

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of  
KATTALI TEXTILE LIMITED

### Report on the Financial Statements:

We have audited the accompanying financial statements of **KATTALI TEXTILE LIMITED**, which comprises the statement of financial position as at 30 June 2017, Statement of Profit and Loss and Statement of Profit or Loss and the Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's/group's affairs as at 30 June 2017 and of the results of its operations and its cash flows for the year then ended and financial position of KATTALI TEXTILE LIMITED as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs)

### Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994 and Bangladesh Securities and Exchange Rules 1987, we also report that:

- a) we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit or Loss and other comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
- c) the expenditures incurred were for the purposes of the Company's business.

Date: 20 October, 2017

Place: Dhaka

Sd/-  
**SHIRAZ KHAN BASAK & CO.**  
Chartered Accountants

**KATTALI TEXTILE LIMITED**  
**Statement of Financial Position**  
as at 30 June 2017

Particulars	Note	Amounts in Taka	
		30-Jun-17	30-Jun-16 (Restated)*
<b>Assets:</b>			
<b>Non Current Assets:</b>			
Property, Plant & Equipment	4.00	711,455,829	568,412,333
Capital Work In Process	5.00	65,415,616	25,726,865
		<b>776,871,445</b>	<b>594,139,198</b>
<b>Current Assets:</b>			
Inventories	6.00	161,083,792	137,696,337
Account Receivables	7.00	254,730,081	224,525,933
Advances, Deposits and Prepayments	8.00	68,992,696	78,500,735
Cash and Cash Equivalents	9.00	344,712	2,104,423
		<b>485,151,281</b>	<b>442,827,428</b>
<b>Total Assets</b>		<b>1,262,022,726</b>	<b>1,036,966,626</b>
<b>Equity &amp; Liabilities</b>			
<b>Shareholder's Equity:</b>			
Share Capital	10.00	550,000,000	99,999,000
Retained Earnings	11.00	576,437,056	443,502,980
		<b>1,126,437,056</b>	<b>543,501,980</b>
<b>Non-Current Liabilities:</b>			
Share Money Deposit	12.00	-	264,393,559
Deferred Tax	13.00	30,884,274	39,596,774
Long Term Loan (Non-Current Portion)*	14.00	2,253,581	2,651,934
		<b>33,137,855</b>	<b>306,642,267</b>
<b>Current Liabilities</b>			
Bank Overdraft	15.00	32,318,266	27,909,406
Accounts Payable	16.00	3,932,481	3,371,290
Long Term Loan (Current Portion)*	14.00	398,325	396,197
Liabilities For Expenses	17.00	39,357,976	37,894,873
Short Term Loan	18.00	26,440,767	117,250,613
		<b>102,447,815</b>	<b>186,822,379</b>
<b>Total Shareholder's Equity &amp; Liabilities</b>		<b>1,262,022,726</b>	<b>1,036,966,626</b>
<b>Net Assets Value Per Share (NAV)</b>	<b>25.02</b>	<b>20.48</b>	<b>54.35</b>

Those Financial Statements should be read in conjunction with the annexed Notes.

Sd/  
Company Secretary

Sd/-  
Chief Financial Officer

Sd/-  
Director

Sd/-  
Managing Director

Dated: 20 October, 2017  
Place: Dhaka

Sd/-  
Shiraz Khan Basak & Co.  
Chartered Accountants

**KATTALI TEXTILE LIMITED**  
**Statement of Profit or Loss & Other Comprehensive Income**  
For the year ended on 30 June 2017

Particulars	Note	Amounts in Taka	
		30-Jun-17	30-Jun-16
Turnover	19.00	595,295,265	486,266,104
Cost of Goods Sold	20.00	(459,349,206)	(376,508,355)
<b>Gross Profit</b>		<b>135,946,059</b>	<b>109,757,749</b>
Operating Expenses	21.00	(24,402,563)	(19,313,534)
<b>Operating Profit</b>		<b>111,543,496</b>	<b>90,444,215</b>
Financial Expenses	22.00	(5,820,380)	(8,785,948)
<b>Profit before Non-Operating Income</b>		<b>105,723,116</b>	<b>81,658,267</b>
Other Income	23.00	1,291,552	1,402,113
<b>Profit before Income Tax</b>		<b>107,014,668</b>	<b>83,060,380</b>
<b>Provision for Income Tax</b>	24.00	<b>(128,840)</b>	<b>(25,191,254)</b>
Current Taxes	24.01	(8,841,340)	(11,332,017)
Deferred Taxes	24.02	8,712,500	(13,859,237)
<b>Total Comprehensive Income for the year</b>		<b>106,885,828</b>	<b>57,869,126</b>
<b>Earnings Per Share (EPS)-Basic</b>	25.01	<b>2.07</b>	<b>1.99</b>
<b>Earnings Per Share (EPS)-Adjusted</b>		<b>1.94</b>	<b>1.05</b>

Those Financial Statements should be read in conjunction with the annexed Notes.

Sd/  
Company Secretary

Sd/-  
Chief Financial Officer

Sd/-  
Director

Sd/-  
Managing Director

Dated: 20 October, 2017  
Place: Dhaka

Sd/-  
Shiraz Khan Basak & Co.  
Chartered Accountants

**KATTALI TEXTILE LIMITED**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2017**

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Equity
<b>Opening Balance as on 01 July 2016</b>	99,999,000	443,502,980	543,501,980
Addition during the period	450,001,000	-	450,001,000
Prior year adjustment for Excess depreciation charged		26,048,248	26,048,248
Net Profit (after tax) transferred from Statement of Profit or Loss & Other Comprehensive Income	-	106,885,828	106,885,828
<b>Balance at the end of the Period 30 June 2017</b>	<b>550,000,000</b>	<b>576,437,056</b>	<b>1,126,437,056</b>

for the Period ended 30 June 2016

Particulars	Share Capital	Retained Earnings	Total Equity
<b>Opening Balance as on 01 September 2015</b>	5,000,000	452,697,354	457,697,354
Allotment Made During the Period	94,999,000	(67,063,500)	27,935,500
Net Profit (after tax) transferred from statement of comprehensive income	-	57,869,126	57,869,126
<b>Balance at the end of the year 30 June 2016</b>	<b>99,999,000</b>	<b>443,502,980</b>	<b>543,501,980</b>

Sd/  
Company Secretary

Sd/-  
Chief Financial Officer

Sd/-  
Director

Sd/-  
Managing Director

Signed in terms of our separate report of even date annexed

Dated: 20 October, 2017  
Place: Dhaka

Sd/-  
Shiraz Khan Basak & Co.  
Chartered Accountants

**KATTALI TEXTILE LIMITED**

**Statement of Cash Flows**

**for the Period ended 30 June 2017**

Particulars	Amounts In Taka	
	30-Jun-17	30-Jun-16
<b>A. Cash Flows from Operating Activities</b>		
Received from Customer & Others	566,382,669	456,260,610
Payments to Suppliers, Employees & others	(446,227,355)	(451,096,814)
Payment of Income Tax	(3,955,638)	(2,729,151)
<b>Net Cash (Used in)/ Generate by Operating Activities</b>	<b>116,199,676</b>	<b>2,434,645</b>
<b>B. Cash Flows from Investing Activities</b>		
Property, Plant and Equipment	(171,260,487)	(32,983,425)
Capital Work In Progress	(39,688,751)	(25,726,865)
<b>Net Cash (used in)/ Generated by Investing Activities</b>	<b>(210,949,238)</b>	<b>(58,710,290)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from Bank Overdraft	4,408,860	4,695,582
Proceeds from Share Money Deposit	185,607,441	88,718,431
Payment of Short Term Loan	(90,809,846)	(27,981,495)
Payment of Long-Term Loan	(396,225)	(91,434)
Financial Expenses Paid	(5,820,380)	(8,785,948)
<b>Net Cash (used in)/Generated by Financing Activities</b>	<b>92,989,851</b>	<b>56,555,136</b>
<b>D. Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,759,710.93)</b>	<b>279,491</b>
<b>E. Opening Cash and Cash Equivalents</b>	<b>2,104,423</b>	<b>1,824,932</b>
<b>F. Closing Cash and Cash Equivalents (D+E)</b>	<b>344,712</b>	<b>2,104,423</b>
<b>Net Operating Cash Flows Per Share (NOCFPS) Basic- Note 25.3</b>	<b>2.25</b>	<b>0.08</b>
<b>Net Operating Cash Flows Per Share (NOCFPS) Adjusted</b>	<b>2.11</b>	<b>0.04</b>

Those Financial Statements should be read in conjunction with the annexed Notes.

Sd/  
Company Secretary

Sd/-  
Chief Financial Officer

Sd/-  
Director

Sd/-  
Managing Director

Dated: 20 October, 2017

Place: Dhaka

Sd/-  
Shiraz Khan Basak & Co.  
Chartered Accountants

## **Kattali Textile Limited**

Notes, Comprising Summary of Significant Accounting Policies and Other Explanatory Information  
for the year ended 30 June 2017

### **1.00 Background and Introduction**

#### **1.01 Formation and Legal Status**

Kattali Textile Limited (hereinafter referred to as "the Company") was incorporated as a private company limited by shares on 26 June 2002 under the Companies Act, 1994. The Company started its commercial operation on 01 March, 2004 and converted to Public Limited company on 17 October, 2016.

The registered office of the company is located at Chowdhury Bari, Cornel Jones Road, Pahartoli, Chittagong, Bangladesh.

#### **1.02 Nature of Business**

The principal activities of the company are to produce and export of different types of garment products like Man's Long Shirt, Boys Pant, Ladies shirt, Boy's Polo Shirt, Boys Long Pant, Boys Jacket, Men's Flt Front Short, Ladies Shorts, Boy's Trouser, Girl's Pant, Girl's Skirts, Girl's Top, Man's Top etc. It is serving many international buyers in the North American and the European markets and continues to strive in the highly competitive apparel-manufacturing sector. The principal buyers of the company are Wal-mart, Kohls, Jc Penney, Target, K-mart, Mango, Calvin Klein, At-Last, Weatherproof, ENYCE, Kenneth Cole, Nautical, etc. The company won many awards for its quality products and compliance with economy standards.

The Companys current production capacity is 4,04,250 pcs of garment products monthly by using modern sewing machinery.

### **2.00 Basis of Preparation**

#### **2.01 Statement of Compliance**

The financial statements of the company under-reporting have been prepared under the historical cost convention on going concern concept and consistently accrual basis in accordance with generally accepted accounting principles and practices in Bangladesh in compliance with The Companies Act 1994, International Accounting Standards (IAS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS's) and other applicable laws and regulations of the country.

**The Company also complies with amongst others, the following laws and regulation:**

The Income Tax Ordinance 1984

The Income Tax Rules 1984

The Value Added Tax Act 1991

The Value Added Tax Rules 1991

Securities & Exchange Ordinance 1969

Bangladesh Securities and Exchange Rules 1987

#### **2.02 Functional and Reporting Currency**

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements were rounded off to the nearest Taka.

#### **2.03 Use of Estimates and Judgments**

The preparation of financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future periods affected.

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

Note 4 Depreciation of property, plant and equipment

Note 24.01 Income tax provision

**2.04 Reporting Period**

The financial statements of the Company consistently cover a financial year from 01 July, 2016 to 30 June 2017.

**2.05 Preparation and Presentation of Financial Statements of the Company**

The Board of Directors of Kattali Textile Limited is responsible for the preparation and presentation of financial statements of the Company.

**2.6 Comparative Information**

Comparative information has been disclosed as required by BAS 34: 'Interim Financial Reporting' in respect of the previous period for all numerical information in the current financial statements as below:

- Statement of Financial Position as of the end of the preceding financial period.
- Statement of Profit or Loss and Other Comprehensive Income for the comparable interim period of preceding financial period.
- Statement of Changes in Equity for the comparable interim period of preceding financial period.
- Statement of Cash Flows for the comparable interim period of preceding financial period.

**Re-arrangement**

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.

**3.00 Significant Accounting Policies**

The financial statements have been prepared in compliance with the requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the financial statements for the year under audit:

BAS-1	Presentation of financial statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Period
BAS-12	Income Taxes
BAS-16	Property, Plant & Equipment
BAS- 18	Revenue
BAS -19	Employee Benefits
BAS-21	The effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-33	Earnings Per Share
BAS-34	Interim Financial Reporting
BAS-36	Impairment of assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BFRS-5	Non-current Assets Held for Sale and Discontinued Operations
BFRS-8	Operating Segments

In the following areas, the recognition and measurement principles of IFRS are significantly different from those of BAS/BFRS and Companies Act 1994. However the estimated resulting differences would not be material for these financial statements. These immaterial differences with BAS/Companies Act 1994 primarily result from non-application of following BAS/BFRS in Bangladesh:

BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

**3.01 Going Concern:**

This financial statement have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

The company has adequate resources to continue its operation for the foreseeable future. As such, the director intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing business.

**3.02 Property, Plant and Equipment (PPE)**

**i) Recognition of Property, Plant & Equipment**

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the BAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use.

Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as an expense when incurred. Subsequent expenditure on property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

**ii) Depreciation**

Depreciation on fixed asset is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per BAS-16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation rates varying from 3% to 10%. Each item of fixed assets is depreciated from the time in which month the assets comes to use or capitalized. In case of disposal, no depreciation is charged on the date of disposal. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the period.

The depreciation rate are as follows:

Category of Fixed Assets	Rate %
Factory Building and other Construction	3%
Plant & Machinery	10%
Electric Installation	10%
Tools and Equipment	10%
Office Equipment	10%
Furniture & Fixture	10%
Fire Fighting Equipments	10%
Motor Car	10%
Electric Substation	10%
Factory equipment	10%

**iii) Retirement and Disposals:**

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of the asset under other income in the Statement of Profit or Loss & Other Comprehensive Income.

**iv) Impairment of Assets:**

The company reviews the recoverable amount of its assets at each reporting date. If there exists any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with BAS-36 "Impairment of Assets".

**3.03 Inventories & Consumables:**

Inventories comprise of raw materials, work-in-process, finished goods, stores & accessories, oil & lubricants and packing materials, which are valued lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories" after making due allowance for any obsolete or slow-moving item and details of valuation are as follows:

i)	Raw materials	at average cost
ii)	Work-in-process	at estimated cost
iii)	Finished goods	at cost or net realizable value whichever is lower
iv)	Stores & Spare Parts, oil & lubricants and packing materials	at cost

**3.04 Revenue Recognition**

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized only when:

- i) the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) the amount of revenue can be measured reliably;
- iv) It is probable that the economic benefits associated with the transaction will flow to the company; and
- v) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

**3.05 Taxation**

**i) Current Tax**

Income tax expenses comprise current tax. Provision of current income tax has been made at the rate of 12% as prescribed in the SRO No 255/AIN/Income Tax/2017. Income tax expenses are recognized in the Statement of Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. However, As per section 53BBBB of the Income Tax Ordinance 1984 tax has been deducted at source from export proceeds @ 0.70% and the deducted amount is treated as the final settlement as the final discharge of income tax liability of the company under the provision of section 82(c).

**ii) Deferred Tax**

Deferred tax is provided for all temporary differences comprising between the tax base of assets and liabilities and their carrying amounts in financial statements in accordance with the provision of BAS-12. During the year the company has recognized for Deferred Tax as per provision of BAS-12.

**3.06 Loans and Borrowings**

The principal amount of the loans and borrowings are stated at their outstanding amount.

**3.07 Foreign Currency Transaction / Translation**

Transactions in foreign currencies are translated into Bangladesh Taka at the Exchange rate prevailing on the date of transactions in accordance with BAS- 21 "The Effects of Changes in Foreign Exchange Rate." Monetary assets and liabilities in foreign currencies at the reporting date are translated into Bangladesh Taka at the rate of exchange prevailing at the reporting date. All exchange differences are recognized in the Statement of Profit or Loss & Other Comprehensive Income.

- 3.08 Provision:**  
In accordance with the guidelines as prescribed by BAS 37, provisions are recognized when all the following criteria are met:
- i) When the company has a present obligation as a result of past event;
  - ii) When it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and
  - iii) Reliable estimate can be made of the amount of the obligation.
- We have shown the provisions in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the reporting date.
- 3.09 Contingent Liabilities and Assets**  
Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37 Provisions, Contingent Liabilities and Contingent Assets should not be recognized in the year in which the recognition criteria of provision have been made.
- 3.10 Statement of Cash flows**  
Statement of Cash Flows is prepared principally in accordance with BAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method.
- 3.11 Events after the Reporting Period**  
Events after the reporting period that provide additional information about the Company's position at the reporting period or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the Notes when they are material.
- 3.12 Borrowing Cost:**  
Interest-bearing borrowings include Term Loan (HPSM) and short-term bank loan. Interest-bearing borrowings are recognized initially at fair value. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method.
- 3.13 Advertisement and Promotional Expenses**  
All cost associated with advertising and promotional activities are charged out in the year incurred.
- 3.14 Trade Receivable**
- i) **Recognition and Measurement**  
Trade receivable consists of export sales and local sales, export sales proceeds against sales through L/C with a tenure of 90 days to 120 days and realizable at the maturity date.
  - ii) **Bad and Doubtful Debts**  
The Company does not make any provision for bad and doubtful debts because its local sales are realized during the year and export sales are based on 100% confirm the letter of credit with fixed maturity date.
- 3.15 Creditors and Accrual**  
Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.
- 3.16 Cash and Cash Equivalents:**  
According to BAS 7 "Statement of Cash Flows" cash comprises cash in hand and bank deposit and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value IAS 1 "Presentation of financial statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

### 3.17 Components of the Financial Statements:

According to the Bangladesh Accounting Standard BAS-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30 June 2017.
- ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2017.
- iii) Statement of changes in equity for the year ended 30 June 2017.
- iv) Statement of Cash flows for the year ended 30 June 2017.
- v) Notes, Comprising a Summary of Significant Accounting Policies and other Explanatory Information to the year ended 30 June 2017.

### 3.18 Earnings Per Share:

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share".

#### i) Basic Earnings Per Share:

Basic Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

#### ii) Diluted Earnings Per Share:

### 3.19 Related Party Transactions

The objective of "Related Party Disclosure", BAS - 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. A party is related to an entity if: [BAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. The Company transacts with related parties and recognize as per BAS 24 'Related Party Disclosures'.

### 3.20 Financial Expenses

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

### 3.21 Employee Benefits

#### Short Term Employee Benefits

Salaries, bonuses and allowances are accrued in the year in which the associated services are rendered by the employees of the Company.

#### Workers Profit Participation Fund

As per Section 232 of Bangladesh Labor (Amendments) Act. 2013 Management has decided to provide 5% of net profit before tax charges as expenses which is payable to workers as defined scheme.

### 4.00 Property, Plant & Equipment

#### A. Cost

Opening Balance as on 01 July

Addition during the year

Amounts in Taka	
30-Jun-2017	30-Jun-2016

817,282,723	784,299,298
171,260,487	32,983,425

<b>Total Cost as on 30 June 2017</b>	<b>988,543,210</b>	<b>817,282,723</b>
<b>B. Accumulated Depreciation</b>		
Opening Balance as on 01 July 2016	248,870,391	212,930,360
Less: Prior year adjustment for excess depreciation Charge	(26,048,248)	-
Add. Depreciation for the year	54,265,239	35,940,031
<b>Total Depreciation as on 30 June 2017</b>	<b>277,087,382</b>	<b>248,870,391</b>

<b>Written Down Value (WDV) (A-B) as on 30 June 2017</b>	<b>711,455,829</b>	<b>568,412,332</b>
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Detail of fixed assets and depreciation as on 30 June 2017 are shown in the Annexure -A

#### 5.00 Capital Work In Progress

##### A. Kattali Expansion Unit

<b>Opening Balance</b>	<b>20,822,665</b>	<b>-</b>
Lease Land Development	34,188,635	19,522,665
Lease Rent for the year	3,900,000	1,300,000
<b>Closing Balance</b>	<b>58,911,300</b>	<b>20,822,665</b>

##### B. Dormitory Building For Employee

<b>Opening Balance</b>	<b>4,904,200</b>	<b>-</b>
Lease Land Development	-	4,704,200
Construction of Dormitory Building	1,000,116	-
Lease Rent for the year	600,000	200,000
<b>Closing Balance</b>	<b>6,504,316</b>	<b>4,904,200</b>

#### **Total Cost as on 30 June 2017**

<b>65,415,616</b>	<b>25,726,865</b>
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As per BAS 16, the associated cost of Land Development, Construction of Building, Procurement of Machineries & Equipment etc for the expansion unit of Kattali Textile Limited were capitalized and would continue until the unit is going to commercial operations.

#### 6.00 Inventories

Raw Materials in Stock - Note 20.1	115,772,447	95,224,714
Packing materials Note- 20.2	238,118	201,987
Work- in - process Note- 20	10,255,824	9,185,567
Oil and Lubricants Note -20.4.1	152,812	145,284
Stores & Spares - Note 20.4.2	351,580	291,258
Finished Goods - Note 20.3	34,313,011	32,647,527
	<b>161,083,792</b>	<b>137,696,337</b>

#### 7.00 Account Receivables

Opening Balance	224,525,933	193,118,326
Add: Export made during the period	595,295,265	486,266,104
	<b>819,821,198</b>	<b>679,384,430</b>
Less: Collected/Realized during the year	(565,091,117)	(454,858,497)
	<b>254,730,081</b>	<b>224,525,933</b>

#### 7.01 Disclosure as per schedule-XI, Part-I, of The Company Act,1994

Debts exceeding 6 Months	-	-
Debts below 6 Months	254,730,081	224,525,933
Other debts less Provision	-	-
Debts considered Good & secured	254,730,081	224,525,933
Debts considered Good without security	-	-
Debts considered doubtful or Bad	-	-
Debts due by directors or other Officers	-	-
Debts due from companies under same management	-	-
Maximum debt due by Directors or Officers at any time of the year	-	-

254,730,081      224,525,933

There is no related party transaction including in A/C Receivable

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. These are carried at invoice amount. All receivables have been considered as good and realizable. Therefore, no amount was written off as bad debt and no debt was considered as doubtful to provide for.

<b>8.00</b>	<b>Advance, Deposits &amp; Prepayments</b>		
	Advances - Note 8.1	21,693,426	31,201,465
	Deposits and Prepayments - Note 8.2	47,299,270	47,299,270
		<b>68,992,696</b>	<b>78,500,735</b>
<b>8.01</b>	<b>Advances</b>		
	Advance Against Salary	1,011,331	868,916
	L/C margin	952,481	439,103
	Advance Income Tax - Note 8.01.1	10,729,614	14,390,507
	Advance against Flat Purchase Note 8.01.2	9,000,000	15,502,939
		<b>21,693,426</b>	<b>31,201,465</b>
<b>8.01.1</b>	<b>Advance Income Tax</b>		
	Opening Balance	14,390,507	11,661,356
	Addition during the year	3,955,638	2,729,151
		<b>18,346,145</b>	<b>14,390,507</b>
	Adjustment during the year	(7,616,531)	-
		<b>10,729,614</b>	<b>14,390,507</b>
<b>8.01.2</b>	<b>Advance against Flat Purchase</b>		
	Opening Balance	15,502,939	12,669,789
	Addition during the year	2,849,283	2,833,150
		<b>18,352,222</b>	<b>15,502,939</b>
	Transfer to Fixed Asset	9,352,222	-
		<b>9,000,000</b>	<b>15,502,939</b>
<b>8.02</b>	<b>Deposits</b>		
	C & F Association	40,000	40,000
	Advance against Land Lease	47,005,000	47,005,000
	Electricity Board	129,150	129,150
	T & T Security	70,120	70,120
	WASA Security	55,000	55,000
		<b>47,299,270</b>	<b>47,299,270</b>
<b>9.00</b>	<b>Cash &amp; Cash Equivalents</b>		
	Cash in Hand	305,392	508,524
	Cash at Bank - Note 9.01	39,321	1,595,899
		<b>344,712</b>	<b>2,104,423</b>
<b>9.01</b>	<b>Cash at Bank</b>		
	<b>Particulars</b>	<b>Branch</b>	<b>A/C No.</b>
	Islami Bank Bangladesh Ltd.	Agrabad	AWCA20501030100333101
	Islami Bank Bangladesh Ltd.	Agrabad	MDA 20501032500006609
	Islami Bank Bangladesh Ltd.	Agrabad	ERQ 20501032100006605
	Islami Bank Bangladesh Ltd.	Agrabad	FC 20501032300006607
	Shajalal Islami Bank Ltd.	Agrabad	300111100013641
	One Bank Limited	Agrabad	FC 30060462127
	One Bank Limited	Agrabad	Margin 0030060462291
			<b>39,321</b>
			<b>1,595,899</b>

**10.00 Share Capital****10.01 Authorized Capital**

90,000,000 Ordinary Shares of Tk 10 each

900,000,000

900,000,000

**900,000,000****900,000,000****10.02 Issued, subscribed and paid-up Capital**

55,000,000 Ordinary Shares @ Tk 10 each

550,000,000

99,999,000

**550,000,000****99,999,000**

<b>Shareholding Position</b>						
<b>SL</b>	<b>Name of Share Holder</b>	<b>Nature of Shareholding</b>	<b>% of Sharehold</b>	<b>Number of Shares</b>	<b>30-Jun-2017</b>	<b>30-Jun-2016</b>
1	Mrs. Nasreen Hoque	Individual	7.17%	3,941,200	39,412,000	10,192,000
2	Md. Emdadul Hoque Chowdhury	Individual	19.24%	10,582,904	105,829,040	28,875,300
3	Md. Anwarul Haque Chowdhury	Individual	5.18%	2,848,848	28,488,480	1,669,000
4	Md. Mokarrom Anwar Chowdhury	Individual	4.53%	2,489,680	24,896,800	1,669,000
5	M/s Dayang Traders	Individual	0.58%	318,700	3,187,000	3,187,000
6	Tasnim Sayed	Individual	3.84%	2,112,530	21,125,300	1,669,000
7	Eian Appeals Limited	Company	6.84%	3,760,625	37,606,250	3,187,000
8	Lucky Corner	Company	6.11%	3,359,070	33,590,700	3,187,000
9	D.N. Securities Limited	Company	4.04%	2,223,250	22,232,500	3,187,000
10	Lucky Shipping	Company	4.40%	2,422,088	24,220,880	3,194,000
11	Mr. Junaid Quader	Individual	4.17%	2,293,700	22,937,000	5,227,000
12	Md. Farid Ahmed	Individual	4.82%	2,650,000	26,500,000	5,000,000
13	Honoree Capt. (Ret.) Sk. Muzibul Haque	Individual	1.49%	817,455	8,174,550	123,000
14	K.M Moshur Rahman	Individual	3.19%	1,752,015	17,520,150	191,000
15	Md. Bazlur Rahman	Individual	3.10%	1,707,360	17,073,600	7,835,700
16	Nadira Akter	Individual	4.75%	2,611,820	26,118,200	5,481,000
17	Md. Ruhul Azad	Individual	4.92%	2,703,890	27,038,900	10,676,000
18	Mr. Hossain Md. Sufiullah	Individual	2.98%	1,640,200	16,402,000	152,000
19	Mrs. Kismat Ara	Individual	1.10%	605,000	6,050,000	210,000
20	Mr. SK. Rezaul Karim	Individual	2.11%	1,159,665	11,596,650	5,087,000
21	Global Shoes Ltd	Company	1.27%	700,000	7,000,000	
22	Md. Shamsul Haque	Individual	0.45%	250,000	2,500,000	
23	Md. Shamsul Alam	Individual	0.09%	50,000	500,000	
24	Howa Nur Begum	Individual	1.82%	1,000,000	10,000,000	
25	Shammi Akhter Shibly	Individual	1.82%	1,000,000	10,000,000	
	<b>Total</b>		<b>100%</b>	<b>55,000,000</b>	<b>550,000,000</b>	<b>99,999,000</b>

		<b>Amounts in Taka</b>	
		<b>30-Jun-2017</b>	<b>30-Jun-2016</b>
<b>11.00</b>	<b>Retained Earnings</b>		
	Opening Balance	443,502,980	452,697,354
	Addition during the year	106,885,828	57,869,126
	Add. Prior year adjustment for excess depreciation charged	26,048,248	-
	Less: Issue of Bonus Share	-	(67,063,500)
	<b>Closing Balance</b>	<b>576,437,056</b>	<b>443,502,980</b>
<b>12.00</b>	<b>Share Money Deposit</b>		
	Opening Balance	264,393,559	203,610,628
	Addition during the year	185,607,470	88,718,431
		<b>450,001,029</b>	<b>292,329,059</b>
	Adjustment During the year	(450,001,000)	(27,935,500)
		<b>29</b>	<b>264,393,559</b>
	Paid off/ Adjusted with Cash	(29)	-
		<b>-</b>	<b>264,393,559</b>
<b>13.00</b>	<b>Deferred Tax</b>		
	Written down value (Accounting Base)	711,455,828	568,412,332
	Written down value (Tax Base)	454,086,879	370,428,461
	Temporary/(Deductible) Difference	<b>257,368,949</b>	<b>197,983,871</b>
	Effective Tax Rate	12%	20%
	Deferred Tax Liability/(Asset)	<b>30,884,274</b>	<b>39,596,774</b>
<b>14.00</b>	<b>Long-term Loan (HPHM)</b>		
	Opening Balance	3,048,131	3,139,565
	Addition During this year	400,417	-
		<b>3,448,548</b>	<b>3,139,565</b>
	Less. Adjustments during this year	796,642	91,434
		<b>2,651,906</b>	<b>3,048,131</b>
	Less: Current Portion of Long-Term Loan	398,325	396,197
		<b>2,253,581</b>	<b>2,651,934</b>

**Details of Bank Loan**

**Limit Amount** 2.75 Million

**Purpose** For Importing, Procuring fabrics & Associates as raw materials of Garments as well as import of garments machinery.

**Renewal Date** 29.12.2016

	<b>Particulars of Security</b>	<b>Ownership</b>	<b>Location</b>
<b>Security</b>	9.00 dec. of Land with 5,815 sqft Building	Emdadul Hoque Chowdhury	Chittagong
	74 decimal Land	Eian Apperials Limited	
	17 decimal Land	Emdadul Hoque Chowdhury	North
	9decimal Land	Emdadul Hoque Chowdhury	Kattali,
	6.13 decimal Land	Emdadul Hoque Chowdhury	Chittagong
<b>Limit</b>	Factory Building 6 stored	Kattali Textile Limited	
<b>Limit</b>	2.75 Million		
<b>Bank name</b>	Islami Bank Bangladesh Ltd.		

**15.00 Bank Overdraft**

<b>Particulars</b>	<b>Branch</b>	<b>A/C No.</b>		
One Bank Limited	Agrabad	30060462011	32,318,266	27,909,406
			<b>32,318,266</b>	<b>27,909,406</b>

**Details of Bank Loan****Limit Amount** 2 Crore**Renewal Date** 14.08.2013

	<b>Particulars of Security</b>	<b>Ownership</b>	<b>Location</b>
<b>Security</b>	6.67 decimal Land with building	Emdadul Hoque Chowdhury	Chittagong
	6.60 decimal Land	Emdadul Hoque Chowdhury	Chittagong
	84 decimal Land	Mrs.Nasrin Hoque	North Kattali,
	32 decimal Land	Emdadul Hoque Chowdhury	Chittagong
<b>Bank name</b>	One Bank Limited		
<b>Period</b>	1 Years		
<b>Rate of Interest</b>	16%		

**16.00 Trade Payable**

Alam Enterprise	511,640	481,639
Badar Box Ind. Ltd.	457,664	442,321
Brightex Garments	50,480	312,581
Crystal wash	-	203,885
Jahan Traders	401,881	84,527
JAM Washing	378,864	502,587
Munna Enterprise	625,618	483,331
MR Enterprise	483,187	-
Sears Accessories	334,984	-
Othithi International	205,731	186,904
Shaffness International	482,432	673,515
	<b>3,932,481</b>	<b>3,371,290</b>

**17.00 Liability for Expenses**

Audit Fees	75,000	50,000
Electric Bill Payable	339,426	503,936
Lease Rent Payable	540,000	375,000
Gas Bill Payable	123,275	111,472
Salary and Allowance	1,162,901	964,244
Directors Remuneration	290,000	290,000
Telephone Bill Payable	4,158	1,815
Provision for Income Tax- Note 17.01	36,823,216	35,598,406
	<b>39,357,976</b>	<b>37,894,873</b>

**17.01 Income Tax Provision**

Opening Balance	35,598,406	24,266,389
Addition During the Year	8,841,340	11,332,017
	<b>44,439,747</b>	<b>35,598,406</b>
Adjustment During the year	(7,616,531)	-
	<b>36,823,216</b>	<b>35,598,406</b>

**18.00 Short-Term Bank Loan****Particulars**

FBC  
 EPZ B/B Bills  
 Foreign B/B  
 Bills  
 Inland B/B Bills  
 Import from EPZ BB LC Usance  
 Inland B/B LC Usance  
 BAI SALAM  
 Bai As Sarf  
 Bai Muajjal FC bills

**Bank Name**

	-	3,158,545
	-	707,332
Islami Bank Bangladesh Limited	-	34,442,052
	-	14,210,210
	-	4,029,769
	-	5,073,684
	4,882,473	23,400,000
	-	22,433,542
	21,558,294	9,795,479
	<b>26,440,767</b>	<b>117,250,613</b>

**Details of Bank Loan****Renewal Date** 29.12.2016**Purpose** For Importing, Procuring fabrics & Associates as raw materials of Garments as well as import of garments machinery/ Spare Parts under Cash L/C.

<b>Particulars of Security</b>	<b>Ownership</b>	<b>Location</b>
9.00 dec. of Land with 5,815 sqft building	Emdadul Hoque Chowdhury	Chittagong
74 decimal Land	Eian Apperials Limited	
17 decimal Land	Emdadul Hoque Chowdhury	North
9decimal Land	Emdadul Hoque Chowdhury	Kattali,
6.13 decimal Land	Emdadul Hoque Chowdhury	Chittagong
Factory Building 6 stored	Kattali Textile Limited	
<b>Limit</b>	2.75 Million	
<b>Bank name</b>	Islami Bank Bangladesh Ltd.	
<b>Period</b>	1 Years	

**19.00 Turnover**

Mans L/S Shirt  
 Boys Pant  
 Ladies Shirt  
 Boys Polo Shirt  
 Boys Long Pant  
 Boys Jacket  
 Men's Flt Front Short  
 Ladies Shorts  
 Boys Trouser  
 Girls Top  
 Man's Top

49,802,784	41,091,406
63,653,556	52,956,369
91,006,681	75,681,232
38,866,115	32,937,386
38,616,865	32,100,470
47,929,177	36,840,259
86,373,662	66,339,218
59,275,412	48,907,106
46,491,363	38,710,544
32,493,772	27,078,143
40,785,877	33,623,971
<b>595,295,265</b>	<b>486,266,104</b>

**20.00 Cost of Goods Sold**

Raw materials consumed - Note 20.1  
 Packing materials consumed - Note: 20.2  
 Opening work-in-process  
 Closing work-in-process  
**Total Consumption**  
 Factory overhead - Note 20.4  
**Cost of goods manufactured**  
 Opening finished goods  
**Cost of goods available for sale**  
 Closing finished goods -Note-20.3  
**Cost of Goods Sold**

295,415,507	244,211,704
1,511,637	1,015,326
9,185,567	9,842,872
(10,255,824)	(9,185,567)
<b>295,856,887</b>	<b>245,884,335</b>
165,157,803	125,382,958
<b>461,014,690</b>	<b>371,267,293</b>
32,647,527	37,888,589
<b>493,662,217</b>	<b>409,155,882</b>
(34,313,011)	(32,647,527)
<b>459,349,206</b>	<b>376,508,355</b>

<b>20.1 Raw materials consumed</b>		
Opening inventory	95,224,714	48,194,385
Purchase during the year	315,963,240	291,242,033
Total materials available	<b>411,187,954</b>	<b>339,436,418</b>
Closing Inventory	(115,772,447)	(95,224,714)
<b>Raw materials consumed during the year</b>	<b>295,415,507</b>	<b>244,211,704</b>
<b>20.2 Packing materials consumed</b>		
Opening inventory	201,987	304,546
Purchase during the year	1,547,768	912,767
Total materials available	<b>1,749,755</b>	<b>1,217,313</b>
Closing Inventory	(238,118)	(201,987)
<b>Packing materials consumed during the year</b>	<b>1,511,637</b>	<b>1,015,326</b>
<b>20.3 Finished Goods</b>		
Opening inventory	32,647,527	37,888,589
Cost of Goods Manufactured	461,014,690	371,267,293
Total materials available	<b>493,662,217</b>	<b>409,155,882</b>
Cost of Goods Sold	(459,349,206)	(376,508,355)
<b>Closing Finished Stock</b>	<b>34,313,011</b>	<b>32,647,527</b>
<b>20.4 Factory overhead</b>		
Carrying & Handling	2,733,807	2,271,237
C & F Expenses	2,934,972	2,360,484
Carrying Inward	893,203	688,150
Depreciation Annexure-1	52,094,629	34,502,430
Gas Bill	695,362	590,379
Festival Bonus	8,125,130	6,729,532
Medical Expenses	310,755	229,567
Wasa Bill	395,388	411,860
Electricity Bill	4,081,174	2,303,614
Repair & maintenance	3,647,129	2,857,315
Oil & Lubricants - Note 20.4.1	740,823	553,380
Stores & Spare Parts - Note 20.4.2	1,450,471	1,198,197
Wages & Allowance	87,054,960	70,686,813
	<b>165,157,803</b>	<b>125,382,958</b>
<b>20.4.1 Oil &amp; lubricants</b>		
Opening inventory	145,284	152,635
Purchase during the year	748,351	546,029
<b>Total materials available</b>	<b>893,635</b>	<b>698,664</b>
Closing inventory	(152,812)	(145,284)
<b>Consumed during the year</b>	<b>740,823</b>	<b>553,380</b>
<b>20.4.2 Stores &amp; Spare Parts</b>		
Opening inventory	291,258	302,340
Purchase during the year	1,510,793	1,187,115
Total spare parts available	<b>1,802,051</b>	<b>1,489,455</b>
Closing inventory	(351,580)	(291,258)
<b>Consumed during the year</b>	<b>1,450,471</b>	<b>1,198,197</b>
<b>21.00 Operating Expenses</b>		
Administrative Expenses-Note 21.01	20,997,752	17,024,764
Selling & Distribution Expenses-Note 21.02	3,404,811	2,288,770
	<b>24,402,563</b>	<b>19,313,534</b>

<b>21.01</b>	<b>Administrative Expenses</b>		
	Audit Fees	75,000	50,000
	Depreciation -Annexure-1	1,085,305	718,801
	Director Remuneration	3,480,000	2,450,000
	Board Meeting Allowance	360,000	150,000
	Recruitment Expenses	36,208	32,835
	Lease Rent of Land	1,980,000	1,650,000
	Donation	56,989	54,200
	Electricity Bill	816,235	540,354
	Entertainment	855,066	609,572
	Vehicle Maintenance	479,008	279,021
	Legal and Professional Fee	221,300	180,000
	Miscellaneous Expenses	493,182	423,632
	Newspaper & Periodical	14,107	14,229
	Printing & Stationery	499,982	385,457
	Office Maintenance	724,757	604,457
	Salaries & Allowance	8,179,080	7,528,836
	Stamp & Postage	127,985	120,652
	Telephone & Communication	753,939	603,902
	Traveling & conveyance	759,610	628,817
		<b>20,997,752</b>	<b>17,024,764</b>
<b>21.02</b>	<b>Selling &amp; Distribution Expenses</b>		
	Business Promotion	285,667	246,152
	Depreciation -Annexure-1	1,085,305	718,801
	Discount Allowed	30,750	14,017
	Carriage Outward	239,626	104,858
	Mobile Bill	31,061	13,190
	R & D Expenses	32,722	21,557
	Salaries & Allowance	882,494	571,845
	Sales Commission	541,860	381,866
	Forwarding Expenses	166,499	140,797
	Traveling & conveyance	108,827	75,687
		<b>3,404,811</b>	<b>2,288,770</b>
<b>22.00</b>	<b>Financial Expenses</b>		
	Bank Interest	5,747,777	8,759,624
	Bank Charge	72,603	26,324
		<b>5,820,380</b>	<b>8,785,948</b>
<b>23.00</b>	<b>Other Income</b>		
	Wastage Sales	873,156	1,028,145
	Foreign Exchange Gain /(loss)	418,396	373,968
		<b>1,291,552</b>	<b>1,402,113</b>
<b>24.00</b>	<b>Provision for Income Taxes</b>	<b>22,700,577</b>	<b>25,191,254</b>
<b>24.1</b>	<b>Current Taxes Expenses</b>		
	Income Before Taxes	107,014,668	83,060,380
	Add: Depreciation	54,265,239	35,940,031
	Less: Capital Allowance	(87,602,069)	(62,340,324)
		<b>73,677,837</b>	<b>56,660,087</b>
	Tax Rate	12%	20%
	Current Taxes	<b>8,841,340</b>	<b>11,332,017</b>
<b>24.2</b>	<b>Deferred Tax Expenses</b>		
	Differed Tax Expenses	30,884,274	39,596,774
	Less. Opening Differed Tax	39,596,774	25,737,537
		<b>(8,712,500)</b>	<b>13,859,237</b>

**25.00 INFORMATION BASED ON PER SHARE****25.1 A) Earnings Per Share (EPS)-Basic Considering the weighted average number of Share***The computation of EPS is given below:*

Earning attributable to the ordinary shareholders	106,885,828	57,869,126
Weighted Average Number of Ordinary Share Outstanding at the end of the year	51,586,767	29,085,218
<b>Earnings Per Share- Basic</b>	<b>2.07</b>	<b>1.99</b>

*Calculation of Weighted Average Number of Shares Outstanding:*

Number of Share of Paid Up Capital	9,999,900	9,999,900
Weighted Average Number of Share Money Deposit	41,586,867	19,085,318
<b>Earnings Per Share- Basic</b>	<b>51,586,767</b>	<b>29,085,218</b>

**B) Basic Earnings Per Share (EPS) – Adjusted Considering full allotted number of Shares***The computation of EPS is given below:*

Earning attributable to the ordinary shareholders	106,885,828	57,869,126
Number of Ordinary Share Outstanding at the end of the year	55,000,000	55,000,000
<b>Earnings Per Share- Basic</b>	<b>1.94</b>	<b>1.05</b>

**25.2 NET ASSETS VALUE PER SHARE (NAV)****Net Asset Per Share (NAV)**

Total Assets	1,262,022,726	1,036,966,626
Less. Total Liabilities	135,585,670	493,464,646
<b>Net Assets Value (NAV)/ Shareholders Equity</b>	<b>1,126,437,056</b>	<b>543,501,980</b>
Number of ordinary shares outstanding during the year	55,000,000	9,999,900
<b>Net Assets Value Per Share (NAV)</b>	<b>20.48</b>	<b>54.35</b>

**25.3 A) NET OPERATING CASH FLOW PER SHARE (NOCFPS) Basic considering the weighted average number of Share**

Net Operating Cash Flows (from the statement of cash flows)	116,199,676	2,434,645
Number of Ordinary Share Outstanding at the end of the year	51,586,767	9,999,900
<b>Net Operating Cash Flows per share</b>	<b>2.25</b>	<b>0.08</b>

**B) NET OPERATING CASH FLOW PER SHARE (NOCFPS) Adjusted Considering the weighted average number of Shares**

Net Operating Cash Flows (from the statement of cash flows)	116,199,676	2,434,645
Weighted Average Number of Ordinary Share Outstanding at the end of the year	55,000,000	55,000,000
<b>Net Operating Cash Flows per share-Adjusted</b>	<b>2.11</b>	<b>0.04</b>

**26.00 OTHER COMMITMENTS, CONTINGENCIES AND RELEVANT INFORMATION****26.1 Contingencies**

There is no contingent event that may require recognition of contingent liabilities for the year ended 30 June 2017.

**26.2 Capital expenditure commitment**

There was no capital expenditure commitment or contract on 30 June 2017. There was no material capital expenditure authorized by the Board but not contracted for the year ended 30 June 2017.

**26.3 Directors' interest in contracts with the company**

There was no transaction resulting in Directors' interest in the company and no leasing facilities have been made available to the Directors.

**26.4 Segment Reporting**

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.

**26.5 Credit Facility Not Availed**

There was no credit facility available to the company under any contract, but not availed for the year ended 30 June 2017 other than trade credit available in the ordinary course of business.

**26.6 Attendance Status of Board Meeting of Directors**

During the year ended 30 June 2017, there were five Board Meetings were held. The attendance status of all the meetings is as follows:

Sl. No	Name Of Directors	Position	Meeting Held	Attendance June 2017	Attendance June 2016
1	Md. Emdadul Hoque Chowdhury	Managing Director	5	5	5
2	Mrs. Nasreen Hoque	Chairman	5	5	4
3	Md. Anwarul Haque Chowdhury	Director	5	5	2
4	Md. Mokarrom Anwar Chowdhury	Director	5	4	2
5	Waduda Sharmin (Eian Apparels Limited)	Director	5	4	2
6	Sifat Sabrina (Lucky Corner)	Director	5	4	-
7	Syed Manjur Quader	Independent	5	5	-
8	Mohammad Nurul Alam		Director	5	4

**26.7 Related party disclosures (BAS-24)**

The Company has no related party transactions as per Bangladesh Accounting Standards (BAS) -24 "Related Party Disclosures" executive compensation received by the following executives as Directors, Dormitory Installments, Lease Rentals and Lease Deposits received by Mr. Md. Emdadul Hoque Chowdhury and Eian Apparels Limited. Eian Apparels Limited has directorship in Kattali Textile Ltd. The Company carried out a number of transactions with related parties in the normal course of business on arms-length basis as follows which was also disclosed in Note number 26.8.1 to 26.8.4:

SL No.	Name of the Related Party & Relation	Nature	30-Jun-17	30-Jun-16
1	Md. Emdadul Hoque Chowdhury Managing Director	Director Remuneration & Meeting Attendance Fees	1,490,000	1,250,000
2	Mrs. Nasreen Hoque- Chairman		1,010,000	840,000
3	Md. Anwarul Haque Chowdhury- Director		650,000	270,000
4	Md. Mokarrom Anwar Chowdhury- Director		40,000	20,000
5	Waduda Sharmin (Nominee of Eian Apparels Limited)		520,000	220,000
6	Sifat Sabrina (Nominee of Lucky Corner)		40,000	
7	Syed Manjur Quader- Independent Director	Meeting Att.	50,000	-
8	Mohammad Nurul Alam- Independent Director		40,000	-
9	Md. Emdadul Hoque Chowdhury- Managing Director	Lease Rent	600,000	200,000
		Lease Security	-	406,000
10	Eian Apparels Limited	Lease Rent	5,880,000	4,900,000
		Dormatory Installment	2,849,283	2,833,150
		Lease Security	-	46,599,000
			<b>13,169,283</b>	<b>57,538,150</b>

**26.8 Disclosure as per requirement of Schedule XI, Part II, Para-4 of the Companies Act, 1994 :****26.8.1 The total amount of remuneration paid to Directors and Managing Directors is as follows :**

Sl.	Name	Designation	Amounts In Taka	
			30-Jun-17	30-Jun-16
1	Md. Emdadul Hoque Chowdhury	Managing Director	1,440,000	1,200,000
2	Mrs. Nasreen Hoque	Chairman	960,000	800,000
3	Md. Anwarul Haque Chowdhury	Director	600,000	250,000
4	Md. Mokarrom Anwar Chowdhury	Director	-	-
5	Waduda Sharmin (Eian Apparels Limited)	Director	480,000	200,000
6	Sifat Sabrina (Lucky Corner)	Director	-	-
7	Sayed Manjur Quader	In. Director	-	-
8	Mohammad Nurul Alam			
			<b>3,480,000</b>	<b>2,450,000</b>

26.8.2 Aggregated amount of Board meeting attendance fees are given below :

SL No.	Name	Designation	Amounts In Taka	
			30-Jun-17	30-Jun-16
1	Md. Emdadul Hoque Chowdhury	Managing Director	50,000	50,000
2	Mrs. Nasreen Hoque	Chairman	50,000	40,000
3	Md. Anwarul Haque Chowdhury	Director	50,000	20,000
4	Md. Mokarrom Anwar Chowdhury	Director	40,000	20,000
5	Waduda Sharmin (Eian Apparels Limited)	Director	40,000	20,000
6	Sifat Sabrina (Lucky Corner)	Director	40,000	-
7	Sayed Manjur Quader	In. Director	50,000	-
8	Mohammad Nurul Alam		40,000	-
			<b>360,000</b>	<b>150,000</b>

26.8.3 The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

Particulars	Amounts in Taka	
	30-Jun-17	30-Jun-16
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	3,550,000	2,310,000
Expenses reimbursed to Managing Agent	-	-
Commission or Remuneration payable separately to a managing agent or his associate	-	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-	-
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	-	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, subscription and interest thereon	-	-
iv) Share Based payments	-	-
<b>Amount In Taka</b>		
	<b>30-Jun-17</b>	<b>30-Jun-16</b>

**As per BAS- 24:**

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	12,901,574	10,700,681
(b) Post-employee benefits	-	-
(c) Other long-term benefits	-	-
(d) termination benefits and	-	-
(e) share-based payment	-	-
<b>Total</b>	<b>12,901,574</b>	<b>10,700,681</b>

26.8.4 Aggregated amount of Remuneration, Fess, Salary & Wages of employees are given below :

Particulars	30-Jun-2017	30-Nov-15
Directors Remuneration	3,480,000	2,450,000
Board Meeting Attendance Fees	360,000	150,000
Wages & Allowance	87,054,960	70,686,813
Salary & Allowance	9,061,574	8,100,681
	<b>99,956,534</b>	<b>81,387,494</b>

**26.8.5 Disclosures as per requirement of Schedule XI, Part II, Para-III of the Companies Act, 1994**  
**Employee position of the Company as follows:**

Salary Range (monthly)	Number of Employee		30-Jun-17	30-Jun-16
	Staff	Worker		
Below 5,500	-	-	-	-
Above 5,500	55	1,180	1,235	950

**26.9 Disclosure as per requirement of Para 7 of Part II of Schedule XI of the Companies Act, 1994**

**Utilization of Capacity - Para 7 of Schedule XI, Part II**

	30-Jun-17	30-Jun-16
Installed Capacity (Pcs) Per Month	404,250	387,375
Actual Production (Pcs) Per Month	351,082	336,228
<b>Capacity Utilization (%) for the year</b>	<b>86.85%</b>	<b>86.80%</b>

**26.10 Events after the Reporting Period**

No material events had occurred from the end of the reporting period to the date of issue of Financial Statements, which could materially affect the values stated in the Financial Statements except management decision as on 15th October 2017 to establish Workers Profit Participation Fund (WPPF). Necessary steps to recognize the WPPF is in process.

**Kattali Textile Ltd.**  
**Schedule of Property, Plant & Equipment**  
**as at 30 June 2017**

**Annexure-A**  
**(Amount in Taka)**

Particulars	Cost			Rate of Dep. (%)	Depreciation				Written Down Value as at 30-06-2017	Written Down Value as at 30-06-2016
	Balance as on 01 July 2016	Addition During the year	Balance as on 30 June 2017		Balance as on 01 July 2016	Adjust for Access Dep. up to June 2016	Charge during the period	Balance as on 30 June 2017		
Land & Land Development	42,476,000	3,293,288	45,769,288	0%	-		-	-	45,769,288	42,476,000
Factory Building and other Construction	212,305,956	25,305,579	237,611,535	3%	30,404,396	(2,945,029)	6,132,854	33,592,221	204,019,314	181,901,560
Plant & Machinery	500,007,039	56,636,200	556,643,239	10%	190,737,206	(21,246,161)	38,085,025	207,576,070	349,067,169	309,269,833
Electric Installation	5,774,480	10,632,616	16,407,096	10%	2,835,690	(152,998)	1,017,609	3,700,300	12,706,796	2,938,790
Tools and Equipment	7,841,770	18,938,690	26,780,460	10%	3,604,378	(177,422)	1,840,029	5,266,985	21,513,475	4,237,392
Office Equipment	9,640,300	9,884,636	19,524,936	10%	4,439,369	(343,739)	1,255,546	5,351,176	14,173,760	5,200,931
Furniture & Fixture	11,046,900	13,455,174	24,502,074	10%	5,167,545	(376,317)	1,734,961	6,526,189	17,975,885	5,879,355
Fire Fighting Equipments	5,708,055	9,578,908	15,286,963	10%	2,279,103	(170,348)	1,064,828	3,173,583	12,113,380	3,428,952
Motor Car	8,920,000	-	8,920,000	10%	3,948,266	(216,948)	518,868	4,250,186	4,669,814	4,971,734
Electric Substation	822,000	4,100,058	4,922,058	10%	377,066	(12,711)	390,619	754,973	4,167,085	444,934
Factory equipment	12,740,223	19,435,338	32,175,561	10%	5,077,373	(406,575)	2,224,900	6,895,697	25,279,864	7,662,850
<b>Total</b>	<b>817,282,723</b>	<b>171,260,487</b>	<b>988,543,210</b>		<b>248,870,391</b>	<b>(26,048,248)</b>	<b>54,265,239</b>	<b>277,087,382</b>	<b>711,455,828</b>	<b>568,412,332</b>

**Allocation of depreciation**

Manufacturing Expenses <b>Note: 20.4</b>	96%	52,094,629
Administrative Expenses <b>Note: 21.01</b>	2%	1,085,305
Selling & Distribution Expenses <b>Note: 21.02</b>	2%	1,085,305
	<b>100%</b>	<b>54,265,239</b>