

Rahman Mostafa Alam & CO.
Chartered Accountants
Auditors' Report
to
The Shareholders of H.R. Textile Mills Limited

We have audited the accompanying financial statements of H.R. Textile Mills Limited ("the Company") which comprise the Statement of Financial Position as at June 30, 2017, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-35 to the financial statements for the year then ended.

Management's responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs); the Companies Act, 1994 and Securities and Exchange Rules, 1987 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of H.R. Textile Mills Limited as at June 30, 2017 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the applicable sections of the Companies Act, 1994, the Bangladesh Securities and Exchange Rule, 1987 and other applicable laws and regulations.

Other Matters

The comparative figures disclosed into the financial statements for the period from July 01, 2015 to June 30, 2016 has been compiled by the Company management from audited financial statements of two separate periods, i.e., October 01, 2014 to September 30, 2015 and October 01, 2015 to June 30, 2016.

We also report that

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- (d) The expenditure incurred was for the purposes of the Company's business.

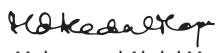
Dated: Dhaka, October 23, 2017

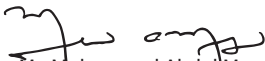

 Rahman Mostafa Alam & Co.
 Chartered Accountants


H.R. Textile Mills Limited
Statement of Financial Position
As on 30 June 2017

CAPITAL EMPLOYED IN: NON-CURRENT ASSETS:	<u>Notes</u>	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Property, Plant and Equipment	2	654,955,516	622,435,333
Total Non-Current Assets		<u>654,955,516</u>	<u>622,435,333</u>
CURRENT ASSETS			
Stocks and Stores	3	318,011,364	268,897,227
Trade and Other Debtors	4	308,746,156	441,549,311
Export Incentive Receivables	5	95,177,576	125,066,201
Advances, Deposits and Prepayments	6	49,288,275	43,394,886
Cash and Cash Equivalents	7	82,080,927	40,634,434
Total Current Assets		<u>853,304,298</u>	<u>919,542,059</u>
Total Assets		1,508,259,814	1,541,977,392
SHAREHOLDERS' EQUITY :			
Share Capital	8	253,000,000	253,000,000
General Reserve	9	6,956,752	6,956,752
Tax Holiday Reserve	10	22,378,988	22,378,988
Dividend Equalisation Reserve	11	10,000,000	10,000,000
Unappropriated Profit		78,579,347	67,592,899
TOTAL SHAREHOLDERS' EQUITY		<u>370,915,087</u>	<u>359,928,639</u>
LONG-TERM LIABILITIES:			
Long-term Loans - Secured Future Maturity	12	181,745,275	199,048,499
Provision for Gratuity	13	29,166,174	31,304,282
Deferred Tax Liabilities	14	35,773,545	31,973,737
Total Long-term Liabilities		<u>246,684,994</u>	<u>262,326,518</u>
CURRENT LIABILITIES :			
Bank Overdrafts - Secured	15	89,658,237	77,811,475
Time Loan	16	14,483,306	-
Trade Creditors	17	588,826,909	570,393,047
Accrued Expenses	18	27,324,749	23,380,222
Provision for Taxation	19	27,755,655	13,673,421
Bills Receivable Discounted	20	33,424,991	144,817,615
Workers' Participation/Welfare Funds	21	27,678,894	35,996,566
Current Maturity of Long-term Loans	22	81,506,992	53,649,889
Total Current Liabilities		<u>890,659,733</u>	<u>919,722,235</u>
Total Liabilities		1,137,344,727	1,182,048,753
Total Equity and Liabilities		<u>1,508,259,814</u>	<u>1,541,977,392</u>
Net Assets Value (NAV) per value of Tk.10		<u>14.66</u>	<u>14.23</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


 Dr. Muhammad Abdul Moyeen
 Chairman


 Mr. Mohammad Abdul Moyeed
 Managing Director


 Mr. Mohammad Abdul Momen
 Director


 Mr. Md. Wali Ullah
 Company Secretary

Signed in terms of our separate report of even date.

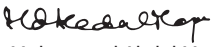
Dated: Dhaka
 October 23, 2017

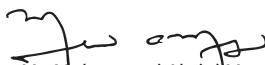

 Rahman Mostafa Alam & Co.
 Chartered Accountants

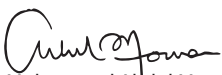
H.R. Textile Mills Limited
Statement of Profit or Loss and
other Comprehensive Income
For the year ended 30th June 2017

<u>Particulars</u>	<u>Notes</u>	For the year from 1 July 16 to 30 June 17 Taka	For the period from 1 Oct 15 to 30 June 16 Tala	For the period from 1 July 15 to 30 Sept 15 Taka	For the year from 1 July 16 to 30 June 16 Taka
Sales	23	1,640,655,729	1,120,410,794	311,043,281	1,431,454,075
Export Incentive Turnover	24	17,589,653	15,798,703	27,543,813	43,342,516
Less: Cost of Goods Sold	25	1,417,026,861	970,976,267	281,518,585	1,252,494,852
Gross Profit		241,218,521	165,233,230	57,068,509	222,301,739
Less: Administrative, Selling and General Expenses	26	184,707,006	128,572,245	39,393,923	167,966,168
Operating Profit		56,511,515	36,660,985	17,674,586	54,335,571
Add: Other Income	27	365,400	274,050	409,641	683,691
Profit before Workers' Participation/Welfare Funds		56,876,915	36,935,035	18,084,227	55,019,262
Less: Contribution to Workers' Participation/Welfare Funds	21	2,708,425	1,758,811	861,154	2,619,965
Net Profit/(Loss) before Tax		54,168,490	35,176,224	17,223,073	52,399,297
Income Tax Expenses		17,882,042	3,544,657	2,583,461	6,128,118
Provision for Income Tax (Current)	28	14,082,234	5,914,983	2,919,273	8,834,256
Provision for Income Tax (Deferred)	14	3,799,808	(2,370,326)	(335,812)	(2,706,138)
Net Profit/(Loss) after Tax (Transferred to the statement of Changes in Equity)		36,286,448	31,631,567	14,639,612	46,271,179
Earning per share (EPS) of Tk. 10		1.43	1.25	0.58	1.83

The annexed notes from 1 to 35 form an integral part of these financial statements.


 Dr. Muhammad Abdul Moyeen
 Chairman

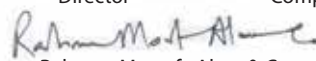

 Mr. Mohammad Abdul Moyeed
 Managing Director


 Mr. Mohammad Abdul Momen
 Director


 Mr. Md. Wali Ullah
 Company Secretary

Signed in terms of our separate report of even date.


Dated: Dhaka
 October 23, 2017

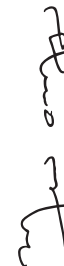

 Rahman Mostafa Alam & Co.
 Chartered Accountants


H.R. Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the year ended 30th June 2017


Particulars	Share Capital	General Reserve	Tax holiday Reserve	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as at 30th September 2015	253,000,000	6,956,752	22,378,988	10,000,000	61,261,332	353,597,072
Net profit after tax	-	-	-	-	31,631,567	31,631,567
Cash Dividend declared 2015	-	-	-	-	(25,300,000)	(25,300,000)
Balance as at 30th June 2016	<u>253,000,000</u>	<u>6,956,752</u>	<u>22,378,988</u>	<u>10,000,000</u>	<u>67,592,899</u>	<u>359,928,639</u>
Balance as at 30th June 2016	253,000,000	6,956,752	22,378,988	10,000,000	67,592,899	359,928,639
Net profit after tax	-	-	-	-	36,286,448	36,286,448
Cash Dividend declared 2016	-	-	-	-	(25,300,000)	(25,300,000)
Balance as at 30th June 2017	<u>253,000,000</u>	<u>6,956,752</u>	<u>22,378,988</u>	<u>10,000,000</u>	<u>78,579,347</u>	<u>370,915,087</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


Dr. Muhammad Abdul Moyeen
Chairman


Mr. Mohammad Abdul Moyeed
Managing Director


Mr. Mohammad Abdul Momen
Director

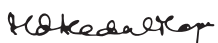

Mr. Md. Wali Ullah
Company Secretary

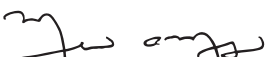
Dated: Dhaka
October 23, 2017


H.R. Textile Mills Limited
Statement of Cash Flows
For the year ended 30th June 2017

<u>Particulars</u>	<u>Notes</u>	For the year from 1 July 16 to 30 June 17 Taka	For the period from 1 Oct 15 to 30 June 16 Taka	For the period from 1 July 15 to 30 Sept 15 Taka	For the year from 1 July 15 to 30 June 16 Taka
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and export incentives		1,821,302,562	1,004,129,188	256,623,547	1,260,752,735
Cash paid for goods and services		(1,514,058,261)	(997,040,094)	(245,366,309)	(1,242,406,403)
Cash from operation		307,244,301	7,089,094	11,257,238	18,346,332
Interest paid		(54,111,083)	(33,421,647)	(9,917,967)	(43,339,614)
Income-tax paid/deducted at sources		(14,018,289)	(7,882,139)	(4,294,435)	(12,176,574)
Net Cash inflows from operating activities		239,114,929	(34,214,692)	(2,955,164)	(37,169,856)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of fixed assets	2.2	(100,302,909)	(137,017,753)	(19,919,692)	(156,937,445)
Net Cash outflows from investing activities		(100,302,909)	(137,017,753)	(19,919,692)	(156,937,445)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Bank Overdraft received/(repaid)		11,846,762	33,365,138	(10,814,324)	22,550,814
Long Term Loans received/(repaid)		10,553,879	58,284,979	(49,694,810)	8,590,169
Time Loan		14,483,306	-	-	-
Bills Receivable Discounted Received/(Re-paid)		(111,392,624)	66,115,539	60,756,331	126,871,870
Cash Dividend paid		(22,856,850)	(9,546,817)	(2,348,860)	(11,895,677)
Net Cash inflow from financing activities		(97,365,527)	148,218,839	(2,101,663)	146,117,176
Net increase/(decrease) in cash and bank balances		41,446,493	(23,013,606)	(24,976,519)	(47,990,125)
Cash and bank balances on opening		40,634,434	63,648,040	88,624,559	88,624,559
Net increase/(decrease) in cash and bank balances		41,446,493	(23,013,606)	(24,976,519)	(47,990,125)
Cash and Cash equivalents at closing - Note 7		82,080,927	40,634,434	63,648,040	40,634,434
Net operating cash flow per share (NOCFPS) of Tk. 10		9.45	(1.35)	(0.12)	(1.47)

The annexed notes from 1 to 35 form an integral part of these financial statements.


Dr. Muhammad Abdul Moyeen
Chairman


Mr. Mohammad Abdul Moyeed
Managing Director


Mr. Mohammad Abdul Momen
Director


Mr. Md. Wali Ullah
Company Secretary

Signed in terms of our separate report of even date.

Dated: Dhaka
October 23, 2017

H.R. Textile Mills Limited

Notes to the Financial Statements

For the year ended June 30, 2017

Forming an Integral Part of the Financial Statements

1. Notes - General

(a) Status and Activities:

This is a public limited company incorporated in Bangladesh under the Companies Act, 1913 on 3 December 1984 under the entrepreneurship of the Pride Group. The other shareholders are the general public and local financial institutions. The shares of the Company are listed with both the Dhaka and Chittagong Stock Exchanges in Bangladesh. The address of the registered office is B-87, Malibag Chowdhury Para, Dhaka and the mills are located at 4, Karnapara, Savar, Dhaka. The Company owns textile mills and its principal activities are knitting, processing and finishing of textile products and making garments.

(b) Components of the Financial Statements:

- (i) Statements of Financial Position as on 30th June 2017;
- (ii) Statements of Profit or Loss and other Comprehensive Income for the year ended 30th June 2017;
- (iii) Statements of Changes in Shareholders' Equity for the year ended 30th June 2017;
- (iv) Statements of Cash Flows for the year ended 30th June 2017 and
- (v) Notes to the Financial Statements for the year ended 30th June 2017.

(c) Reporting Period:

The financial period of the Company covers an accounting year from 1st July 2016 to 30th June 2017 next consistently.

(d) Reporting Currency:

The figures in the financial statements represent Bangladesh Taka currency, which have been rounded off to the nearest Taka, except where indicated otherwise.

(e) Comparative Information:

Comparative information have been disclosed in respect of the year 2016 for all numerical information in the financial statements and also narrative and descriptive information when it is relevant to an understanding of the current year's financial statements. Figures of the previous year have been re-classified whenever considered necessary to ensure comparability with the current year.

(f) Statement of compliance with local laws:

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994; Bangladesh Securities and Exchange Rules, 1987 and other relevant laws as applicable. The cash flows from operating activities are computed by the direct method as prescribed by the Bangladesh Securities and Exchange Rules, 1987.

(g) Statements of compliance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs):

The financial statements complied with requirements of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

(h) Statement of Measurement Basis:

The financial statements have been prepared using the Historical Cost basis, except for the earlier revaluation of certain non-current assets.

(i) Accrual basis Accounting:

The financial statements have been prepared, except for cash flows information, under the accrual basis of accounting.

(j) Statement of Specific Accounting Policies Applied:

- i) *Revenue Recognition:*
Sales are recognized at the time of delivery from godown.

ii) *Fixed Assets and Depreciation:*

Fixed Assets i.e. Property, Plant, Equipment are stated at their historical cost less accumulated depreciation. No Depreciation has been charged on land and land development and on the Capital Work in progress. Depreciation is charged on all other fixed assets on straight-line method. Depreciation on "revaluation surplus" is charged to "Capital Reserve". The rates at which assets are depreciated depend on the nature and estimated useful life of each asset, and are given below:

<u>Item</u>	<u>Rate</u>
Factory Building	2.50%
Plant and Machinery	7.00%
Factory Shed	7.50%
Electric, Gas, Water, Steam and Telephone Installation, Furniture & Fixture, Office Equipment, Factory Equipment and Tools & Apparatus	10.00%
Motor Vehicles	15.00%

Net carrying amounts (written down value) is arrived at after deduction of accumulated depreciation from gross carrying amounts (cost). The gross carrying amounts (cost) represent cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction period and lease payments. Leased plant and machinery has been capitalized at "Principal amount" thereof and proportionate interest thereof has been charged to interest expenses in terms of BAS 17 - "Lease".

iii) *Stocks and Stores:*

Stocks and Stores are valued at lower of weighted average cost and net realizable value. Cost of Work in Process includes material and proportionate conversion cost. Finished goods include material and conversion cost.

iv) *Provision for Tax:*

Provision for current income tax has been made during the year under review in respect of net profit at the rate of 15%. Provision for deferred tax has been made at 15% on the timing difference relating to written down value in terms of BAS 12- "Income Taxes".

v) *Foreign Currency Transaction:*

Transactions in Foreign Currencies are translated into Bangladesh Taka at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into Bangladesh Taka at the rate of exchange ruling at the date of Statement of Financial position.

vi) *Translation of closing balances in foreign currencies:*

These are converted into Bangladesh Taka at the exchange rate ruling on the date of Statement of Financial Position as follows:

	As at June 30, 2017		As at June 2016	
	Receivables	Payables	Receivables	Payables
1 US Dollar	Tk. 79.67	Tk. 79.83	Tk. 77.60	Tk. 77.85

vii) *Trade Receivables:*

Trade Receivable are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad.

viii) *Payables:*

Trade payables are stated at their nominal value.

ix) *Cash and cash equivalents:*

Cash in hand and cash at bank have been considered as the cash and cash equivalents for the preparation of these financial statements, which were held and available for use by the Company without any restriction and there was insignificant risk of changes in value of these current assets.

x) *Related Party Transaction:*

The Company has some related party transactions at arm's length basis with its related parties.

xi) *Earnings Per Share (EPS):*

The Company calculates Earnings Per Share (EPS) in accordance with Bangladesh Accounting Standard, BAS-33, "Earning Per Share".

xii) *Retrial Benefits (Gratuity) :*

The retrial benefit (gratuity) liability for the permanent employees of the Company is accrued at one months' basic pay for each completed year of service of each employee who has completed service for six months or more.

2. Property, Plant and Equipment

2.1 The make-up of Fixed Assets of Unit-1 is as follows:

Particulars	Cost or valuation		Depreciation		Written down value As on 30 June 2017
	As on 1 July 2016	As on 30 June 2017	As on 1 July 2016	As on 30 June 2017	
Factory Land and Development					
Factory Building	7,250,000	7,250,000	-	-	7,250,000
Factory Shed	23,230,710	23,230,710	13,129,042	13,709,810	9,520,900
Plant and Machinery	6,823,475	6,823,475	6,823,470	6,823,470	5
Electric Installation	89,257,661	89,257,661	89,257,656	89,257,656	5
Gas Installation	3,601,103	3,601,103	3,601,098	3,601,098	5
Water Installation	2,171,914	2,171,914	2,171,909	2,171,909	5
Steam Installation	1,168,842	1,168,842	1,168,837	1,168,837	5
Furniture and Fixtures	1,991,090	1,991,090	1,991,085	1,991,085	5
Telephone Installation	718,694	718,694	718,689	718,689	5
Motor Vehicles	449,033	449,033	449,028	449,028	5
Office Equipment	5,783,524	5,783,524	5,783,519	5,783,519	5
Loose Tools	3,723,054	3,723,054	3,723,049	3,723,049	5
Factory Equipment	142,382	142,382	142,377	142,377	5
Total Taka	153,885	153,885	153,880	153,880	5
	146,465,367	146,465,367	129,113,639	129,694,407	16,770,960

2.2 The make-up of Fixed Assets of Unit-2 is as follows:

Particulars	Cost or valuation		Depreciation		Written down value As on 30 June 2017
	As on 1 July 2016	As on 30 June 2017	As on 1 July 2016	As on 30 June 2017	
Land Development					
Factory Building	1,229,375	1,229,375	-	-	1,229,375
Plant and Machinery	181,447,748	181,447,748	42,797,632	47,333,826	134,113,922
Gas Installation	990,004,288	1,082,783,922	561,288,499	614,473,209	468,310,713
Electric Installation	4,304,121	4,304,121	4,304,116	4,304,116	5
Water Installation	12,649,615	14,966,615	11,015,438	12,394,244	2,572,371
Steam Installation	4,885,573	5,655,573	3,562,466	4,091,268	1,564,305
Telephone Installation	572,262	572,262	572,257	572,257	5
Motor Vehicles	578,828	578,828	578,823	578,823	5
Furniture and Fixtures	32,019,043	34,110,228	15,858,057	18,488,246	15,621,982
Office Equipment	7,358,498	7,623,998	6,646,802	7,407,004	216,994
Factory Equipment	32,047,973	32,634,673	18,415,562	21,650,524	10,984,149
Loose Tools	8,386,767	9,879,657	5,360,839	6,308,932	3,570,725
	41,493	41,493	41,488	41,488	5
Total Taka	1,275,525,584	1,375,828,493	670,441,979	737,643,937	638,184,556
Grand Total June, 2017	1,421,990,951	1,522,293,860	799,555,618	867,338,344	654,955,516
Grand Total June, 2016	1,284,973,198	1,421,990,951	756,960,764	799,555,618	622,435,333

2.3. Depreciation for the year is charged as below:

Particulars	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Cost of Goods Sold - Note 25.1	54,226,180	34,073,828
Administrative and General Expenses - Note 26.1	<u>13,556,546</u>	<u>8,521,026</u>
	<u>67,782,726</u>	<u>42,594,854</u>

3. Stocks and Stores

3.1 The make-up is as follows:

<u>Item</u>	As at 30 June 2017		As at 30 June 2016	
	Quantity (In Kg.)	Amount Taka	Quantity (In Kg.)	Amount Taka
Stock of Yarn - Note 3.2	<u>607,086</u>	152,051,570	<u>396,809</u>	108,346,285
Stock of Dyes and Chemicals - Note 3.3	<u>160,105</u>	38,419,208	<u>229,294</u>	36,872,872
Stock of Work-in-Process - Note 3.4		57,568,320		59,829,824
Stock of Finished Goods - Note 3.5		52,089,632		52,569,300
Stock of Accessories		3,494,275		4,189,289
Goods in Transit		<u>8,756,232</u>		<u>3,565,230</u>
		312,379,237		265,372,800
Stock of Spares		<u>5,632,127</u>		<u>3,524,427</u>
		<u>318,011,364</u>		<u>268,897,227</u>
3.2 Stock of Yarn				
Stock of Yarn	<u>607,086</u>	152,051,570	<u>396,809</u>	108,346,285
	<u>607,086</u>	<u>152,051,570</u>	<u>396,809</u>	<u>108,346,285</u>
3.3 Stock of Dyes and Chemicals				
Dyes	22,285	19,857,080	38,242	21,159,015
Chemicals	<u>137,820</u>	18,562,128	<u>191,052</u>	15,713,857
	<u>160,105</u>	<u>38,419,208</u>	<u>229,294</u>	<u>36,872,872</u>
3.4 Stock in Work in Process				
Cost of Materials		17,490,070		31,567,322
Cost of Conversion		<u>40,078,250</u>		<u>28,262,502</u>
		<u>57,568,320</u>		<u>59,829,824</u>
3.5 Stock of Finished Products				
Finished Garments		11,540,584	-	17,421,726
Knitted Fabrics	<u>125,545</u>	40,549,048	<u>88,475</u>	35,147,574
	<u>125,545</u>	<u>52,089,632</u>	<u>88,475</u>	<u>52,569,300</u>
4. Trade and Others Debtors				
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 days)	<u>3,292,652</u>	262,325,556	<u>5,400,120</u>	419,049,311
Others Debtors	-	46,420,600	-	22,500,000
	<u>3,292,652</u>	<u>308,746,156</u>	<u>5,400,120</u>	<u>441,549,311</u>

These include a sum of Tk. 46,420,600 (2016: Tk. 22,500,000) due from Fashion Knit Garments Ltd, expected to be realised/ adjusted within a year from the financial statement end date.

These are unsecured but considered goods.

5. Export Incentives Receivables

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Opening Balance	125,066,201	109,841,798
Less: Received during this year	47,478,278	574,300
	<u>77,587,923</u>	<u>109,267,498</u>
Add: During the year	17,589,653	15,798,703
Closing Balance	<u>95,177,576</u>	<u>125,066,201</u>

The receivables are unsecured but considered goods.

6. Advances, Deposits and Prepayments

Advances:

Salary Advance	958,512	745,199
Prepaid Factory Insurance	1,345,431	1,116,354
Operational Advance	5,973,962	6,182,265
Tax deducted at source	26,361,405	12,343,116
	<u>34,639,310</u>	<u>20,386,934</u>

Deposits :

Security deposit	8,984,221	6,416,121
Bank Guarantee margin	3,392,820	1,085,070
L/C Margin	2,271,924	15,506,761
	<u>14,648,965</u>	<u>23,007,952</u>
	<u>49,288,275</u>	<u>43,394,886</u>

The advances are unsecured but considered goods.

7. Cash and Bank Balances

Cash at Banks with Banks on Current Account:

BRAC Bank Ltd, Dhanmondi Branch, CD A/c	286,653	38,389
Mutual Trust Bank Ltd, Gulshan Branch, CD A/c	125,197	930,039
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	22,874,983	270,584
Mutual Trust Bank Ltd, Gulshan Branch, ERQ A/c	91,597	703,344
HSBC, Anchor Tower Branch, MDA Margin A/c	13,837,729	14,214,415
Trust Bank Ltd, SKB Branch, Dollar A/c	39,093,343	10,530,901
Trust Bank Ltd, SKB Branch, FCAD A/c	1,366,509	386,874
Trust Bank Ltd, SKB Branch, CD A/c	9,630	-
Dutch-Bangla Bank Ltd., Gulshan Branch, CD A/c	704,838	8,022,704
AB Bank Ltd, Motijheel Branch, CD A/c	74,868	76,168
AB Bank Ltd, Motijheel Branch, CD A/c	873	1,089,416
AB Bank Ltd, Motijheel Branch, Notice A/c	2,342	2,287
AB Bank Ltd, Motijheel Branch, Notice A/c	324,132	1,161,253
	<u>78,792,394</u>	<u>37,426,374</u>

With Bank on Short Term Deposit Account:

Trust Bank Ltd, SKB Branch, SND A/c	879,995	1,421,470
Southeast Bank Ltd, Principal Branch, STD A/c	982,908	960,956
	<u>1,862,903</u>	<u>2,382,426</u>
Cash at Banks	80,655,297	39,808,800
Cash in Hand	1,425,630	825,634
	<u>82,080,927</u>	<u>40,634,434</u>

8. Share Capital

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
8.1 Authorized:		
<u>100,000,000</u> Ordinary Shares of Tk. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
8.2 Issued, Subscribed and Paid-up:		
<u>25,300,000</u> Ordinary Shares of Tk. 10 each fully paid-up	<u>253,000,000</u>	<u>253,000,000</u>
<u>14,000,000</u> Ordinary Shares of Tk. 10 each fully paid-up in cash	<u>140,000,000</u>	<u>140,000,000</u>
<u>11,300,000</u> Ordinary Shares of Tk. 10 each issued as fully paid-up bonus shares	<u>113,000,000</u>	<u>113,000,000</u>
<u>25,300,000</u>	<u>253,000,000</u>	<u>253,000,000</u>

8.3 Composition of shareholdings:

Classes of Holdings	As at 30 June 2017		As at 30 June 2016	
	No. of Shares	%	No. of Shares	%
Sponsor/Directors	12,911,855	51.04	12,911,855	51.04
Financials Institutions	2,219,127	8.77	1,589,117	6.28
ICB	72,697	0.29	280,645	1.10
ICB Investors A/c	29,459	0.12	-	-
ICB Mutual Fund	3,000	0.01	559,741	2.21
ICB Unit Fund	1,166,370	4.61	1,297,119	5.13
General Public	8,897,492	35.16	8,661,523	34.24
Total	<u>25,300,000</u>	<u>100.00</u>	<u>25,300,000</u>	<u>100.00</u>

Distribution schedule - Disclosures Under the Listing Regulations of Stock Exchanges:

The distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below as a requirement of the "Listing Regulations of Dhaka and Chittagong Stock Exchange".

Shareholdings range in number of shares	As at 30 June 2017			As at 30 June 2016		
	No. of Shareholders	No. of Shares	Holdings (%)	No. of Shareholders	No. of Shares	Holdings (%)
0000000001 - 00000000499	5,022	1,274,967	5.04	5,119	1,257,049	4.97
00000000500 - 00000000500	5,454	2,727,000	10.78	5,898	2,949,000	11.66
00000000501 - 00000002000	728	764,850	3.02	837	769,436	3.04
00000002001 - 00000005000	765	1,683,256	6.65	671	1,376,888	5.44
00000005001 - 00000010000	187	949,568	3.75	129	1,149,054	4.54
00000010001 - 00000050000	61	629,436	2.49	48	526,911	2.08
00000050001 - 00000100000	16	849,108	3.36	12	961,387	3.80
00000100001 - 00000250000	11	1,198,753	4.74	7	942,584	3.73
00000250001 - 00000500000	4	1,248,071	4.93	8	1,261,953	4.99
00000500001 and above	7	13,974,991	55.24	7	14,105,738	55.75
Total	<u>12,255</u>	<u>25,300,000</u>	<u>100.00</u>	<u>12,736</u>	<u>25,300,000</u>	<u>100.00</u>

8.4 Option on unissued shares:

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid up capital through the issuance of new shares.

9. General Reserve

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Opening & Closing Balance	6,956,752	6,956,752
	<u>6,956,752</u>	<u>6,956,752</u>

10. Tax Holiday Reserve

Opening & Closing balance	22,378,988	22,378,988
	<u>22,378,988</u>	<u>22,378,988</u>

11. Dividend Equalisation Reserve

Opening & Closing balance	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

12. Long Term Loan - Secured Future Maturity

9.75% Loan - Note 12.1	-	293,360
5% Loan - Note 12.2	168,657,945	113,572,966
Deferred L/C Liabilities - Note 12.3	13,087,330	85,182,173
	<u>181,745,275</u>	<u>199,048,499</u>

12.1 The movement of loans is as follows:

Opening Balance	293,360	623,267
Less: Loan re-paid this year	(293,360)	(329,907)
Closing Balance	<u>-</u>	<u>293,360</u>

12.2 The movement of loans is as follows:

Opening balance	113,572,966	140,140,253
Add: Loan received this year	139,106,507	70,953,963
	252,679,473	211,094,216
Less: Current Maturity	(81,506,992)	(53,649,889)
Less: Loan re-paid this year	(2,514,536)	(43,871,361)
Closing balance	<u>168,657,945</u>	<u>113,572,966</u>

The offshore term loan has been taken from The Hongkong and Shanghai Banking Corporation Plc, Anchor Tower Branch, 108 Bir Uttam C.R. Dutta Road, Dhaka-1205, Bangladesh, for import of Plant and machinery. The loan carries interest at 5% and is repayable in 16 monthly installments, starting from 1 January 2014.

12.3 The movement of Deferred L/C liabilities is as follows:

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Opening Balance	85,182,173	85,182,173
Less: Paid during the year	72,094,843	-
Closing Balance	<u>13,087,330</u>	<u>85,182,173</u>

The offshore facility has been taken from The Hongkong and Shanghai Banking Corporation Plc, Anchor Tower Branch, 108 Bir Uttam C.R. Dutta Road, Dhaka-1205, Bangladesh, for import of Plant and machinery at 360 days deferred L/C payment.

13. Provision for Gratuity

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Opening balance	31,304,282	30,226,996
Add: Contribution this year	2,157,254	2,078,343
	<u>33,461,536</u>	<u>32,305,339</u>
Less: Paid this year	4,295,362	1,001,057
Closing balance	<u>29,166,174</u>	<u>31,304,282</u>

14. Deferred Tax Liabilities

Opening Balance	31,973,737	34,344,063
Add: Provision for current year	3,799,808	(2,370,326)
Closing balance	<u>35,773,545</u>	<u>31,973,737</u>

Deferred Tax Liabilities for 2017

	As per Accounting base W.D.V	As per Accounting Tax W.D.V	Temporary Difference/ Taxable/ (Deductable)
Property, Plant and Equipments	654,955,516	387,299,042	267,656,474
Tax rate	-	-	15%
Deferred Tax Liabilities	-	-	40,148,471
Gratuity provision	-	29,166,174	-
Deferred Tax assets 15%	-	-	4,374,926
Net deferred Tax Liabilities			<u>35,773,545</u>

15. Bank Overdraft

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Trust Bank Ltd, SKB Branch	51,180,303	50,796,333
HSBC Bank, Plc, Anchor Tower Branch, Kawran Bazar	38,477,934	27,015,142
	<u>89,658,237</u>	<u>77,811,475</u>

These are secured

16. Time Loan Bank

Loan received during this year	24,929,537	-
Less: Loan re-paid during this year	(10,446,231)	-
Closing Balance	<u>14,483,306</u>	<u>-</u>

The loan has been taken from Trust Bank Ltd., Motijheel Branch for Working Capital requirement. The loan carries interest at 9.75% and is repayable in 6 months. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

17. Creditors

	As at 30 June 2017		As at 30 June 2016	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>6,050,037</u>	482,974,454	<u>5,927,548</u>	461,459,624
For Local Purchases		7,045,533		12,449,573
For Unclaimed Dividend		98,098,972		95,655,822
For Staff Income Tax		336,481		456,559
For Refund Warrant		<u>371,469</u>		<u>371,469</u>
		<u>588,826,909</u>		<u>570,393,047</u>

These are unsecured but creditors for import purchases are against back to back L/Cs. Unclaimed Dividend inclusive of Sponsors Share holder for the period from 2012 to 2016.

18. Accrued Expenses

	As at 30 June 2017	As at 30 June 2016
	Taka	Taka
Gas Bill	18,725,237	17,263,009
Electricity bill	214,310	264,606
Telephone	57,682	12,738
Salaries, Wages and Allowances	7,047,020	4,315,169
Security bill	348,000	592,200
Legal Fee	60,000	60,000
Auditors' Fee	172,500	172,500
AGM Expense	700,000	700,000
	<u>27,324,749</u>	<u>23,380,222</u>

19. Provision for Taxation

Opening balance	13,673,421	7,758,438
Add: During the year	<u>14,082,234</u>	<u>5,914,983</u>
	<u>27,755,655</u>	<u>13,673,421</u>

20 Bills Receivable Discounted

Opening balance	144,817,615	78,702,076
Add: Discounted during the year	<u>232,827,641</u>	<u>248,454,129</u>
	377,645,256	327,156,205
Less: Collected during the year	<u>344,220,265</u>	<u>182,338,590</u>
Closing balance	<u>33,424,991</u>	<u>144,817,615</u>

21. Workers' Participation/Welfare Funds

Opening balance	35,996,566	39,549,613
Less: Payment this year	<u>12,768,223</u>	<u>7,135,170</u>
	23,228,343	32,414,443
Add: Contributions for this year	2,708,425	1,758,811
Add: Interest during this year	1,742,126	1,823,312
Closing balance	<u>27,678,894</u>	<u>35,996,566</u>

Interest has been provided on the fund balance in terms of the Bangladesh Labour Law.

22. Current Maturity of Long-term Loans

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Opening balance	53,649,889	43,871,361
Add: Current Maturity	81,506,992	53,649,889
	<u>135,156,881</u>	<u>97,521,250</u>
Less: Paid this year	53,649,889	43,871,361
Closing Balance	<u>81,506,992</u>	<u>53,649,889</u>

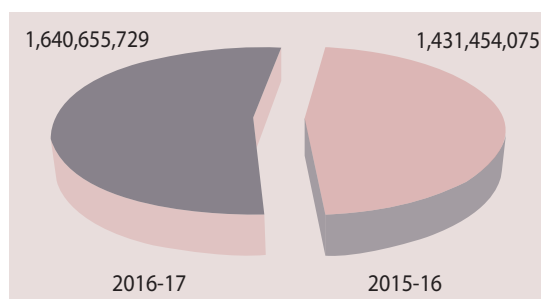
The offshore facilities has been taken from The Honkong and Shanghai Banking Corporation Plc, Anchor Tower, 108 Bir Uttam C.R. Dutta Road, Dhaka-1205, Bangladesh, for import of Plant and machinery at 360 days deferred L/C payment.

23. Sales

Item	For the year from July 16 to June 17			For the year from July 15 to June 16		
	Quantity	Amount (in US\$)	Amount Taka	Quantity	Amount (In US\$)	Amount Taka
Export sales:						
Knit fabrics (Kgs)	<u>1,663,903</u>	10,166,450	809,961,061	<u>1,492,239</u>	9,042,966	705,496,113
Garments (Pcs)	<u>4,782,887</u>	<u>10,426,693</u>	<u>830,694,668</u>	<u>4,528,814</u>	<u>9,329,356</u>	<u>725,957,962</u>
Total		<u>20,593,143</u>	<u>1,640,655,729</u>		<u>18,372,322</u>	<u>1,431,454,075</u>

24. Export Incentives

	For the year from July 16 to June 17 Taka	For the period from Oct 15 to June 16 Taka	For the period from July 15 to Sept 15 Taka	For the year from July 15 to June 16 Taka
Cash Incentive	<u>17,589,653</u>	<u>15,798,703</u>	<u>27,543,813</u>	<u>43,342,516</u>
	<u>17,589,653</u>	<u>15,798,703</u>	<u>27,543,813</u>	<u>43,342,516</u>

Export Sales in Taka

25. Cost of Goods Sold

25.1 The break-up is as follows:

	For the year from July 16 to June 17 Taka	For the period from Oct 15 to June 16 Taka	For the period from July 15 to Sept 15 Taka	For the year from July 15 to June 16 Taka
Materials Consumed - Note-25.2	1,112,025,337	761,386,309	250,521,368	1,011,907,677
Salary,Wages and Allowances - Note 25.3	134,996,325	97,794,299	35,185,120	132,979,419
Tiffin & Entertainment expenses	465,953	412,850	130,540	543,390
Depreciation - Note 2.3	54,226,180	34,073,828	13,114,299	47,188,127
Stores and Spares Consumed	1,659,635	2,069,856	825,294	2,895,150
Factory Conveyance	565,965	458,965	216,938	675,903
Power and Gas	95,570,014	52,470,102	14,745,875	67,215,977
Gratuity	1,617,264	1,558,760	-	1,558,760
Vehicle expenses	1,185,963	1,156,345	268,981	1,425,326
Repairs and Maintenance	1,459,635	2,525,632	689,141	3,214,773
Packing & Loading expenses	985,692	1,012,564	533,108	1,545,672
Import Landing, Clearing and Insurance	1,159,642	1,256,950	162,157	1,419,107
Factory Stationery expenses	865,326	945,632	262,724	1,208,356
Carriage Inward & Outward	1,252,642	1,469,856	443,925	1,913,781
Knitting, Sewing & Processing charge	1,298,456	1,942,563	999,119	2,941,682
Factory Insurance	4,229,793	2,819,437	3,934,130	6,753,567
Sewing Machine Rental	575,887	625,000	354,898	979,898
Miscellaneous	145,980	150,600	99,980	250,580
Total Manufacturing Costs for the year	1,414,285,689	964,129,548	322,487,597	1,286,617,145
Add: Opening Work in Process	59,829,824	59,659,420	36,713,406	96,372,826
Total Manufacturing Costs	1,474,115,513	1,023,788,968	359,201,003	1,382,989,971
Less: Closing Work in Process	57,568,320	59,829,824	59,659,420	119,489,244
Cost of Goods Manufactured	1,416,547,193	963,959,144	299,541,583	1,263,500,727
Add: Opening Finished Goods	52,569,300	59,586,423	41,563,425	101,149,848
Cost of Goods available for use	1,469,116,493	1,023,545,567	341,105,008	1,364,650,575
Less: Closing Finished Goods	52,089,632	52,569,300	59,586,423	112,155,723
Cost of Goods Sold	1,417,026,861	970,976,267	281,518,585	1,252,494,852

25.2 Materials Consumed

	For the year from July 16 to June 17		For the year from July 15 to June 16	
	Quantity (Kg)	Taka	Quantity (Kg)	Taka
Yarn	2,899,038	791,553,246	2,662,618	724,817,831
Dyes	221,373	122,483,245	199,132	110,078,273
Chemicals	1,474,679	121,292,314	1,265,098	110,126,741
Accessories	-	76,696,532	-	66,884,832
Total Materials Consumption	-	1,112,025,337	-	1,011,907,677

25.3 Salaries, Wages and Allowances

	For the year from July 16 to June 17		For the year from July 15 to June 16	
	No. of Employee	Taka	No. of Employee	Taka
Employees drawing Tk. 3,000 or more p/m	1,847	134,996,325	1,826	132,979,419
Employees drawing less than Tk. 3,000 p/m	-	-	-	-
Total	1,847	134,996,325	1,826	132,979,419

26. Administrative, Selling and General Expenses

26.1 The break-up is as follows:	For the year from July 16 to June 17 Taka	For the period from Oct 15 to June 16 Taka	For the period from July 15 to Sept 15 Taka	For the year from July 15 to June 16 Taka
Directors' Remuneration - Note 26.2	2,600,000	1,900,000	700,000	2,600,000
Salaries and Allowances - Note 26.3	53,169,532	38,305,564	9,962,720	48,268,284
Security Service charge	2,088,000	2,397,944	127,221	2,525,165
Depreciation - Note 2.3	13,556,546	8,521,026	2,314,287	10,835,313
Electricity expenses	2,682,725	1,051,198	-	1,051,198
Postage, Courier, Telephone and Fax	1,196,523	815,698	270,730	1,086,428
Gratuity	539,990	519,583	-	519,583
Traveling and Conveyance	995,762	825,632	205,278	1,030,910
Legal and Professional expenses	60,000	60,000	15,000	75,000
Auditors' Fee - Note 26.2	172,500	172,500	25,000	197,500
A.G.M expenses	874,890	844,468	140,203	984,671
Registration and Fees	975,320	905,296	241,079	1,146,375
Staff welfare	1,265,320	1,062,569	400,039	1,462,608
Stationery expenses	1,285,692	1,064,952	237,303	1,302,255
Office Repairs and Maintenance	1,354,200	2,056,340	1,519,437	3,575,777
Vehicle expenses	3,863,240	3,061,345	1,249,943	4,311,288
Entertainment expenses	1,062,300	545,962	198,897	744,859
Central fund for RMG	380,733	-	-	-
Buying House Commission	1,470,543	1,269,852	165,980	1,435,832
Freight Charges & Freight out	5,956,759	6,599,294	2,316,965	8,916,259
Garments Testing Charges	7,836,802	4,239,686	766,626	5,006,312
Interest expense - Note 26.4	54,111,083	33,421,647	12,638,908	46,060,555
Currency Gain/(Loss)	458,437	-	-	-
Bank Charges	25,981,589	18,381,489	5,478,563	23,860,052
Miscellaneous	768,520	550,200	419,744	969,944
Total	184,707,006	128,572,245	39,393,923	167,966,168

26.2 No remuneration or fee, other than that specified in note 26.1, was paid to directors and auditors.

26.3 Salaries and Allowances:	For the year from July 16 to June 17		For the year from July 15 to June 16	
	No. of Employee	Taka	No. of Employee	Taka
Employees drawing Tk.3,000 or more p/m	132	53,169,532	127	48,268,284
Employees drawing less than Tk.3,000 p/m	-	-	-	-
	<u>132</u>	<u>53,169,532</u>	<u>127</u>	<u>48,268,284</u>

26.4 Interest expense is as follows:	For the year from July 16 to June 17 Taka	For the period from Oct 15 to June 16 Taka	For the period from July 15 to Sept 15 Taka	For the year from July 15 to June 16 Taka
Interest on Workers' Participation/ Welfare Funds	1,742,126	1,823,312	1,293,686	3,116,998
Interest on Long Term Loans	11,526,611	5,702,278	2,736,648	8,438,926
Interest on Bills Discounted	32,284,534	20,661,720	6,934,006	27,595,726
Interest on Bank Overdraft	7,618,236	5,234,337	1,674,568	6,908,905
Interest on Time Loan	939,576	-	-	-
	<u>54,111,083</u>	<u>33,421,647</u>	<u>12,638,908</u>	<u>46,060,555</u>
27. Others Income				
Rental income	365,400	274,050	365,400	639,450
Bank Interest	-	-	44,241	44,241
	<u>365,400</u>	<u>274,050</u>	<u>409,641</u>	<u>683,691</u>

28. Income Tax (Current Tax)

	As at 30 June 2017 Taka	As at 30 June 2016 Taka
Profit before tax	54,168,490	35,176,224
Add: Depreciation as per accounting base	67,782,726	42,594,854
	121,951,216	77,771,078
Less: Depreciation as per Tax base	90,976,585	48,981,537
	30,974,631	28,789,541
Add: Gratuity fund	2,157,254	2,078,343
	33,131,885	30,867,884
Less: Other income (Separate calculation)	365,400	274,050
	32,766,485	30,593,834
Less: Payment for Gratuity	4,295,362	1,001,057
	28,471,123	29,592,777
Tax Rate @ 15%	4,270,668	4,438,917
Minimum Tax	14,018,289	5,867,024
Add: Other income tax	-	-
Rental income	365,400	274,050
Less: Maintains @ 30%	109,620	82,215
	255,780	191,835
Add: Tax Rate @ 25%	63,945	47,959
Current Tax	14,082,234	5,914,983

29. Remuneration/Payments to Directors/Officers:

29.1 The aggregate amount paid/provided during the period in respect of directors and officers of the company as defined in the Bangladesh Securities and Exchange Rules, 1987 are disclosed below:

Particulars	For the period from July 16 to June 17		For the period from July 15 to June 16	
	Directors	Officers	Directors	Officers
Remuneration	2,600,000	-	2,600,000	-
Basic salary	-	32,156,320	-	29,060,985
House rent allowance	-	15,848,560	-	14,585,620
Other benefits and perquisites	-	5,164,652	-	4,621,679
	2,600,000	53,169,532	2,600,000	48,268,284

29.2 No compensation was allowed by the company to its Managing Director.

29.3 No amount of money was spent by the company for compensating any member of the board for services rendered except as stated above.

30. The Company has obtained bank credit facilities from the following banks

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
				As at 30 June 2017 (Taka)	As at 30 June 2016 (Taka)
Trust Bank Ltd.	Back to Back L/C, EDF& Sight	650,000,000	402,369,532	247,630,468	147,479,707
SKB Branch, Dhaka	IBP	70,000,000	64,402,441	5,597,559	(202,641,513)
	Trust receipt	40,500,000	-	40,500,000	40,500,000
	Overdraft	50,000,000	51,180,303	(1,180,303)	(796,333)
	Bank guarantee	1,000,000	-	1,000,000	1,000,000
	Term Loan	20,000,000	14,483,306	5,516,694	2,206,640
			831,500,000	532,435,582	299,064,418
Mutual Trust Bank Ltd.	Back to Back L/C, EDF& Sight	400,000,000	185,935,623	214,064,377	199,486,500
Gulshan Branch, Dhaka	IDBP/FDBP	100,000,000	92,637,365	7,362,635	15,623,200
		500,000,000	278,572,988	221,427,012	215,109,700
HSBC	Foreign Exchange Limit	20,000,000	-	20,000,000	20,000,000
Anchor Tower, 108 Bir Uttam	Import Line (PRM)	395,000,000	262,957,852	132,042,148	142,594,972
C.R. Datta Road, Dhaka-1205	Import Line	600,000,000	288,964,534	311,035,466	164,310,500
	Overdraft	50,000,000	38,477,934	11,522,066	22,984,858
	Bank guarantee	20,000,000	15,466,200	4,533,800	9,149,300
	Term Loan	20,000,000	-	20,000,000	20,000,000
	Export Cash Limit	80,000,000	78,358,878	1641,122	(26,322,922)
	Credit Card	1,200,000	-	1,200,000	1,200,000
			1,186,200,000	684,225,398	501,974,602

31. The analysis of consumption of materials and spares as to origin is as below

	For the year from July 16 to June 17		For the year from July 15 to June 16	
	Taka	%	Taka	%
Imported	368,808,649	33.12	325,227,596	32.05
Local	744,876,323	66.88	689,575,231	67.95
	<u>1,113,684,972</u>	<u>100.00</u>	<u>1,014,802,827</u>	<u>100.00</u>

32. The capacity and actual production of the company are as follows

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	84	47.83 (2016: 45.29)	56.94% (2016: 53.92%)
Knit Fabrics (MTs.)	4,500	2,461 (2016: 1,492)	54.68% (2016: 49.90%)

33. Even after Balance Sheet Date:

The Board of Directors of the Company in its meeting held on 23rd October 2017 (2016: 26th October 2016) recommended 10% cash dividend i.e., Tk. 1.00 per share of Tk. 10.00 each (2016: 10% cash dividend) for all shareholders of the company subject to their approval in the AGM.

34. Related Parties Disclosures

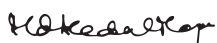
The Company in normal course of business carried out a number of transactions with other entities that fall within the definition of "related party" contained in Bangladesh Accounting Standard-24; "Related party Disclosure". Total Balance Sheet exposure with the related parties as at 30 June 2017 is as under.

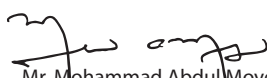
Name of the related party	Relationship	Nature of Transaction	As at 30 June 2017	As at 30 June 2016
Fashion Knit Garments Ltd.	Common Director	Sale of Finished Fabrics Receivable	<u>809,961,061</u> <u>46,420,600</u>	<u>705,496,113</u> <u>22,500,000</u>


35. General


- 35.1 There was no sum for which the company was contingently liable as at 30 June 2017 and 2016.
- 35.2 There was no claim, except an aggregate amount of Tk. 21,095,550 (2016: 21,095,550) claimed by the Tax Authority but appealed against by the company, not acknowledged as debt as at 30 June 2017 and 2016. Such claim, being contingent liability, needs not be provided for.
- 35.3 There was no credit facilities available to the company, except trade credits and back to back L/C facilities, during the years ended 30 June 2017 and 2016.
- 35.4 There was no foreign shareholder of the company as at 30 June 2017 and 2016 and no dividend was remitted to any foreign shareholders during the years ended 30 June 2017 and 2016.
- 35.5 There was no capital expenditure contracted but not incurred or provided for at 30 June 2017 and 2016.
- 35.6 There was no capital expenditure authorised by the Board but not contracted for at 30 June 2017 and 2016.

The annexed notes from 1 to 35 form an integral part of these financial statements.


Dr. Muhammad Abdul Moyeen
Chairman


Mr. Mohammad Abdul Moyeed
Managing Director


Mr. Mohammad Abdul Momen
Director


Mr. Md. Wali Ullah
Company Secretary

Dated: Dhaka
October 23, 2017