAN
CHARTERED ACCOUNTANTS

Shah-Ali Tower (Level- 6 & 7)
33, Kawran Bazar, Dhaka-1215
Tel: 028189885
Mobile # 01922797851
e-mail: slm.reza@yahoo.com

CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS OF

APEX TANNERY LIMITED

ON THE CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES

We have reviewed the statement of compliance of Conditions of Corporate Governance guidelines prepared by the Management of APEX TANNERY LIMITED to comply with the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC), where the Company is listed.

The responsibility for compliance with the Conditions of Corporate Governance Guideline is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the conditions of Corporate Governance guidelines and report if it does not.

Based on our review, we certify that nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Conditions of Corporate Governance as applicable to the Company for the year ended on June 30, 2018.

Dhaka, 25 August 2018

Md. Selim Reza FCA FCS
Partner
ARTISAN
Chartered Accountants

PATTERN OF SHAREHOLDING

As of June 30, 2018

Annexure – I

(a) Parent/Subsidiary/Associated companies and other related parties (name wise details): N/A

(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details):

SL. No.	Name	Number of Shareholding	Name of Spouse/ Children	Shares held by the Spouse/ Children
01	**Directors**			
i	Syed Manzur Elahi	3,85,550	Mrs. Niloufer Manzur	-
ii	Md. Rahmatullah	3,04,800	Mrs. Halima Rahmatullah	1,43,500
iii	Syed Nasim Manzur	3,24,100	Mrs. Samia Huq	-
iv	Md. Hedayetullah	3,04,950	Mrs. Afia Hedayetullah	-
v			Ms. Munize Manzur	52,700
vi	Kazi Sanaul Hoq, MD of ICB	55,98,211	Anwara Begum	-
vii	Faruq Ahmad Siddiqi (Independent Director)	-	Begum Shamsur Nahar	-
viii	Sayed Alamgir Farrouk Chowdhury (Independent Director)	-	Mrs. Israt Alamgir	-
02	**Chief Executive Officer** Md. Rahmatullah	3,04,800	Mrs. Halima Rahmatullah	1,43,500
03	**Head of Internal Audit and Director** Md. Hedayetullah	3,04,950	Mrs. Afia Hedayetullah	-
04	**Chief Financial Officer** Anup Kumar Mukherjee	-	Mrs. Swapna Mukherjee	-
05	**Company Secretary** Sushanta Kumar Paul	-	Mrs. Munni Paul	-

(c) Executives (Top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit):

Name	Designation	Shares held
M. Abdul Majed	Executive Director	4,200
Ansarul Islam	Executive Director	-
Syed Abdul Matin	General Manager (Finance)	50
Md. Sayeed Hossain	General Manager (Commercial)	-
Md. Nazrul Islam Khan	General Manager (Production)	-

(d) Shareholders who are holding 10% or above shares: Nil



AUDIT COMMITTEE REPORT

Background

In accordance to the best practices of Corporate Governance, the Board of Directors of Apex Tannery Limited established an Audit Committee on April 24, 2006 in its 19th Board Meeting as per Circulation of BSEC vide order no SEC/CMRRCD/2006-158/Admin/02-06 dated 9th January, 2006 and status of compliance with the conditions imposed by the Commissions Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 03 July, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

The Audit Committee supports the Board in fulfilling its responsibilities more efficiently.

Composition of the Audit Committee

The Audit Committee is now composed of the following members:

Faruq Ahmad Siddiqi	Independent Director	Chairman
Syed Nasim Manzur	Director	Member
Md. Hedayetullah	Director & Head of Internal Audit	Member
Sayed Alamgir Farrouk Chowdhury	Independent Director	Member
Sushanta Kumar Paul	Company Secretary	Secretary

The Chief Financial Officer attends the meeting by invitation only as and when necessary. The Company Secretary functions as the Secretary of the Audit Committee.

Meeting

During the year ended 30th June 2018, the Audit Committee held four meetings. Proceedings of the Audit Committee Meetings were reported regularly to the Board of Directors. The details of attendance of the Audit Committee Members have been shown below:

Audit committee meeting and attendance during the year ended 30th June 2018

Name of Members	No. of meeting held	No. of meeting attended
Faruq Ahmad Siddiqi	4	4
Syed Nasim Manzur	4	2
Md.Hedayetullah	4	2
Sayed Alamgir Farrouk Chowdhury	4	4

The Members who could not attend the meetings were granted leave of absence.

Role of the Audit Committee

The Audit Committee assisted the Board of Directors in fulfilling its responsibilities regarding the Company's accounting and financial reporting process by monitoring the following:

- The integrity of the Company's financial statements
- The independence, qualifications and performance quality of its external auditors
- The Company's system of internal controls
- The performance of the Company's internal audit process
- The Company's compliance with laws, regulations and codes of conduct with a view to safeguard the interest of all stakeholders of the Company

Summary of Activities

The Audit Committee carried out the following activities during the financial year ended June 30, 2018

Regulatory Compliance

The Committee examined whether the Company's procedures are in place to ensure compliance with

- The laws and regulations framed by the Regulatory Authorities (BSEC, DSE, CSE and RJSC).
- Internal regulations approved by the Board of Directors.

The Company is duly following the rules and regulations of the Regulatory bodies and also strictly follows areas with conflict of interest. The Committee was satisfied that the Company substantially complied with these regulatory requirements.

Financial Reporting

The Committee assisted the Board of Directors and the management to carryout their responsibilities of preparing true and fair financial statements in accordance with the books of accounts and Bangladesh Accounting Standards by:

- Reviewing adequacy and effectiveness of the internal control system and procedures in order to provide reasonable assurance that all transactions are accurately and completely recorded in the books of accounts.
- Reviewing integrity of the process by which financial statements are prepared from the books of accounts.
- Reviewing the process by which provisions of Bangladesh Accounting Standards are complied.

The Committee also reviewed

- The quarterly and annual financial statements of the Company prior to recommending them for the approval by the Board.
- The annual audited financial statements of the company with external auditors prior to submission to the Board for approval. The review focused particularly on changes of accounting policy and compliance with applicable accounting standards as adopted in Bangladesh and other legal & regulatory requirements.

Internal Control

The Committee examined whether the Management has set up the appropriate compliance culture across the Company in order to ensure that all employees have a clear understanding of their roles and responsibilities. The Committee reviewed the arrangements made by the management for building up a suitable Management Information System (MIS) including computerized systems and its applications thereof.

Internal Audit

The Committee reviewed and discussed the relevant reports of special investigations which were submitted by the Audit Team. They are as follows:

- The annual audit plan for adequacy of scope and comprehensive coverage of these activities of the Company.

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- The audit programs, resources requirements for the year and assessed the performance of the internal audit functions.
- The internal audit reports, audit recommendations and management responses to these recommendations and actions taken to improve the system of internal control and procedures.
- Exercise internal audit of Apex Tannery Limited. Review the effectiveness of Internal Audit functions including performance and compliance with professional standards. Examine audit findings and material weakness and monitor implementation of audit action plans.

The Committee advised the management to take effective steps for rectification of all the lapses and weaknesses identified by internal audit and to take utmost care, so that such weaknesses and lapses shall not be repeated in future. Department heads attended the meetings when their reports were discussed.

External Audit

The Committee met with the external auditors at the conclusion of the annual audit and exchanged views on their Audit Report. The Committee reviewed the findings and recommendations made by the external auditors in order to remove the weaknesses as detected in the external auditing process.

The Committee reviewed the performance of the External Auditors and recommended to the Board on their appointment and fees.

Approval of Financial Statements

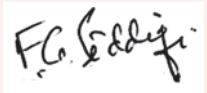
The Audit Committee reviewed and examined the Annual Financial Statements for the year ended 30th June, 2018 prepared by the Management and audited by the External Auditors M/s. Malek Siddiqui Wali, Chartered Accountants and recommended to place the same before the Board for consideration.

The Board approved the same at its 286th Meeting held on 12th August 2018.

Acknowledgement

The Audit Committee expressed of sincere thanks to the Chairman and Members of the Board, Management and the Auditors for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee,



Faruq Ahmad Siddiqi
Chairman of Audit Committee

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Apex Tannery Limited

We have audited the accompanying Financial Statements of **Apex Tannery Ltd.,** which comprise the Statement of Financial Position as at June 30, 2018 and the Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibilities for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where 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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider 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 evaluation 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 Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2018 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Bangladesh 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 accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
c) The Company's Statement of Financial Position and Statement of Profit or Loss & Other Comprehensive Income dealt with by the report are in agreement with the books of accounts;
d) The expenditures incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
August 16, 2018

Malek Siddiqui Wali
Chartered Accountants

APEX TANNERY LIMITED

Statement of Financial Position as of June 30, 2018

Taka in thousand

	Notes	As of June 30, 2018	As of June 30, 2017
Assets			
Non-current assets			
Property, plant and equipment	4	1,218,727	1,094,204
Capital work-in-progress	5	-	76,040
Advance for land at Savar factory	6	57,431	57,431
Investments	7	55,047	52,764
		1,331,205	**1,280,439**
Current assets			
Inventories	9	791,006	713,771
Trade and other receivables	10	109,689	168,466
Advances, deposits and prepayments	11	168,350	140,654
Cash & cash equivalents	12	72,520	72,671
		1,141,565	**1,095,562**
Total Assets		**2,472,770**	**2,376,001**
Equity and Liabilities			
Shareholders' equity			
Share capital	13	152,400	152,400
Share premium		425,333	425,333
Dividend equalization fund		28,888	44,888
Retained earnings		446,828	453,188
Fair valuation surplus of investment	14	47,491	45,208
		1,100,940	**1,121,017**
Non-current liabilities			
Retirement benefit obligations	15	120,964	108,175
Deferred tax liabilities	8	20,529	10,942
		141,493	**119,117**
Current liabilities:			
Short-term loan	17	1,763	606
Working capital loan	18	696,884	159,193
Time loan	19	306,105	759,253
Trade payables	20	116,018	115,836
Other payables	21	30,410	35,712
Provision for income-tax	22	79,157	65,267
		1,230,337	**1,135,867**
Total Equity and Liabilities		**2,472,770**	**2,376,001**
Net asset value per share (NAVPS) Tk.		72.24	73.56

The annexed notes form an integral part of these financial statements.
For and on behalf of the Board of Directors

Md. Rahmatullah
Managing Director

Kazi Sanaul Hoq
Director

Sushanta Kumar Paul
Company Secretary

Signed in terms of our annexed report of even date.

Dated: Dhaka
August 16, 2018

Malek Siddiqui Wali
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

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APEX TANNERY LIMITED

Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2018

Taka in thousand

	Notes	Year Ended June 30, 2018	Year Ended June 30, 2017
Sales	24	2,413,935	1,951,813
Cost of sales	25	(2,095,527)	(1,691,237)
Gross profit		**318,408**	**260,576**
Operating expenses	26	(205,869)	(158,184)
Operating Profit		**112,539**	**102,392**
Financial expenses	28	(84,458)	(58,966)
Non operating income			
Other income	29	37,100	31,437
Profit for the year		**65,181**	**74,863**
Contribution to workers' profit participation fund		(3,104)	(3,565)
Profit before income tax		**62,077**	**71,298**
Income tax expenses	30	(23,477)	(26,270)
Net profit after tax		**38,600**	**45,028**
Other Comprehensive Income			
Fair valuation surplus of investments (unrealized)	14	2,283	3,390
Total comprehensive Income		**40,883**	**48,418**
EPS without fair valuation surplus (Tk.)	31	**2.53**	**2.95**

The annexed notes form an integral part of these financial statements.
For and on behalf of the Board of Directors

Md. Rahmatullah
Managing Director

Kazi Sanaul Hoq
Director

Sushanta Kumar Paul
Company Secretary

Signed in terms of our annexed report of even date.

Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
August 16, 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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APEX TANNERY LIMITED

Statement of Cash Flow for the year ended June 30, 2018

Taka in thousand

	Year Ended June 30, 2018	Year Ended June 30, 2017
A. Cash flow from operating activities		
Collections from turnover/bills receivable and other income	2,506,827	1,952,468
Payments for purchase of leather, chemicals, spare-parts, payments of creditors and other expenses	(2,244,791)	(1,834,258)
Interest paid	(84,458)	(58,966)
Payments to workers' profit participation fund	(5,239)	(4,951)
Income tax paid	(15,715)	(16,196)
Net cash generated by operating activities	**156,624**	**38,097**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(187,227)	(27,882)
Capital work-in-progress	-	(486,052)
Proceeds from disposal of Assets	3,600	-
Net cash used in investing activities	**(183,627)**	**(513,934)**
C. Cash flow from financing activities		
Loans received/(paid)	85,701	526,163
Government grant	-	40,162
Dividend received	2,111	1,428
Dividend paid	(60,960)	(60,960)
Net cash used in financing activities	**26,852**	**506,793**
Increase / (decrease) in cash and cash equivalents (A+B+C)	**(151)**	**30,956**
Opening cash and cash equivalents	72,671	41,715
Closing cash and cash equivalents	**72,520**	**72,671**
Net operating cash flows per share (NOCFPS) Tk.	10.28	2.50

The annexed notes form an integral part of these financial statements.
For and on behalf of the Board of Directors

Md. Rahmatullah
Managing Director

Kazi Sanaul Hoq
Director

Sushanta Kumar Paul
Company Secretary

Signed in terms of our annexed report of even date.

Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
August 16, 2018

STATEMENT OF CASH FLOW

APEX TANNERY LIMITED
Statement of Changes in Equity

For the year ended June 30, 2018

Taka in thousand

Particulars	Share Capital	Share Premium	Dividend Equalization Fund	Retained Earnings	Fair Valuation Surplus	Total
As at June 30, 2017	152,400	425,333	44,888	453,188	45,208	1,121,017
Net profit				38,600	-	38,600
Cash dividend for 2016-2017			(16,000)	(44,960)	-	(60,960)
Fair valuation surplus					2,283	2,283
As at June 30, 2018	**152,400**	**425,333**	**28,888**	**446,828**	**47,491**	**1,100,940**

For the year ended June 30, 2017

Taka in thousand

Particulars	Share Capital	Share Premium	Dividend Equalization Fund	Retained Earnings	Fair Valuation Surplus	Total
As at June 30, 2016	152,400	425,333	44,888	469,120	41,818	1,133,559
Net profit				45,028	-	45,028
Cash dividend for 2015-2016				(60,960)	-	(60,960)
Fair valuation surplus					3,390	3,390
As at June 30, 2017	**152,400**	**425,333**	**44,888**	**453,188**	**45,208**	**1,121,017**

The annexed notes form an integral part of these financial statements.
For and on behalf of the Board of Directors

Md. Rahmatullah
Managing Director

Kazi Sanaul Hoq
Director

Sushanta Kumar Paul
Company Secretary

Signed in terms of our annexed report of even date.

Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
August 16, 2018

STATEMENT OF CHANGES IN EQUITY

APEX TANNERY LIMITED

Notes to the Financial Statements for the year ended June 30, 2018

1. Reporting entity

a) Company profile

Apex Tannery is the largest tannery in Bangladesh and one of the largest in South Asia. It is a 100% export oriented company. The Company is using state of the art machineries from Italy, France and Germany. Apex Tannery Limited was incorporated as a private limited company on 26th day of July 1976 under Companies Act 1913 and was converted into a public limited company in 1986. The shares of the Company are publicly traded at Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office is Plot No.: XA1, XA2, XA3 & XS8, Bangladesh Small & Cottage Industries Corporation (BSCIC) Chamra Shilpa Nagari, Harindhara, Hemayetpur, Savar, Dhaka-1340.

b) Nature of business

The principal activities of Apex Tannery are to produce high quality leather, by using Italian chemicals, technology, complying with world fashion standards and specifications. Its annual capacity is about 32 million Sft. of finished goat and cow leather. Apex exports to Europe, China, South America and all major leather market of the world. It has two manufacturing facilities; Unit I situated at Bangladesh Small & Cottage Industries Corporation (BSCIC) Chamra Shilpa Nagari, Hemayetpur, Savar and Unit II situated at Shafipur, Gazipur, both engaged in processing and finishing cow and goat leather for 100% export. Unit II has been leased out to Apex Footwear Ltd. for 10 years from 01.10.2011.

2. Basis of preparation of financial statements

a) Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities and Exchange Rules, 1987 and other applicable laws and regulations.

b) Basis of measurement

The financial statements have been prepared on historical cost basis except

i) Note 7 : Investment in marketable securities which is measured at fair value

ii) Note 15 : Retirement benefit obligations

c) Date of authorization

The Board of Directors has authorized these financial statements on August 12, 2018

d) Functional and presentation currency

These financial statements are presented in Bangladesh Taka which is the company's functional currency.

e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an on going basis. Revisions of accounting estimates are recognized in the period in which the estimates are revised or any future periods affected.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

I. Note 8 : Deferred tax assets

II. Note 9 : Inventory valuation

III. Note 22 : Provision for tax

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f) Reporting period

The reporting period of the company covers one year from July 1, 2017 to June 30, 2018.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

a. Property, plant & equipment

I. Recognition and measurement:

Property, plant & equipment (PPE) are initially measured at cost. After initial recognition an item of PPE carried at cost less accumulated depreciation in accordance with BAS 16 "Property plant & equipment". Cost of PPE represents cost of purchase price, import duties and non refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

II. Subsequent cost:

The costs of the day-to-day servicing of PPE are recognized in the Statement of Profit or Loss and other Comprehensive Income. The costs of replacing of PPE are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

III. Depreciation:

The Company uses reducing balance method to depreciate property, plant & equipment. No depreciation is charged on Land and Land development. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with BFRS 5 and the date that the assets are derecognized. The rates of depreciation and category of property, plant and equipment are as follows:

Building	10%
Plant & machinery	15%
Furniture & fittings	10%
Vehicles	20%

Depreciation has been charged to cost of goods sold & administrative expenses consistently.

IV. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized as non-operating income and reflected in the statement of comprehensive income.

b. Inventories

Inventories comprise of raw materials, work-in-process and finished goods, chemicals and spare-parts. They are stated at a lower of cost and net realizable value, in accordance with BAS 2 "Inventories". The cost of inventories is measured by using the weighted average cost formula. The cost of inventories represents all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

c. Trade and other receivables

These are carried at original invoice value considered good and collectible.

d. Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, cash at Bank and FDR which is readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

e. Trade and other payables

These are recognized for amounts to be paid in the future for goods and services.

f. Income taxes

I) Current income tax:

The corporate tax rate for publicly listed companies is 25%. However companies deriving income from export are entitled to exemption of 50% tax on such income. Since the company is 100% export-oriented, 50% of operating income will not be subject to tax under paragraph 28 of Part A of the Sixth Schedule of the IT Ordinance, 1984. The provision made has been calculated on the above basis, which is adequate.

II) Deferred income tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities for financial reporting purpose and the corresponding tax bases used for taxation purpose. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

g. Employee benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

I) Defined contribution plan (Provident fund):

The Company operates a contributory Provident fund for its eligible permanent employees. The fund is approved by the National Board of Revenue (NBR). The fund is administered by a Board of Trustee and is funded by contribution partly from the employee and partly from the Company at predetermined rates. The contribution is invested separately from the Company's assets.

II) Contribution to workers' profit participation/ welfare funds:

The Company provides 5% of its profit before tax as a contribution to workers profit participation/welfare funds in accordance with the Bangladesh Labour Act 2006 (as amendment in 2013).

III) Defined benefit plan (Gratuity)

The Company maintains an unrecognized gratuity fund for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

h. Statement of cash flow

Statement of Cash flow is prepared in accordance with BAS-7 under direct method and as outlined in the Securities and Exchange Rule, 1987.

i. Foreign currency transaction

Transactions in foreign currencies are converted into Bangladesh Taka at the exchange rate prevailing on the date of transaction in accordance with provisions of BAS 21 "The effects of changes in foreign currency rates". The effect of foreign currency gain or loss is very minimal.

j. Financial risk management

I) Market risk:

Market risk refers to the risk adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the Company. Apex Tannery Ltd. is an export oriented company and market of those products are various countries of EU, China, South America, India, Japan and all other major leather markets in the World. As there are very few suppliers from Bangladesh (in terms of exporting in large quantity) ATL is less exposed to Market risk.

II) Credit risk:

Credit risk represents the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. Credit risk arises mainly from trade debtors, advances and prepayments. The management of ATL carefully manages its exposure to credit risk. Credit risks are managed through the credit policies of the Company.

III) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations as they fall due. The management of ATL carefully manages its exposure to liquidity risk. The management of the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses and its financial obligations.

k. Revenue recognition

I) Sale of goods: The Company recognizes revenue when risk and rewards associated with ownership has been transferred to the buyer, which satisfied all the conditions for the revenue recognition as provided in BAS 18 "Revenue Recognition".

II) Dividend income is recognized when the right to received payment is established

III) Interest income is recognized when accrued on a time proportion basis

IV) Rental Income Recognition when accrued on the tenancy agreement basis

l. Earnings per share (EPS)

The Company calculates Earnings per share (EPS) in accordance with BAS 33 "Earnings per share" which has been shown on the face of Statement of Profit or Loss and other Comprehensive Income.

m. Components of the Financial Statements

According to the Bangladesh Accounting Standard (BAS) 1 “presentation of Financial Statements”, the complete set of Financial Statements includes the following components:

I) Statement of Financial Position as at June 30, 2018.

II) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2018.

III) Statement of Changes in Equity for the year ended June 30, 2018.

IV) Statement of Cash Flow for the year ended June 30, 2018.

V) Accounting policies and explanatory notes.

n. Subsequent disclosure of events occurring after the reporting period

There is no adjusting event between the end of the Reporting period and the date when Financial Statements are authorized for issue of such importance non-disclosure of which would affect the availability to the user of the financial statement to make proper evaluation and decision.

o. Impairment

The carrying amount of assets other than inventories and deferred tax assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognized in the Statement of Comprehensive Income when the carrying amount of the asset exceeds its recoverable amount.

p. Segment reporting

The Company’s operation predominantly comprises only one segment i.e. Leather; hence no segment reporting is felt necessary.

		As of June 30, 2018 Taka	As of June 30, 2017 Taka
4.	**PROPERTY, PLANT AND EQUIPMENT**		

I. Details of Property, plant and equipment and depreciation as of June 30, 2018 are shown in the annexed **"Schedule -A"**

Opening Balance (At cost)	**1,757,407,166**	**897,675,475**
Add: Addition during the year	245,228,081	859,731,691
Less: Disposal during the year	5,950,000	-
	1,996,685,247	**1,757,407,166**
Less: Transferred during the year	-	-
Closing Balance (At Cost)	**1,996,685,247**	**1,757,407,166**
Less: Accumulated Depreciation	783,538,778	663,203,384
Less: Adjustment on disposal	5,580,103	-
Written Down Value	**1,218,726,572**	**1,094,203,782**

II. Details of additions are as follows:

Amount in Tk.

Particulars	Buildings	Plant & machineries	Furniture & Fixture	Vehicles
Transferred from Capital Work-in-progress	76,040,290	-	-	-
Addition during the year	114,606,178	43,220,599	2,082,512	9,278,502
Additions (Schedule-A-01)	**190,646,468**	**43,220,599**	**2,082,512**	**9,278,502**

III. Following item was disposed during the year:

Amount in Tk.

Particulars	Cost	Accumulated Depreciation	WDV	Sales Proceeds	Profit & Loss
Vehicles	5,950,000	5,580,103	369,897	3,600,000	3,230,103

5.	**CAPITAL WORK –IN- PROGRESS**	**-**	**76,040,290**
	5a) Buildings at Savar	-	76,040,290
	5b) Plant and Machineries	-	-

5a) Buildings at Savar		
Opening Balance	**76,040,290**	**503,842,504**
Addition during the year	-	214,147,070
	76,040,290	717,989,574
Transferred to Property, Plant & Equipment (Building)	(76,040,290)	(641,949,284)
Closing Balance	**-**	**76,040,290**

5b) Plant and Machineries		
Opening Balance	**-**	**73,159,733**
Addition during the year	-	216,844,949
	-	290,004,682
Transferred to Property, Plant & Equipment (Plant and Machineries)	-	(290,004,682)
Closing Balance	**-**	**-**

		As of June 30, 2018 Taka	As of June 30, 2017 Taka
6.	**ADVANCE FOR LAND AT SAVAR FACTORY**	**57,431,401**	**57,431,401**

The amount paid to Bangladesh Small and Cottage Industries Corporation (BSCIC) against 300,000 SFT Land at BSCIC Leather Industrial Park, Savar, Dhaka.

7.	**INVESTMENTS**		
	Apex Footwear Limited (136,700 shares @ 360.90)	49,335,030	47,052,140
	Central Depository Bangladesh Limited (571,181 shares @ 10.00)	5,711,810	5,711,810
		55,046,840	**52,763,950**

Investment in shares of Apex Footwear Limited has been recorded at fair value as per BAS-39. The quoted price was Taka 360.90 per Taka 10 each share as at June 30, 2018 and company's cost price for 136,700 shares was Taka 13.49 per Taka 10 each share. Investment in shares of Central Depository Bangladesh Limited has been recorded at cost price as the security is not traded in stock exchanges.

8.	**DEFERRED TAX LIABILITIES / (ASSETS)**	**20,528,367**	**10,941,523**
	Deferred tax assets (Note # 8.1)	(15,120,518)	(13,521,909)
	Deferred tax liabilities (Note # 8.2)	35,648,885	24,463,432
	8.1 Deferred tax assets		
	Provision for gratuity	**(15,120,518)**	**(13,521,909)**
	8.2 Deferred tax liabilities	**35,648,885**	**24,463,432**
	Property, plant & equipment	29,712,517	18,812,425
	Fair valuation surplus of investment	5,936,368	5,651,007

		Sft.	Taka	Taka
9.	**INVENTORIES**			
	Goatskins			
	- Raw	364,997	13,504,888	12,920,318
	- Wetblue	719,704	36,704,903	33,685,222
	- Work in Process	128,532	6,940,728	5,615,213
	- Crust/Finished	683,369	43,052,247	39,708,072
	Cowhides			
	- Raw	771,928	60,210,384	45,027,762
	- Wetblue	1,436,624	159,465,263	143,990,181
	- Work in Process	250,787	29,342,078	24,415,151
	- Crust/Finished	971,580	133,106,460	124,046,561
	Chemicals		284,411,728	259,004,145
	Spare-parts		24,267,649	25,357,996
			791,006,328	**713,770,621**

- Inventories are valued at lower of cost price and net realizable value.
- Inventories at the end of the year are equivalent to 138 days consumption based on current year's cost of goods sold.
- A team, consisting of Auditors and Management staff, carried out physical verification of the inventories as of June 30, 2018.
- Inventories were hypothecated to Agrani Bank Ltd., Amin Court Corporate branch as security of working capital loan.

AMARSTOCK

	As of June 30, 2018 Taka	As of June 30, 2017 Taka
10. TRADE AND OTHER RECEIVABLES		
Export bills receivable	104,054,425	162,851,656
Rental income receivable	5,500,000	5,500,000
Interest receivable	134,863	114,455
	109,689,288	**168,466,111**

- Most of the above bills receivable remained from the sales of June 2018 and were considered good which will be collected within 90 days.
- Rental income receivable from Apex Footwear Limited.

Age of receivable:

Particulars	Amount in taka 2017-2018	Amount in taka 2016-2017
Age of receivable within 90 days	84,427,234	119,610,615
Age of receivable over 180 days	25,262,054	48,855,496

11. ADVANCE, DEPOSITS & PREPAYMENTS		
L/C accounts (Goods in transit)	14,271,703	11,048,571
Advance income-tax	125,382,102	109,667,268
Advance rent	49,750	49,750
Advance to staff and workers	3,463,500	692,313
Advance to suppliers & Contractors	6,234,947	246,900
Bank guarantee margin	8,273,745	8,273,745
Security deposit	10,674,824	10,674,824
	168,350,571	**140,653,371**

Maturity Analysis:

Particulars	Amount in taka 2017-2018	Amount in taka 2016-2017
Adjustable / Realizable within one year	149,402,002	121,704,802
Adjustable / Realizable after one year	18,948,569	18,948,569

- L/C accounts (goods-in-transit) represent cost incurred on import of chemicals and spare parts which will be adjusted against respective inventory items.
- Advance income taxes are made to statutory authorities.
- Advance due from staff & workers are regularly being realized through their salaries.
- In the opinion of the Directors, all current assets have on realization in the ordinary course of business, a value at least equal to the amounts at which they are stated in the Statement of Financial Position.
- There is no aggregate amount due from Directors, Officers of the Company or by any associated companies.
- There are no claims against the company, which can be acknowledged as bad debt.

MARSTOCK

		As of June 30, 2018 Taka	As of June 30, 2017 Taka
12.	**CASH AND CASH EQUIVALENTS**		
	Cash in hand		
	Head Office	528,365	3,086,935
	Factory	260,632	485,418
	Cash at Banks		
	Agrani Bank Ltd.	17,572,440	15,931,784
	Rupali Bank Ltd.	-	15,046
	Mutual Trust Bank Ltd.	13,452,289	4,729,845
	Jamuna Bank Ltd.	2,218	8,176,500
	Uttara Bank Ltd.	74,390	388,504
	State Bank of India	486,084	1,327,216
	FDR	40,143,188	38,530,009
		72,519,606	**72,671,257**

- Cash balances were physically verified and bank balances were reconciled.

13.	**SHARE CAPITAL**		
	Authorized Capital	**500,000,000**	**500,000,000**
	(50,000,000 ordinary shares of Tk.10/- each)		
	Issued, subscribed & fully paid-up capital	**152,400,000**	**152,400,000**
	(15,240,000 ordinary shares of Tk.10/- each)		

Distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below:

Number of share holders	Range of holdings	Total holdings	%
6,945	Less than & equal 5,000 shares	2,417,209	15.86
123	5,001 shares to 50,000 shares	1,796,650	11.79
14	50,001 shares to 100,000 shares	973,114	6.38
9	100,001 shares to 200,000 shares	1,082,445	7.10
4	200,001 shares to 300,000 shares	947,368	6.22
6	300,001 shares to 400,000 shares	1,988,313	13.05
1	400,001 shares to 500,000 shares	469,112	3.08
2	500,001 shares to 1000,000 shares	1,574,219	10.33
2	over 1000,000 share	3,991,570	26.19
7,106		**15,240,000**	**100.00**

14.	**FAIR VALUATION SURPLUS OF INVESTMENTS**		
	Investment in Apex Footwear Limited:		
	Fair valuation surplus as of 30-06-2017		**45,208,057**
	Fair value of 136,700 shares @ 360.90 as of 30-6-2018	49,335,030	
	Fair value of 136,700 shares @ 344.20 as of 30-6-2017	(47,052,140)	2,282,890
	Fair valuation surplus as of 30-06-2018		**47,490,947**

		As of June 30, 2018 Taka	As of June 30, 2017 Taka
15.	**RETIREMENT BENEFIT OBLIGATIONS**		
	Opening balance	**108,175,270**	**104,803,103**
	Provision for the year (15.01)	15,675,122	12,079,210
	Payments during the year	(2,886,246)	(8,707,043)
	Closing balance	**120,964,146**	**108,175,270**
15.01	**Provision during the year**		
	Factory overhead	5,233,115	
	Direct labour	7,419,056	
	Operating expense	3,022,951	
		15,675,122	
16.	**GOVERNMENT GRANT**		
	Opening Balance	**-**	**59,941,946**
	Add: During this year	-	40,162,147
		-	100,104,093
	Less: Transferred to Building Account	-	100,104,093
	Closing balance	**-**	**-**
17.	**SHORT-TERM LOAN**	**1,762,981**	**606,074**

The amount represents Interest for the Q4 (April to June 2018), which was subsequently paid. Short-term loan taken from Agrani Bank Ltd., Amin Court Corporate Branch, Motijheel C/A, Dhaka-1000 as KORBANI ADVANCE for procurement of raw hides and skins after Korbani. This loan was sanctioned by Agrani Bank Ltd. against existing fixed assets and inventory as securities.

18.	**WORKING CAPITAL LOAN**		
	Agrani Bank Ltd.	**696,884,232**	**159,192,488**

The company has taken cash-credit (hypothecation) facilities from Agrani Bank Ltd., Amin Court Corp. Branch, Motijheel C/A, Dhaka-1000 against existing fixed assets and inventories as securities.

19.	**TIME LOAN**		
	Jamuna Bank Ltd.	-	405,628,159
	Uttara Bank Ltd.	306,104,557	353,625,010
		306,104,557	**759,253,169**

In order to meet further cost of Capital work-in-progress at Savar factory, the Company has taken Time Loan from Jamuna Bank Ltd. Motijheel Branch, Dhaka and Uttara Bank Ltd. Corporate Branch, Dhaka, against existing inventories as securities.

20.	**TRADE PAYABLES**		
	Hides & Skins	**116,018,348**	**115,835,696**

This represents the amount payable for raw cow hides and Goat skins.

	As of June 30, 2018 Taka	As of June 30, 2017 Taka

21. OTHER PAYABLES

Contribution to WPP & WF	3,103,841	5,238,637
Liabilities for freights, spare parts & other expenses	23,293,945	14,408,656
Liabilities to Suppliers of Building Materials	3,806,195	15,858,142
Audit fees	206,250	206,250
	30,410,231	**35,711,685**

- Payment against outstanding expenses were made subsequently in due time. For other credits, payments are generally made by due date.
- There are no liabilities for expenses due more than 12 months.
- In the opinion of the Directors, no liabilities in the Statement of Financial Position are at a value less than the amount at which it is repayable at the date of the Statement of Financial Position.

22. PROVISION FOR INCOME TAX

Opening balance	**65,267,379**	**52,075,274**
Add: During the year	13,890,097	13,192,105
	79,157,476	65,267,379
Less: Adjustment of income tax	-	-
Closing balance	**79,157,476**	**65,267,379**

The tax assessment for the year 2014 to 2017 is pending with tax authority of Bangladesh.

	Year Ended June 30, 2018 Taka	Year Ended June 30, 2017 Taka

23. PROPOSED DIVIDEND

60,960,000	**60,960,000**

The Board of Directors proposed dividend @40% for the year at the Board Meeting held on August 12, 2018.

The proposed dividend is not recognized as a liability at the Statement of Financial Position date in accordance with Bangladesh Accounting Standard (BAS) 10 " Events after the Reporting Date".

Bangladesh Accounting Standard (BAS) 1 "Presentation of Financial Statements" also require that the dividend proposed after the Statement of Financial Position date but before the financial statements are authorized for issue, be disclosed either on the face of the Statement of Financial Position as a separate component of equity or in the notes to the financial statements.

The provision of Companies Act, 1994, requires that dividend stated to be in respect of period covered by the financial statements and that are proposed or declared after the Statement of Financial Position date but before approval of the financial statements should be either adjusted or disclosed.

Considering the requirements of BAS-1, BAS-10 and Companies Act 1994, proposed dividend has been disclosed in the financial statements.



		Year Ended June 30, 2018	Year Ended June 30, 2017
24. SALES			
	Sft.	**Taka**	**Taka**
Finished Cow Leather	12,775,816	2,149,375,918	1,776,651,232
Finished Goat Leather	2,766,140	264,559,189	175,161,407
	15,541,956	**2,413,935,107**	**1,951,812,639**
25. COST OF SALES			
Opening stock of finished goods	1,511,272	163,754,633	140,012,002
Add: Cost of production	15,685,633	2,107,930,726	1,714,979,531
Less: Closing stock of finished goods	1,654,949	176,158,707	163,754,633
Cost of goods sold	**15,541,956**	**2,095,526,652**	**1,691,236,900**
Cost of production			
Goatskins consumed	32	81,371,267	80,310,114
Cowhides consumed	33	923,230,398	848,372,526
Chemicals consumed	34	669,969,898	495,683,363
Spare parts consumed	35	23,806,533	17,013,070
Packing materials		3,834,063	3,003,403
Direct labour		119,688,510	94,417,426
Factory overhead	36	286,030,058	176,179,629
		2,107,930,726	**1,714,979,531**
26. OPERATING EXPENSES		**205,869,286**	**158,183,589**
26a. Administrative expenses		70,164,109	59,246,150
26b. Marketing, selling and distribution expenses		135,705,177	98,937,439

	Year Ended June 30, 2018 Taka	Year Ended June 30, 2017 Taka
26a. ADMINISTRATIVE EXPENSES		
Salary & allowances	27,579,770	25,066,074
Gratuity	3,022,951	2,487,565
Staff welfare	3,323,311	3,016,858
Telephone & fax	128,913	165,157
Repairs & maintenance	227,700	212,710
Printing & stationery	169,336	117,341
Postage	8,802	8,854
Vehicle maintenance	1,670,674	1,640,826
Fuel & lubricant	2,183,604	1,897,521
Electricity & water	1,593,534	1,440,654
Social responsibilities (CSR)	586,975	1,172,440
Renewal & registration	2,188,093	1,457,695
Advertisement	802,537	670,456
Entertainment	190,244	185,557
AGM expenses	1,198,131	1,098,995
Forms & fees	273,000	284,388
Membership subscription	344,852	349,352
Board meeting fees	367,550	417,550
Directors' remuneration	16,800,000	10,260,000
Legal & audit fees (Note #27)	566,217	566,217
Depreciation (Schedule-A-01)	6,937,915	6,729,940
	70,164,109	**59,246,150**

- Gratuity and staff welfare increased because of annual increment
- Electricity & water increased due to rate increase
- Renewal & registration expenses increased due to increase of Bond License registration fees.
- Advertisement expenses increased due to rate increase
- AGM expenses increased due to increased cost for printing annual report

26b. MARKETING, SELLING AND DISTRIBUTION EXPENSES

Sales commission	68,336,173	57,898,062
Sales promotion	14,783,325	11,493,343
Freight & forwarding expenses	52,585,679	29,546,034
	135,705,177	**98,937,439**

- Details of sales commission paid to agents are given on the next page.

Sales commission

We certify that the local & foreign agents, whose details are given below, have no connection whatsoever with any Director.

Local/Foreign Agent	Address	Taka
ABC Leather	House # 50/1, Road # 11/A, Dhanmondi, Dhaka-1209	6,485,912
Abedin Corporation	House # 50/1, Road # 11/A, Dhanmondi, Dhaka-1209	16,900,931
Ambico Trade (Pvt.) Ltd.	34/B/1 Kalunagar, Hazaribagh, Dhaka-1209	2,616,204
Ashok Lal Lalla	A-15, Sector-9, Noida, India.	303,094
Kema Trading	77, Hazaribagh, T/A, Dhaka	140,360
Eastern European Consultants	Tomasz Zielinski, 30-133 Krakow UL, Poland	1,965,934
Euro Asia	Baitul Khair Room # 20, Purana Paltan, Dhaka	3,357,364
Eagle Trading Co.	L# 6, Suite # 601,113 Kazi Nazrul Islam Avenue, Dhaka-1000.	161,119
Shampan Trading corp.	49, Hazaribagh T/A, Dhaka-1209	5,280,748
Schmenger	Schmenger Leder GMBH & Co. 66953 Pirmasens, Germany.	443,685
Fair International	86, Shere-e-Bangla Road, Dhaka-1209	14,800
Famaz International	Via Grande, 22-24 Santa Croce, Italy	281,729
Focus Leather Enterprise	Barbara Kielar, 30-234 Krakow, Poland	11,509,809
PRP International	68/Kha (Ground floor), Jigatola, Dhaka-1209	682,560
Parpia International	Pte. Ltd,, 19 East point Tarrace, Kaki Bukit Road, Singapore	52,743
Rimex Ltd.	H# 28, R# 11, P.C. Culture Housing, Mohammadpur, Dhaka	1,136,210
Megumi International	House #6, Road #3, Sector #10, Uttara Model Town, Dhaka	2,196,411
M. A. Leather Trading	93/4, Monshwar Zigatola, Hazaribagh, T/A, Dhaka-1209	89,856
Mohammad Faruque Alam	124, Hazaribagh Dhaka, T/A, Dhaka-1209	140,186
Universal Leather Corporation	15/F, Jigatola, Ground Floor, Dhaka-1209	980,095
Inleather	Via Di Pelle, 2956029 B. Croce Sull Arno (PI), Italy	406,097
Interkid	AG Castano Primo, Italy	1,007,216
Innovate Leather Co.	92, Hazaribagh T/A, Dhaka-1209	585,398
Yip Yan Fai	House # 8, Narcissua path, Palm Springs, Hongkong	1,170,506
Global Union	House # 25A, Road # 96, Gulshan, Dhaka	161,326
J.M. Corporation	20, Hazaribagh, Dhaka-1209	2,621,674
Keywin Trading Corporation	Level – 6, Suite – 601, 23 Kazi Nazrul Islam Avenue, Dhaka	7,476,370
Hajee Mazharul Haque Ltd.	79/1, Water Works Road, Posta, Dhaka-1211	167,836
Total		**68,336,173**

		Year Ended June 30, 2018 Taka	Year Ended June 30, 2017 Taka
27.	**LEGAL & AUDIT FEES**		
	Legal fees (Professional fees)	360,000	360,000
	Audit fees	206,217	206,217
		566,217	**566,217**
28.	**FINANCIAL EXPENSES**		
	Bank interest	83,578,894	57,374,930
	Bank charges	879,268	1,590,616
		84,458,162	**58,965,546**

Bank interest and charges increased due to the Company availed more amount of loan during the year under audit as compared to the previous year.

				Year Ended June 30, 2018 Taka	Year Ended June 30, 2017 Taka
29.	**OTHER INCOME**				
	Dividend income-Cash			2,111,452	1,427,952
	Profit on sale of PPE (Note # 4.III)			3,230,103	-
	Interest on FDR			1,768,620	1,129,121
	Rental income		33,000,000		
	Less: Depreciation (Schedule A-02)	2,356,950			
	Rent, rates & taxes	191,300			
	Insurance premium	462,268	(3,010,518)	29,989,482	28,880,024
				37,099,657	**31,437,097**

Cash dividend amounting Taka 2,111,452 included cash dividend received from Apex Footwear Limited Tk. 683,500 and Tk. 1,427,952 from Central Depository Bangladesh Limited. Rental income of Unit II was received / receivable from Apex Footwear Limited as monthly rent @ Tk. 2,750,000.

30.	**INCOME TAX EXPENSES**	**23,476,941**	**26,270,472**
30a.	Current tax expenses	13,890,097	13,192,105
30b.	Deferred tax expenses/(income)	9,586,844	13,078,367

30a. CURRENT TAX EXPENSES

	Rate of Tax	Taxable Profit	Tax	Tax
On export profit after adjustment of gratuity	25% on 50% of income	24,977,165	4,720,754	5,404,228
On other income				
Profit on sale of PPE	25%	3,230,103	807,526	-
Dividend on investment (Cash)	20%	2,111,452	422,290	285,590
Rental income	25%	29,989,482	7,497,372	7,220,007
Interest on FDR	25%	1,768,620	442,155	282,280
		62,076,822	**13,890,097**	**13,192,105**

30b. DEFERRED TAX EXPENSES / (INCOME)

Deferred tax (assets)/Liabilities closing	20,528,367	10,941,523
Less: Deferred tax (assets)/Liabilities opening	10,941,523	(2,136,844)
Total	**9,586,844**	**13,078,367**

31 EARNINGS PER SHARE (EPS)
COMPONENTS OF EARNINGS PER SHARE ARE AS FOLLOWS:
(Earnings per share without fair valuation surplus of investment)

EPS =	Profit after tax	38,599,883	45,028,291
	Number of weighted average share	15,240,000	15,240,000
Earnings per share (Tk.)		**= 2.53**	**= 2.95**



		Year Ended June 30, 2018	Year Ended June 30, 2017
32.	**GOATSKINS CONSUMED (RAW & WETBLUE)**		
		Sft.	**Taka**	**Taka**
	Opening stock (raw)	287,118	12,920,318	15,337,377
	Add: Purchase this year	2,515,771	86,301,033	76,888,835
	Less: Closing stock	364,997	13,504,888	12,920,318
		2,437,892	85,716,463	79,305,894
	Add: Opening stock (wetblue)	647,793	33,685,222	33,475,540
	Less: Closing stock	719,704	36,704,903	33,685,222
		2,365,981	82,696,782	79,096,212
	Add: Opening WIP	102,095	5,615,213	6,829,115
	Less: Closing WIP	128,532	6,940,728	5,615,213
		2,339,544	**81,371,267**	**80,310,114**
33.	**COWHIDES CONSUMED (RAW & WETBLUE)**			
	Opening stock (raw)	511,679	45,027,762	40,452,014
	Add: Purchase this year	13,788,832	957,962,476	864,096,825
	Less: Closing stock	771,928	60,210,384	45,027,762
		13,528,583	942,779,854	859,521,077
	Add: Opening stock (wetblue)	1,299,199	143,990,181	126,992,139
	Purchase this year	3,940	852,553	-
	Less: Closing stock	1,436,624	159,465,263	143,990,181
		13,395,098	928,157,325	842,523,035
	Add: Opening WIP	201,778	24,415,151	30,264,642
	Less: Closing WIP	250,787	29,342,078	24,415,151
		13,346,089	**923,230,398**	**848,372,526**
34.	**CHEMICAL CONSUMED**			
	Opening Stock		259,004,145	193,726,244
	Add: Purchase this year		695,377,481	560,961,264
	Less: Closing stock		284,411,728	259,004,145
			669,969,898	**495,683,363**

Chemical purchase during the year:

	MT	USD	Euro	Taka	Taka
Imported	5,094	5,878,727	2,796,698	688,954,481	521,957,374
Local	45	00	00	6,423,000	39,003,890
	5,139	**5,878,727**	**2,796,698**	**695,377,481**	**560,961,264**

	Year Ended June 30, 2018 Taka	Year Ended June 30, 2017 Taka

35. SPARE-PARTS CONSUMED

Opening stock	25,357,996	20,720,306
Add: Purchase this year	22,716,186	21,650,760
Less: Closing stock	24,267,649	25,357,996
	23,806,533	**17,013,070**

36. FACTORY OVERHEAD

Salary & allowances	73,542,279	71,514,681
Gratuity	5,233,115	6,864,338
Staff welfare	3,199,910	4,569,267
Entertainment	969,953	1,390,983
Postage	159,901	121,433
Printing & stationery	408,239	415,077
Repair & maintenance	11,436,408	9,076,662
Insurance premium	10,538,798	8,823,307
Telephone & fax	96,066	218,771
Vehicle maintenance	3,814,243	2,923,346
Carriage inward	5,491,811	7,223,098
Power, gas & water	57,317,102	32,119,675
Consumable store	1,035,934	645,476
Rent, rates & taxes	1,277,400	2,964,241
Conveyance	468,371	432,765
Depreciation (Schedule A-01)	111,040,528	26,876,509
	286,030,058	**176,179,629**

- Repair & maintenance increased due to Maintenance of old Machineries
- Insurance premium increased due to increase of Property , Plant and Equipment and holding more inventory as well as credit facilities
- Vehicle maintenance increased due to old age of vehicles and increased number of Vehicles
- Power, gas & water increased due to increase of Quantity of Machineries
- Consumable store expenses increased because of more electrical items used
- Conveyance increased due to frequent travel for shifting factory to Savar

37. AGGREGATE AMOUNT PAID TO THE DIRECTORS AND KEY MANAGEMENT PERSONNEL

	Year Ended June 30, 2018 Taka	Year Ended June 30, 2017 Taka
Directors		
Meeting Fees	367,550	417,550
Remuneration of Managing Director	6,000,000	3,600,000
Remuneration of other Director	10,800,000	6,660,000
Key Management Personnel		
Salary & allowance	22,512,303	21,856,547

38. DISCLOSURE AS PER SCHEDULE XI PART II OF THE COMPANIES ACT 1994.

38.1 EMPLOYEE POSITION

The Company engaged 937 employees of which 458 is permanent employees and 479 is casual and temporary workers as required. All employees received total salary of above Tk. 36,000.00 per annum.

38.2 PRODUCTION CAPACITY UTILIZATION

Particulars	Sft. per year	%
Capacity per year (Calculated on weighted average method)	32,000,000	
Actual Production	15,685,631	49.02

39. RELATED PARTY DISCLOSURES

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 the Related Parties	Relation	Nature of Transactions	Total Value in TK.	Balance in Tk.
Apex Footwear Ltd.	Common Directorship	Lease Rental	3,300,000	5,500,000
Pioneer Insurance Company Ltd.	Common Directorship	Fixed Assets & LC Related	10,996,791	-
Mutual Trust Bank Ltd.	Common Directorship	Current Deposit	177,380,150	13,449,034
Guardian Life Insurance Ltd.	Common Directorship	Group Insurance	717,604	-

40. FOREIGN CURRENCY TRANSACTION

During the year foreign currency transaction was as follows:

	2017-2018		2016-2017	
	Euro	USD	Euro	USD
Materials and Others	2,796,698	5,878,727	2,075,289	3,768,358
Export Earnings	-	29,296,814	-	24,965,307

41. GENERAL

41.1 All financial information presented in Taka have been rounded off to the nearest Taka, Taka in Thousand (000).

41.2 Figures of the year 2016-2017 have been rearranged whenever considered necessary to ensure comparability with the current period.

42. EVENT AFTER REPORTING PERIOD

The Board of Directors of the company has approved the financial statements as on August 12, 2018 recommended 40% cash dividend for the financial year ended June 30, 2018. Except the fact stated above, no circumstances have arisen that to be disclosed as note or adjusted in the financial statements.

43. CONTINGENT LIABILITIES

There was no sum for which the company was contingently liable as on June 30, 2018.

Md. Rahmatullah
Managing Director

Kazi Sanaul Hoq
Director

Sushanta Kumar Paul
Company Secretary

Dated: Dhaka
August 16, 2018

SCHEDULE OF FIXED ASSETS AS OF 30 JUNE 2018
PROPERTY, PLANT AND EQUIPMENT

Schedule -A
Amount in Taka

Particulars	COST				Rate (%)	DEPRECIATION				Written Down Value as on 30.06.2018
	Balance as on 01.07.2017	Addition during the year	Adjustment / disposal during the year	Balance as on 30.06.2018		Balance as on 01.07.2017	Charged during the year	Adjustment / disposal during the year	Balance as on 30.06.2018	
Land	161,329,251	-	-	161,329,251	-	-	-	-	-	161,329,251
Building	712,884,533	190,646,468	-	903,531,001	10	152,577,663	59,707,564	-	212,285,227	691,245,774
Plant & Machinery	733,696,060	43,220,599	-	776,916,659	15	403,075,109	52,079,690	-	455,154,799	321,761,860
Furniture & fixture	27,405,813	2,082,512	-	29,488,325	10	23,020,703	556,824	-	23,577,527	5,910,798
Vehicles	122,091,509	9,278,502	5,950,000	125,420,011	20	84,529,909	7,991,315	5,580,103	86,941,121	38,478,890
Total 2017-2018	**1,757,407,166**	**245,228,081**	**5,950,000**	**1,996,685,247**	**-**	**663,203,384**	**120,335,394**	**5,580,103**	**777,958,675**	**1,218,726,572**
Total 2016-2017	**897,675,475**	**859,731,691**	**-**	**1,757,407,166**	**-**	**626,931,545**	**36,271,839**	**-**	**663,203,384**	**1,094,203,782**

Property, plant & equipment-Unit I

Schedule –A-01
Amount in Taka

Particulars	COST				Rate (%)	DEPRECIATION				Written Down Value as on 30.06.2018
	Balance as on 01.07.2017	Addition during the year	Adjustment / disposal during the year	Balance as on 30.06.2018		Balance as on 01.07.2017	Charged during the year	Adjustment / disposal during the year	Balance as on 30.06.2018	
Land	148,560,005	-	-	148,560,005	-	-	-	-	-	148,560,005
Building	591,688,192	190,646,468	-	782,334,660	10	47,714,757	58,074,220	-	105,788,977	676,545,683
Plant & Machinery	619,755,648	43,220,599	-	662,976,247	15	293,878,544	51,368,113	-	345,246,657	317,729,590
Furniture & fixture	26,522,772	2,082,512	-	28,605,284	10	22,254,504	545,140	-	22,799,644	5,805,640
Vehicles	121,605,009	9,278,502	5,950,000	124,933,511	20	84,045,138	7,990,969	5,580,103	86,456,004	38,477,507
Total 2017-2018	**1,508,131,626**	**245,228,081**	**5,950,000**	**1,747,409,707**	**-**	**447,892,943**	**117,978,443**	**5,580,103**	**560,291,283**	**1,187,118,424**
Total 2016-2017	**648,399,935**	**859,731,691**	**-**	**1,508,131,626**	**-**	**414,286,494**	**33,606,449**	**-**	**447,892,943**	**1,060,238,683**

Charged to:	2017-2018	2016-2017
Cost of Production	111,040,528	26,876,509
Profit & Loss Account	6,937,915	6,729,940
	117,978,443	**33,606,449**

- Addition of plant & machinery represents purchase of 1 set Conveyor Belt, 2 nos Poly Propylene Drums, 1 nos Reach Truck, Measuring Machine, 5963 pcs Steel Rack and other imported machineries parts
- Vehicle purchased for management
- Addition of furniture & fittings represent purchase of Chair, Table, computer, printer and ancillaries.
- There are no intangible assets.
- Depreciation has been charged on reducing balance method.

Schedule -A-02

Amount in Taka

Property, plant & equipment- Unit II

Particulars	COST				Rate (%)	DEPRECIATION				Written Down Value as on 30.06.2018
	Balance as on 01.07.2017	Addition during the year	Adjustment / disposal during the year	Balance as on 30.06.2018		Balance as on 01.07.2017	Charged during the year	Adjustment / disposal during the year	Balance as on 30.06.2018	
Land	12,769,246	-	-	12,769,246	-	-	-	-	-	12,769,246
Building	121,196,341	-	-	121,196,341	10	104,862,906	1,633,344	-	106,496,250	14,700,091
Plant & Machinery	113,940,412	-	-	113,940,412	15	109,196,565	711,577	-	109,908,142	4,032,270
Furniture & fixture	883,041	-	-	883,041	10	766,199	11,683	-	777,883	105,158
Vehicles	486,500	-	-	486,500	20	484,771	346	-	485,117	1,383
Total 2017-2018	**249,275,540**	**-**	**-**	**249,275,540**	**-**	**215,310,441**	**2,356,950**	**-**	**217,667,392**	**31,608,148**
Total 2016-2017	**249,275,540**	**-**	**-**	**249,275,540**	**-**	**212,645,051**	**2,665,390**	**-**	**215,310,441**	**33,965,099**

Depreciation of Unit II Taka 2,356,950 charged against rental income.

SCHEDULE OF FIXED ASSETS

STOCK

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting of Apex Tannery Limited will be held on Monday, October 8, 2018 at 10:00 a.m. at the Bangladesh Shooting Sports Federation, Gulshan-1, Dhaka-1212, to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended June 30, 2018 and the Reports of the Auditors and Directors thereon
2. To declare dividend
3. To elect Director
4. To appoint Independent Director
5. To appoint auditors for the year 2018-2019 and fix their remuneration
6. To appoint Corporate Governance auditors for the year 2018-2019

By Order of the Board

September 12, 2018
Plot # XA1, XA2, XA3 and XS8
BSCIC Chamra Shilpa Nagari
Harindhara, Hemayetpur
Savar, Dhaka - 1340

(Sushanta Kumar Paul ACS)
Company Secretary

Notes:

1. September 12, 2018 is the record date. Shareholders whose names will appear in the Members register of the Company or in the Depository Register on that date will eligible to attend at the Annual General Meeting and receive dividend.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy in his stead. The proxy form, duly stamped must be deposited at the Corporate Office of the Company not later than 48 (forty eight) hours before the time fixed for the meeting. Annual report and proxy form can be available on the website **www.apextannery.com.**
3. Admission to the hall will be only on production of the attendance slip sent with the notice.
4. In compliance with the Bangladesh Securities and Exchange Commission Circular No. SEC/ CMRRCD/2009-193/154 dated 24 October, 2013 no Gift/Gift Coupon/Food Box/Biscuit Box/Cash or Cash kinds shall be distributed at the Annual General Meeting.

AMARSTOCK



APEX TANNERY LIMITED

PROXY FORM

I/We.....

of.....

being a Member of **Apex Tannery Limited**, hereby appoint

Mr./Ms. .....

of.....

as my /our proxy to attend and vote for me/us and on my/our behalf at the 42nd Annual General Meeting of the company to be held on Monday, October 8, 2018 at 10:00 a.m. and/or at any adjournment thereof.

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

Signature of Proxy

Affix Revenue Stamp of Tk. 20.00

Signature of the Shareholder

No. of shares held ----------

Register Folio/BO ID No.

Note: A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his behalf. The proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time fixed for the meeting.

PROXY FORM

APEX TANNERY LIMITED

ATTENDANCE SLIP

I hereby record my attendance at the 42nd Annual General Meeting being held on Monday, October 8, 2018 at 10:00 a.m. at the Bangladesh Shooting Sports Federation, Gulshan-1, Dhaka-1212.

Name of member/proxy ----------

Register Folio/BO ID No.

Signature ----------

Note: Shareholders attending meeting in person or proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

ATTENDANCE SLIP

AMAR STOCK



AMAR STOCK

Apex Tannery Limited

Factory and Registered Office :
Plot # XA1, XA2, XA3 & XS8, BSCIC Chamra Shilpa Nagari, Harindhara,
Hemayetpur, Savar, Dhaka-1340
Phone # 01711686592, E-mail : info@apextannery.com, apex@accesstel.net
Website : www.apextannery.com