

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, 2016, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the period then end, a summary of significant accounting policies and other explanatory information disclosed in Notes 1-34.

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 (BFRS); the Companies Act, 1994 and Bangladesh Securities and Exchanges Rules, 1987 and other rules and regulations. 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 (BSA). 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 of the company, 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, 2016 and its financial performance and its cash flows for the period from October 01, 2015 to June 30, 2016 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.

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 26, 2016

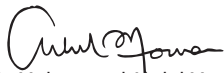

Rahman Mostafa Alam & Co.
Chartered Accountants

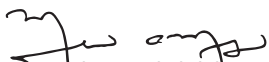
H.R. Textile Mills Limited
Statement of Financial Position
As on 30 June 2016

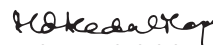
CAPITAL EMPLOYED IN: NON-CURRENT ASSETS:	Notes	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Property, Plant and Equipment	2	622,435,333	528,012,434
Total Non-Current Assets		<u>622,435,333</u>	<u>528,012,434</u>
CURRENT ASSETS:			
Stocks and Stores	3	268,897,227	293,729,534
Trade and Other Debtors	4	441,549,311	324,419,355
Export Incentive Receivables	5	125,066,201	109,841,798
Advances, Deposits and Prepayments	6	43,394,886	31,332,873
Cash and Bank Balances	7	40,634,434	63,648,040
Total Current Assets		<u>919,542,059</u>	<u>822,971,600</u>
Total Assets		<u>1,541,977,392</u>	<u>1,350,984,034</u>
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 (*Figure of 2015 restated)		67,592,899	61,261,332
TOTAL SHAREHOLDERS' EQUITY		<u>359,928,639</u>	<u>353,597,072</u>
LONG-TERM LIABILITIES:			
Long-term Loans - Secured Future Maturity	12	199,048,499	140,763,520
Provision for Gratuity (*Figure of 2015 restated)	13	31,304,282	30,226,996
Deferred Tax Liabilities (*Figure of 2015 restated)	14	31,973,737	34,344,063
Total Long-term Liabilities		<u>262,326,518</u>	<u>205,334,579</u>
CURRENT LIABILITIES :			
Bank Overdrafts - Secured	15	77,811,475	44,446,337
Trade Creditors	16	570,393,047	551,343,085
Accrued Expenses	17	23,380,222	26,381,473
Provision for Taxation	18	13,673,421	7,758,438
Bills Receivable Discounted	19	144,817,615	78,702,076
Workers' Participation/Welfare Funds	20	35,996,566	39,549,613
Current Maturity of Long-term Loans	21	53,649,889	43,871,361
Total Current Liabilities		<u>919,722,235</u>	<u>792,052,383</u>
Total Liabilities		<u>1,182,048,753</u>	<u>997,386,962</u>
Total Equity and Liabilities		<u>1,541,977,392</u>	<u>1,350,984,034</u>
Net Assets Value (NAV) per value of Tk.10		<u>14.23</u>	<u>13.98</u>

* Details of restatement disclosed in note (1.XIII)

The annexed notes from 1 to 34 form an integral part of these financial statements.


Mr. Mohammad Abdul Momen
Chairman


Mr. Mohammad Abdul Moyeed
Managing Director


Dr. Muhammad Abdul Moyeen
Director


Mr. Md. Wali Ullah
Company Secretary

Signed in terms of our separate report of even date.


Dated: Dhaka
October 26, 2016

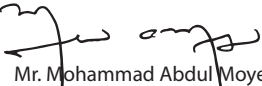

Rahman Mostafa Alam & Co.
Chartered Accountants

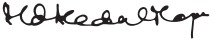
H.R. Textile Mills Limited
Statement of Profit or Loss and
other Comprehensive Income
For the period from 1st October 2015 to 30th June 2016

Particulars	Notes	For the period	For the period	For the year
		from 1 Oct. 15 to 30 June 16 Taka	from 1 Oct. 14 to 30 June 15 Tala	ended Sept. 30, 2015 Taka
Sales	22	1,120,410,794	926,766,257	1,237,809,538
Export Incentive	23	15,798,703	14,381,172	41,924,985
Turnover		1,136,209,497	941,147,429	1,279,734,523
Less: Cost of Goods Sold	24	970,976,267	812,039,190	1,093,557,775
Gross Profit		165,233,230	129,108,239	186,176,748
Less: Administrative, Selling and General Expenses	25	128,572,245	109,033,267	148,427,190
Operating Profit		36,660,985	20,074,972	37,749,558
Add: Other Income	26	274,050	-	409,641
Profit before Workers' Participation/Welfare Funds		36,935,035	20,074,972	38,159,199
Less: Contribution to Workers' Participation/Welfare Funds	20	1,758,811	955,951	1,817,105
Net Profit/(Loss) before Tax		35,176,224	19,119,021	36,342,094
Income Tax Charge		3,544,657	2,867,853	5,451,314
Current Tax	27	5,914,983	-	7,328,887
Deferred Tax	14	(2,370,326)	-	(1,877,573)
Net Profit/(Loss) after Tax (Transferred to the statement of Changes in Equity)		31,631,567	16,251,168	30,890,780
Earning per share (EPS) of Tk. 10		1.25	0.64	1.22

The annexed notes from 1 to 34 form an integral part of these financial statements.


Mr. Mohammad Abdul Momen
Chairman


Mr. Mohammad Abdul Moyeed
Managing Director


Dr. Muhammad Abdul Moyeen
Director


Mr. Md. Wali Ullah
Company Secretary

Signed in terms of our separate report of even date.

Dated: Dhaka
October 26, 2016


Rahman Mostafa Alam & Co.
Chartered Accountants


H.R. Textile Mills Limited
Statement of Changes in Shareholders' Equity
For the period from 1st October 2015 to 30th June 2016


Particulars	Share Capital	General Reserve	Tax holiday Reserve	Dividend Equalisation Reserve	Retained Earnings	Total Taka
Balance as at 30th September 2014	253,000,000	6,956,752	22,378,988	10,000,000	117,451,185	409,786,925
Prior Year Adjustments Gratuity					(21,111,570)	(21,111,570)
Prior Year Adjustments Deferred Tax					(34,344,063)	(34,344,063)
Restated Balance as at 30th September 2014	253,000,000	6,956,752	22,378,988	10,000,000	61,995,552	354,331,292
Net profit after tax	-	-	-	-	30,890,780	30,890,780
Cash Dividend declared 2014	-	-	-	-	(31,625,000)	(31,625,000)
Balance as at 30th September 2015	253,000,000	6,956,752	22,378,988	10,000,000	61,261,332	353,597,072
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	253,000,000	6,956,752	22,378,988	10,000,000	67,592,899	359,928,639

The annexed notes from 1 to 34 form an integral part of these financial statements.


 Mr. Mohammad Abdul Momen
 Chairman


 Mr. Mohammad Abdul Moyeed
 Managing Director


 Dr. Muhammad Abdul Moyeen
 Director

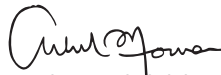

 Mr. Md. Wali Ullah
 Company Secretary

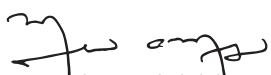
Dated: Dhaka
 October 26, 2016

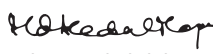
H.R. Textile Mills Limited
Statement of Cash Flows
For the period from 1st October 2015 to 30th June 2016


<u>Particulars</u>	<u>Notes</u>	For the period from 1 Oct. 15 to 30 June 16 Taka	For the period from 1 Oct. 14 to 30 June 15 Tala	For the year ended Sept. 30, 2015 Taka
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and export incentives		1,004,129,188	883,871,846	1,175,905,034
Cash paid for goods and services		(997,040,094)	(894,168,124)	(1,178,188,974)
Cash from operation		7,089,094	(10,296,278)	(2,283,940)
Interest paid		(33,421,647)	(24,336,248)	(34,254,215)
Income-tax paid/deducted at sources		(7,882,139)	(6,573,184)	(10,867,618)
Net Cash inflows from operating activities		(34,214,692)	(41,205,710)	(47,405,773)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of fixed assets	2.2	(137,017,753)	(70,726,430)	(90,646,122)
Net Cash outflows from investing activities		(137,017,753)	(70,726,430)	(90,646,122)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Bank Overdraft received/(repaid)		33,365,138	20,903,677	10,089,753
Loans received/(repaid) against Trust Receipts		-	(3,510,858)	(3,510,858)
Long Term Loans received/(repaid)		58,284,979	46,945,191	61,251,211
Bills Receivable Discounted Paid/Received		66,115,539	-	-
Cash Dividend paid		(9,546,817)	(13,515,040)	(15,863,900)
Net Cash inflow from financing activities		148,218,839	50,822,970	51,966,206
Net increase/(decrease) in cash and bank balances		(23,013,606)	(61,109,170)	(86,085,689)
Cash and bank balances on opening		63,648,040	149,733,729	149,733,729
Net increase/(decrease) in cash and bank balances		(23,013,606)	(61,109,170)	(86,085,689)
Cash and bank balances at closing - Note 7		40,634,434	88,624,559	63,648,040
Net operating cash flow per share (NOCFPS) of Tk. 10		(1.35)	(1.63)	(1.87)

The annexed notes from 1 to 34 form an integral part of these financial statements.


 Mr. Mohammad Abdul Momen
 Chairman


 Mr. Mohammad Abdul Moyeed
 Managing Director


 Dr. Muhammad Abdul Moyeen
 Director


 Mr. Md. Wali Ullah
 Company Secretary

Signed in terms of our separate report of even date.

Dated: Dhaka
 October 26, 2016

H.R. Textile Mills Limited

Notes to the Financial Statements

For the period from October 01, 2015 to June 30, 2016

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 at 30th June 2016;
- (ii) Statements of Profit or Loss and other Comprehensive Income for the period from 1st October 2015 to 30th June 2016;
- (iii) Statements of Changes in Shareholders' Equity for the period from 1st October 2015 to 30th June 2016;
- (iv) Statements of Cash Flows for the period from 1st October 2015 to 30th June 2016;
- (v) Notes to the Financial Statements for the period from 1st October 2015 to 30th June 2016.

(c) Reporting Period:

The financial period of the Company covers 9 (nine) months from 1st October 2015 to 30th June 2016 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 2015 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 period.

(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 is computed by the direct method as prescribed by the Bangladesh Securities and Exchange Rules, 1987.

(g) Statements of compliance with Bangladesh Accounting Standard (BAS) 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:

Item	Rate
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) are 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 depreciation 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, 2016		As at September 30, 2015	
	Receivables	Payables	Receivables	Payables
1 US Dollar	Tk. 77.60	Tk. 77.85	Tk. 77.30	Tk. 77.45

(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. Until previous period, no provision for the retrial benefits (gratuity) was accrued in this period, such provision has been accrued for the nine months; and for prior years, such provision has been accrued as "Prior Year adjustment" to retained earnings.

xiii) *Restatement:*

Gratuity provision has not been calculated since 2007. This year gratuity provision calculated and prior year figure restated in compliance with BAS-8.

Deferred tax was calculated based on income statement method but in this year the same has been calculated on the basis of temporary difference between carrying value and tax base value. Prior year figure restated as accordingly as per BAS-8.

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 2016
	As on 1 October 2015	As on 30 June 2016	As on 1 October 2015	As on 30 June 2016	
Factory Land and Development					
Factory Building	7,250,000	7,250,000	-	-	7,250,000
Factory Shed	23,230,710	23,230,710	435,576	13,129,042	10,101,668
Plant and Machinery	6,823,475	6,823,475	-	6,823,470	5
Electric Installation	89,257,661	89,257,661	-	89,257,656	5
Gas Installation	3,601,103	3,601,103	-	3,601,098	5
Water Installation	2,171,914	2,171,914	-	2,171,909	5
Steam Installation	1,168,842	1,168,842	-	1,168,837	5
Furniture and Fixtures	1,991,090	1,991,085	-	1,991,085	5
Telephone Installation	718,694	718,689	-	718,689	5
Motor Vehicles	449,033	449,028	-	449,028	5
Office Equipment	5,783,524	5,783,519	-	5,783,519	5
Loose Tools	3,723,054	3,723,049	-	3,723,049	5
Factory Equipment	142,382	142,377	-	142,377	5
	153,885	153,880	-	153,880	5
Total Taka	146,465,367	146,465,367	435,576	129,113,639	17,351,728

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 2016
	As on 1 October 2015	As on 30 June 2016	As on 1 October 2015	As on 30 June 2016	
Land Development					
Factory Building	1,229,375	1,229,375	-	-	1,229,375
Plant and Machinery	181,447,748	181,447,748	3,402,145	42,797,632	138,650,116
Gas Installation	871,759,105	912,927,848	33,460,086	561,288,499	351,639,349
Electric Installation	4,304,121	4,304,121	-	4,304,116	5
Water Installation	12,189,615	12,649,615	916,111	11,015,438	1,634,177
Steam Installation	3,985,573	4,885,573	322,934	3,562,466	1,323,107
Telephone Installation	572,262	572,262	-	572,257	5
Motor Vehicles	578,828	578,828	-	578,823	5
Furniture and Fixtures	16,349,043	32,019,043	532,471	15,858,057	16,160,986
Office Equipment	7,358,498	6,094,915	551,887	6,646,802	711,696
Factory Equipment	31,049,023	32,047,973	2,369,004	18,415,562	13,632,411
Loose Tools	7,643,147	8,386,767	604,640	5,360,839	3,025,928
Capital Works in Progress	41,493	41,493	-	41,488	5
	-	77,076,440	-	-	77,076,440
Total Taka	1,138,507,831	1,275,525,584	42,159,278	670,441,979	605,083,605
Grand Total June, 2016	1,284,973,198	1,421,990,951	42,594,854	799,555,618	622,435,333
Grand Total June, 2015	1,163,278,790	1,265,053,506	53,444,125	741,532,178	523,521,328
Grand Total September, 2015	1,194,327,076	1,284,973,198	68,872,711	756,960,764	528,012,434

2.3. Depreciation for the year is charged as below:

Particulars	As at 30 June 2016 (Taka)	As at 30 June 2015 (Taka)	As at 30 Sept. 2015 (Taka)
Cost of Goods Sold - Note 24.1	34,073,828	45,427,506	58,541,805
Administrative and General Expenses - Note 25.1	8,521,026	8,016,619	10,330,906
	<u>42,594,854</u>	<u>53,444,125</u>	<u>68,872,711</u>

3. Stocks and Stores

3.1 The make-up is as follows:

<u>Item</u>	As at 30 June 2016		As at 30 September 2015	
	Quantity (In Kg.)	Amount (In Taka)	Quantity (In Kg.)	Amount (In Taka)
Stock of Yarn - Note 3.2	396,809	108,346,285	550,200	138,902,748
Stock of Dyes and Chemicals - Note 3.3	229,294	36,872,872	124,421	24,137,566
Stock of Work-in-Process - Note 3.4		59,829,824		59,659,420
Stock of Finished Goods - Note 3.5		52,569,300		59,586,423
Stock of Accessories		4,189,289		4,296,480
Goods in Transit		3,565,230		2,557,244
		<u>265,372,800</u>		<u>289,139,881</u>
Stock of Spares		3,524,427		4,589,653
		<u>268,897,227</u>		<u>293,729,534</u>
3.2 Stock of Yarn				
Stock of Yarn	396,809	108,346,285	550,200	138,902,748
	<u>396,809</u>	<u>108,346,285</u>	<u>550,200</u>	<u>138,902,748</u>
3.3 Stock of Dyes and Chemicals				
Dyes	38,242	21,159,015	16,587	14,544,595
Chemicals	191,052	15,713,857	107,834	9,592,971
	<u>229,294</u>	<u>36,872,872</u>	<u>124,421</u>	<u>24,137,566</u>
3.4 Stock in Work in Process				
Cost of Materials	-	-	31,567,322	35,986,305
Cost of Conversion	-	-	28,262,502	23,673,115
	<u>-</u>	<u>-</u>	<u>59,829,824</u>	<u>59,659,420</u>
3.5 Stock of Finished Products				
Finished Garments	-	17,421,726	-	12,506,317
Knitted Fabrics	88,475	35,147,574	113,099	47,080,106
	<u>88,475</u>	<u>52,569,300</u>	<u>113,099</u>	<u>59,586,423</u>
4. Trade and Others Debtors				
	US\$	Taka	US\$	Taka
Export Sales Receivable (Below 180 days)	5,400,120	419,049,311	3,356,007	259,419,355
Others Debtors	-	22,500,000	-	65,000,000
	<u>5,400,120</u>	<u>441,549,311</u>	<u>3,356,007</u>	<u>324,419,355</u>

These include a sum of Tk. 22,500,000 (2015: Tk. 65,000,000) 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 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Opening Balance	109,841,798	94,028,138
Less: Received	574,300	26,111,325
	<u>109,267,498</u>	<u>67,916,813</u>
For the period	15,798,703	41,924,985
Closing Balance	<u>125,066,201</u>	<u>109,841,798</u>

The receivables are unsecured but considered goods.

6. Advances, Deposits and Prepayments

Advances:

Salary Advance	745,199	1,064,899
Factory Insurance Advance	1,116,354	-
Operational Advance	6,182,265	8,664,393
Tax deducted at source	12,343,116	6,476,092
	<u>20,386,934</u>	<u>16,205,384</u>

Deposits :

Security deposit	6,416,121	6,416,121
Bank Guarantee margin	1,085,070	1,085,070
L/C margin	15,506,761	7,626,298
	<u>23,007,952</u>	<u>15,127,489</u>
	<u>43,394,886</u>	<u>31,332,873</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	38,389	125,717
Mutual Trust Bank Ltd, Gulshan Branch, CD A/c	930,039	14,552
Mutual Trust Bank Ltd, Gulshan Branch, Dollar A/c	270,584	14,280,707
Mutual Trust Bank Ltd, Gulshan Branch, ERQ A/c	703,344	157,311
HSBC, Anchor Tower Branch, FCY A/c	-	5,590
HSBC, Anchor Tower Branch, MDA Margin A/c	14,214,415	27,551,363
Trust Bank Ltd, SKB Branch, Dollar A/c	10,530,901	11,286,670
Trust Bank Ltd, SKB Branch, FCAD A/c	386,874	1,798,878
Dutch-Bangla Bank Ltd., Gulshan Branch, CD A/c	8,022,704	-
AB Bank Ltd, Motijheel Branch, FCAD A/c	-	29,039
AB Bank Ltd, Motijheel Branch, CD A/c	76,168	77,468
AB Bank Ltd, Motijheel Branch, CD A/c	1,089,416	2,828,863
AB Bank Ltd, Motijheel Branch, Notice A/c	2,287	-
AB Bank Ltd, Motijheel Branch, Notice A/c	1,161,253	3,119,281
	<u>37,426,374</u>	<u>61,275,439</u>

With Bank on Short Term Deposit Account:

Trust Bank Ltd, SKB Branch, SND A/c	1,421,470	1,021,410
Southeast Bank Ltd, Principal Branch, STD A/c	960,956	933,541
	<u>2,382,426</u>	<u>1,954,951</u>
Cash at Banks	39,808,800	63,230,390
Cash in Hand	825,634	417,650
	<u>40,634,434</u>	<u>63,648,040</u>

8. Share Capital

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (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 2016		As at 30 Sept. 2015	
	No. of Shares	%	No. of Shares	%
Sponsor/Directors	12,911,855	51.04	12,911,855	51.04
Financials Institutions	1,589,117	6.28	1,637,212	6.47
ICB	280,645	1.10	160,020	0.63
ICB Investors A/c	-	-	122,728	0.48
ICB Mutual Fund	559,741	2.21	647,197	2.56
ICB Unit Fund	1,297,119	5.13	1,297,119	5.13
General Public	8,661,523	34.24	8,523,869	33.69
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 2016			As at 30 Sept. 2015		
	No. of Shareholders	No. of Shares	Holdings (%)	No. of Shareholders	No. of Shares	Holdings (%)
0000000001 - 00000000499	5,119	1,257,049	4.97	5,817	1,258,742	4.98
00000000500 - 00000000500	5,898	2,949,000	11.66	5,892	2,946,000	11.64
00000000501 - 00000002000	837	769,436	3.04	833	768,544	3.04
00000002001 - 00000005000	671	1,376,888	5.44	662	1,373,300	5.43
00000005001 - 00000010000	129	1,149,054	4.54	125	1,146,921	4.53
00000010001 - 00000050000	48	526,911	2.08	42	521,700	2.06
00000050001 - 00000100000	12	961,387	3.80	9	955,326	3.77
00000100001 - 00000250000	7	942,584	3.73	5	715,409	2.83
00000250001 - 00000500000	8	1,261,953	4.99	3	961,123	3.80
00000500001 and above	7	14,105,738	55.75	8	14,652,935	57.92
Total	<u>12,736</u>	<u>25,300,000</u>	<u>100.00</u>	<u>13,396</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.

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
9. General Reserve		
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		
11% Loan - Note 12.1	293,360	623,267
5% Loan - Note 12.2	113,572,966	140,140,253
Deferred L/C Liabilities - Note 12.3	85,182,173	-
	<u>199,048,499</u>	<u>140,763,520</u>
12.1 The movement of loans is as follows:		
Opening Balance	623,267	974,783
Less: Loan re-paid this period	(329,907)	(351,516)
Closing Balance	<u>293,360</u>	<u>623,267</u>

The loan has been taken from Trust Bank Ltd, Motijheel Branch for import of Plant and machinery. The loan carries interest at 11% and is repayable in 36 monthly installments, starting from 12 January 2014. The loan is secured by hypothecation of stock, machinery, equipment and book debts.

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
12.2 The movement of loans is as follows:		
Opening balance	140,140,253	78,537,526
Add: Loan received this period	70,953,963	138,289,209
	211,094,216	216,826,735
Less: Current Maturity	(53,649,889)	(43,871,361)
Less: Loan re-paid this period	(43,871,361)	(32,815,121)
Closing balance	<u>113,572,966</u>	<u>140,140,253</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 2016 (Taka)	As at 30 Sept. 2015 (Taka)
This year	85,182,173	-
Closing Balance	<u>85,182,173</u>	<u>-</u>

The offshore facility has been taken from The Honkong 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 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Opening balance	30,226,996	9,115,426
Add: Contribution this period	2,078,343	-
Add: Prior Year Adjustment	-	21,111,570
	<u>32,305,339</u>	<u>30,226,996</u>
Less: Paid this year	1,001,057	-
Closing balance	<u>31,304,282</u>	<u>30,226,996</u>

14. Deferred Tax Liabilities

Balance as at September 30, 2015	34,344,063	36,221,636
Add: Provision during the year	<u>(2,370,326)</u>	<u>(1,877,573)</u>
Closing balance	<u>31,973,737</u>	<u>34,344,063</u>

Deferred Tax Liabilities for 2016

	As per Accounting base W.D.V	As per Accounting Tax W.D.V	Temporary Difference Taxable/ (Deductable)
Property, Plant and Equipments	622,435,333	377,972,807	244,462,526
Tax rate	-	-	15%
Deferred Tax Liabilities	-	31,304,282	36,669,379
Gratuity provision	-	-	-
Deferred Tax assets 15%	-	-	4,695,642
Net deferred Tax Liabilities			<u>31,973,737</u>

15. Bank Overdraft

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Trust Bank Ltd, SKB Branch	50,796,333	4,418,494
HSBC Bank, Plc, Anchor Tower Branch, Kawran Bazar	27,015,142	40,027,843
	<u>77,811,475</u>	<u>44,446,337</u>

These are secured

16. Creditors

	As at 30 June 2016		As at 30 Sept. 2015	
	US\$	Taka	US\$	Taka
For Import Purchases	<u>5,927,548</u>	461,459,624	<u>5,888,068</u>	456,026,085
For Local Purchases		12,449,573		14,587,052
For Dividend Payable		95,655,822		79,955,972
For Staff Income Tax		456,559		402,507
For Refund Warrant		<u>371,469</u>		<u>371,469</u>
		<u>570,393,047</u>		<u>551,343,085</u>

These are unsecured but creditors for import purchases are against back to back L/cs.

17. Accrued Expenses

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Gas Expenses (Factory)	17,263,009	13,817,905
Electricity bill	264,606	175,382
Telephone	12,738	10,231
Salaries, Wages and Allowances	4,315,169	11,069,955
Security bill	592,200	348,000
Legal Fee	60,000	60,000
Auditors' Fee	172,500	100,000
AGM Expense	700,000	800,000
	<u>23,380,222</u>	<u>26,381,473</u>

18. Provision for Taxation

Opening balance	7,758,438	11,534,629
Add: Addition during the period	5,914,983	(3,776,191)
	<u>13,673,421</u>	<u>7,758,438</u>
Less: Paid during the period	-	-
Closing balance	<u>13,673,421</u>	<u>7,758,438</u>

19 Bills Receivable Discounted

Opening balance	78,702,076	40,818,768
Add: Discounted during the period	248,454,129	210,562,554
	<u>327,156,205</u>	<u>251,381,322</u>
Less: Collected during the period	182,338,590	172,679,246
Closing balance	<u>144,817,615</u>	<u>78,702,076</u>

20. Workers' Participation/Welfare Funds

Opening balance	39,549,613	34,498,293
Less: Payment this period	7,135,170	-
	<u>32,414,443</u>	<u>34,498,293</u>
Add: Contributions for the period	1,758,811	1,817,105
Add: Interest during the period	1,823,312	3,234,215
Closing balance	<u>35,996,566</u>	<u>39,549,613</u>

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

21. Current Maturity of Long-term Loans

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Opening balance	43,871,361	64,000,830
Add: Current Maturity	53,649,889	43,871,361
	97,521,250	107,872,191
Less: Paid this period	43,871,361	64,000,830
Closing Balance	53,649,889	43,871,361

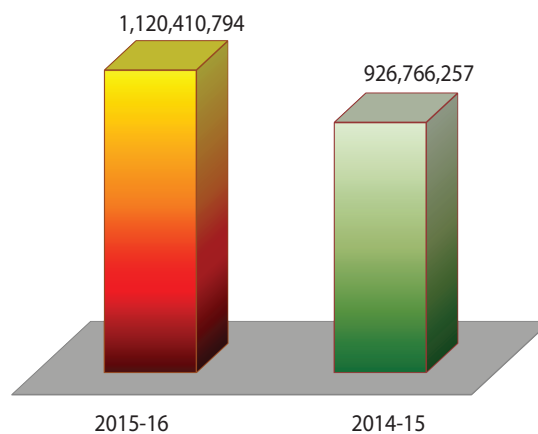
The offshore facilities has been taken from The Honkong and Shanghai Banking Corporation Plc, Anchor Tower, 108 Bir Uttam C.R. Dutta Road, Dhaka-1205, Bangladesh, for import of Plant and machinery at 360 days deferred L/C payment.

22. Sales

Item	As at 30 June 2016			As at 30 Sept. 2015		
	Quantity (In Kg.)	Amount (in US\$)	Amount (In Taka)	Quantity (In Kg.)	Amount (In US\$)	Amount (In Taka)
Export sales:						
Knit fabrics	1,146,850 Kgs	6,959,427	540,051,554	1,194,048 kgs	7,217,946	555,781,865
Garments	3,658,600 Pcs	7,478,856	580,359,240	1,917,135 pcs	4,817,979	370,984,392
Total		14,438,283	1,120,410,794		12,035,925	926,766,257

23. Export Incentives

	As at 30 June 2016 (Taka)	As at 30 June 2015 (Taka)	As at 30 Sept. 2015 (Taka)
Cash Incentive	15,798,703	14,381,172	41,924,985
	15,798,703	14,381,172	41,924,985

Export Sales in Taka

24. Cost of Goods Sold

	As at 30 June 2016 (Taka)	As at 30 June 2015 (Taka)	As at 30 Sept. 2015 (Taka)
24.1 The break-up is as follows:			
Materials Consumed - Note-24.2	761,386,309	622,669,980	873,191,348
Salary, Wages and Allowances - Note 24.3	97,794,299	91,849,653	127,034,773
Tiffin & Entertainment expenses	412,850	325,690	456,230
Depreciation - Note 2.3	34,073,828	45,427,506	58,541,805
Stores and Spares Consumed	2,069,856	2,986,543	3,811,837
Factory Conveyance	458,965	435,692	652,630
Power and Gas	52,470,102	34,334,699	49,080,574
Gratuity	1,558,760	-	-
Vehicle expenses	1,156,345	1,556,982	1,825,963
Repairs and Maintenance	2,525,632	5,569,823	6,258,964
Packing & Loading expenses	1,012,564	1,523,652	2,056,760
Import Landing, Clearing and Insurance	1,256,950	1,898,634	2,060,791
Factory Stationery expenses	945,632	1,149,865	1,412,589
Carriage Inward & Outward	1,469,856	1,645,635	2,089,560
Knitting, Sewing & Processing charge	1,942,563	3,569,845	4,568,964
Factory Insurance	2,819,437	195,028	4,129,158
Sewing Machine Rental	625,000	634,750	989,648
Miscellaneous	150,600	225,820	325,800
Total Manufacturing Costs for the period	964,129,548	815,999,797	1,138,487,394
Add: Opening Work in Process	59,659,420	39,600,217	39,600,217
Total Manufacturing Costs	1,023,788,968	855,600,014	1,178,087,611
Less: Closing Work in Process	59,829,824	36,713,406	59,659,420
Cost of Goods Manufactured	963,959,144	818,886,608	1,118,428,191
Add: Opening Finished Goods	59,586,423	34,716,007	34,716,007
Cost of Goods available for use	1,023,545,567	853,602,615	1,153,144,198
Less: Closing Finished Goods	52,569,300	41,563,425	59,586,423
Cost of Goods Sold	970,976,267	812,039,190	1,093,557,775

24.2 Materials Consumed

	As at 30 June 2016		As at 30 June 2015		As at 30 Sept. 2015	
	Quantity (Kg)	Taka	Quantity (Kg)	Taka	Quantity (Kg)	Taka
Yarn	1,985,557	542,136,530	1,654,929	450,504,659	2,327,890	633,185,960
Dyes	151,521	83,835,210	98,199	69,809,342	135,285	96,052,405
Chemicals	1,015,898	83,557,635	405,852	69,096,345	562,738	95,665,451
Accessories	-	51,856,934	-	33,259,634	-	48,287,532
Total Materials Consumption	-	761,386,309	-	622,669,980	-	873,191,348

24.3 Salaries, Wages and Allowances

	As at 30 June 2016		As at 30 Sept. 2015	
	No. of Employee	Taka	No. of Employee	Taka
Employees drawing Tk. 3,000 or more p.m.	1,826	97,794,299	1,832	127,034,773
Employees drawing less than Tk. 3,000 p.m.	-	-	-	-
Total	1,826	97,794,299	1,832	127,034,773

25. Administrative, Selling and General Expenses

25.1 The break-up is as follows:

	As at 30 June 2016 (Taka)	As at 30 June 2015 (Taka)	As at 30 Sept. 2015 (Taka)
Directors' Remuneration - Note 25.2	1,900,000	1,900,000	2,600,000
Salaries and Allowances - Note 25.3	38,305,564	38,842,023	48,804,743
Security Service charge	2,397,944	1,960,779	2,088,000
Depreciation - Note 2.3	8,521,026	8,016,619	10,330,906
Electricity expenses	1,051,198	923,396	-
Postage, Courier, Telephone and Fax	815,698	825,693	1,096,423
Gratuity	519,583	-	-
Traveling and Conveyance	825,632	625,639	830,917
Legal and Professional expenses	60,000	45,000	60,000
Auditors' Fee - Note 25.2	172,500	75,000	100,000
A.G.M expenses	844,468	825,693	965,896
Registration and Fees	905,296	825,693	1,066,772
Staff welfare	1,062,569	1,059,645	1,459,684
Stationery expenses	1,064,952	1,359,642	1,596,945
Office Repairs and Maintenance	2,056,340	2,096,539	3,615,976
Vehicle expenses	3,061,345	2,396,536	4,569,875
Entertainment expenses	545,962	455,923	654,820
Buying House Commission	1,269,852	659,650	825,630
Freight Charges & Freight out	6,599,294	3,586,935	5,903,900
Garments Testing Charges	4,239,686	1,865,935	2,632,561
Interest expense - Note 25.4	33,421,647	24,849,522	37,488,430
Bank Charges	18,381,489	15,598,749	21,077,312
Miscellaneous	550,200	238,656	658,400
Total	128,572,245	109,033,267	148,427,190

25.2 No remuneration or fee, other than that specified in note 25.1, was paid to directors and auditors.

25.3 Salaries and Allowances:

	As at 30 June 2016		As at 30 Sept. 2015	
	No. of Employees	Taka	No. of Employees	Taka
Employees drawing Tk.3,000 or more p.m.	127	38,305,564	125	48,804,743
Employees drawing less than Tk.3,000 p.m.	-	-	-	-
	<u>127</u>	<u>38,305,564</u>	<u>125</u>	<u>48,804,743</u>

25.4 Interest expense is as follows:

Particulars	As at 30 June 2016 (Taka)	As at 30 June 2015 (Taka)	As at 30 Sept. 2015 (Taka)
Interest on Workers' Participation/Welfare Funds	1,823,312	1,940,529	3,234,215
Interest on Long Term Loans	5,702,278	5,802,046	8,538,694
Interest on Loan against Trust Receipt and Bills Discounted	20,661,720	12,284,677	19,218,683
Interest on Bank Overdraft	5,234,337	4,822,270	6,496,838
	<u>33,421,647</u>	<u>24,849,522</u>	<u>37,488,430</u>

26. Others Income

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Rental income	274,050	365,400
Bank Interest	-	44,241
	<u>274,050</u>	<u>409,641</u>

27. Income Tax (Current Tax)

	As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
Profit before tax	35,176,224	36,342,094
Add: Depreciation as per accounting base	42,594,854	68,872,711
	77,771,078	105,214,805
Less: Depreciation as per Tax base	48,981,537	56,355,558
	28,789,541	48,859,247
Add: Gratuity fund	2,078,343	-
	30,867,884	48,859,247
Less: Other income (Separate calculation)	274,050	-
	30,593,834	48,859,247
Less: Payment for Gratuity	1,001,057	-
	29,592,777	48,859,247
Tax Rate @ 15%	4,438,917	7,328,887
Minimum Tax	5,867,024	6,476,092
Add: Other income tax	-	-
Rental income	274,050	-
Less: Maintains @ 30%	82,215	-
	191,835	-
Add: Tax Rate @ 25%	47,959	-
Current Tax	5,914,983	7,328,887

28. Remuneration/Payments to Directors/Officers:

28.1 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	As at 30 June 2016		As at 30 Sept. 2015	
	Directors	Officers	Directors	Officers
Remuneration	1,900,000	-	2,600,000	-
Basic salary	-	23,195,689	-	29,372,845
House rent allowance	-	11,549,860	-	14,686,422
Other benefits and perquisites	-	3,560,015	-	4,745,476
	1,900,000	38,305,564	2,600,000	48,804,743

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

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

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

Bank & Branch Name	Type of facility	Limit	Utilised	Unutilised	
				As at 30 June 2016 (Taka)	As at 30 Sept. 2015 (Taka)
		Taka	Taka		
Trust Bank Ltd.	Back to Back Letter of Credit	450,000,000	302,520,293	147,479,707	114,478,550
SKB Branch, Dhaka	IBP	100,000,000	341,117,893	(241,117,893)	67,763,690
	Cash Letter of Credit	45,000,000	6,523,620	38,476,380	37,420,000
	Trust receipt	40,500,000	-	40,500,000	40,500,000
	Overdraft	50,000,000	50,796,333	(796,333)	15,581,506
	Bank guarantee	1,000,000	-	1,000,000	1,000,000
	Term Loan	2,500,000	293,360	2,206,640	1,876,733
		689,000,000	701,251,499	(12,251,499)	278,620,479
Mutual Trust Bank Ltd.	Back to Back Letter of Credit & Sight	200,000,000	513,500	199,486,500	148,395,855
Gulshan Branch, Dhaka	IDBP/FDBP	50,000,000	34,376,800	15,623,200	84,805,084
		250,000,000	34,890,300	215,109,700	233,200,939
HSBC Foreign Exchange Limit		20,000,000	-	20,000,000	20,000,000
Anchor Tower, 108 Bir Uttam	Import Line (PRM)	395,000,000	252,405,028	142,594,972	211,443,381
C.R. Datta Road, Dhaka-1205	Import Line	280,000,000	115,689,500	164,310,500	184,926,991
	Overdraft	50,000,000	27,015,142	22,984,858	(27,843)
	Bank guarantee	20,000,000	10,850,700	9,149,300	9,149,300
	Term Loan	20,000,000	-	20,000,000	20,000,000
	Export Cash Limit	54,000,000	80,322,922	(26,322,922)	54,000,000
	Credit Card	1,200,000	-	1,200,000	1,200,000
		840,200,000	486,283,292	353,916,708	500,691,829

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

	As at 30 June 2016		As at 30 Sept. 2015	
	Taka	%	Taka	%
Imported	235,693,562	30.87	195,646,981	31.27
Local	527,762,603	69.13	430,009,542	68.73
	<u>763,456,165</u>	<u>100.00</u>	<u>625,656,523</u>	<u>100.00</u>

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

Item	Capacity	Actual Production	Percentage (%) of achievement
Finished Garments (Lac Pcs.)	84	36.59 (2015:26.35)	43.55% (2015:31.36%)
Knit Fabrics (MTs.)	2,990	2,512 (2015:2,157)	84.01% (2015:72.14%)

32. Even after Balance Sheet Date:

The Board of Directors of the Company in its meeting held on 26th October 2016 (30-09-2015: 16th January 2016) recommended 10% cash dividend i.e., Tk. 1.00 per share of Tk. 10.00 each (30-09-2015: 10% cash dividend) for all shareholders of the company subject to their approval in the AGM.

33. 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 2016 is as under.

Name of the related party	Relationship	Nature of Transaction	As at 30 June 2016	As at 30 Sept. 2015
Fashion Knit Garments Ltd.	Common Director	Sale of Finished Fabrics	540,051,554	722,336,111
		Receivable	<u>22,500,000</u>	<u>65,000,000</u>

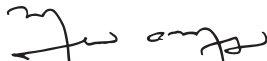
34. General

- 34.1 There was no sum for which the company was contingently liable as at 30 June 2016 and 30 September 2015.
- 34.2 There was no claim, except an aggregate amount of Tk. 21,095,550 (30-09-2015: 21,095,550) claimed by the Tax Authority but appealed against by the company, not acknowledged as debt as at 30 June 2016 and 30 September 2015. Such claim, being contingent liability, needs not be provided for.
- 34.3 There was no credit facilities available to the company, except trade credits and back to back L/C facilities, during the nine months ended 30 June 2016 and year ended 30 September 2015.
- 34.4 There was no foreign shareholder of the company as at 30 June 2016 and 30 September 2015 and no dividend was remitted to any foreign shareholders during the nine months ended 30 June 2016 and year ended 30 September 2015.
- 34.5 There was no capital expenditure contracted but not incurred or provided for at 30 June 2016 and 30 September 2015.
- 34.6 There was no capital expenditure authorised by the Board but not contracted for at 30 June 2016 and 30 September 2015.

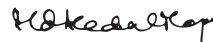
The annexed notes from 1 to 34 form an integral part of these financial statements.



Mr. Mohammad Abdul Momen
Chairman



Mr. Mohammad Abdul Moyeed
Managing Director



Dr. Muhammad Abdul Moyeen
Director



Mr. Md. Wali Ullah
Company Secretary

Dated: Dhaka
October 26, 2016