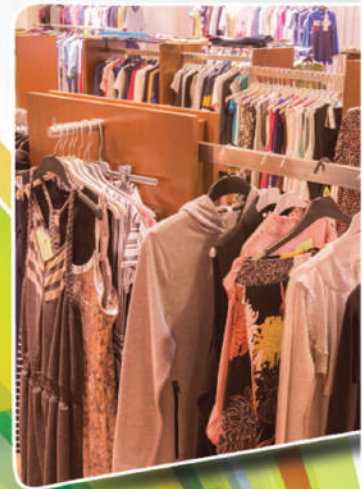


Annual Report 2017



Because
Every
Stitch
Matters



NORTHERN TOSRIFA
GROUP

The Potentialisers

TOSRIFA INDUSTRIES LIMITED

Our Achievements



LEED

Leadership in Energy and Environmental Design

Annual Report - 2017



The Potentialisers

TOSRIFA INDUSTRIES LIMITED



WHO WE ARE

Tosrifa Industries Limited (“TIL”) is a sister concern of **Northern Tosrifa Group (“NTG”)** involves with 100% export oriented composite knit garments manufacturing facility that focuses not only maximizing the year end revenue rather it aims on being a **Potentialisers** to deliver the satisfaction of its stakeholders. It is an organization that has been evolving more than one decade. It is one of the most renowned vertically integrated composite knit garments manufacturers in Bangladesh having strong backward linkage with different suppliers as well as some reputed buyers in the world with product superiority and diversity.

Since the beginning in 2002, TIL has emerged as a dedicated and preferred name to all of its stakeholders met their expectations and demands. Now, TIL is driven by most experienced and effective management system in this industry to get the positive outcome. Also, in alignment with its success to be the most preferred readymade garments manufacturer in the country. TIL has used its own logo **“The Potentialisers”** that indicates the future possibilities of success behind the revamp of the organization. Moreover, the initiative of green color palette that has been chosen for the **“Go Green”** concept which is being widely used in the current world to save our planet through reducing carbon footprint and less energy consumption. TIL is serving as the most positive value adding organization to let its all stakeholders fulfill all their desires and go beyond.

The performance of the company indicates that the company is on the right track in the year backed by right strategies and having a positive leadership to deliver **“Consistent Return for Shareholders”**. TIL aims to create stakeholder belongingness by aiming to do far beyond what is expected. Company fundamentals became solid with usage of modern and energy efficient technology in the country that was an achievement of **LEED – Gold Rated Green Building from United States Green Building Council** which clearly differentiates TIL from other competitors in this industry.

“WE VALUE OUR SHAREHOLDERS”

TOSRIFA INDUSTRIES LIMITED



Letter of Transmittal

All the Shareholders
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies & Firms

Subject: Annual Report for the year ended on 30 June 2017.

Dear Sir (s),

We are pleased to enclose herewith a copy of the Annual Report together with the Audited Financial Statements for the year from 01 July 2016 to 30 June 2017 of Tosrifa Industries Limited along with reports of the Directors and Auditors thereon for your reference and record.

Sd/-
Hayder Ali
Company Secretary

Date: 06 December 2017
Dhaka

N.B: The Annual Report 2017 is also available in the website of the Company at www.til.com.bd

Notice of The 15th Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of Tosrifa Industries Limited will be held on 28 December 2017 at Baridhara DOHS Convention Center, DOHS Baridhara, Dhaka Cantonment at 11:00 AM to transact following agenda:

- ▶▶ To receive, consider & adopt the Director Report to the Shareholders, Auditors Report and Audited Financial Statements for the year ended 30 June 2017.
- ▶▶ To declare dividend for the year ended on 30 June 2017.
- ▶▶ To retire & elect directors in terms of the relevant provision of the Articles of Association of the Company.
- ▶▶ To appoint Auditor of the Company for the Financial Year 2017-18 and fix-up their remuneration.
- ▶▶ Miscellaneous if any.

By Order of the Board
Sd/-
Hayder Ali
Company Secretary

Date: 6 December, 2017
Dhaka

Notes:

- i. The record date in lieu of Book-Closure shall be on **20 November 2017**.
- ii. That, Record Date declared i.e., 20 November 2017 for entitlement of **10% cash dividend** will be paid subject to approval of the shareholders in the forthcoming AGM.
- iii. The Shareholders' whose name will appear in the Share Register of the Company and in the Depository register on the Record date will be eligible to receive the dividend.
- iv. The proxy form must be affixed with requisite revenue stamp and must be deposited at the Share Office of the Company not less than 48 hours before the time fixed for the meeting.
- v. Members are requested to submit to the Company's Share Office on or before 24th December 2017; with their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the company.
- vi. Admittance to the Meeting Venue will be on production of the Attendance Slip that will be sent with the Notice.
- vii. The concerned brokerage houses & merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses & merchant bankers are also requested to provide us with their Bank Account Name, number, routing number etc. on or before 24 December 2017.

N.B: Members please note that no gift or benefits in cash or kind will be given at the AGM.

FORWARD LOOKING STATEMENT

“TIL is striving to strengthen its position in readymade garments industry through setting up an eco friendly knit dyeing unit for continuing the demand-driven expansion of the business by increasing production capacity, expanding the range of value-added products and strong backward linkage facility”

Forward-looking information is inherently uncertain but in this year we are concentrated on “Sustainable Progress” which is the key motto of TIL. To earn the sustainable progress following measures is taken:

- ✓ In this year, TIL has already accomplished the most awaited Green Dyeing Unit which is expected to be run by full volume very soon.
- ✓ We are focused to establish our own backward linkage facility to ensure future sustainability and show strong presence in RMG industry which is increasingly required for shorter lead time.
- ✓ We have taken numerous strategies to implement lean manufacturing production facility and this will definitely help us facing future challenges and move ahead.
- ✓ As a part of go green initiative, we had done some heavy investment to save energy especially during the time when our country was in the midst of an energy crisis. Putting priority in ecological balance of the environment we plan to move forward with our stakeholders.
- ✓ We continuously invest in our human capital by initiating effective training programs related to job responsibility that will help us in a long run.
- ✓ Our dependence on key management and our ability to attract and retain key personnel;
- ✓ We are up-grading our interface and functions by using latest technology, systems and tools. This will increase operational efficiency, reduce lead time and speed up decision making process. It will also enable quicker information dissemination from all employees, thereby its cost efficient.
- ✓ We engage in our activities with maintaining strict compliance followed by all regulators, good governance in norms and regulations to ensure long term sustainability.

We are exploring other opportunities to further strengthen our position as a vertically integrated RMG company to step forward with other contemporary competitors. With our well defined strategy, focused demand-driven expansion of the business, our competitive position in the industry, supported by our sustainable financial position, we are well poised to grow further.



Founder

OF NORTHERN TOSRIFA GROUP

Shafiuddin Ahmed

The Path Finder



Founder

Chairman

OF TOSRIFA INDUSTRIES LIMITED

Tosrifa Ahmed

Our Inspiration



Rafiq Hassan

CHAIRMAN

“Company’s focus on consistent performance and higher profit directly reflects its capacity to deliver superior quality product and greater financial return to shareholders in the long run”



CHAIRMAN'S STATEMENT

Dear Shareholders,

Welcome to 15th Annual General Meeting of Tosrifa Industries Limited. I am honored to greet you all to the gathering where we will celebrate our company's success together.

In the year of 2016-17 Garments Manufacturing sector of Bangladesh has gone through unexpectedly low growth. Most of the producers faced difficulties of average price fall, national infrastructural problem, energy shortage, devaluation of Euro and appreciation BDT against US Dollars. We have seen only a 0.20% rise of export growth which is the lowest on record in the last one and a half decades.

In midst of all such complications, I feel proud to inform you that, we continued to make progress. With our long-term sustainable growth strategy in the last few years we added the first state of the art LEED Certified Company. We continue to consider Product Quality, People, Customer Experience, Environment and Society as the key components of our success matrix.

Last year our performance has been reasonable in terms of income. We achieved a total comprehensive profit of BDT 8.34 Crores for the year ended on 30 June, 2017. With time, our Net Profit Margin and Return on Equity increased to 18.81% and 6.91% respectively.

With more than a decade of experience in the industry, TIL has clearly established its business strategy and core values of pursuing stable sustainable growth. Our Company not only continues to be observant on emerging opportunities but also are fully aware of the financial implications and capital commitments required to seize it.

Apart from the macro economic slowdown, TIL has upgraded its product quality, through strong backward linkage facilities and on-time delivery. Along with this, we have established high levels of corporate governance and financial discipline. We have been maintaining consistent dividend policy and a careful balance between retaining the capital required for business and sharing its profits. We prolong to stay focused on pursuing profitable growth.

I am grateful to our investors, Securities and Exchange Commission, stock exchanges, employees, customers, suppliers and all regulatory authorities for their trust and support on the Management of Tosrifa Industries Limited. Thank you for being with us.

With warm wishes,

Sd/-
Rafiq Hassan
Chairman



Mokim Hassan

MANAGING DIRECTOR

“Tosrifa Industries Limited is proud to value its shareholders’ return by meeting the highest standards and certifications, in terms of quality confirmation by using specific methods designed to ensure its stakeholders’ satisfaction and exceeding their requirements”



MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

It is an honor to write this statement as the Managing Director of Tosrifa Industries Limited (TIL) and to welcome you all to the 15th Annual General Meeting of the Company and present the annual report of the financial period which ended on June 30, 2017.

The company has maintained a consistent profit margin despite a weaker growth in the textile and apparel sector as per the forecast in the year 2016-2017; the export growth was only at 0.20% whereas it was expected to be 2%. We could keep our profit margins consistent by keeping our costs in line with the budget and in some cases lower than the budget.

In recent years, Bangladesh has become a preferred destination for Garments Manufacturing due to strict turn around time from buyers, higher cost of production, and various other compliance issues in other competing countries. We have initiated thorough expansion programs to capitalize these opportunities in the industry by establishing a Green Dyeing Unit and significant enhancement in our production capacity.

I feel proud to inform you that our Green Dyeing Project at Beradiarchala will start full commercial production by coming months. It was a dream to establish a facility which uses the latest knit fabric dyeing technology and our continuous effort in the last few years have made this dream come true.

We introduced state of the art technology to reduce the usage of water, energy and minimize our carbon footprint in the environment. We believe that in order to be a sustainable company, protecting our environment is one of the key focus areas. We are driven towards enhancing our productivity and core competencies through continuous technological advancement, minimization of waste, and reduction of cost by keeping the environmental factors in alignment.

We are constantly investing to modernize our operational performance and will continue to do so. We are upholding and upgrading our position to our valued buyers by offering them high quality products at competitive pricing.

We have systematic processes of reviewing corporate governance and legal requirements. Each member of our Board of Directors is a person of integrity with complete knowledge of their responsibilities along with deep understanding of the business and its operations. I humbly acknowledge all related parties' valuable contributions to the progress of this Company. Thank you for being a part of our journey.

We are now country's one of the leading vertically integrated Garments Manufacturing Company. We will continue to expand our footprint across the globe by achieving higher efficiency in production and by delivering superior value to all our stakeholders.

As our progress continues, responsibilities and challenges will increase although, the challenges we currently face are also not to be underestimated. Our success plays an important role to our shareholders, valued buyers, our people and the industry where we are holding such a leading position.

I am extremely proud and thankful to all the employees for their contribution throughout the year. I am grateful to them for implementing our strategy, living up to our values and representing the company in their respective communities.

I appreciate and deeply value the tremendous trust our honorable shareholders have shown. I would like to express my humble gratitude to the shareholders, regulators and all other stakeholders for their contributions towards the non-stop growth of the Tosrifa Industries Limited.

Thanking you all,

Sd/-
Mohim Hassan
Managing Director

VISION

We are focused to be the most preferred name to our stakeholders, customers, employees, suppliers, society and shareholders.



MISSION

EXCEED our customer's expectations delivering right products in right time with excel quality and customer service.

EMPOWER our Human Resource turning them into our Best Asset.

CONTRIBUTE to the enhancement of our Society and Environment.

MAXIMIZE Shareholder's Value.



CORE VALUES

- Highest Compliance Standard
- Safety First
- Continuous Improvement
- Customer Focus
- Transparent business
- Fairness



CORE VALUES

CREDIT RATING

The summary of the up-to-date credit rating done by the **Credit Rating Information and Services Ltd. (CRISL)** is presented below:

Credit Rating Report

Date of Rating : November 28, 2017		Valid up to : November 27, 2018	
	Long Term		Short Term
Entity Rating	A+		ST-3
Outlook	Stable		
Bank Facilities Rating			
Bank/Fl	Mode of Exposures (Figures in Million)		Ratings
The City Bank Limited	WCL - TK. 1,380.00		blr A+
	TLO - TK. 391.77		
Mutual Trust Bank Limited	WCL TK. 925.00		blr A+
Standard Chartered Bank Limited	TLO - TK. 540.00		blr A+

CRISL has reaffirmed the **Long Term rating to 'A+'** (Pronounced as single A+) and **Short Term rating to 'ST-3'** of Tosrifa Industries Limited (TIL) based on both relevant qualitative and quantitative information up-to the date of rating. The above ratings have been reassigned due to consistent maintenance of the fundamentals of the company such as equity based capital structure, good financial performance, sound infrastructure, regular loan payment history, experienced management team etc. However, the above factors are, constrained to some extent by moderate production capacity, risk of political instability as well as other industry specific and macroeconomic factors.

The Long Term rating implies that entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The Short Term rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good.

CRISL also placed the company with **"stable outlook"** in consideration of its consistent business growth and demand for the products.



REPORT

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Board of Directors & Corporate Profile

Board of Directors

Chairman	- RAFIQ HASSAN
Managing Director	- MOHIM HASSAN
Director	- NAIM HASSAN
Director	- LYRA RIZWANA QUADER
Director	- ANJUMAN ARA BEGUM
Independent Director	- PROF. DR. KHONDAKAR MOHAMMOD SHARIFUL HUDA
Independent Director	- MD. NASIRUL ISLAM

Corporate Executives

Chief Financial Officer	- MD. ZILLUR RAHMAN, FCMA
Company Secretary	- HAYDER ALI
Executive Director	- HASIBUDDIN AHMED
Chief Operating Officer	- MD. ARMANUL AZIM
Sr. DGM-Fabric Division	- MD. HABIBUR RAHMAN
Sr. AGM-Garments Division	- MD. KHURSHED ALAM
Head of Internal Audit	- MD. MONIR HOSSAIN BHUIYAN, ACCA

Registered Office

Plot # 28-30, Level-16, Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh

Corporate Office

4/2A, Plot-49 & 57, Mouja: 135, Gopalpur, Munnu Nagor, Tongi, Gazipur, Bangladesh

Factory - 01

4/2A, Plot-49 & 57, Mouja: 135, Gopalpur, Munnu Nagor, Tongi, Gazipur, Bangladesh

Factory - 02

Holding No-121/1, Block-H, Beraiderchala, Sreepur, Gazipur, Bangladesh

Auditor

Ahmad Akhtar & Co.
Chartered Accountants

Bankers



THE CITY BANK LIMITED



STANDARD CHARTERED BANK



MUTUAL TRUST BANK LIMITED

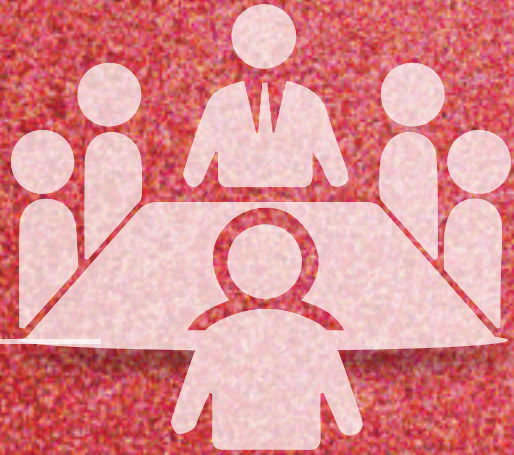
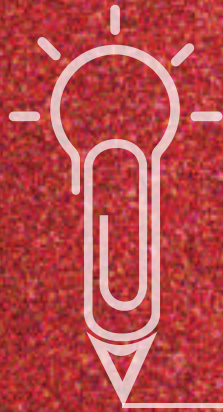
Credit Rating Company

CRISL Credit Rating Information and Services Ltd.

Legal Adviser

Dr. Kamal Hossain & Associates





*Board of
Director's
&
Management Profile*





Rafiq Hassan, Chairman

Rafiq Hassan, aged 46, is the director of the Company and brings with him 25 years of managerial experience. After completing his Bachelors degree in Business Administration from Assumption University, Thailand in the year 1994 he has been very instrumental to the Company's activity and growth. He has travelled home and aboard gaining experience in the textile technology and management techniques. He is also the Director of Northern Air Ltd., Total Freight Ltd. Enviro Pac Ltd, Northern Knit Limited, Northern Yarn Limited, Northern Corporation Limited and Comfort Wear International Limited. Along with his managerial skill he has keen interest in advanced technology, ERP and automation. Rafiq Hassan loves to take part in different community activities which are beneficial for the society.



Mohim Hassan, Managing Director

Mohim Hassan, aged 51, is the Managing Director of the Company. He obtained MSS degree from University of Dhaka in the year of 1990. He has never stopped educating himself from the different institute both home and abroad. He started his business career in 1987 with Northern Corporation Limited, Director of Enviro Pac Limited, Fashion Asia Limited, Northern Corporation Limited, Northern Knit Limited, Northern Yarn Limited, Comfort Wear International Limited and Printers & Printers Ltd. He has special interest in sharing knowledge with reputed scholars in the areas of organizational behavior, ethical practice in business, human efficiency and Corporate Social Responsibility (CSR). His commitment into development and improvement of Group's business has already seen over 29 years of success. As a sign of his commitment to CSR he received the award for CSR activities from the BGMEA in 2009.



Naim Hassan, Director

Naim Hassan, aged 49, is a director of the Company. He completed his MSS from University of Dhaka in 1993. Apart from that he has attended many diploma and certificate courses on textile technology, international sales and marketing, human resource management and capacity building. After completion of his education he joined as Director of Northern Corporation Limited a concern of the same group and subsequently by merit and performance he became a successful business man within short time. He has great knowledge about yarn quality and overall production process of RMG. His knowledge and perseverance has got him numerous awards. With over 26 years of experience of textile manufacturing and marketing, Naim Hassan is also serving as Managing Director of Fashion Asia Limited, Printers & Printers Ltd., Director of Enviro Pac Limited, Northern Knit Limited, Northern Yarn Limited. He has great passion for the development of Bangladesh and all his business decisions are taken with the development of country and community in mind.



Lyra Rizwana Quader
Director

Lyra Rizwana Quader is a Director of the Company. She completed Bachelors in commerce from University of Dhaka in the year 1993. After graduation she worked as a teacher for a few years. She is wife of Mohim Hassan and takes passion in promoting corporate social responsibility and business ethics. Lyra Rizwana Quader believes that the Company has responsibilities towards the society and environment and is keen in ensuring such responsibilities are fulfilled.



Anjuman Ara Begum
Director

Anjuman Ara Begum is a Director of the Company. She is completed Bachelors degree from University of Dhaka in the year 1994. She is wife of Naim Hassan. Her farsightedness in socioeconomic activities has been very helpful to the organization success. She is keen in looking after compliance and labor right issues in the factory and takes an interest in prompting women's rights in the workplace.



Prof. Dr. Khondakar Mohammad Shariful Huda, Independent Director

Prof. Dr. Khondakar Mohammad Shariful Huda, aged 49, is one of the Independent Directors of the Company. He is in teaching profession as a Professor, Department of Geography and Environment of Jahangirnagar University. He is a specialist on Geographical Information System (GIS), Global Positioning System (GPS) and Remote Sensing for Environment and Resource Management, Water Resource Management and Disaster Management having extensive field experience and advanced computing skills. He did his B.Sc. and M.Sc. in Geography, Jahangirnagar University and M.A. in Geographical Information for Development from University of Durham, UK. As recognition of his bright career he was nominated by the Bangladesh Government and was awarded DFID Scholarship for Masters in Geographical Information for Development in 1995 and by the Commonwealth Academic Staff Scholarship Commission for doing a prestigious doctoral programme in the UK. As a result, he completed PhD on "Detecting and Monitoring Water Resources at Local and Regional Levels for Environment, Planning and Development of Bangladesh using GIS-RS Technology." He is a resource personnel having vast contributions in research works in relevant fields and attended in remarkable international and national forums. Apart from university teaching and research, he has engaged himself in different social and youth development program. With his dynamic practical knowledge and experiences, he is able to help the company in the development of operational activities and corporate governance practice.



Md. Nasirul Islam
Independent Director

Md. Nasirul Islam, aged 65, has been appointed as one of the Independent Directors of the Company. He has completed his M.Com. under University of Dhaka in the year 1976. After the academic qualification he joined Bangladesh Agriculture Development Corporation (BADC) as an Assistant Accountant and served BADC for 34 years and he retired from the organization as In-charge of J.C.A. He has done many government certificate courses on Finance, Accounts, Tax, VAT etc. He has acquired vast knowledge in accounts and finance of government organization during his service life and able to hold key position in the same field. He has got long experience of 34 years as professional accountant. Having rich experience in various industrial concerns he has acquired the required experience, fitness and financial efficiency to run any business unit. He is associated with and donors of mosques, madrasa, schools and other social welfare organization. After being appointed as an Independent Director of the Company he is doing his duties to develop the corporate governance culture of the Company. He is also appointed as Chairman of the Audit Committee created of the Company.



Md. Zillur Rahman, FCMA
Chief Financial Officer

Md. Zillur Rahman, FCMA, aged 47 years, is the Chief Financial Officer of the Company. He did his M.Com. from the Department of Management under Business Studies Faculty of the University of Dhaka. In the path of becoming a qualified accountant of the country, he became Associate Member and Fellow Member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) in 2004 and 2010 respectively.

He started his career in management level and till now continues it in a number of renowned organizations with his superior talents and excellences. He has acquired vast knowledge in finance & accounts, commercial operation, internal audit & control, supply chain management and integrated ERP system of various types of company of various sectors during his service life and able to hold the key position in the

same field. He has reached his professional experience to the utmost level by acquiring the both type of experiences to work in financial sector, manufacturing and service sector. He has also experience to work with the multinational companies so that he gathered his knowledge to work abroad the country. He has got long 22 years experience as professional accountant. Having rich experience in various industrial, telecommunication and financial concerns, he has acquired the required experience, fitness and financial efficiency to run any type of business unit. He is associated with and donors of mosques, madrasha, schools and other social welfare organization. He has participated several television talkshows on various business issues. He has also visited many countries of the world in connection with business and has gathered sufficient knowledge.



Hayder Ali, Company Secretary

Hayder Ali, aged 56, is Company Secretary of the Company. He has completed his Bachelors of Commerce Degree under Rajshahi University in the year 1980. After graduation he worked as an accountant at Bangladesh Red Crescent Society for a few years. He worked with several renowned Companies like Steel re-rolling Mills, Textile Industries, Ready Made Garments Industries and so on. He has attended many certificate courses on Finance, Accounts, Tax, VAT etc. On the way of his profession he has completed MBA degree in Finance from Victoria University of Bangladesh in 2011. He is a man of several cultural affairs. He is a listed artist of Bangladesh Television and Bangladesh Betar. He has great passion and committed for the environmental and social development of the Country.



Hasibuddin Ahmed
Executive Director

Hasibuddin Ahmed, aged 66, is the Executive Director of the Company. He has completed his Bachelors of Commerce Degree under Rajshahi University in the year 1973. After completion of graduation he started his family business with his father for few years. He then started his service life from 1981. He worked with several renowned Companies like Steel re-rolling Mills, Textile Industries, Ready Made Garment Industries and so on. He has done many certificate courses at home and abroad on various business development activities like textile technology, international sales & marketing, human resource development etc. He has joined at Northern Corporation Limited on 1987 and he has established himself as a man of sincerity, honesty, laborious and leader of the leaders with Northern Tosrifa Group. He has very fine knowledge over raw yarn quality, dyed fabric quality and overall RMG production process. He already proved his commitment into the development and improvement of the Company's business.



*Corporate Governance
Statement*

The Tosrifa Industries Limited (TIL) as a Company is committed to good corporate governance, which promotes the long-term interests of shareholders, strengthens Board and management accountability and helps us to build public trust in the Company.

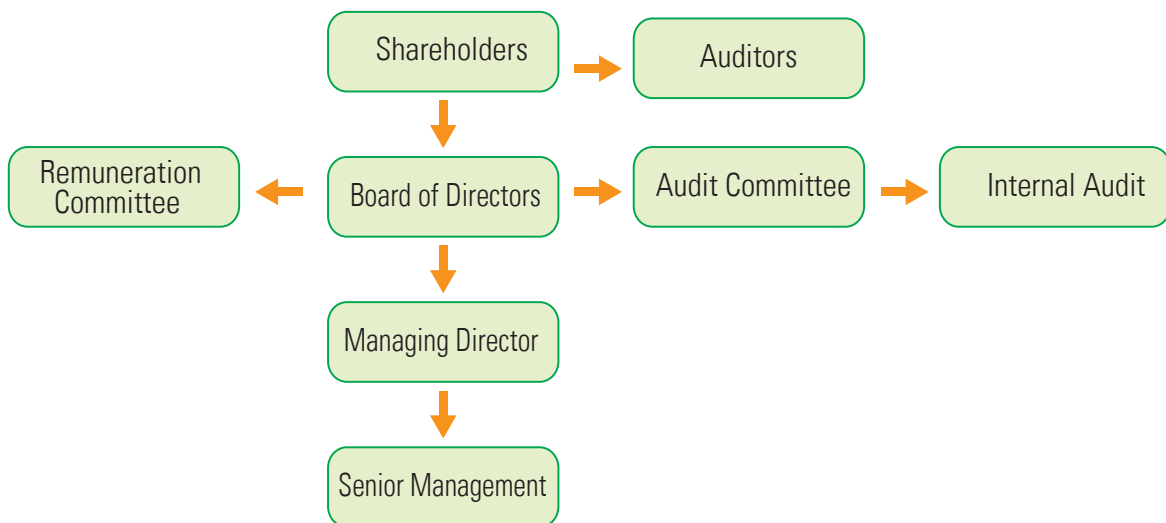
We believe this is essential for the long term performance and sustainability of our Company and supports the interests of our shareholders. Each TIL Board of Directors is responsible for ensuring that the Company has an appropriate corporate governance framework to protect and enhance Company's performance and build sustainable value for shareholders.

“The cornerstones of TIL Corporate governance philosophy are trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability”

TIL administrative bodies and officers with the greatest decision-making power are the General Meeting Shareholders, the Board of Directors, the Chairman of the Board and the Managing Director. At the Annual General Meeting of Shareholders, the shareholders approve the financial statements, decide on the distribution of profits, select the members of the Board of Directors and the auditor and determine their remuneration, as well as decide on amendments of the BMRE Project related schedule approval from shareholders.

We continuously focus and upgrade our existing system to ensure accountability, transparency & sustainability. These policies keep in the line with the regulator prescribed guideline.

TIL Governance Framework is depicted in the following diagram:



	Strategy, Planning and monitoring	Shareholder communication and compliance	Risk management and internal controls
Approving	<ul style="list-style-type: none"> ➤ Corporate strategies, budgets, plans and policies ➤ Appointment of the senior management team including the Company Secretary & CFO. ➤ Fixes remuneration of the senior, mid-level management and the Independent Directors (within shareholder approved limits) and the policy ➤ Ensuring that decisions and investments are consistent with long term strategic goals ➤ Establishing corporate values and standards, emphasizing integrity, honesty and proper conduct with all respect related to internal & external dealings. 	<ul style="list-style-type: none"> ➤ Procedures to ensure compliance with applicable laws, regulations, accounting standards, ethical standards and business practices. ➤ Providing a balanced and understandable assessment TIL's performance, position, prospects, distributed dividend and other price sensitive information to regulators as well as shareholders. ➤ Material and other market announcements related to shareholder. 	<ul style="list-style-type: none"> ➤ The Company's risk management framework and internal control systems.
Reviewing and Monitoring	<ul style="list-style-type: none"> ➤ Implementation of corporate strategies, budgets, plans and policies. ➤ Financial and business results (including the audit process) in order to understand the financial position of the company. 	<ul style="list-style-type: none"> ➤ Implementation of compliance procedures as per regulatory authority and the countries existing law. ➤ Timeliness and accuracy of information provided to shareholders and the financial market. 	<ul style="list-style-type: none"> ➤ Implementation of risk management framework and internal control systems. ➤ The Company's wider risk management profile. ➤ Internal Process of determining, monitoring & assessing key risk areas.
Evaluating	<ul style="list-style-type: none"> ➤ Performance against corporate strategies, budgets, plans and policies ➤ The performance of the company and reviewing the performance evaluation of other members of the senior management team. 	<ul style="list-style-type: none"> ➤ The effectiveness of reporting procedures and mechanisms. ➤ Whether adequate, accurate and timely information is provided to shareholders and the financial market. 	<ul style="list-style-type: none"> ➤ The Company's wider risk process for assessing the effectiveness of risk management practices.

In this modern era, good corporate governance contributes to sustainable economic development by enhancing the performance of the company. All directors and employees are bound by a code of Conduct that sets for the Company's policies on important issues, including its relationship with Customers, Suppliers, Contract Manufacturers, Shareholders and Government. This company corporate Governance philosophy not only meet the regulatory and legal requirement but also practice aimed at a high level of business ethics and enhancement of value for all shareholders.



Framework & Regulation Applied

TIL has incorporated in its Governance the guidelines prescribed in the code of Best Practice on Corporate Governance revised notification by Bangladesh Securities and Exchange Commission (BSEC) as on 07 August 2012. This Notification shall be followed by all the listed companies on 'comply basis' within 31 December 2012 which will further enhance the state of corporate governance in the interest of investors and the capital market.

“Good governance is putting a company at the center of development process.”

Composition of Board

In order to keep pace with the concept of good corporate governance practice and the provisions of Articles of Association, the Board of Directors is liable for overall management relating to the entire affairs of the Company. Here, the Board of Directors holds periodic meetings to ensure the smooth managerial practice in the Company. At present in TIL the Board of directors presently consists of 7 (seven) Directors including 3 (three) executive directors, 2 (two) Non-Executive Directors and 2 (two) Independent Directors. Mr. Rafiq Hassan currently occupies the position of Chairman of the Board and Mr. Mohim Hassan as its Managing Director. The Board of Directors is reconstituted every year by the Shareholders through retirement or re-election or election of one-third of its members in the AGM.

The Board Members of TIL have wide range of expertise and significant experience in corporate strategy making, legal & financial activities enabling them to discharge governance duties in an effective manner.

Responsibilities for Board of Directors

The Board's principal responsibilities include:

- ☐ Ensuring that the Company is governed effectively to attain its broad objectives.
- ☐ Approving the Company business strategy and ensuring that an effective management team and the necessary financial and human resources are in place for the Company to meet its objectives.
- ☐ Review the utilization of fund raised through Initial Public Offering (IPO) issue by the company.
- ☐ Appropriation of profit and dividend declaration and recommendation of final dividend.
- ☐ Formulating the Company's governance framework and approving the Standards of Business Conduct and policies of the Company.
- ☐ Identifying risk and concern, reviewing the Company's risk management and internal control system.
- ☐ Approving the Company's Annual Report and reviewing its periodical financial reports.
- ☐ Considering and approving other matters specifically reserved for the attention of the Board.
- ☐ Organizing Annual General Meeting with usual agenda for shareholders deliberations.
- ☐ Overseeing the conduct of the Company's business to evaluate whether the business is properly managed.
- ☐ Ensuring and guiding management to manage external stakeholders.
- ☐ Receiving and reviewing reports of Board Committees.
- ☐ Empowering the management's responsibilities through appropriate delegation of authorities for business operation.

In discharging its responsibilities, the Board is guided by the regulations contained in the memorandum and Articles of Association of the Company, the Companies Act, 1994, Relevant applicable regulations, BSEC Codes of Corporate Governance, Listing Regulations 2015, Company's standards of Business Conduct, Business Principles, Statement of Delegated Authorities and other generally accepted corporate best practices.

Board Meetings

During the year from 01 July 2016 to 30 June 2017 there were total 13 Board Meeting and the meeting attendance was as under:

Name of Directors	Position	Status	Attendance
Rafiq Hassan	Chairman	Executive	13/13
Mohim Hassan	Managing Director	Executive	13/13
Naim Hassan	Director	Executive	13/13
Lyra Rizwana Quader	Director	Non-Executive	12/13
Anjuman Ara Begum	Director	Non-Executive	12/13
Prof. Dr. khondaker Mohammad Shariful Huda	Independent Director	Non-Executive	12/13
Md. Nasirul Islam	Independent Director	Non-Executive	12/13

Internal Audit

Internal Audit supports the company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control & governance processes. The management of our company is always concerned about the internal control procedures. TIL internal audit team consisting 06 members along with head of internal audit is working in order to ensure organizational independence of internal Audit. Head of internal audit reports functionally the audit committee and administratively to the Head of Internal Audit Committee. Internal Audit regularly monitors whether the appropriate accounting policies have been consistently applied in preparation of the financial statements. Bangladesh Accounting Standard and International Accounting standards, as applicable in Bangladesh have been followed and adequately disclosed.

External Statutory Auditors

The Statutory audit is governed by the companies Act, 1994, the Bangladesh Securities and Exchange Commission's Ordinance, 1969 and Bangladesh Securities And Exchange commission Rules 1987 which explicitly provides guidelines for the appointment, scope of the work and retirement of auditors. The Audit Committee meets with the statutory auditors to ensure that the auditors are acting independently and reviews the financial statements before submission to the Board for approval.

Representation of Independent Directors in the Board and their independence

As per the initial and subsequent amendment of Corporate Governance Guideline of Bangladesh Securities and Exchange Commission (BSEC), at least one-fifth of the total directors of the Board shall be Independent Directors. Thus, in compliance with the guideline, two (2) Directors out of the total seven (7) Directors are independent, having no share or interest in TIL.

Communication to Shareholders & Stakeholders

The company secretary is responsible for maintaining an active dialogue with shareholders, potential investors, investment banks, stock brokers and other interested parties towards developing an effective investor communication channel. The investor relations unit of TIL is responsible to-

- ▶ Ensure relevant information provided to regulatory authority.
- ▶ Ensure the appropriate report submission to maintain the compliance guideline of Listing Regulation, 2015 within stipulated timeframe.
- ▶ Ensure relevant information is available in website.
- ▶ Ensure the long term view and focusing the Balance sheet.
- ▶ Ensure and protect the interest of the shareholders.
- ▶ Ensure to respond the queries and clarifying the concerns of investor.

The Chairman's Responsibility

The Chairman of the Board shall be responsible for overall management. He/she will make sure effective and efficient performance of the Board of Directors. Under his leadership, the Chairman is:

- ▶ Leading the board to ensure the effective functioning.
- ▶ Setting the board's agenda, in constitution with the company secretary.
- ▶ Ensuring that all Board Committees are functional and properly operated.
- ▶ Ensuring that Board Committees address all corporate governance issues.
- ▶ Ensuring effective operations of the Board and its committees in accordance with corporate governance structure.

Executive Management

The Managing Director of the Company is head of the Executive Management. The team of executive management consists of the senior expert members of the Management Apparatus. The Executive Management operates their functions according to policy and planning strategies set by the top Management. In order to ensure the smooth management procedure the Executive Management has been divided into series of different committees where the functions are classified for each concerned committee.



Good Governance in Enhancing Business

Every business has a commitment and challenge to all of its stakeholders. A well corporate governance to meet the commitment for ensuring transparency, accountability and involvement of the stakeholders, TIL believes that a well competent board and good governance is required for business. We as a company recognize that not only focusing the earnings but also creating a value to all stakeholders related to business through effective corporate governance. TIL has always strived to maintain the highest standards of corporate governance and business conduct so as to create and maintain value for Shareholders, safeguard stakeholders' interest and justify investor confidence.

In order to achieve good governance, the Company Secretary creates a bridge between the Shareholders and the Board of Directors who delivers the standard services to its valued Shareholders ensuring the well-defined Shareholders' rights in accordance with country's applicable laws and the Articles of Association of the Company. Catering to the continuous disclosure requirements, the Shareholders are communicated in a routine manner so that they are able to make decisions based on their requirement. The Company continues to maintain regular communication with Shareholders through the Annual General Meeting, Annual Report, Quarterly updates on financial performance and at any other time in the best interests of Shareholders. Also through Company's existing website (www.til.com.bd) for further delivery of the information needs to all.

All the best practices are followed by TIL which helps investors to keep their trust and confidence in our Company.

Board Commitments

Our Board is highly committed to its elements of corporate governance while achieving the Company's objectives for the interest of the shareholders and other stakeholders. Therefore the Board through its Audit Committee as well as the Management of the Company discusses and reviews the status of governance and takes necessary measures for continuous improvement in Corporate Governance process in line with BSEC's Notification. As such, shareholders' rights are being protected, the right resources are ensured to be in appropriate places, compliance is being monitored and the policies are being formalized as required for business growth. As a result, the Company's adherence to corporate governance is being recognized by the stakeholders. The Board is highly committed to its elements of corporate governance in achieving the Company's objectives for the interest of the stakeholders.

STATEMENT OF _____ _____ HUMAN CAPITAL



■ **MUTUAL RESPECT**

■ **DEVELOPMENT**

■ **EMPOWERMENT**

At Tosrifa Industries Limited (TIL), we believe that our employees are the key to our success and nothing can be achieved without their engagement. Our company has always been passionate about Human Capital Management and taken initiatives to explore their potential, develop & nurture them and allow them to perform to their best abilities. Therefore, we always stay focused on whether our employees remain motivated, competent, skilled, and committed to deliver all that is necessary to get a positive result.

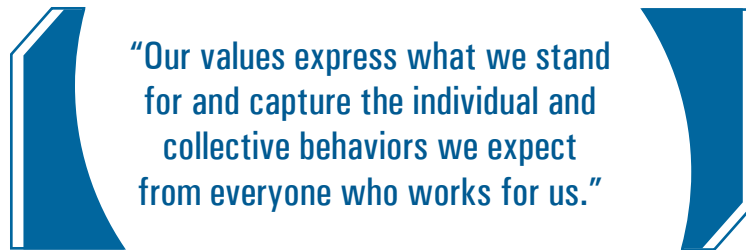
Empowering Employees

Managers have the prime responsibility for building and sustaining an environment where people have a sense of personal commitment to their work and give their best to ensure company's success. They care for and develop leaders for tomorrow. The Human Resources (HR) Department enables and empowers the respective Managers in establishing business needs and their corresponding people requirements.

Therefore, the mission for HR managers and their teams is to provide professional guidance to people managers aiming to deliver superior business results by optimizing the performance of our people, while ensuring exemplary working conditions and having a good relationship among all employees.

A Culture of Employee Engagement

We provide ample opportunities to the employees and all its workers for their refreshment through celebration of Factory Day, different type of sports facilities, celebration of festive occasions such as English New Year, Pohela Boishakh, International Workers Day, etc. The company conducts an Annual Factory Day once a year for encouraging all workers and officers through participating in different types of cultural activities. In addition, TIL organizes employee orientation program for new recruits to introduce them with the senior management, organizational process, strategy, values, vision, and employment conditions.



Growth through Training and Development

Learning is an integral part of our company's culture. Employees at all levels are systematically encouraged to consider how they can upgrade their knowledge and skills. The responsibility for turning these into actions is shared among employees, their respective managers, and the Human Resources Team. Experience and on-the-job training are the primary source of learning. Managers are responsible for guiding and coaching each employee to succeed in their current positions.

Training and development needs are annually identified through the performance management process to address current and future competency requirements. Based on this analysis, management set on-the-job and off-the-job training which creates positive impacts on individual employee's efficiency.



Equal Employment Opportunity

TIL believes in equal employment opportunities to attract, retain, develop, and promote its most qualified and competent employees regardless of their race, color origin, religion, gender, age, disability, veteran status or any other characteristics. This policy is applicable to all our recruitment, placement, promotion, training, transfer, retention, salary scale, financial assistance, as well as the details in their conditions of employment.

Equal employment opportunity prohibits gender biasness and leads to the creation of a diversified workforce. Employment, transfer, and promotion decisions are all based on individual's skills and the principle of furthering equal opportunity. The requirements for a job are rightfully related to the job performance required for the position.



Safety Rules and Regulations

As a responsible employer we provide our employees with a secure working environment. All departments maintain their safety standards driven by specific rules and regulations. Usage of safety equipments like Masks, Helmets, Gloves, Eyeglasses & Rubber boots prevent work related accidents to a great extent. We have fire alarms, clearly demarcated emergency routes and exits, smoke detectors, adequate fire extinguishers and hose pipes for emergency water in all the departments. Training to use these equipments and periodic fire drills for evacuation without hassle are regularly conducted by the Human Resource department.

Code of conduct

We believe growth and prosperity brings extra responsibility towards the society. To pay our dues for a fairer and equal society we have taken assertive actions like employing women in growing portions. We implement policies to remove discrimination in work place. We follow the Government Industrial Policies, Labour Act 2006, ad guidelines provided by BGMEA and other concerned authorities.

Employment and working conditions

We are committed to providing our employees a safe and healthy work environment. As such, we provide flexible working conditions whenever possible and encourage our employees and workers to have interests especially relating to community development.





CSR & SUSTAINABILITY INITIATIVE

At TIL, We believe that contributing back to the society is not only a **Responsibility** but also a **Commitment**. Our little value addition to the betterment of society and the human health is a part of our mission.

Health Programs

Tosrifa Industries Limited (TIL) has become a partner of SNV Netherlands Development Organization and FPAB to commence an award winning health insurance program for the workers. This initiative now covers the medical expenses of pregnant workers, in terms of their sexual and reproductive health, along with the general medical expenses of the families of the workers.

With SNV and FPAB again, TIL has commenced a Hepatitis B Vaccination Program for all the workers. This program addresses one of the most neglected but widespread health issue and has gained much popularity and praise.

A massive number of workers, staffs and officers were provided with deworming medicine. TIL Management is committed to take care of its workers' basic health needs to have a happier and healthier workforce.

An Inauguration of Hepatitis B Vaccination Program at TIL Factory Premises by Honorable State Minister and Ambassador of Netherland



Educational Programs

Our future relies on the future of our children. Our company has been presenting periodical stipends for brilliant students, monthly donations to Orphanages & Blind Institution since long. Indeed, proper education for children can lead us all to a better & enlightened future. The Company has been a core partner of Jaago Foundation's aim for the betterment of the nation through providing the educational needs of children from socially & economically disadvantaged background. TIL's unique concept of association, "100 Dreams", is aimed at resonating and help realizing the dreams of our youngest minds by facilitating & sponsoring their educational futures.

TIL latest within this CSR aspect is to support a Tribal Primary School at the Bandarban Hills. The school itself is situated so far into the hills that it takes about 3.5 hours of trekking, from the nearest town at Lama, to get there. TIL visited the school to meet the amazing kids and explore how life & education can be supported in those regions.



Women Empowerment:

Close to 80% of TIL's workforce are women and we feel responsible for their wellbeing. Companies of TIL are proud partner of HER project empowering women working in global supply chains through workplace-based programs, capacity building of local civil society and advocacy with business and government. It is jointly supported by Swedish International Development Cooperation Agency (SIDA), Ministry of Foreign Affairs of the Netherlands, UKAID, Levi Strauss Foundation and Fung Foundation. TIL in its collaboration with non-profit BSR, participated in the HER project promoting training and awareness building on 1) nutrition and well being, 2) hygiene and infectious diseases, 3) women's health and 4) serious illnesses. Skill development of the workers is also very important for all the parties involved in this industry. Women workers are constantly trained and evaluated, within programs such as Sudokkho with Palladium, on their way to reach & hold managerial positions.

Child & Parent Care:

We became one of the first Bangladeshi private industry partners of UNICEF on September 2016 to carry out the "Children's Rights in the Workplace Programme for Garment Manufacturers". The Program is based on the Children's Rights and Business Principles, developed by UNICEF, UNGC and Save the Children. It aims to support garment manufacturers to establish and sustain family-friendly workplaces that supports working parents and their children, young workers and surrounding communities.

Sustainability

TIL is committed to sustainability with focused and measureable goals. Our Company values Sustainability through a commitment to the quality of the environment and extends it to the long-term wellbeing of the people and communities it serves.

Considering this, this Company developed a plan that guides its sustainability initiative with key goals in the following three areas. The broad aspects covered in these goals are as under:



- **People** - Promoting healthier lives, Contributing to the Communities where we live and work.
- **Performance** - Delivering Products that delight consumers and respect our Planet.
- **Planet** - Making every drop of water count, reducing our impact on the climate and the environment.

This company believes that integrating sustainability into its everyday operations will help in making efficient business decisions and improve people's lives. The sustainability strategy will also continue to focus on increasing buyers' loyalty for our products, provide a competitive advantage and ensure long-term shareholders' value.

DIRECTORS REPORT TO SHAREHOLDERS

It is a great pleasure and privilege on behalf of the Board of Directors of Tosrifa Industries Limited (TIL) to welcome all of you in 15th Annual General Meeting (AGM). This report includes Directors' Report and Audited Financial Statements of TIL for the year ended on 30th June 2017.

During the year of 2016-17, TIL earned net Profit after Tax of BDT 83.34 Million, meeting or exceeding all financial and operational objectives. In this financial year, the company has focused on its own expansion strategy for creating a strong backward linkage facility that emphasizes on shorter lead time through its product quality and diversity. We have maintained consistent result, taken value-driven initiatives that will help us in near future to provide a substantial growth to all of our stakeholders in a long run.

Tosrifa Industries Limited (TIL) is a 100% export oriented composite Knit Garments Manufacturing Company. The Company was incorporated on August 27, 2002, as a private limited Company under the Companies Act 1994. It commenced commercial operation in 2005. At present, authorized and paid-up capital of the Company stands at BDT 1,000,000,000 and BDT 631,685,200 respectively.

We are one of the most successful garments manufacturers in Bangladesh; a country with great potential in the field of RMG sector. We acquired a versatile production chain to cater flexible orders. After full implementation of new green dyeing project, we expect that production lead time will minimize subsequently, more value-driven products will be initiated and current production capacity will increase to a significant level.

TIL is a green company that keeps the environment safe while making any organizational decision. As recognition of going green initiative with the intent to promote high-performance, healthy, durable, and environmentally sound practices the Production Facility of Tosrifa Industries Limited at Tongi is now officially certified as a LEED (Leadership in Energy and Environmental Design) - GOLD rated Green Building by United States Green Building Council (USGBC) and its extended fabric unit will be the top LEED Certified Green Dyeing Factory in the world.

“Our company plays a pivotal role in upholding the interest of all its stakeholders”

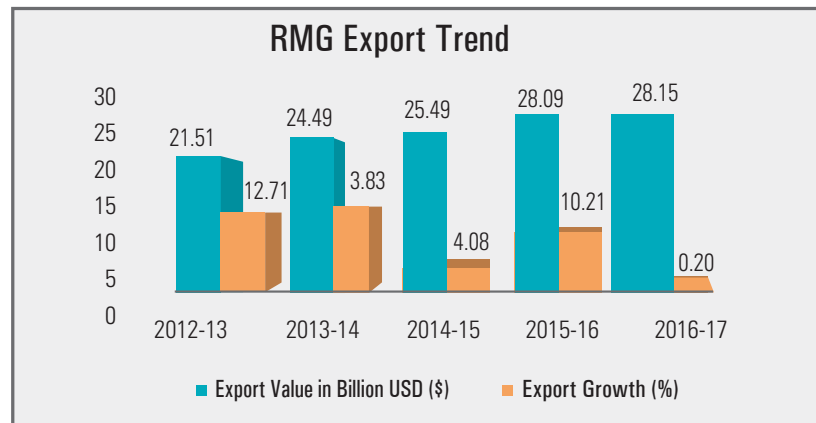
Business Nature

Tosrifa Industries Limited (TIL) is a quality driven export-oriented composite Knitwear Manufacturer in Bangladesh. Presently we have own knitting, sewing, newly established state of the art fabric dyeing facilities that deliver the superior quality knit garments products to our valued buyers.

The process we are following starts from procuring raw cotton & yarn from various local and foreign sources and converting the yarn into grey fabric then dyeing the grey fabric from our manufacturing facility as per buyer's specification, finally cutting and sewing the fabric to produce a finished apparel. Based on buyers' requirement, printing and embroidery works are also done on the garment. The Company supplies the finished goods to some of the most renowned fashion brands in the world. Its major products are ladies, gents and kids knitwear.

Ready Made Garments (RMG) Industry Overview 2016-17

Our country's economy faced a small growth rate in Ready Made Garments Industry in this fiscal year. Bangladesh is the world's second-largest apparel exporter. According to the provisional data issued by Export Promotion Bureau (EPB), only 0.20 % percent growth earning US\$ 28.15 billion in garments sector was reported.



Future Prospects of Bangladeshi Garments Industry

In recent survey of McKinsey & Company says that, Bangladesh will remain the apparel sourcing hotspot for international retailers and brands over the next five years because of competitive prices and China's declining market share in garment business. The Slogan comes from the industry people that USD \$50 billion of RMG export in 50th birthday of glorious independence of our country is possible when the government ensures the proper infrastructure facility, adequate utility support, smooth port service and others favorable policy.

About Knit Garments Industry

The growth of our garments export is largely dependent on the growth of knitwear. Bangladesh knitwear industry is playing a vital role in value addition of Gross Domestic Product (GDP). Being a quality knit garments manufacturer with a competitive price Bangladeshi knit garments industry holds bright future and expected to grow in next few years. The current knit garments exports stood at US\$ 13.76 billion which is 3 percent higher than the previous fiscal year and it is expected that it will grow rapidly in next few years.

World Economic Review

The current global economic growth continued on a subdued note in 2016 as a result of stagnant global trade, slow investment, and keen uncertainty. The global economic growth estimated a slowdown in 2016 to a post-crisis as of 2.3%; however, a moderate recovery was expected in 2017 with the GDP forecasted to be increased to 2.7%, which is mainly driven by the growth in emerging and developing economies, heightened political uncertainty culminated with the decision by the UK to pursue a "Brexit" and the result of the 2016 US Presidential Elections. OPEC's decision to cut crude oil production, leakage of Panama Papers and the fact that Central Banks of advanced economies have reached their limits of expansionary monetary policy measures that could restrict them from taking further stimulus move. These events could dampen cross-border capital flows and world's trade volume, put inflationary pressure & spur instability in financial markets, commodity prices, and exchange rates. Global inflation was expected to rise moderately in 2017 as commodity prices consolidate, but to remain low by historical standards.



Bangladesh Economy

Bangladesh has registered its highest ever economic growth, of 7.24 percent, this fiscal year - the second year in a row in which the country managed to break out of its decade-long 6 percent growth trap. The economy grew at 7.11 percent last fiscal year but in the FY 2016-17, the economy of Bangladesh went through a number of economic bottlenecks like declining remittance and global uncertainties. Inflation rate has steadily declined to 5.03% in December 2016. Inadequate savings & investment and increasing gap between these two appeared to be the major challenges in the economy.

Quality Policy

At any cost, TIL is adamant not to compromise with quality. As a result, it ensures from knitting to sewing and finishing, that all concerns are outfitted with the best and latest machines. In addition, every single employee is coated with unbeaten ardency and sheer excellence. Their constant attempt for perfection never fails to meet each and every tough or complicated quality standard that is set for the buyers. Production lines are carefully designed in both Modular and Linear layout. Whether ordered in bulks or in much smaller and critical styles, every single piece is engraved with superior quality and thorough proficiency to deliver the best results.

Furthermore, in all stages of production- starting from knitting yarn to the finished garment, 4'Points Product Quality Control and 7'Points Traffic Light Systems are followed. The 5S technique is strictly upheld for work layout. Finally, AQL (Acceptance Quality Limit) Standards, Major 1.50 and Minor 4.00 are practiced for final inspection so that they never have to give up the first place in terms of quality.

Quality Focus

TIL believes that quality is not an act, it is a habit and thus keeping it in mind, we make constant efforts to satisfy our valued buyers. We have taken extensive steps to modernize our machinery over the last few years. Production lines are carefully designed to produce bulk, smaller and critical styles orders. Every single piece is produced with superior quality and thorough proficiency to deliver the best results.

Environmental Policy

Going Green is one of the most significant revolutions in the history of Garments Manufacturing sector. TIL's motive is not only to achieve manufacturing success but also to commit them to be environmentally responsible. We strive to be eco-friendly through adopting solutions like reducing carbon footprint, using a renewable power source, conserving energy and not emitting harmful chemicals and gases.

TIL is aligned with the environmental responsibilities while making any directorial choice. We have taken few measures Owing to our responsibility towards the environment. The company optimized water usage by deploying highly efficient and effluent Water Treatment plant. We also figured out ways to minimize carbon footprints by Using of CFL and LED energy lights along with generation of renewable energy with solar panels.

Energy wastage has been reduced to a great extent over time and production has been made eco-friendly by running all machines with Servo Motors. Besides, a comprehensive carbon emission analysis was made for all processes starting from growing cotton to manufacturing, transportation, and sale of finished garment in coordination with GIZ (Germany). This technique proves to be an essential tool to reduce carbon emission.

Lastly, we are in compliance with REACH regulations to protect the environment and its people from any risk from the chemicals that are used in production. It has also partnered with GIZ of Germany to obtain ISO 14001:2004, Environmental Management System certifications.

Human Capital Policy

In TIL, we believe that people with a blend of creativity and uniqueness can make miracles. It is evident in workplaces around the world that self-motivated, trained and disciplined workforce can do wonders; the case is no different for TIL.

The backbone of any thriving organization is undoubtedly its employees. Tosrifa Industries Limited provides 'Equal Employment Opportunity' and offers the finest environment and unsurpassed facilities for its valued employees. Presently, we have a workforce of over 2,341 employees. The way employees serve this organization, in the similar way the company also strives to the employees' fulfillment. Employees in this organization are enjoying WPPF (Workers Profit Participation Fund) for the last 15 years along with numerous rewarding for target achievement, during festivals or just for regular attendance.

Our company understands the importance of a motivated workforce. In order to achieve that TIL assures transparency and proper recognition within the organization through 360 degree performance evaluation. In addition, to keep the employees up to date with the uses and application of the latest technologies, various trainings are organized with both foreign and local experts in the company's very own training center. The company allocates 5% of its profit to training and development of the employees. Apart from the existing skilled employees, the fresh ones also receive a chance to undergo the training sessions to be better-skilled operators. TIL strictly adheres to all local government labor laws; regulations set by ILO, BGMEA and respected buyers policy & compliance measures. At any cost, keeping the labor rights unaltered is a priority of this organization.

Technology

In our company technology is not just used to reduce production cost and maximize product quality. It plays a much more crucial role. In this organization, the uses of technology go hand in hand towards an effective manufacturing process, quality assurance, and decision making. TIL embraces technology with open arms and resolute to make necessary investments whenever and wherever needed for it is technology that will move the company forward in the years to come.

Because the nature of this industry demands us to keep up with the fast-paced technological advancements, TIL eagerly engages itself in keeping all the units updated with the latest technologies to sustain efficiency and quality in production.

For us as a company every little detail matters. That is why systems like CAD, CAS and CAM are used in the factories to lessen wastage and to make cutting process more systematic and precise. In addition, state of the art fabric lab contains Robolab, Spectrophotometer- Data Color and Dyeing machines from Ahiba and Methis to ensure that the fabrics which are being used are uncompromised in quality. Apart from specific separate software's and machines, completely integrated ERP software is used to manage and monitor the progress and process of the entire operation. However, we do not leave it all onto the machines to run the everyday jobs; a dedicated team of professional foreign and local industrial engineers is also available to make the production process leaner.

The System of Internal Control

Each Board of Directors assures the Shareholders that the Company has a robust risk management process which ensures that the system of internal control is sound in design and has been effectively implemented and monitored. The Company takes reasonable steps to identify material risks that may hamper business results. We systematically review the risks, take necessary improvement or internal changes accordingly, analyze for futures possible risks although it is natural that all the possible risks are not known to us presently.

Human Resource Development

We believe that human resource is our most valuable resource and it is the quality and dynamics of human resources that enable us to make a significant contribution to enhance stakeholders' value. Our Company always strives to maintain a friendly but professional working culture, ethics, and values and provide appropriate remuneration packages to keep our staff motivated. During the year, industrial relations remained cordial and we as Directors would like to record our cordial appreciation of the efficient and loyal service rendered by our employees.

Employees & Benefits

The company values its workers and employees and attempt to maintain a high standard of labor practices to ensure an engaging work environment for its employees. The Company has a well-designed compensation package for the employees to encourage professionalism, greater efficiency and stimulate teamwork. The Company provides several benefits to the workers in addition to the monthly remuneration, some are illustrated below-

A. Workers Profit Participation Fund & Welfare Fund

The Company introduced Workers Profit Participation Fund in 2010 as per requirement of Bangladesh Labour Law, 2006.



B. Earned Leave Benefit

Employees who are working in the company for at least over a year are entitled to earn 1 day leave benefit upon completion of each 18 consecutive working days. They can encash the leaves on yearly basis.

C. Festival Bonus

Employees of TIL receive festival and target bonus. Factory workers receive production target bonus which is based on the daily target. All the other employees of the Company receives yearly target bonus which is based on achievement of the Company's annual target.

D. Medical Facilities

The Company has a well equipped medical center inside the facility premises, staffed with qualified physician and nurses. In case of any unexpected situation in the factory, the workers get free first aid. The Company also bears all medical expenses if a worker is injured while working. We always prioritize and ensure employees' health and injury over other organizational issues.

E. Maternity Benefit

Female workers are entitled to get maternity leave of 112 working days along with salary. Half of this amount is provided in advance prior to taking the leave and the rest upon rejoining after childbirth. Any female worker will get this benefit twice during her employment with the Company.

F. Day Care Facilities

We strongly believe in woman empowerment. To support the mother workers, the Company has a daycare facility at the factory premises. Female workers with children can bring their kids at the workplace and leave them at our children friendly center while working.

G. Group Insurance Benefit

Workers and employees get coverage under Company-sponsored life insurance policy from Delta Life Insurance Company Limited.

Going Concern

We as the Directors make necessary inquiries and review the budget for the future regularly. We are also concerned about capital expenditure requirements, future prospects and risks, cash flows and such other matters required to be addressed in the Code of Best Practice on Corporate Governance issued by the Bangladesh Securities and Exchange Commission. Accordingly, we continue to adopt the going concern basis in preparing the Financial Statements. It is the responsibility of the management of a company to determine whether the assumption is appropriate in the preparation of financial statements. If the assumption is considered invalid by the management, the financial statements of the entity would need to be prepared on break up basis. We as a company have adequate resources to continue operations into the foreseeable future.

Statutory Auditor

Ahmad & Akhtar Chartered Accountant was appointed as the Statutory Auditors of the company in the 14th Annual General Meeting (AGM) held on December 19, 2016. The Auditors do not have any relationship with or interest with TIL that in their judgments, may reasonably be thought to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Bangladesh, applicable on the date of this report. The retiring Auditors, Ahmad & Akhtar, Chartered Accountants have expressed their willingness to continue in office. They come up for re-appointment at the Annual General Meeting, with the recommendation of the Board and the Board of Directors. In accordance with the Companies Act, a resolution proposing the re-appointment of Ahmad & Akhtar, Chartered Accountants, as Auditors is proposed at the Annual General Meeting.

Directors' Election and Re-appointment

Shareholder Directors of the Company will retire as per Article 129 "Articles of Association" and if eligible they entitled for re-election.



Statement on Cost of Goods Sold

The biggest challenge in the area of productivity was the escalating devaluation of the local currency in the first half of the year coupled with increased energy prices. These resulted in a significant upward pressure on the cost base. However, Tosrifa Industries Limited was able to mitigate this through the implementation of proactive foreign exchange risk management strategies as well as applying a strong drive to identify and deliver a number of initiatives that resulted in a phenomenal product cost savings in the reporting period. Thus cost of goods sold per unit was largely held constant on a like to like basis and this enabled gross profit margin to remain stable over the financial year.

Furthermore, TIL embarked on a company-wide smart cost management program and analyzed all opportunities to reduce costs. This program has helped to optimize the operating expenses of the Company and focused resources on areas that were required to fuel growth and sustainability.

	1 July 2016 to 30 Jun 2017	1 July 2015 to 30 June 2016
	BDT	BDT
Cost of sales: BDT 979,938,645		
Opening inventories of raw materials	97,559,638	132,541,011
Raw materials (yarn)	76,717,267	94,435,671
Raw materials (finished fabrics)	12,123,721	27,093,017
Raw materials (accessories)	5,388,597	7,111,850
Needle and spare parts	3,330,053	3,900,473
Add: Raw materials purchased during the year	506,808,477	514,065,883
Yarn	340,722,146	280,672,393
Finished fabrics	41,205,798	80,431,034
Accessories	116,220,082	145,837,779
Needles and spare parts	8,660,450	7,124,677
Raw materials available for use	604,368,115	646,606,894
Less: Closing inventories of raw materials	147,679,396	97,559,638
Raw materials (yarn)	122,175,388	76,717,267
Raw materials (finished fabrics)	18,421,680	12,123,721
Raw materials (accessories)	3,435,592	5,388,597
Needle and spare parts	3,646,736	3,330,053
Raw materials consumed	456,688,719	549,047,256
Add: Direct expenses	321,961,846	356,084,042
Prime cost	778,650,565	905,131,298
Add: Factory overhead	205,530,378	213,182,503
Cost of production	984,180,943	1,118,313,801
Add: Opening inventories of work-in-process	29,250,915	63,544,129
Manufacturing cost at standard	1,013,431,858	1,181,857,930
Less: Closing inventories of work-in-process	32,936,961	29,250,915
Cost of goods manufactured	980,494,897	1,152,607,015
Add: Opening inventories of finished goods	27,574,727	62,652,403
Goods available for sale	1,008,069,624	1,215,259,418
Less: Closing inventories of finished goods	28,130,979	27,574,727
Cost of Sales	979,938,645	1,187,684,691

GREEN DYEING PROJECT INFORMATION

At TIL-BMRE Project, we are preparing for the first ever LEED Certified green dyeing project in the world, with a total area of 1,255 decimal at Beridiarchala, Sreepur, Gazipur to fulfill our commitment of optimizing our capacity with the minimum use of resources. In an era of increasing business competitiveness, price control, rising compliance standards, we are putting in place a long-term, secure and reliable supply of fabric source that will enable TIL to go ahead of the other competitors of the industry through shorter lead time. Our leading focus continues, as we put in place high standards, new ways of working and launch quality products. We will continue to emphasize strong execution of our growth strategies and our legacy of caring for all stakeholders. While making a dyeing unit, the management of TIL has taken more comprehensive measures to mitigate the highest level of environmental concerns with the nominal level of utility usage. The eco-friendly green dyeing manufacturing facility will help us to utilize the resources properly, cost-efficiently and also will minimize greenhouse gas emissions enabling us to be preferred by the reputed buyers in this growing competitive garments manufacturing industry.

With the commitment to grow our business, substantial investment has been made in the above new dyeing project, which will immensely benefit our company in the future.



TIL LEED CERTIFICATION ONGOING PROCESS AND ITS FUTURE BENEFIT



USGBC (U.S. Green Building Council) governed LEED (Leadership in Energy and Environmental Design) certification for Green Building is the premier and most prestigious green building certification program in the world. LEED is adopted in more than 135 countries worldwide; guiding the design, construction, operations and maintenance of more than 50,000 commercial and institutional building projects.

TIL-BMRE is attempting for the LEED certification to become the very first LEED Certified Fabric Dyeing Facility in the world. The TIL-BMRE Project will be using the following state of the art technologies/equipment for attempting to lower operating costs & increased asset value, reduced waste sent to landfills, energy conservation, water conservation, healthful & productive environments for occupants, reductions in greenhouse gas emissions etc.

Cold Pad Batch Dyeing

To achieve eco-friendly dye application, TIL-BMRE is fully equipped with the advanced Cold Pad Batch (CPB) Dyeing technology since little or no electrolyte is required, dye fixation happens at ambient temperature, fixation is high and use of water & energy is half of that of the conventional dyeing processes.

Husk Boiler

The use of non-renewable fossil fuel is one of the biggest contributors to climate change and consequent global warming. Boilers that can use readily available alternative fuels are becoming more and more popular. TIL-BMRE being conscious about this fact is installing Husk Boiler for its process needs.

ETP with UASB technology

Upflow Anaerobic Sludge Blanket (UASB) is a form of anaerobic digester that is used in TIL-BMRE's Effluent Treatment Plant (ETP). This is one of the most contemporary and environment-friendly solution to deal with industrial wastewater in the most effective and responsible manner.

Solar Power

Realizing the amazing potential, TIL-BMRE has installed a 50kWp Solar Panel and plans to expand such energy sourcing in future.

Rainwater Harvesting

Rainwater from different catchment areas of the site are to be collected and used as reclaimed water for non-potable uses.



High-efficiency Water Fixtures

Water fixtures/fittings are being installed that would reduce the water flow rate & volume to be used.

High Efficiency Lighting Systems

High energy-efficient LED lightings are used for energy conservation and mercury-free system. Additionally, Skylights are installed for using the sunlight to our advantage.

Advanced Air-conditioning and Fresh Air Intake Systems

Air-conditioning and fresh air intake system uses CFC free refrigerants and/or natural air for increased occupational comfort.

Sustainable Construction Material

More than half of the construction material used in is with recycled and/or regional material for improved resource utilization.

Better Waste management Operations

Waste Management is highly prioritized to minimized environmental impact and promote responsible waste reuse/recycle.

Computerized Building Monitoring & Management System.

The total utility (Energy, Water, Air etc.) monitoring and management system is to be governed/controlled by the computerized system of BMS. This'd allow TIL-BMRE to continue improving its environmental performance in terms of resource efficiency.

Financial Results

The Financial Period from 01 June 2016 to 30 June 2017 of Tosrifa Industries Limited was encountered with various macroeconomic problems. Business competition has increased drastically with new players. Despite having all these challenges, the business of the Company comparatively improved in revenue and quality, the Company goes forward into yet another year of strong growth. Now the Company's operating financial results, as compared to the previous year are summarized hereunder:

(Amount: Taka in Million)

Particulars	2016-17	2015-16	2015	2014	2013
Sales Turnover	1206.89	1424.00	1,537.03	1,476.84	941.67
Cost of Goods Sold	979.93	1187.68	1,249.81	1,155.90	724.05
Gross Profit	226.96	236.32	287.23	320.94	217.62
Operating Expenses	133.04	130.33	159.16	158.12	87.93
Operating Profit	93.91	105.99	128.07	162.81	129.69
Non-Operating Income	38.17	68.48	74.90	5.62	0.27
Financial Expenses	19.68	19.29	19.24	26.45	29.50
Non-operating Expenses (WPPF)	5.35	7.38	9.18	6.76	4.77
Net Profit before Tax	107.05	147.78	174.53	135.22	95.44
Provision for Income Tax	23.72	36.89	39.47	21.50	9.56
Net profit after Tax	83.34	110.89	135.06	113.72	85.89
Earnings Per Share (Tk.)	1.32	1.76	2.44	2.95	2.64
Total Assets	2955.42	2448.92	2373.08	1,657.41	1,543.20
Total Liabilities	847.45	348.48	328.82	366.71	356.92
Shareholders' Equity	2107.96	2100.43	2,044.26	1,20.70	1,186.27
NAV Per Share (Tk.)	33.37	33.25	32.36	37.44	34.41
Gross Profit Margin	18.81%	16.59%	18.68%	21.68%	23.11%
Operating Profit Margin	7.78%	7.44%	8.32%	10.97%	13.70%
Net Profit Margin	6.91%	7.79%	8.78%	7.04%	9.03%
Return on Equity	3.95%	5.27%	6.60%	8.06%	7.16%
Return on Investment	2.82%	4.52%	5.68%	6.27%	5.50%

Dividend

The Board recommended cash dividend @ 10 % for the financial period from ended on 30 June 2017. Record Date declared on 20 November 2017 for entitlement of 10% cash dividend will be paid subject to approval of the shareholders in the forthcoming AGM.

Appropriation of Profit

After the considerations of financial results of the Company during the year and free reserve carried over, the Directors recommended appropriation of net profit as follows:

	30 June 2017	30 June 2016
Un -appropriated Profit from previous Year	418,691,980	437,069,843
Less: Prior Year Adjustment	-	-
Adjusted Un - appropriated Profit from previous Year	418,691,980	437,069,843
Add: Net Profit after Tax for the Year	83,338,359	56,169,721
Add: Realization through use of Revaluation Reserve	2,108,997	1,254,640
Total Available for Appropriation (a)	504,139,336	494,494,204
Appropriation Proposed		
Proposed Dividend:		
Cash Dividend	63,168,520	75,802,224
Stock Dividend	-	-
Total Dividend (b)	63,168,520	75,802,224
Balance Carried Forward (a-b)	440,970,816	418,691,980

* Cash Dividend for 30 June 2017 cash @ 10% and for 30 June 2016 cash @ 12%

Corporate Governance

As part of its imperative policy, Tosrifa Industries limited always strives to maximize its shareholder's value and wealth. In doing so, the Company has long been committed to maintaining high standards of Corporate Governance. The Company's Corporate Governance framework is directed towards achieving its business objectives in a manner which is responsible and in accordance with its high standards of honesty, transparency and accountability. The principal characteristics that define effective corporate governance are outlined in the Corporate Governance Statement which is appended in the Annual Report. The statement further expands on the broad practices in Tosrifa Industries Ltd. All the employees are expected to live up to these principles and guidance on them which are communicated regularly throughout the Company through various training and awareness programs.



We have the pleasure to confirm herewith that the Company has meanwhile complied with all the necessary guidelines under BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012. The compliance report along with the necessary remarks/disclosures is appended in the Directors' Report of the Company for the year 2014. Further, a Certificate of Compliance required under the said Guidelines, as provided by PODDAR & ASSOCIATES. Cost and Management Accountants, is also annexed to this report.

Management Recognition, Appreciation and Complements

The Board of Directors extends cordial recognition, deep appreciation and heart-felt congratulations for the business performance of the management, the all levels of officers, employees and workers whose relentless effort helped to increase the productivity as well profitability despite having adverse factors of production and marketing. At conclusion, on behalf of the Company, the Board would like to thank the all Shareholders, Board of Directors, Regulatory Bodies, Clients, Employees and all the well wishers for their cooperation and unflinching support.

We also extend to the Management and Employees our warmest greetings and felicitation for being the essential part of Tosrifa Industries Limited during the financial period.

We are proud of you all and look forward to your continued support as we go ahead to take TIL further forward as a leading player within the Bangladesh Business Community.

On behalf of the Board of Directors,

Sd/-
Rafiq Hassan
Chairman

Declaration as to Financial Statements

As part of preparation and presentation of the financial statements, the Directors also report that:

- i. The Financial Statements prepared by the Management of the Company present a true and fair view of Company's state of affairs, result of its operation, cash flows and changes in equity.
- ii. Proper books of accounts as required by law have been maintained.
- iii. Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- iv. The Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).
- v. The Managing Director and CFO have certified to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- vi. The Managing Director and CFO have certified to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- vii. The Managing Director and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's codes of conduct.

Statutory Information

In compliance with the SEC guidelines' condition no. 1.4 the Board of Directors confirms that:

- a. The system of internal control is sound in design and has been effectively implemented and monitored.
- b. There are no significant doubts upon the Company's ability to continue as a going concern.
- c. The patterns of Shareholding as on 30 June 2017 are in ANNEXURE-I.
- d. 5 Years Comparative financial results are in Annexure-II.
- e. Audit Committee Report is in Annexure-III.
- f. Certificate of BAPLC is in Annexure-IV.
- g. Status of Compliance with the conditions imposed by Securities and Exchange Commission along with Corporate Governance Certificate issued by Poddar & Associates. Cost and Management Accountants is enclosed as ANNEXURE-V.

ANNEXURE-I: The patterns of Shareholding as on 30 June 2017

Sl. No.	Name	Status	No. of shares held by Sponsors/Promoters/Directors
01	Tosrifa Ahmed	Sponsor	3,091,903
02	Mohim Hassan	Sponsor Director	1,696,913
03	Naim Hassan	Sponsor Director	1,696,913
04	Sayeed Hassan	Sponsor	80,635
05	Rafiq Hassan	Sponsor Director	1,579,049
06	Abeda Rahman	Sponsor	48,535
07	Shameem Ara Begum	Sponsor	258,837
08	Lyra Rizwana Quader	Director	6,741,000
09	Anjuman Ara Begum	Director	6,741,000
10	Northern Corporation Limited	Sponsor	12,840,000
11	Dr. Prof. khondaker Mohammad Shariful Huda	Independent Director	-
12	Md. Nasirul Islam	Independent Director	-
Total			34,774,785

Shareholding basis on group:

Group name	Number of shareholders	Number of shares	Ownership (%)
Company	106	14,623,432	23.15%
General public	10,349	13,770,303	21.80%
Sponsors/Directors	10	34,774,785	55.05%
Total	10,465	63,168,520	100.00%

Annexure – II: Comparative Financial results of 5 Years

(Amount: Taka in Million)

Particulars	2016-17	2015-16	2015	2014	2013
Sales Turnover	1206.89	1424.00	1,537.03	1,476.84	941.67
Cost of Goods Sold	979.93	1187.68	1,249.81	1,155.90	724.05
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Financial Expenses	19.68	19.29	19.24	26.45	29.50
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Operating Profit Margin	7.78%	7.44%	8.32%	10.97%	13.70%
Net Profit Margin	6.91%	7.79%	8.78%	7.04%	9.03%
Return on Equity	3.95%	5.27%	6.60%	8.06%	7.16%
Return on Investment	2.82%	4.52%	5.68%	6.27%	5.50%

Annexure – III: Audit Committee report

Audit Committee Report For the year– 01 July 2016 to June 30 2017

Consequences of getting the Consent Letter from Bangladesh Securities and Exchange Commission (BSEC) for raising fund from the capital market through Initial Public Offering (IPO), it has been mandatory to comply with the all notifications along with the Corporate Governance Guidelines prescribed or imposed by BSEC. Amid these circumstances referring to the condition no. 32 of Part A of the consent letter no. SEC/CI/I-PO-216/2013/131 dated February 23, 2015 and the Section 3, 3.1, 3.2, 3.3 & 3.4 of BSEC notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 along with subsequent amendments; the Company has to constitute an Audit Committee for the sake of good corporate governance and financial reporting compliance. In compliance with the said notification of the BSEC **Tosrifa Industries Limited** constituted an Audit Committee on 12 March 2015 as a sub-committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

The Audit Committee consists of the following persons:

Rafiq Hassan	Member
Lyra Rizwana Quader	Member
Anjuman Ara Begum	Member
Hayder Ali	Member Secretary

The scope of Audit Committee was defined as under:

- Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- Review statement of significant related party transactions submitted by the management;
- Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Authority

The Audit Committee is authorized by the main Board to review any activity within the business as per its terms of reference. It is authorized to seek any information it requires from, and require the attendance at any of its meetings of, any director or member of management, and all employees are expected to co-operate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The terms of reference of the Audit Committee may be amended from time to time as required for the business in line with BSEC notifications subject to approval by the Board.

Meeting Attendance

During this period the Audit Committee met 09 (Nine) times during the period till the reporting period. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during the aforesaid period are as follows:

Name	Designation	Total Meetings Held	No. of Meetings Attended
Md. Nasirul Islam	Chairman	09	09
Rafiq Hassan	Member	09	09
Lyra Rizwana Quader	Member	09	08
Anjuman Ara Begum	Member	09	08

Summary of Activities

After the constitution on 12 March 2015 till the concerned reporting period, the Audit Committee reviewed its terms of reference in line with requirements of BSEC notification on corporate governance. The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Moreover, an Audit Committee effectiveness survey had been carried out for the period which reflected full compliance to the effectiveness Guidelines. The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting. The Committee also reviewed and recommended to the Board steps to improve the Company's internal control systems derived from the findings of the internal and external auditors.

Sd/-
Hayder Ali
Member Secretary

Date: 27 October 2017

Annexure – IV: Certificate of BAPLC

 বাংলাদেশ এসোসিয়েশন অব পাবলিকলি লিস্টেড কোম্পানিজ
BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES
Bucc # 8, Road #1, House # 11 (8th floor), Unit-A, Niketan Garden Housing Complex, Gulshan-1, Dhaka-1212
Phone : 8828925 Fax : 9807245 E-mail : baplc@shaha.net

Ref: CM-2016/240 7th September 2016

TO WHOM IT MAY CONCERN

Certificate of Membership

This is to certify that TOSRIFA INDUSTRIES LIMITED is an Ordinary Member of Bangladesh Association of Publicly Listed Companies (BAPLC).

This Certificate remains current until 31st December 2016.


K. M. Abdul Hai
Secretary-General



Annexure – V: Corporate Governance Statement & Certificate



PODDER & ASSOCIATES
Cost and Management Accountants

Compliance Certificate

On

CORPORATE GOVERNANCE

To the Shareholders of

Tosrifa Industries Limited

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Tosrifa Industries Limited** for the financial year ended on 30th June 2017, these guidelines relate to the Notification no. SEC/CHRRCD/2006-158/L34/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

For Podder & Associates



Jayanta Kumar Podder
Cost and Management Accountant

Date: 28 NOV 2017
Place: Dhaka, Bangladesh

As per BSEC rule letter SEC/CHRRCD/2006-158/L34/Admin/44, dated 07 August, 2012, all the companies listed with any stock exchange in Bangladesh shall comply with some conditions in accordance with regulation no. 7. The condition requires that the directors of the company shall also, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions and provisions set by BSEC in their letter.

8/A/1 (Ground Floor), Begun Bagicha, Dhaka-1000. Phone: 02-57180388, 02-57180422, E-mail: info@podder.com, Web: www.podder.com

Tosrifa Industries Limited

Status of Compliance with the Corporate Governance Guideline (CGC)

For the year ended 30th June 2017

Status of compliance with the condition imposed by the Commission's Notification No. letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 7.00)

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1	Board of Directors			
1.1	Boards size			
	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The TIL Board is comprised of 7 Directors including Managing Director.
1.2	Independent Directors			
i	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		02 out of 7 directors are appointed as Independent Director
ii	For the purpose of this clause 'Independent directors' means a director-	√		
a	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		The Independent Directors have declared their compliances.
b	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company :	√		
c	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	√		
d	Who is not a member, director. or officer of any stock exchange;	√		
e	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
f	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
g	Who shall not be an independent director in more than 3 (three) listed companies;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
h	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
i	Who has not been convicted for a criminal offence involving moral turpitude.	√		
iii	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	√		
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	√		
1.3	Qualification of Independent Director (ID)			
(i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
(ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences.	√		
(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	Chairman of the Board and Chief Executive Officer			
(i)	The position of the chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	√		
1.5	Directors Report to the Shareholders			
(i)	Industry outlook and possible future developments in the industry.	√		The Director's report complies with the guideline.
(ii)	Segment-wise or product-wise performance.	√		Not Applicable
(iii)	Risks and concerns.	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not Applicable

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Offer, Direct Listing, etc.			Not Applicable
(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not Applicable
(x)	Remuneration to directors including independent directors.	√		
(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
(xii)	Proper books of account of the issuer company have been maintained.	√		
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considerer to be a going concern, the fact along with reasons thereof should be disclosed.	√		
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			Not Applicable
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
(xix)	if the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			The Company has declared dividend.

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	√		
(xxi) a	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
(xxi) b	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		No share held except Directors & CEO (as per notification)
(xxi) c	Executives;	√		
(xxi) d	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
(xxii) a	a brief resume of the director	√		
(xxii) b	nature of his/her expertise in specific functional areas;	√		
(xxii) c	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2. Appointment	The company shall Appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	√		The company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2 Requirement to attend the Board Meetings	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		In practice
3.0	Audit Committee			
(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		Already in place
(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		In practice

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		In practice
3.1	Constitution of the Audit Committee			
(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
(ii)	The Board of Directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience, The term " Financially literate means the ability to read and understand the financial statements i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s) he possesses professional qualification or Accounting/finance graduate with at least 12 (twelve) years of corporate management/ professional experiences.	√		
(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		The Board appointed AC member in due time and no vacancy occurred.
(v)	The company secretary shall act as the secretary of the Committee.	√		In practice
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In practice
3.2	Chairman of the Audit Committee			
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		In practice

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
3.3	Role of Audit Committee			
(i)	Oversee the financial reporting process.	√		
(ii)	Monitor choice of accounting policies and principles.	√		
(iii)	Monitor Internal Control Risk management process.	√		
(iv)	Oversee hiring and performance of external auditors.	√		
(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
(vii)	Review the adequacy of internal audit function.	√		
(viii)	Review statement of significant related party transactions submitted by the management.	√		
(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	√		
3.4	Reporting of Audit Committee			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	√		
3.4.1 (ii) a	report on conflicts of interests;	√		No such Incidence arose
(b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	√		No such Incidence arose
(c)	suspected infringement of laws, including securities related laws, rules and regulations;:	√		No such Incidence arose
(d)	any other matter which shall be disclosed to the Board of Directors immediately.	√		No such Incidence arose

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
3.4. Reporting to the Authorities	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	√		No such reportable incidence arose
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4	External/ Statutory Auditors			
	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:			
(i)	Appraisal or valuation services or fairness opinions.	√		
(ii)	Financial information system design and implementation	√		
(iii)	Book-keeping or other services related to the accounting records or financial statement	√		
(iv)	Broker –dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other services that the audit committee determines.	√		
(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
(ix)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition.	√		
5	Subsidiary Company			TIL does not have any Subsidiary Company
(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
(ii)	At least 1 (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			Not Applicable

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		Not Applicable
(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		Not Applicable
(v)	The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.	√		Not Applicable
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
	The CEO and CFO shall certify to the Board that:-			
(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		In practice
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the company's code of conduct.	√		In practice
7	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2017.
(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		



TOSRIFA INDUSTRIES LIMITED
AUDITED FINANCIAL
STATEMENTS

**For the year ended
on 30 June 2017**

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOSRIFA INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of Tsrifa Industries Limited (the company), which comprises the Statement of Financial Position as at 30 June 2017 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BASs) and other Applicable Rules and Regulation 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 our 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 financial position of Tsrifa Industries 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), Bangladesh Accounting Standards (BASs) and other Applicable Rules and Regulation.

Matter of Emphasis

We draw attention to note-4.06 to the financial statements where management explains the rationale behind changing the reporting period of the company to 1 July to 30 June from 01 January to 31 December pursuant to changes in the provision of section 2(35) of the Income Tax Ordinance, 1984 following the enactment of the Finance Act 2015. The company had been prepared the financial statements for the period from 01 January 2016 to 30 June 2016 (6 months), to comply uniform year ending of all companies (Except bank and Financial Institution) as on 30 June. Therefore the comparative figures presented in the financial statement of the company latest Financial Position Date except Statement of Profit or Loss and other Comprehensive Income and Statement of Cash Flows. And we also noted that the comparative figures presented unaudited period from 01 July 2015 to 31 December 2015 in Statement of Profit or Loss and other Comprehensive Income and Statement of Cash Flows.

Other Matter

The financial statements of Tosrifa Industries Limited for the year ended 30 June 2016, was audited by Hussain Farhad & Co., Chartered Accountants who expressed unqualified opinion on those statement on 30 October 2016.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and The Securities and Exchange Rules 1987, 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 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 returns; and
- (d) the expenditure incurred was for the purpose of the company's business.

Dated: 28 October 2017
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

TOSRIFA INDUSTRIES LIMITED
Statement of Financial Position
As at 30 June 2017

Particulars	Notes	(Amount in Taka)	
		30 June 2017	30 June 2016
ASSETS			
Non-current assets		2,256,047,638	1,374,270,684
Property, plant and equipment	6.00	1,265,129,038	1,211,662,868
Capital work-in-progress	7.00	989,318,118	160,810,324
Intangible assets	8.00	1,600,482	1,797,492
Current assets		699,369,310	1,074,644,924
Advances, deposits and prepayments	9.00	132,308,738	82,104,115
Trade and other receivables	10.00	153,890,622	250,774,035
Accrued income	11.00	10,970,356	1,110,551
Inventories	12.00	208,747,336	154,385,280
Cash and cash equivalents	13.00	193,452,258	586,270,943
Total assets		2,955,416,948	2,448,915,608
EQUITY AND LIABILITIES			
Shareholders' equity		2,107,968,680	2,100,432,545
Share capital	14.00	631,685,200	631,685,200
Share premium	15.00	433,059,200	433,059,200
Retained earnings	16.00	504,139,336	494,494,204
Revaluation surplus	17.00	539,084,944	541,193,941
Non-current liabilities		278,529,515	43,615,769
Long term loans (secured), net of current portion	18.00	262,585,727	36,319,832
Deferred tax liabilities	19.00	15,943,788	7,295,937
Current liabilities		568,918,753	304,867,294
Trade and other payables	20.00	145,230,466	125,251,250
Provisions for expenses	21.00	4,296,086	4,141,819
Accepted liabilities for machinery	22.00	95,478,192	-
Short term loans	23.00	281,338,961	114,846,831
Current portion of long term loans	24.00	26,241,696	24,333,741
Provision for income tax	25.00	4,353,795	23,234,308
Workers' profit participation and welfare fund	26.00	11,979,557	13,059,345
Total equity and liabilities		2,955,416,948	2,448,915,608
Net asset value per share (NAV)	35.00	33.37	33.25

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed as per our annexed report on even date.

Dated: 28 October 2017
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

TOSRIFA INDUSTRIES LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2017

Particulars	Notes	(Amount in Taka)	
		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
Sales revenue (export)	27.00	1,206,899,302	1,424,008,994
Less: Cost of sales	28.00	979,938,645	1,187,684,691
Gross profit		226,960,657	236,324,303
Less: Operating expenses		133,048,787	130,334,525
General and administrative expenses	29.00	90,429,161	74,182,053
Marketing, selling and distribution expenses	30.00	42,619,626	56,152,472
Operating profit		93,911,869	105,989,777
Add: Other income	31.00	38,173,557	68,480,456
Profit before finance costs		132,085,426	174,470,233
Less: Finance costs	32.00	19,678,256	19,299,656
Profit before WPPF		112,407,170	155,170,577
Less: Workers' profit participation and welfare fund	33.00	5,352,722	7,389,075
Profit before income tax		107,054,448	147,781,502
Less: Income tax expenses	34.00	23,716,089	36,889,533
Profit after income tax		83,338,359	110,891,969
Add: Other comprehensive income		-	-
Total comprehensive income		83,338,359	110,891,969
Earnings per share (EPS)			
Basic earnings per share (face value BDT 10.00)	36.00	1.32	1.76

The annexed notes form an integral part of these financial statements.

Sd/-

Managing Director

Sd/-

Director

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Signed as per our annexed report on even date.

Dated: 28 October 2017
Place: Dhaka

Sd/-

AHMAD & AKHTAR
Chartered Accountants

TOSRIFA INDUSTRIES LIMITED

Statement of Changes in Equity
For the year ended 30 June 2017

(Amount in Taka)

Particulars	Share capital	Share premium	Retained earnings	Revaluation surplus	Total
Balance as at 1 July 2016	631,685,200	433,059,200	494,494,204	541,193,941	2,100,432,545
Total comprehensive income for the period					
Profit	-	-	83,338,359	-	83,338,359
Other comprehensive income	-	-	-	-	-
Transactions with owners of the Company:					
Issue of ordinary shares	-	-	-	-	-
Share premium	-	-	-	-	-
Stock dividend	-	-	-	-	-
Cash dividend	-	-	(75,802,224)	-	(75,802,224)
Transfer from revaluation surplus to retained earnings	-	-	2,108,997	(2,108,997)	-
Balance as at 30 June 2017	631,685,200	433,059,200	504,139,336	539,084,944	2,107,968,680

For the period ended 30 June 2016

(Amount in Taka)

Particulars	Share capital	Share premium	Retained earnings	Revaluation surplus	Total
Balance as at 01 January 2016	631,685,200	433,059,200	437,069,843	542,448,581	2,044,262,824
Total comprehensive income for the period					
Profit	-	-	56,169,721	-	56,169,721
Other comprehensive income	-	-	-	-	-
Transactions with owners of the Company:					
Issue of ordinary shares	-	-	-	-	-
Share premium	-	-	-	-	-
Stock dividend	-	-	-	-	-
Cash dividend	-	-	-	-	-
Transfer from revaluation surplus to retained earnings	-	-	1,254,640	(1,254,640)	-
Balance as at 30 June 2016	631,685,200	433,059,200	494,494,204	541,193,941	2,100,432,545

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed as per our annexed report on even date.

Dated: 28 October 2017
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

TOSRIFA INDUSTRIES LIMITED
Statement of Cash Flows
For the year ended 30 June 2017

Particulars	Notes	(Amount in Taka)	
		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1,303,782,715	1,260,231,629
Cash receipts from other sources		16,901,905	51,086,179
Cash paid to suppliers, contractors and others		(1,150,150,625)	(1,172,626,498)
Finance costs		(19,678,256)	(19,232,476)
Income taxes paid		(33,948,752)	(54,788,209)
Net cash (used in)/generated by operating activities		116,906,987	64,670,625
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(98,743,364)	(89,087,201)
Payments for capital work-in-progress		(742,924,062)	(224,196,439)
Payments for acquisition of intangible assets		(151,650)	(135,000)
Net cash used in investing activities		(841,819,076)	(313,418,640)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from/(repayment of) long term loans		89,897,159	(15,369,316)
Proceeds from/(payment of) accepted liabilities for machinery		138,243,736	(23,250,758)
Proceeds from/(repayment of) short term loans		168,400,085	36,568,787
Interest income		11,411,847	16,283,726
Payment of dividend		(75,802,224)	(29,624,183)
Proceeds from/(refund of) unsuccessful IPO application money		(57,200)	(639,167)
Net cash generated by financing activities		332,093,403	(16,030,911)
D. Net changes in cash and cash equivalents (A + B + C)		(392,818,684)	(264,778,926)
E. Cash and cash equivalents at the beginning of the year		586,270,943	851,049,869
F. Cash and cash equivalents at the end of the year (D + E)		193,452,258	586,270,943
Net operating cash flow per share (NOCFS)	37.00	1.85	1.02

The annexed notes form an integral part of these financial statements.

Sd/-

Managing Director

Sd/-

Director

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Signed as per our annexed report on even date.

Dated: 28 October 2017
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1.00 Corporate information of the reporting entity

"Tosrifa Industries Limited (hereinafter referred to as "the Company") is a public limited Company incorporated in Bangladesh on 27 August 2002 under the Companies Act, 1994 vide registration number C-46888 and has its registered address at Plot-91, Regency Palace (4th Floor), Block-K, Suhrawardy Avenue, Baridhara, Dhaka. The Company was initially registered as a private limited Company and subsequently converted into a public limited Company on 18 August 2011. It commenced its commercial operation in 2005. The industrial unit and the principal place of the business of the Company is located at 135 Gopalpur (Level 1-6), Munnu Nagar, Tongi, Gazipur.

The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

2.00 Nature of business

The Company operates an international standard industrial unit of readymade garments to carry on the business of knitting, designing, manufacturing and marketing of readymade garments to deal in the foreign markets.

3.00 Financial statements and corporate reporting

These financial statements comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows and other explanatory notes covering the accounting policies applied.

Authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company on 28 October 2017.

4.00 Basis of preparation

4.01 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs); Bangladesh Financial Reporting Standards (BFRSs); the Companies Act, 1994; the Securities and Exchange Rules, 1987; and other applicable laws and regulations.

4.02 Basis of measurement

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements.

4.03 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka. Because of these rounding off, in some instances the totals may not match the sum of individual balances.

4.04 Accrual basis of accounting

These financial statements have been prepared under the accrual basis of accounting.

4.05 Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected thereby.

4.06 Reporting period

The accounting year of Tosrifa Industries Limited was for the period from 1 January to 31 December 2015. To comply uniform year ending of all companies (except financial institutions) as on 30 June on the basis of amended law by section 2(35) of Income Tax Ordinance 1984 and Financial Act 2015. The Board of Directors of Tosrifa Industries Limited had changed its financial year from 1 July to 30 June and accordingly 6 month periodic accounts had prepared by 30 June 2016. Therefore, these accounts had been prepared for the year from 1 July 2016 to 30 June 2017. As a result, the comparative figures stated in the financial statements and the related notes are not entirely comparable.

5.00 Significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current period's presentation.

5.01 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

- i. expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii. held primarily for the purpose of trading,
- iii. expected to be realized within twelve months after the reporting period, or
- iv. cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i. expected to be settled in normal operating cycle,
- ii. held primarily for the purpose of trading,
- iii. due to be settled within twelve months after the reporting period, or
- iv. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current liabilities.

5.02 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

5.03 Property, plant and equipment

5.031 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When major parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

5.03.2 Subsequent costs

The cost of replacing or upgradation of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

5.03.3 Depreciation

No depreciation is charged on land and land developments as the land has unlimited useful life.

Depreciation on other items of property, plant and equipment is recognized on a diminishing balance method over the estimated useful life of each item of property, plant and equipment.

Depreciation method, useful lives and residual values are reviewed at each period-end and adjusted if appropriate. Depreciation has been charged on addition of assets during the year when the assets available for use. The depreciation rate based on estimated useful lives of the items of property, plant and equipment for the current and comparative periods are as follows:

	1 July 2016 to 30 June 2017	1 Jan 2016 to 30 June
	Rate	Rate
Plant and machinery	15.00%	15.00%
Motor vehicles	20.00%	20.00%
Furniture and fixtures	10.00%	10.00%
Office equipment	15.00%	15.00%
Building and civil works (RCC)	2.50%	2.50%

5.04 Capital work-in-progress

"Capital work-in-progress (CWIP) consists of unfinished building and civil works at sites (i.e. dyeing unit project) and capital plant and machinery which are yet to be ready for use.

No depreciation is charged on capital work-in-progress (CWIP), as CWIP has not yet been placed in service.

5.05 Intangible assets

5.05.1 Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per BAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

5.05.2 Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

5.05.3 Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets.

The amortization rate based on estimated useful lives are as follows:

	1 July 2016 to 30 Jun 2017	1 Jan 2016 to 30 Jun 2016
	Rate	Rate
Software and applications	20.00%	20.00%
Website	20.00%	20.00%

Amortization methods, useful lives and residual values are reviewed at each period-end and adjusted, if appropriate.

5.06 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deduction, adjustment or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit and loss account.

5.07 Financial instruments

Financial assets and liabilities are recognized on the statement of financial position when the Company has become a party to a contractual provision of the instrument.

5.08 Trade and other receivables

Trade and other receivables 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.

5.09 Accrued income

Accrued income includes incomes which have been earned but not received during the reporting period.

5.10 Inventories

Inventories comprise of raw materials (yarn), raw materials (finished fabrics), raw materials (accessories), needle and spare parts, work-in-process, and finished goods. Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in process, cost includes an appropriate share of production overheads based on normal operation capacity. Cost of inventories is determined by using the weighted average cost formula. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

5.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks, and other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

5.12 Share capital

Ordinary shares are classified as equity.

5.13 Loans

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on an accrual basis.

5.14 Trade and other payables

Trade and other payables are stated at their nominal value.

5.15 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

5.16 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The applicable tax rate for the Company is currently 12% on its taxable income derived from export and 25% on taxable income derived from sources other than export. The company is an internationally recognized green building certified involve with 100% export oriented RMG business. according to the SRO no. 255-AIN/Income Tax/2017 Dated 1 August 2017, applicable tax rate on its business income is 10%.

(b) Deferred tax

Deferred tax is recognized in compliance with BAS 12 Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each period-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.17 Employee benefits

The Company had created funds for workers as 'Workers' Profit Participation and Welfare Fund' and 5% of the profit before charging such expense have been transferred to this fund.

5.18 Revenue recognition, measurement and presentation

Revenue of the Company is derived from sale of goods (i.e. readymade garments) to foreign buyers through export. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

5.19 Finance costs

The Company's finance costs include interest expenses on bank loans, and other borrowings. Interest expense is recognized using the effective interest method.

5.20 Foreign currency transactions

These financial statements are presented in Taka/Tk./BDT, which is Company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into Taka at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss as per BAS 21 The Effects of Changes in Foreign Exchange Rates.

5.21 Related party transactions

The Company carried a number of transactions in arm length price with its related parties in the normal course of its business. The nature of those transactions and their total value have been disclosed in Note 38.

5.22 Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

5.23 Statement of cash flows

Cash flows from operating activities are presented under direct method in accordance with BAS-7 "Statement of Cash Flows". It has been also prepared in accordance with the Securities and Exchange Rules, 1987.

5.24 Events after the reporting period

Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

6.00 Property, plant and equipment: BDT 1,265,129,038

As at 30 June 2017

Particulars	Cost				Depreciation				Written down value as at 30 June 2017
	As at 1 July 2016	Addition during the year	Disposal during the year	As at 30 Jun 2017	Rate	As at 1 July 2016	Charged during the year	Adjustment during the year	
	BDT	BDT	BDT	BDT	%	BDT	BDT	BDT	BDT
Non-revalued assets									
Plant and machinery	325,104,721	10,573,198	-	335,677,919	15%	179,080,010	23,364,602	-	202,444,612
Motor vehicles	27,743,930	15,925,000	-	43,668,930	20%	10,045,344	4,877,683	-	14,923,027
Furniture and fixtures	21,603,658	2,399,358	-	24,003,016	10%	8,964,181	1,373,214	-	10,337,395
Office equipment	48,230,296	8,233,362	-	56,463,658	15%	19,521,742	4,656,859	-	24,178,601
Revalued assets									
Land and land developments	568,548,201	57,174,164	-	625,722,365	0%	-	-	-	-
Building & civil works (RCC)	488,994,900	4,438,282	-	493,433,182	2.5%	50,951,561	11,004,836	-	61,956,397
Total	1,480,225,706	98,743,364	-	1,578,969,070		268,562,838	45,277,194	-	313,840,032
									1,265,129,038

As at 30 June 2016

Particulars	Cost				Depreciation				Written down value as at 30 June 2016	
	As at 1 Jan 2016	Addition during the year	Disposal during the year	As at 30 Jun 2016	Rate	As at 1 Jan 2016	Charged during the year	Adjustment during the year		As at 30 Jun 2016
Non-revalued assets	BDT	BDT	BDT	BDT	%	BDT	BDT	BDT	BDT	BDT
Plant and machinery	320,839,630	4,265,091	-	325,104,721	15%	167,527,935	11,552,075	-	179,080,010	146,024,711
Motor vehicles	25,038,930	2,705,000	-	27,743,930	20%	8,349,539	1,695,805	-	10,045,344	17,698,586
Furniture and fixtures	21,353,349	250,309	-	21,603,658	10%	8,307,766	656,415	-	8,964,181	12,639,477
Office equipment	45,030,521	3,199,775	-	48,230,296	15%	17,307,327	2,214,415	-	19,521,742	28,708,554
Revalued assets										
Land and land developments	544,906,293	23,641,908	-	568,548,201	0%	-	-	-	-	568,548,201
Building & civil works (RCC)	486,444,411	2,550,489	-	488,994,900	2.5%	45,422,396	5,529,165	-	50,951,561	438,043,339
Total	1,443,613,134	36,612,572	-	1,480,225,706		246,914,963	21,647,875	-	268,562,838	1,211,662,868

Depreciation charged during the period/year has been allocated into factory overhead, and general and administrative expenses at 80:20 ratio.

Allocation of Depreciation:

Particulars	Rate	Amount
Factory Overhead	80%	36,221,755
Administrative Expenses	20%	9,055,439
Total	100%	45,277,194

Amount in Taka	
30 June 2017	30 June 2016

7.00 Capital work-in-progress: BDT 989,318,118

Opening balance	160,810,324	90,700,231
Add: Addition during the year	828,507,794	70,110,093
	989,318,118	160,810,324
Less: Transferred to PPE during the year	-	-
Closing balance	989,318,118	160,810,324
This is made up as follows:		
Building and civil works (dyeing unit project)	499,412,830	147,308,152
Plant and machinery - dyeing	489,905,288	13,502,172
	989,318,118	160,810,324

8.00 Intangible assets: BDT 1,600,482

As at 30 June 2017

Particulars	Cost				Rate	Amortization				Carrying amount
	As at 1 July 2016	Addition during the period	Adjustment during the period	As at 30 June 2017		As at 1 July 2016	Charged during the period	Adjustment during the period	As at 30 June 2017	As at 30 June 2017
	BDT	BDT	BDT	BDT		%	BDT	BDT	BDT	BDT
Software and applications	3,458,485	151,650	-	3,610,135	20%	1,694,743	341,910	-	2,036,653	1,573,482
Website	45,000	-	-	45,000	20%	11,250	6,750	-	18,000	27,000
Total	3,503,485	151,650	-	3,655,135		1,705,993	348,660	-	2,054,653	1,600,482

As at 30 June 2016

Particulars	Cost				Rate	Amortization				Carrying amount
	As at 1 June 2016	Addition during the period	Adjustment during the period	As at 30 June 2016		As at 1 June 2016	Charged during the period	Adjustment during the period	As at 30 June 2016	As at 30 June 2016
	BDT	BDT	BDT	BDT		%	BDT	BDT	BDT	BDT
Software and applications	3,565,735	-	107,250	3,458,485	20%	1,456,144	345,849	107,250	1,694,743	1,763,742
Website	45,000	-	-	45,000	20%	6,750	4,500	-	11,250	33,750
Total	3,610,735	-	107,250	3,503,485		1,462,894	350,349	107,250	1,705,993	1,797,492

9.00 Advances, deposits and prepayments: BDT 132,308,738

Advances

Advance against salary	Note 9.01
Advance against expenses	Note 9.02
Advance against purchase	Note 9.03
Advance against building construction	Note 9.04

Deposits

Security deposits	Note 9.05
LC margin	

Prepayments

Prepaid insurance

Amount in Taka	
30 June 2017	30 June 2016
3,357,474	1,573,205
38,378,867	5,995,750
3,663,664	1,910,167
77,580,575	67,686,115
122,980,580	77,165,237
1,482,481	1,482,481
6,357,000	2,109,000
7,839,481	3,591,481
1,488,677	1,347,397
1,488,677	1,347,397
132,308,738	82,104,115

9.01 Advance against salary: BDT 3,357,474

	Amount in Taka	
	30 June 2017	30 June 2016
Abdul Khalek	-	4,000
Abdul Wadud	320,078	-
Abdul Zabber	12,500	2,000
ABM Farhad Uddin Chowdhury	500,449	-
Abu Jafar	7,038	253
Abul Kalam	1,607	10,000
AKM Shahalam	220,000	-
Al-Amin	30,000	-
Alif Nadvi Rahman	-	171,830
Arif Hossain	-	60
Arjuk Kumar	60,000	-
Armanul Azim	-	400,000
Ashaduzzaman	-	32
Atiqure Rahamn	-	49
Azizur Haque	-	15,000
Badol	8,000	28,000
Bashir	5,000	32,000
Champa	5,000	-
Faisal Hossain	-	60
Farhad Hossian	-	180
Feroz Kabir	-	116,004
Golzar Alam	226,861	38,160
Habibur Rahman	41,800	-
Hafizur Rahman	-	6,000
Hassanuzzaman	-	-
Helal uddin	-	60
Ibrahim	3,000	-
Istta Jahan Ela Pervin	50,000	-
Jakir Hossain	6,000	20,102
Jakir Hossain	405,766	-
Jillur Rahman	81,483	110
Joynal Abedin	5,000	-
Joynal Abedin	20,000	-
Julker Nain	-	39
Kamruzzaman	1,689	-
Khurshed Alam	350,890	75,000
Liton Sikder	-	41
Mahabubur Rahman	-	24,000
Mazhar Islam	5,000	-
Md. Khayrul Islam	25,000	-
Mizanur Rahman	40,000	-
Mohaimanul Islam	12,500	-

	Amount in Taka	
	30 June 2017	30 June 2016
Moniruzzaman	-	640
Monjurul Islam	-	48
Moshiur Rahman	-	678
Moshiur Rahman Palash	208,948	298,948
Mustak Ahemd	464,190	-
Mutaleb	-	25,000
Nafiza Akthar	-	44
Obaydur Rahman	3,000	-
Omar Ali	52,000	52,000
Omit Sarker	25,000	30,000
Raju	-	6,000
Ramjan Ali	12,000	-
Rezaul Karin	14,000	-
Russel	5,000	-
Rustom Ali	6,000	-
Saiful Islam	-	60
Sayed Faisal Rafique	10,000	60
Shafiqul Islam	10,000	-
Shafiqul Islam 1	-	25,000
Shafiqul Islam 2	-	20,000
Shafiqul Islam 3	-	35,000
Shahabuddin	20,000	-
Shahidur Rahman	-	1,356
Shajahan Bhuyhan	-	34
Shakhawat	-	50,000
Shamsul Alam	15,000	-
Shodesh Chandra	13,000	-
Somesh Uddin	48,000	-
Touhidul Islam	-	50,000
Touhidul Islam	-	5,000
Uzzol	-	26,000
Waliur Rahman	-	357
Washim	6,000	-
Yousuf Ali	-	4,000
Zaid al Refai	675	-
	3,357,474	1,573,205

9.02 Advance against expenses: BDT 38,378,867

	Amount in Taka	
	30 June 2017	30 June 2016
A - Den Company Ltd	40,000	-
ABG Engineering Service	1,900,000	400,000
Adex Corporation Limited	11,173,000	-
Advance to IDLC	2,125,000	-
AG Hi-Tech Ltd.	35,000	-
Ahmad & Akhtar Chartered Accountants	200,000	-
Al Mamun Traders	-	100,000
Berger Paints Bangladesh Ltd	109,494	-
Bony & Bony apparels Ltd	-	87,600
Chittagong Denim Mills Ltd	57,300	-
Earth Squad (BD) Ltd	350,000	-
EGT Textiles Limited	8,600	-
Elite Force	10,000	-
Eltech Engineering Co.Ltd	811,800	-
Energypac Engineering Ltd	7,680,000	-
Enviro Pack Ltd	1,455,030	851,430
Esquire Knit Composite Ltd	4,000	-
Euro Express Ltd	-	34,000
Exabytesbd	-	30,000
Golden Boiler Co Ltd	-	52,500
Haji Mofiz Uddin CNG Filling Station	130,000	-
Hung Tak northern garments limited	-	249,100
ITS Labtest Bangladesh Ltd	-	18,625
J. K. Power Pac	900,000	900,000
Jahangir Alam	3,000,000	2,000,000

	Amount in Taka	
	30 June 2017	30 June 2016
Kamruzzaman	1,000,000	-
KC yarn dyeing Ltd	-	30,039
Khan Global	27,000	27,000
Mahabub	15,600	15,600
Mahabubur Rahman	97,000	-
Media Consultants Ltd	-	73,416
Naji Electro Power Ltd.	1,000,000	-
New Horizons CLC of Bangladesh	30,000	-
Pandora Associate	15,000	-
Rabeya Quader	70,786	-
Regular Activities Ltd	300,000	-
Rupa Fabrics Ltd	38,000	-
Setu Center	-	247,000
Shah Mohammed	390,400	390,400
Shahiduzzaman	373,250	373,250
Shakhawat Hossain	60,000	-
Sports Master	299,607	-
Spy Security System	727,952	-
Star Host IT Ltd.	27,930	-
Texmate Engineering	300,000	-
The Successors	727,815	-
Total Freight Ltd	1,892,338	-
Viyellatex Ltd	12,750	-
Xebec Trading services	984,215	115,790
	38,378,867	5,995,750

	Amount in Taka	
	30 June 2017	30 June 2016
9.03 Advance against purchase: BDT 3,663,664		
Mr. Aliur Rahman	13,275	11,000
Mr. Hasnat Khadem	-	126,001
Mr. Habibur Rahman	127,500	87,500
Mr. Omar Farooq	956,939	322,758
Kamruzzaman	152,250	-
Mr. Syed Rashedul Haque	1,596,819	663,059
Mr. Rupok	81,202	205,797
Mr. Gitendra Chandra Gosh	735,679	494,052
	3,663,664	1,910,167

9.04 Advance against building construction: BDT 77,580,575		
Abul Khair Steel Melting Ltd.	6,062,500	-
Aquatech Engineering Service	1,760,000	-
Asgar Trading	340,000	-
Automatic Bricks & Ceramics (Pvt.) Ltd.	2,415,000	-
Babel Enterprise	2,843,780	2,843,780
Bangladesh Building Systems Ltd	6,000,000	12,411,680
BBS Cables Ltd.	1,350,000	-
Bengal Bricks Corporation	-	4,145,600
Build-Tech Engineering	950,000	-
Concord Ready - Mix & Concrete Products Ltd.	-	2,781,600
Dayamoy Trading	332,000	-
Dhaka Engineering Works	-	350,000
Fairmix Ltd	-	96,000

	Amount in Taka	
	30 June 2017	30 June 2016
Hamid Construction Ltd	2,225,000	6,625,000
Infratrade Limited	138,450	-
Inter Trade Ltd	3,000,000	-
Japanese ETP Consulting	1,550,000	1,200,000
KSRM Steel Plant Ltd	2,900	27,394,850
L.B. Trade Link International	-	128,000
Lafarge Surma Cement Ltd	5,912,700	1,982,200
M.I. Cement Factory Ltd	840,000	-
Mir Concrete Products Ltd	498,500	-
Mirpur Ceramic Works Ltd.	40,510	-
Mohammad Trading	18,319	327,305
NDE Ready Mix Concrete Ltd	-	2,288,000
Neoformation Architects	7,010,000	2,210,000
Nidhi Traders	-	1,000,000
Premier Cement Mills Limited	782,000	-
Rafiz Engineering Works	245,000	-
Rahimafrooz Renewable Energy Ltd.	210,000	-
Rapid Construction and Engineering	300,000	-
S.K. Traders	950,000	-
S.T. Corporation	821,550	-
Shah Mohammad Building Construction	6,323,971	930,100
Shaheen Bricks Manufacturing	609,000	-
Shaheen Traders	284,000	-
Shajahan	50,000	-
Shohel & Brothers Pte Ltd	840,000	-
Sierra Instruments Inc	936,000	936,000
SSR Consultants	175,000	-
Star Ceramics Ltd.	4,608,119	-
Superior Builders And Engineers Ltd.	1,560,000	-
Term Trading	1,180,076	-
Textile Engineering & Consultancy Service	10,100,000	-
Unique Ceramic Industries (Pvt.) Ltd	1,964,200	36,000
World Tech International	462,000	-
	77,580,575	67,686,115

	Amount in Taka	
	30 June 2017	30 June 2016
9.05 Security deposits: BDT 1,482,481		
Security deposit to BTCL	8,600	8,600
Security deposit to DESCO	567,336	567,336
Security deposit to Titas Gas	406,545	406,545
Security deposit to CDBL	500,000	500,000
	1,482,481	1,482,481
10.00 Trade and other receivables: BDT 153,890,622		
Opening balance	250,774,035	111,289,198
Add: Export during the year	1,206,899,302	787,719,758
	1,457,673,337	899,008,956
Less: Proceeds realized during the year	1,303,782,715	648,234,921
	153,890,622	250,774,035
The closing balance consists of as follows:		
Arrentation Limited	1,157,535	-
DK Company Vejle	3,852,412	-
El Corte Ingles S.A.	-	929,408
IMAP Export S.P.A	78,837,547	175,793,793
Lifco S.A.L	-	12,889,399
MQ Retail AB	9,300,442	794,661
Sports Master Ltd.	36,587,393	17,049,736
Tel Star Trading BV	-	1,008,945
Traders SRL	19,443,188	42,308,093
X-Mile APS	4,712,105	-
	153,890,622	250,774,035

Aging schedule:

0 - 3 months	3-6 months	> 6 months	Total
153,890,622	-	-	153,890,622

Information about trade receivables as per requirement of Schedule XI, Part I, Paragraph 4 of the Companies Act, 1994:

Debtors have been stated at their nominal value. Debtors are accrued in the ordinary course of business.

(i) Debt considered good in respect of which the company is fully secured. Trade receivables accrued in the ordinary course of business are considered good and secured against confirmed LC.

(ii) Trade receivables considered good for which the company hold no security other than the personal security. There is no such trade receivables as on 30 June 2017.

(iii) Trade receivables considered doubtful or bad

The Company did not make any provision for doubtful debt as on 30 June 2017, because of the fact that sales/exports are being based on 100% confirmed letter of credit with fixed maturity dates.

(iv) Trade receivables due by directors or other officers of the company. There is no such trade receivables as on 30 June 2017.

(v) Trade receivables due by Common Management. There is no such trade receivables as on 30 June 2017.

(vi) Reserve for doubtful debts. There is no such reserve created as on 30 June 2017.

	Amount in Taka	
	30 June 2017	30 June 2016
11.00 Accrued income: BDT 10,970,356		
Accrued interest income	238,967	150,991
Accrued cash incentive	10,731,389	959,560
	10,970,356	1,110,551
12.00 Inventories: BDT 208,747,336		
Raw materials (yarn)	122,175,388	76,717,267
Raw materials (finished fabrics)	18,421,680	12,123,721
Raw materials (accessories)	3,435,592	5,388,597
Needle and spare parts	3,646,736	3,330,053
Work-in-process	32,936,961	29,250,915
Finished goods (garments)	28,130,979	27,574,727
	208,747,336	154,385,280

Disclosure of quantities as per requirement under Schedule XI, Part II, Paragraph 3 of the Companies Act, 1994:

Items	Unit	As at 30 June 2017		As at 30 June 2016	
		Opening (Qty)	Closing (Qty)	Opening (Qty)	Closing (Qty)
Raw materials (yarn)	KG	330,530	468,934	377,237	330,530
Raw materials (accessories)*	-	-	-	-	-
Raw materials (finished fabrics)	KG	32,743	46,332	45,064	32,743
Finished goods (garments)	PCS	107,883	109,899	35,784	107,883
Needle and spare parts*	-	-	-	-	-
Work-in-process	PCS/KG	182,723	153,158	519,813	182,723

* Quantity-wise breakup of raw materials (accessories), and needle and spare parts could not be given as it is difficult to quantify each item in a separate and distinct category due to large variety of raw materials (accessories), and needle and spare parts.

13.00 Cash and cash equivalents: BDT 193,452,258

Cash in hand	Note 13.01	1,406,297	1,308,484
Cash at bank	Note 13.02	192,045,961	584,962,459
		<u>193,452,258</u>	<u>586,270,943</u>

13.01 Cash in hand: BDT 1,406,297

Cash at head office	881,439	878,998
Cash at factory	524,858	429,486
	<u>1,406,297</u>	<u>1,308,484</u>

13.02 Cash at bank: BDT 192,045,961

Name of the bank/NBFI	Branch	Type of account	Account Number	As at	As at
				30 Jun 2017	30 Jun 2016
				BDT	BDT
Eastern Bank Ltd.	Gulshan	CD	1041070005263	407,950	1,230,934
Dutch Bangla Bank Ltd.	Banani	CD	1031100034643	128,600	-
Prime Bank Ltd	Banani	CD	13211060000614	4,376,707	248,857
Prime Bank Ltd	Banani	FC (ERQ)	13251050006186	3,481	3,385
Prime Bank Ltd	Banani	STD	13231030025488	73,225	73,437
Sonali Bank Ltd	Baridhara	CD	200004148	-	383,731
AB Bank Ltd	Kakrail	CD	4009-785851-000	10,205,507	-
AB Bank Ltd	Kakrail	FC (ERQ)	4009-78-5851-048	3,749,401	3,631,321
AB Bank Ltd	Kakrail	STD	4009-78-5851-430	676,795	2,246,948
AB Bank Ltd	Kakrail	Margin	4009-78-5851-254	31,816,241	24,256,611
AB Bank Ltd	Kakrail	FDR	4009-78851-200	-	1,697,253
City Bank Ltd	Gulshan	CD	1101495932001	2,450,376	3,099,385
City Bank Ltd	Gulshan	FC (ERQ)	5121495932001	7,977,616	3,384,686
City Bank Ltd	Gulshan	Margin	-	89,404,738	65,469,778
City Bank Ltd	Gulshan	SND	3101703841001	478,208	470,877
Mutual Trust Bank Ltd*	Gulshan	STD	320002679	7,943,275	462,718,607
Mutual Trust Bank Ltd*	Gulshan	FC	0002-0260000704	204,282	199,152
Mutual Trust Bank Ltd*	Gulshan	Dividend	0002-0320003543	3,888,272	-
Mutual Trust Bank Ltd	Gulshan	CD	0220210010605	1,210,772	-
Peoples Leasing Finance Service Ltd.	Gulshan	FDR	PLFS/TDR/GUL-1576/2017	10,219,375	-
IDLC Finance Limited	Uttara	FDR	10752228411101	5,610,380	5,282,499
IDLC Finance Limited	Uttara	FDR	10752228411102	5,610,380	5,282,499
IDLC Finance Limited	Uttara	FDR	10752228411103	5,610,380	5,282,499
Total				192,045,961	584,962,459

* These balances represent unclaimed portion of refundable amount and unclaimed dividend .

The balances of foreign currency accounts have been converted considering the prevailing rate of respective banks as on the reporting date.

Name of the bank	Branch	Account Number	Currency	Amount	Translation rate	As at 30 Jun 2017
						BDT
Prime Bank Ltd	Banani	13251050006186	USD	\$ 43.63	79.79	3,481
AB Bank Ltd	Kakrail	4009-78-5851-048	USD	\$ 46,908.56	79.93	3,749,401
AB Bank Ltd	Kakrail	4009-78-5851-254	USD	\$ 398,051.31	79.93	31,816,241
Mutual Trust Bank Ltd	Gulshan	0002-0260000704	USD	\$ 2,566.39	79.60	204,282
City Bank Ltd	Gulshan	5121495932001	USD	\$ 100,158.39	79.65	7,977,616
City Bank Ltd	Gulshan	Margin	USD	\$ 1,122,470.03	79.65	89,404,738
Total				\$ 1,670,198.31		133,155,759

14.00 Share capital: BDT 631,685,200

Amount in Taka	
30 June 2017	30 June 2016

Authorized capital:

(Divided into 100,000,000 ordinary shares of BDT 10.00 each)

1,000,000,000	1,000,000,000
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Issued, subscribed and paid-up capital:

(Divided into 63,168,520 ordinary shares of BDT 10.00 each)

631,685,200	631,685,200
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Shareholding position as on 30 June 2017:

Name of shareholders	No. of ordinary shares	Face value per share	As at	As at
			30 Jun 2017	30 Jun 2016
			BDT	BDT
Ms. Abeda Rahman	48,535	10.00	485,350	485,350
Ms. Tosrifa Ahmed*	3,091,903	10.00	30,919,033	30,919,033
Ms. Anjuman Ara Begum	6,741,000	10.00	67,410,000	67,410,000
Ms. Lyra Rizwana Quader	6,741,000	10.00	67,410,000	67,410,000
Mr. Mohim Hassan	1,696,913	10.00	16,969,130	16,969,130
Mr. Naim Hassan	1,696,913	10.00	16,969,130	16,969,130
Mr. Rafiq Hassan	1,579,049	10.00	15,790,487	15,790,487
Mr. Sayeed Hassan	80,635	10.00	806,350	806,350
Ms. Shameem Ara Begum	258,837	10.00	2,588,370	2,588,370
Northern Corporation Ltd.	12,840,000	10.00	128,400,000	128,400,000
Other than sponsors	28,393,735	10.00	283,937,350	283,937,350
	63,168,520		631,685,200	631,685,200

* As per Rule 10 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the shares of sponsors and directors shall be subject to lock-in for 3 (three) years from the date of issuance of prospectus or commercial operation, whichever comes later. In accordance with this rule, the shares of Ms. Tosrifa Ahmed, who died on 7 April 2016, shall be under her name till 25 February 2018.

Shareholding position on the basis of Group:

Group name	Number of shareholders	Number of shares	Ownership (%)
Company	106	14,623,432	23.15%
General public	10,349	13,770,303	21.80%
Sponsors/Directors	10	34,774,785	55.05%
Total	10,465	63,168,520	100.00%

Shareholding position on the basis of Range:

Shareholding range	Number of shareholders	Number of shares	Ownership (%)
1-500	9,544	1,702,881	2.70%
501-5000	641	1,253,208	1.98%
5001-10000	109	837,059	1.33%
10001-20000	71	1,030,089	1.63%
20001-30000	22	535,566	0.85%
30001-40000	13	442,658	0.70%
40001-50000	8	373,690	0.59%
50001-100000	21	1,655,689	2.62%
100001-1000000	27	8,241,690	13.05%
1000001-1000000000	9	47,095,990	74.56%
Total	10,465	63,168,520	100.00%

	Amount in Taka	
	30 June 2017	30 June 2016
15.00 Share premium: BDT 433,059,200		
Share premium	433,059,200	433,059,200
Share premium received against 24,566,200 ordinary shares issued to other than sponsors at each BDT 16.00 and 2,000,000 shares issued to placement each BDT 20.00.		
16.00 Retained earnings: BDT 504,139,336		
Opening balance	494,494,204	437,069,843
Add: Transferred from revaluation surplus	2,108,997	1,254,640
Add: Net profit/(loss) during the year	83,338,359	56,169,721
	579,941,560	494,494,204
Less: Cash Dividend	75,802,224	-
	504,139,336	494,494,204
17.00 Revaluation surplus: BDT 539,084,944		
Opening balance	541,193,941	542,448,581
Less: Transfer to retained earnings from building and civil works	2,108,997	1,254,640
	539,084,944	541,193,941
Breakup of closing balance:		
Revaluation surplus for land and land development	414,400,000	414,400,000
Revaluation surplus for building and civil works	124,684,944	126,793,941
	539,084,944	541,193,941

17.01 Revaluation surplus as on 30 June 2011: BDT 557,205,243

Group of PPE	Depreciated historical cost	Depreciated current cost	Revaluation surplus
	BDT	BDT	BDT
Land and land development	53,751,501	468,151,501	414,400,000
Building and civil works	228,894,119	371,699,362	142,805,243
Total	282,645,620	839,850,863	557,205,243

The revaluation of land and land development, and building and civil works has been done by Saha Mazumder & Co., Chartered Accountants considering the cut off date 30 June 2011 and signed on 10 November 2011

Method of valuation

a) Valuation of land

i) Land was valued on the basis of "FAIR MARKET VALUE" which is the amount in terms of money which the property would bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeable and assuming the price is not affected by undue stimulus. Market prices were obtained from local sources. Opinion based on discussion with the deed writers, income tax and gain tax personnel and officials of sub registrars' office were taken into consideration for the purpose of revaluation.

ii) Prevailing rate of buying and selling of lands during last six months in and around Mouza: Gopalpur, Tongi, Gazipur were also compared with the land property under appraisal giving due consideration to different factors including location, size, shape, bargaining allowance and other market constraints.

b) Valuation of building and civil works

i) The building constructions of company which are situated on the above mentioned land have been physically verified. The building has been revalued based on Current Cost Accounting (CCA) method.

ii) This cost has been ascertained considering factors, like the basis of the type of structure, price at which building materials, technical and non-technical labor, cost of transportation etc. are available at site, the quality of materials used in construction, workmanship, the quality of their maintenance and the accumulated depreciation thereon for the expired portion of their effective lives and the present condition of the assets in question and other relevant factors.

iii) Cost of construction of similar buildings and other constructions were obtained from local sources available, and independent engineering consultants. The total value of buildings and civil construction has been ascertained at BDT 371,699,362.

18.00 Long term loans (secured), net of current portion: BDT 262,585,727

The long term loans are with The City Bank Ltd., Gulshan Avenue Branch, 136 Gulshan Avenue, Gulshan, Dhaka, Bangladesh. The loan of The City Bank Ltd was taken over from Prime Bank Ltd, Banani Branch. These loans are being adjusted in 60 Equal Monthly Installment (EMI). The purpose of the term loan of The City Bank Ltd is to construction of a 6 storied new store building and import of capital machinery through Prime Bank Ltd, Banani Branch.

All these loans are secured by land, building, furniture, fixture, plant and machinery, personal guarantee of Directors and corporate guarantee, all present and future fixed and floating assets (excluding stock & book debts).

Purpose of loan	Bank Name and Account Number	Interest rate p.a.	Maximum tenor	Repayment clause
Construction of building and purchase of machinery	The City Bank Ltd (9171495932001)	8.00%	6 years including 1 year grace period from the date of 1st disbursement	Amount outstanding will be repaid in 60 equal monthly installments of BDT 23.47 each month. Excess or shortfall, if any, shall be adjusted with the last installment.
Long term loan for civil construction	The City Bank Ltd	8.00%	7 years including 18 months moratorium period.	Principal amount will be paid in 22 equal quarterly installments & interest will be serviced on quarterly basis.
Long term loan for Machinery	The City Bank Ltd.	8.00%	7 years including 18 months moratorium period.	Principal amount will be paid in 22 equal quarterly installments & interest will be serviced on quarterly basis.

This balance consists of as follows:

Term loan with The City Bank Ltd	A/C # 9171495932001
Term loan with AB Bank Ltd	Car Loan # 4009-785851-461
Term Loan with The City Bank Ltd (Civil Construction)	Note-18.01
Term Loan with The City Bank Ltd (Machine)	Note-18.02

Amount in Taka	
30 June 2017	30 June 2016
BDT	BDT
9,641,415	28,049,794
-	8,270,038
114,700,577	-
138,243,736	-
262,585,727	36,319,832

		Amount in Taka	
		30 June 2017	30 June 2016
18.01 Long Term Loan (Civil Construction): BDT 114,700,577			
The City Bank Ltd	LTL_ 9471495932005	8,803,547	-
The City Bank Ltd	LTL_ 9471495932006	20,320,000	-
The City Bank Ltd	LTL_ 9471495932007	20,306,667	-
The City Bank Ltd	LTL_ 9471495932009	6,379,221	-
The City Bank Ltd	LTL_ 9471495932010	2,734,051	-
The City Bank Ltd	LTL_ 9471495932011	3,315,735	-
The City Bank Ltd	LTL_ 9471495932012	20,142,222	-
The City Bank Ltd	LTL_ 9471495932014	3,078,644	-
The City Bank Ltd	LTL_ 9471495932015	1,777,409	-
The City Bank Ltd	LTL_ 9471495932016	20,057,778	-
The City Bank Ltd	LTL_ 9471495932017	7,785,303	-
		114,700,577	-
18.02 Long Term Loan (Machine): BDT 138,243,736			
The City Bank Ltd	LTL_ Machine_ 9471495932001	19,348,630	-
The City Bank Ltd	LTL_ Machine_ 9471495932002	1,238,142	-
The City Bank Ltd	LTL_ Machine_ 9471495932003	29,791,919	-
The City Bank Ltd	LTL_ Machine_ 9471495932004	79,072,787	-
The City Bank Ltd	LTL_ Machine_ 9471495932008	4,883,472	-
The City Bank Ltd	LTL_ Machine_ 9471495932013	3,908,786	-
		138,243,736	-
19.00 Deferred tax liabilities: BDT 15,943,788			
Deferred tax liabilities have been recognized and measured in accordance with the provisions of BAS 12 Income Taxes. Related deferred tax expenses have been disclosed in Note 34. The components of deferred tax liabilities are given below:			
	Carrying amount (Accounting base)	Carrying amount (Tax base)	Taxable temporary differences
	BDT	BDT	BDT
Property, plant and equipment (Note 6)	1,265,129,038	1,106,276,756	158,852,282
Intangible assets (Note 8)	1,600,482.00	1,014,885.20	585,597
Net taxable temporary difference			159,437,879
Applicable tax rate			10.00%
Deferred tax liabilities			7,295,937
20.00 Trade and other payables: BDT 145,230,466			
Trade payables			
Back to Back (BTB) and other LC	Note 20.01	87,934,401	110,595,336
		87,934,401	110,595,336
Other payables			
Building construction	Note 20.02	5,348,429	420,455
Withholding income tax (TDS)		4,320,837	5,911,866
Withholding VAT (VDS)		1,272,465	4,750,956
Unclaimed IPO application money	Note 20.03	3,060,249	3,117,449
Unclaimed dividend	Note 20.04	4,260,915	455,188
Account Payable	Note 20.05	36,808,170	-
Security Deposit-BBS		350,000	-
Advance for employees car policy		1,875,000	-
		57,296,065	14,655,914
		145,230,466	125,251,250

20.01 Back to Back (BTB) and other LC: BDT 87,934,401

	Amount in Taka	
	30 June 2017	30 June 2016
Arshad Embroidery Ltd.	214,945	-
Asia Linkage	81,924	-
A-TEX Label Industries Ltd	116,554	-
BD Corporation	598,806	701,237
BDTEX Ltd.	556,920	1,139,238
BHT Industries Ltd	1,153,850	1,677,605
Brothers Trade Accessories	123,927	212,247
Button Tex Ltd	-	107,254
BWJ International	-	163,538
Dekko Accessories Ltd.	-	345,018
Design Mode	-	338,283
Dhaka Texmart Industries Ltd	203,487	2,813,285
Enviro Pack Ltd	363,410	945,585
Envoy Textiles Ltd	2,088,450	1,939,289
Epyllion Ltd.	238,835	1,423,415
FAB-CON Textile Mills Ltd.	440,583	168,985
Four Line	2,621,307	1,729,564
Garg Acrylic Ltd	2,912,879	3,242,096
Giant Textiles Ltd	3,339,830	7,987,138
H.S. Corporation	-	1,488,462
Hossain Dyeing & Printing Mills Ltd.	3,648,336	1,770,321
Hossain Washing & Dyeing Ind	1,304,160	2,167,389
HRS Business Corporation	1,746,370	1,262,122
Huafu Macao Commercial Offsgore Ltd	-	169,114
Jahan Textile	307,055	178,969
Jist Industrial Co. Ltd	1,562,199	1,817,142
Madina Dyeing	-	48,151
Malek Spinning Mills Ltd	2,084,880	4,577,177
Maple Packages (Pvt.) Ltd	684,588	-
Montrims Limited	1,091,221	803,194
Naf Overseas (PVT.) Ltd	-	1,016,185
NRG Hometex Ltd	1,198,665	1,329,793
NZ Accessories Ltd.	-	2,299,518
Orient Button Ltd	124,956	106,749
Pahartali Textile & Hosiery Mills Ltd	781,752	3,052,459
Parmita Fashions Ltd	-	268,097
Peacock Design	-	134,274
Permess South East Asia Ltd	-	148,321
Pioneer Accessories (H.K.) Ltd	-	830,931
Prominent Trade	112,083	-
Purbani Yarn Dyeing Ltd.	-	568,635
Radission Washing Plant Ltd	890,433	-
Rupa Fabrics Ltd.	15,655,500	1,944,425
S.H Enterprise	451,601	603,047
Sahara Button Industries Ltd	-	78,389

	Amount in Taka	
	30 June 2017	30 June 2016
Saiham Cotton Mills Ltd	2,304,900	1,897,759
Sams Fashion	562,146	1,240,387
Sanzi Textile Mills Ltd	431,237	-
Sarker Design & Printing	1,204,773	6,326,206
Shahara Enterprise	697,965	-
Shaoxing Yonglong Knitting & Embroideries Co. Ltd	-	1,168,833
Simtex Industries Ltd	-	1,336,370
SM Spinning Mills Ltd.	-	694,160
Sparkle Knit Composite Ltd	8,984,062	7,202,150
Square Fashion Yarns Ltd	4,866,225	21,661,283
Square Textiles Ltd	3,701,880	2,989,748
Square Yarns Ltd	8,642,985	550,661
Sufia Fabric Ltd.	312,605	-
Sun Yad Packaging Ltd	-	574,772
Sutlej Textiles and Industries Ltd	1,183,629	-
Suzhou Fairtex Co Ltd	-	276,380
Swift Trims	435,574	-
T&M Interlining Manufacturing Co; Ltd	303,264	-
T.M.S Thread & Accessories	-	314,066
T.M.S Thread & Accessories	157,560	-
Tamishna Dyeing Ind's Ltd	-	882,827
The Delta Blended Yarn Mills Ltd.	362,700	-
The Glory International	284,700	1,264,608
Thermax Textile Mills Ltd	-	241,109
Uniglory Button Ltd	118,070	-
Uniglory Paper & Packaging Ltd	1,913,493	4,444,826
United Print Shop	-	1,411,404
Usraat Lace & Tape	-	493,175
Vardhaman Textiles Ltd	-	1,217,131
YKK Bangladesh Ltd	512,148	1,686,556
Z & M Manufacturing Ltd.	747,865	1,124,284
CRC Textile Mills Ltd	3,507,114	-
	87,934,401	110,595,336

		Amount in Taka	
		30 June 2017	30 June 2016
20.02 Building construction: BDT 5,348,429			
BBS Cable Industries Ltd	1,364,933	-	
Hamid Construction Ltd	3,590,829	-	
Esha Enterprise	-	61,322	
Jamal Hossain	-	202,066	
Northern Knit Ltd	392,667	157,067	
	5,348,429	420,455	
20.03 Unclaimed IPO application money: BDT 3,060,249			
Unclaimed IPO application money (IPO refund warrant)	3,060,249	3,117,449	
	3,060,249	3,117,449	
20.04 Unclaimed dividend: BDT 4,260,915			
Mutual Trust Bank	3,807,258	-	
The city Bank	453,658	455,188	
	4,260,915	455,188	
20.05 Account Payable: BDT 36,808,170			
Adury Knit Composite Ltd.	174,672	-	
APS Apparels Ltd.	500	-	
Asha Knitting Industries	62,064	-	
Divine Textile Ltd.	69,598	-	
EGT Textile Ltd.	14,850	-	
Faltex Knitting Ltd.	43,620	-	
Fashion Asia Ltd.	13,171,875	-	
Giant Textiles Ltd.	4,689,564	-	
Jinnat Apparels Ltd.	319,850	-	
Modern Tex	700	-	
Mondol Knitwears Ltd.	122,971	-	
Norban Comtex Ltd.	104	-	
Northern Corporation Ltd.	7,235,523	-	
North Knit Ltd.	117,738	-	
NRG Composite Yarn Dyeing	216,478	-	
Padma Poly Cotton Knit Fabrics Ltd.	94,017	-	
Rupa Fabrics Ltd.	3,089,768	-	
Sawftex Ltd.	108,199	-	
Shapla Knitting Ltd.	92,626	-	
Shishir Knitting & Dyeing Ltd.	12,639	-	
Sparkle Knit Composite Ltd.	2,591,656	-	
Texhill Knitwears.	9,612	-	
Texmark Knitwears.	352,151	-	
Viyellatex Ltd.	76,744	-	
Amber IT Ltd.	4,600	-	
Anudip Autos Ltd.	54,708	-	
Arabi Fashion Limited	39,360	-	
Asgar Trading	5,500	-	
Asif Enterprise	24,000	-	

Aswad Composite Mills Ltd.	134,060	-
Automation Drives And Controls.	6,770	-
Berger Paints Bangladesh Ltd.	78,367	-
B.T. Tex. Access	4,000	-
Build Aid	42,000	-
Central Depository Bangladesh Ltd.	212,000	-
Clean & Care.	43,000	-
Commerce Corner.	114,756	-
Desh General Insurance Company Ltd.	36,798	-
Dhaka Texmart Industries Ltd.	9,750	-
DHL Worldwide Express (BD) Private Ltd.	89,842	-
Elite Security Services Ltd.	21,753	-
Faicyal Auto Mobiles	7,350	-
F.F. Trading Corporation	170,000	-
Good Luck Stationery	339,607	-
Haji Mofiz Uddin CNG Filling Station	130,000	-
Hossain Dyeing & Printing Mills Ltd.	4,816	-
Jaman Marker Paper Converting	42,226	-
Khaja Art Press	101,510	-
Khan Traders	95,090	-
Maa Scientific Co.	26,600	-
Maheen Enterprise	70,500	-
Mayed Dowa Automobile	200	-
Micro Marks Electronics	2,700	-
Mishu Enterprise	64,425	-
Modern Technoheaven Associate	5,000	-
M/S Keya Enterprise	21,775	-
NDE Ready Mix Concrete Ltd.	1,153,289	-
Northern Air Ltd.	182,774	-
Pacific Associates Ltd.	8,000	-
Printers & Printers Ltd.	130,761	-
Ranks-ITT Ltd.	9,562	-
Rif Line Logistics Ltd.	29,075	-
RR Trade International.	4,300	-
Setu Centre	12,215	-
Shin Sphere	8,045	-
SRKH Design Ltd.	6,280	-
Star Tech & Engineering Ltd.	68,521	-
Suplob New Model Furniture	35,000	-
Sys Computers Ltd.	24,520	-
TNT Express	37,309	-
Total Freight Ltd.	377,212	-
Transport	26,000	-
TUV SUD Bangladesh (Pvt.) Ltd.	6,030	-
UL VS Bangladesh LTD.	1,370	-
Urban Trims	17,325	-
	36,808,170	-

	Amount in Taka	
	30 June 2017	30 June 2016
21.00 Provisions for expenses : BDT 4,296,086		
Audit fee	373,500	402,500
Gas bill	-	66,642
Provision Overtime (DL)	2,805,093	-
Provision Overtime (FOH)	1,071,480	-
Provision Overtime (MSD)	41,060	-
Holiday allowance	-	78,000
Telephone and mobile bills	4,953	87,000
Target bonus	-	3,395,046
Cleaning charge	-	45,451
Accrued interest on term loans	-	67,180
	4,296,086	4,141,819
22.00 Accepted liabilities for machinery: BDT 95,478,192		
PowerCo Systems International Ltd	22,141,924	-
Santex Rimar Ag	62,645,562	-
Sffeco Global FZE	4,734,366	-
Suntech Industries (Int'l) Ltd.	5,956,340	-
	95,478,192	-

23.00 Short term loans: BDT 281,338,961

Bank(s)	Account No. / Note	Type of loan and interest rate	As at	As at
			30 June 2017	30 June 2016
			BDT	BDT
The City Bank Ltd	6331495932001	SOD (8.50%)	27,710,113	28,196,955
AB Bank Ltd	4009-785851-000	SOD (11.50%)	-	17,279,311
The City Bank Ltd & AB Bank Ltd	Note: 23.01	PC (7.00%)	25,562,892	12,785,958
The City Bank Ltd & AB Bank Ltd	Note: 23.02	EDF(LIBOR+2.5%)	150,325,148	46,469,119
The City Bank Ltd & IDLC Finance	Note: 23.03	STL (8.50%)	62,839,686	10,115,488
The City Bank Ltd & MTB	Note: 23.04	STL (8.00%)	14,901,122	-
Total			281,338,961	114,846,831

(a) Loans with The City Bank Ltd, Gulshan Avenue Branch, Gulshan and AB Bank Ltd, Kakrail Branch are for the purpose of working capital, import of raw materials & Machinery purchase.

(b) Security: Hypothecation of stock along with notarized IGPA to sell the assets under hypothecation without further reference to the court in case of default.

23.01 Packing Credit (PC) loan: BDT 25,562,892

Bank(s)	Branch	Account No.	As at	As at
			30 June 2017	30 June 2016
			BDT	BDT
The City Bank Ltd	Gulshan	6181495932054	-	3,583,288
The City Bank Ltd	Gulshan	6171495932001	7,820,826.390	-
The City Bank Ltd	Gulshan	6171495932002	805,288.890	-
The City Bank Ltd	Gulshan	6171495932003	402,644.440	-
The City Bank Ltd	Gulshan	6171495932004	5,434,650.000	-
The City Bank Ltd	Gulshan	6181495932059	11,099,482.470	-
AB Bank Ltd	Kakrail	KRLB/PC/02/16	-	509,243
AB Bank Ltd	Kakrail	KRLB/PC/03/16	-	8,693,427
Total			25,562,892	12,785,958

23.02 EDF loan: BDT 150,325,148

Bank(s)	Branch	Account No.	As at	As at
			30 June 2017	30 June 2016
			BDT	BDT
The City Bank Ltd.	Gulshan	75116050067	-	4,494,133
The City Bank Ltd.	Gulshan	75116030149	-	231,140
The City Bank Ltd.	Gulshan	75116030292	-	453,421
The City Bank Ltd.	Gulshan	75116050068	-	4,323,959
The City Bank Ltd.	Gulshan	75115030161	-	4,473,222
The City Bank Ltd.	Gulshan	75116030567	-	1,734,753
The City Bank Ltd.	Gulshan	75116050083	-	793,512
The City Bank Ltd.	Gulshan	75116050087	-	2,109,649
The City Bank Ltd.	Gulshan	75116050155	-	902,119
The City Bank Ltd.	Gulshan	751166050210	-	2,803,260
The City Bank Ltd.	Gulshan	75116031367	3,990,663	-
The City Bank Ltd.	Gulshan	75116031373	7,269,499	-
The City Bank Ltd.	Gulshan	75116050440	5,286,552	-
The City Bank Ltd.	Gulshan	75116050509	9,126,205	-
The City Bank Ltd.	Gulshan	75116050510	5,095,465	-
The City Bank Ltd.	Gulshan	75116050527	10,037,728	-
The City Bank Ltd.	Gulshan	75116050528	5,165,429	-
The City Bank Ltd.	Gulshan	75117030061	6,043,476	-
The City Bank Ltd.	Gulshan	75117030208	2,055,498	-
The City Bank Ltd.	Gulshan	75117030222	1,888,898	-
The City Bank Ltd.	Gulshan	75117030246	8,030,000	-
The City Bank Ltd.	Gulshan	75117030335	1,023,718	-
The City Bank Ltd.	Gulshan	75117030359	5,019,085	-
The City Bank Ltd.	Gulshan	75117030459	1,819,526	-
The City Bank Ltd.	Gulshan	75117050002	1,357,138	-
The City Bank Ltd.	Gulshan	75117050027	1,455,549	-
The City Bank Ltd.	Gulshan	75117050048	4,583,174	-
The City Bank Ltd.	Gulshan	75117050081	2,774,838	-
The City Bank Ltd.	Gulshan	75117050082	12,459,468	-
The City Bank Ltd.	Gulshan	75117050089	2,252,689	-
The City Bank Ltd.	Gulshan	75117050091	15,246,305	-
The City Bank Ltd.	Gulshan	75117050093	11,881,195	-
The City Bank Ltd.	Gulshan	75117050144	452,041	-
The City Bank Ltd.	Gulshan	75117050201	11,697,426	-
The City Bank Ltd.	Gulshan	75117050202	2,362,909	-
AB Bank Ltd.	Kakrail	691160311686	4,446,000	-
AB Bank Ltd.	Kakrail	691160528704	1,384,835	-
AB Bank Ltd.	Kakrail	691170302695	2,995,200	-
AB Bank Ltd.	Kakrail	691170303754	2,964,000	-
AB Bank Ltd.	Kakrail	6911705000682	160,640	-
AB Bank Ltd.	Kakrail	691150326634	-	4,052,865
AB Bank Ltd.	Kakrail	691150327146	-	5,034,164
AB Bank Ltd.	Kakrail	691150327158	-	2,555,922
AB Bank Ltd.	Kakrail	691160300100	-	903,572
AB Bank Ltd.	Kakrail	691160300948	-	253,248
AB Bank Ltd.	Kakrail	6911603010733	-	6,280,560
AB Bank Ltd.	Kakrail	691160307559	-	846,300
AB Bank Ltd.	Kakrail	691160308573	-	465,870
AB Bank Ltd.	Kakrail	691160312332	-	496,080
AB Bank Ltd.	Kakrail	69116050370	-	3,261,370
Total			150,325,148	46,469,119

23.03 STL loan : BDT 62,839,686

Bank(s)	Branch	Account No.	As at	As at
			30 June 2017	30 June 2016
			BDT	BDT
IDLC		IDLC_1418	51,135,354	-
The City Bank Ltd.	Gulshan	9791495932028	-	37,005
The City Bank Ltd.	Gulshan	9791495932039	-	11,408
The City Bank Ltd.	Gulshan	9791495932040	-	940
The City Bank Ltd.	Gulshan	9791495932041	-	7,876
The City Bank Ltd.	Gulshan	9791495932042	-	5,783,378
The City Bank Ltd.	Gulshan	9791495932043	-	344,139
The City Bank Ltd.	Gulshan	9791495932044	-	3,930,742
The City Bank Ltd.	Gulshan	9791495932099	5,807,493	-
The City Bank Ltd.	Gulshan	9791495932100	5,896,839	-
Total			62,839,686	10,115,488

23.04 STL loan MC : BDT 14,901,122

Bank(s)	Branch	Account No.	As at	As at
			30 June 2017	30 June 2016
			BDT	BDT
The City Bank Ltd.	Gulshan	6921495932007	2,391,450	-
The City Bank Ltd.	Gulshan	6921495932008	819,042	-
The City Bank Ltd.	Gulshan	6921495932009	2,272,779	-
The City Bank Ltd.	Gulshan	6921495932010	894,845	-
The City Bank Ltd.	Gulshan	6921495932012	916,382	-
The City Bank Ltd.	Gulshan	6921495932013	1,916,496	-
The City Bank Ltd.	Gulshan	990195932004	2,812,134	-
Mutual Trust Bank	Gulshan	221102000258	2,877,995	-
Total			14,901,122	-

Amount in Taka	
30 June 2017	30 June 2016

24.00 Current portion of long term loans: BDT 26,241,696

Current portion of long term loans include part of the long-term loans disclosed in Note 18.00 falling due for repayment in next 12 months.

This is made up as follows:

Term loan with AB Bank Ltd (A/C # 4009-785851-461)
Term loan with The City Bank Ltd (A/C # 9171495932001)

-	492,588
26,241,696	23,841,153
26,241,696	24,333,741

25.00 Provision for income tax: BDT 4,353,795

Opening balance

Add: Provision made during the year

in respect of the current year

in respect of the year (2016)

in respect of the year (2015)

Less: Payments made during the year

advance income tax (Note-25.01)

on the basis of return of income

23,234,308	28,220,289
15,068,238	10,129,808
14,602,384	10,053,805
443,854	67,404
22,000	8,599
33,948,752	15,115,789
33,948,752	13,779,628
-	1,336,161
4,353,795	23,234,308

25.01 Advance income tax paid during the year: BDT 33,948,752

Against export proceeds

Against cash incentive

Against interest income

Against rental income

Against vehicle

Advance tax

9,149,716	3,871,896
264,647	133,863
1,135,775	1,626,469
-	122,400
88,302	25,000
23,310,312	8,000,000
33,948,752	13,779,628

26.00 Workers' profit participation and welfare fund: BDT 11,979,557

Opening balance

Add: Addition during the year

Less: Disbursed during the year

13,059,345	9,185,899
5,352,722	3,873,446
18,412,067	13,059,345
6,432,510	-
11,979,557	13,059,345

27.00 Sales revenue (export): BDT 1,206,899,302

Type of sales	1st July 2016 to 30 Jun 2017	1 July 2015 to 30 Jun 2016
	BDT	BDT
Export of readymade garments	1,206,899,302	1,424,008,994
Total	1,206,899,302	1,424,008,994

Sale of finished goods

Particulars	1 July 2016 to 30 Jun 2017		1 July 2015 to 30 Jun 2016	
	Quantity	BDT	Quantity	BDT
Polo Shirt	925,004	320,654,487	1,108,829	378,337,175
T - Shirt	1,455,356	364,613,118	1,756,158	430,203,546
Tank Top	576,415	120,212,553	690,718	141,837,646
Others	1,202,715	401,419,144	1,437,186	473,630,626
Total	4,159,490	1,206,899,302	4,992,891	1,424,008,994

Product-wise breakup as per Schedule XI, Part II, Para 3 of the Companies Act, 1994:

Particulars	1st July 2016 to 30 Jun 2017	1 July 2015 to 30 June 2016
	Quantity	Quantity
Opening stock		
Polo Shirt	26,970	44,395
T - Shirt	42,074	81,072
Tank Top	18,340	28,951
Others	20,499	38,613
Total	107,883	193,031
Add: Production during the year		
Polo Shirt	932,917	1,091,403
T - Shirt	1,451,433	1,717,161
Tank Top	578,785	680,107
Others	1,198,371	1,419,072
Total	4,161,506	4,907,743
Less: Closing stock		
Polo Shirt	34,883	26,970
T - Shirt	38,151	42,074
Tank Top	20,710	18,340
Others	16,155	20,499
Total	109,899	107,883
Sales during the year	4,159,490	4,992,891

		1 July 2016 to 30 Jun 2017	1 July 2015 to 30 June 2016
		BDT	BDT
28.00 Cost of sales: BDT 979,938,645			
Opening inventories of raw materials		97,559,638	132,541,011
Raw materials (yarn)		76,717,267	94,435,671
Raw materials (finished fabrics)		12,123,721	27,093,017
Raw materials (accessories)		5,388,597	7,111,850
Needle and spare parts		3,330,053	3,900,473
Add: Raw materials purchased during the year		506,808,477	514,065,883
Yarn		340,722,146	280,672,393
Finished fabrics		41,205,798	80,431,034
Accessories		116,220,082	145,837,779
Needles and spare parts		8,660,450	7,124,677
Raw materials available for use		604,368,115	646,606,894
Less: Closing inventories of raw materials		147,679,396	97,559,638
Raw materials (yarn)		122,175,388	76,717,267
Raw materials (finished fabrics)		18,421,680	12,123,721
Raw materials (accessories)		3,435,592	5,388,597
Needle and spare parts		3,646,736	3,330,053
Raw materials consumed	Note 28.01	456,688,719	549,047,256
Add: Direct expenses	Note 28.02	321,961,846	356,084,042
Prime cost		778,650,565	905,131,298
Add: Factory overhead	Note 28.03	205,530,378	213,182,503
Cost of production		984,180,943	1,118,313,801
Add: Opening inventories of work-in-process		29,250,915	63,544,129
Manufacturing cost at standard		1,013,431,858	1,181,857,930
Less: Closing inventories of work-in-process		32,936,961	29,250,915
Cost of goods manufactured		980,494,897	1,152,607,015
Add: Opening inventories of finished goods		27,574,727	62,652,403
Goods available for sale		1,008,069,624	1,215,259,418
Less: Closing inventories of finished goods		28,130,979	27,574,727
Cost of Sales		979,938,645	1,187,684,691

28.01 Raw materials consumed during the year: BDT 456,688,719

Particulars	1 July 2016 to 30 June 2017		1 July 2015 to 30 June 2016	
	Qty (KG)	BDT	Qty (KG)	BDT
Opening balance				
Yarn	330,530	76,717,267	393,482	94,435,671
Finished fabrics	32,743	12,123,721	73,224	27,093,017
Accessories	-	5,388,597	-	7,111,850
Needle and spare parts	-	3,330,053	-	3,900,473
Total	363,273	97,559,638	466,706	132,541,011
Add: Purchase during the year				
Yarn	1,372,818	340,722,146	1,290,124	280,672,393
Finished fabrics	98,496	41,205,798	210,374	80,431,034
Accessories	-	116,220,082	-	145,837,779
Needle and spare parts	-	8,660,450	-	7,124,677
Total	1,471,314	506,808,477	1,500,499	514,065,883
Raw materials available for consumption	1,834,587	604,368,115	-	646,606,894
Less: Closing balance				
Yarn	468,934	122,175,388	330,530	76,717,267
Finished fabrics	46,332	18,421,680	32,743	12,123,721
Accessories	-	3,435,592	-	5,388,597
Needle and spare parts	-	3,646,736	-	3,330,053
Total	515,266	147,679,396	363,273	97,559,638
Raw materials consumed:				
Yarn	1,234,414	295,264,026	1,353,076	298,390,797
Finished fabrics	84,907	34,907,839	250,856	95,400,330
Accessories	-	118,173,087	-	147,561,032
Needle and spare parts	-	8,343,767	-	7,695,097
Total material consumed	1,319,321	456,688,719	1,603,932	549,047,256

Quantity-wise breakup of raw materials of accessories, and needle and spare parts have not been given as it is difficult to quantify each item in a separate and distinct category due to large variety of goods.

	1 July 2016 to 30 Jun 2017	1 July 2015 to 30 June 2016
	BDT	BDT
28.02 Direct expenses: BDT 321,961,846		
Direct labor		
Wages and allowances	106,961,565	65,362,612
Overtime allowance	32,190,091	71,175,873
	139,151,656	136,538,485
Procurement expenses		
Carriage inward	-	677,220
Clearing charges	-	697,504
Insurance expenses	-	34,521
LC documents opening commission	-	1,075,258
LC documents postage charges	-	1,048,927
LC SWIFT/telex charges	-	2,128
	-	3,535,558
Materials related expenses		
Dyes chemical purchases	3,941,797	-
Grey fabric dyeing and finishing expenses	111,035,462	146,784,530
Garments printing expenses	40,036,206	31,697,641
Garments embroidery expenses	10,572,376	557,532
Garments washing expenses	4,273,951	8,669,543
Yarn dyeing expenses	12,950,398	28,300,753
	182,810,190	216,009,999
	321,961,846	356,084,042
28.03 Factory overhead: BDT 205,530,378		
Carrying and handling expenses	1,239,086	953,681
Cleaning expenses	157,874	98,656
Compliance expenses	209,096	463,514
Consultancy fees	-	224,400
Conveyance	868,935	810,135
Crockeries and cutleries	22,825	17,350
Depreciation (Note-6.00)	36,221,755	34,457,197
Donation and subscription	2,040	65,000
Earn leave	5,940,924	10,809,006
Electric goods	983,535	1,558,213
Electricity bill, net of VAT refund	12,160,559	11,671,402
Entertainment	734,697	704,422
Feeding expenses	158,854	105,355
Festival bonus	15,226,530	21,320,230
Fire extinguisher expenses	190,430	73,900
Fuel and lubricants (for diesel generator)	3,363,192	1,847,707
Gas bill	841,785	678,271
Haj expenses	30,750	323,275

Hardware items	673,811	488,930
Holiday allowance	541,429	577,519
ID card	11,100	6,000
Inspection charges	274,390	-
Insurance premium	2,748,383	1,897,295
Land tax	152,250	152,250
Leed certification	1,787,580	906,324
Lunch expenses	270,223	148,963
Machine rent	918,376	911,520
Maintenance	4,250,680	6,831,011
Maternity benefit	1,475,165	1,626,895
Medical expenses	239,953	149,843
Miscellaneous expenses	207,739	167,245
Mobile allowance	334,824	237,054
Municipal Tax	350,000	-
Night allowance	361,527	809,556
Other accessories	1,516,316	2,834,625
Overtime allowance	10,471,952	7,983,316
Printing expenses	1,338,110	1,158,911
Renewals and registration fees	432,443	1,409,632
Service benefits	1,030,058	966,135
Solve chemical	252,900	226,560
Spot lifter	355,456	287,717
Stationary	15,300	40,445
Target bonus	3,824,133	12,019,647
Telephone bill	16,050	4,681
Testing charges	29,000	15,450
Tiffin expenses	2,709,041	1,566,866
Toner	268,300	210,900
Transportation allowance	442,020	271,500
Uniform and liveries	247,714	421,903
Wages, salaries, and allowances	87,786,532	82,373,931
Workers' refreshment	1,844,757	298,165
	205,530,378	213,182,503

29.00 General and administrative expenses: BDT 90,429,161

Advertisement	779,123	451,959
AGM and board meeting expenses	2,682,049	3,209,692
Amortization of intangible assets	348,660	695,448
Audit fees with VAT	460,000	690,000
BTL commission	-	4,378,758
Cleaning expenses	821,771	326,380
Computer accessories	241,940	76,570
Consultancy fees	230,000	681,117
Contribution-BGMEA	391,248	-
Conveyance	1,296,098	1,041,608
Cookeries and cutleries	24,460	89,565
Credit rating fees	149,500	149,500
CSR expenses	982,468	572,500
Depreciation	9,055,439	8,614,299
Directors' remuneration	8,635,000	8,760,000
Earn leave	781,710	2,127,853
Electric bill	2,369,448	2,186,793
Electric goods	22,540	9,022
Entertainment	1,516,689	1,645,239
Festival bonus	2,190,516	2,567,289
Fuel and lubricants	843,434	621,481
Internet bill	449,990	74,000
IPO expenses	-	14,132,748
Lab expenses	155,330	140,207
Legal expenses	277,510	365,290
License and membership renewal fees	1,046,286	601,194
Maintenance	4,284,933	3,578,046
Miscellaneous expenses	39,860	1,661,528
Mobile expenses	435,915	536,087
Municipal tax	-	592,002
Office rent	1,283,400	288,420
Overtime allowance	311,658	-
Paper and periodicals	4,578	2,936
Postage and courier	124,931	263,217
Printing & Stationery	1,500,965	-
Salaries and allowances	38,805,164	9,998,797
Security service	259,050	42,778
Service benefit	94,962	182,625
Staff refreshment	239,572	645,783
Stamp charges	80,400	45,600
Stationery	-	970,641
Target bonus	4,674,670	-
Telephone/fax/internet	66,161	263,226
Toner (photocopier and printer)	309,700	57,900
Training and motivation	-	22,397
Transport allowance (employees)	1,208,400	-
Traveling expenses (director)	655,000	316,752
Uniform	104,300	185,838
Security Service	-	203,155
Utilization declaration charges	194,333	115,813
	90,429,161	74,182,053

30.00 Marketing, selling and distribution expenses: BDT 42,619,626

Bank charge (foreign currency commission)	1,209,861	4,752,889
BGMEA service charges	33,542	23,963
Bill of lading charges	1,003,235	2,333,132
C&F charges	2,244,061	3,324,000
Conveyance	34,950	135
Discount allowed	15,282	489,592
Document collection charges	80,011	272,073
Document postage charges	281,751	602,823
Earn leave	916,820	1,192,288
Exchange Fluctuation Loss	-	15,641
Fabric testing	231,025	647,694
Festival bonus	1,572,660	2,948,410
Freight charges	2,806,321	7,910,452
Fuel and lubricant (for generator)	52,369	54,775
GSP fees	174,149	182,660
Holiday allowance	11,025	38,250
Maintenance	142,250	-
Marine insurance	-	232,692
Maternity benefit	23,853	32,780
Miscellaneous expenses	91,570	239,232
Mobile bill	187,818	179,409
Other accessories	1,096,349	488,992
Overtime allowance	192,458	-
Postage and courier	380,210	-
Printing & Stationery	18,350	-
Salaries and allowances	19,636,096	24,277,394
Sampling expenses	1,386	-
Selling & Distribution Overhead	10,200	-
Staff Refreshment	42,984	-
Stamp charge	-	100,000
Target bonus	470,396	-
Tiffin bill	32,219	75,215
Toner (photocopier and printer)	-	66,400
Tours and travelling	666,233	-
Trade promotion	5,635,972	2,428,843
Transport allowance (employees)	705,300	503,330
Transportation expenses	2,618,920	2,739,408
	42,619,626	56,152,472

31.00 Other income: BDT 38,173,557

Wastage sales	3,183,544	6,198,865
Interest income Note 31.01	11,499,823	42,483,160
Rental income	4,896,000	4,896,000
Cash incentive	18,594,189	14,902,431
	38,173,557	68,480,456

The rental income of BDT 48,96,000 earned from letting out a portion of a building owned by the Company to Fashion Asia Ltd as per rental agreement dated 6 March 2014 between Tosrifa Industries Ltd and Fashion Asia Ltd, has been treated as other income. The rented portions could not be sold separately and significant portion of the building was held for production and administrative purpose of the Company. As per BAS 40, Paragraph 10 and substances of the deed, this income has not been derived from any investment property.

31.01 Interest income: BDT 11,499,823

Interest income from IPO SND accounts	9,810,576	40,999,154
Interest income from FDR	1,292,899	1,247,786
Accrued interest income from FDR	238,967	150,991
Interest income from dividend payable accounts	101,822	26,533
Interest income from savings accounts	55,559	58,697
	11,499,823	42,483,160

Interest income of BDT 98,10,576 has been earned from IPO Short Notice Deposit (SND) account (account number # 0002-0320002679) with Mutual Trust Bank Limited. This SND account is maintained only for handling IPO proceed.

32.00 Finance costs: BDT 19,678,256

Bank charge	574,545	3,104,412
Interest on EDF loans	5,894,109	2,992,270
Interest on FDBP	30,417	50,739
Interest on PAD loans	-	481,772
Interest on PC loans	1,536,505	1,109,017
Interest on term loans	5,415,100	8,283,008
Interest on SOD loans	2,193,193	2,218,604
Interest on STL loans	4,034,387	1,059,834
	19,678,256	19,299,656

33.00 Workers' profit participation and welfare fund: BDT 5,352,722

The Company has workers' profit participation and welfare fund (WPPWF) as employee benefit and contributed 5% of net profit before tax.

Workers' profit participation and welfare fund	5,352,722	7,389,075
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	1 July 2016 to 30 Jun 2017	1 July 2015 to 30 Jun 2016
	BDT	BDT
34.00 Provision for Income tax expenses: BDT 23,716,089		
<u>Current tax expenses:</u>		
Provision made in respect of the current year	14,602,384	29,517,593
Add: Charged in respect of year 2016	443,854	67,404
Add: Paid in respect of year 2015	22,000	8,599
	15,068,238	29,593,596
<u>Deferred tax expenses</u>		
Deferred tax Liability as on 30 June 2017	15,943,788	7,295,937
Less: Opening Balance	7,295,937	-
	8,647,851	7,295,937
	23,716,089	36,889,533
Note: Deferred tax liability has been calculated according to BAS-12.		
35.00 Net asset value (NAV) per share		
Total assets	2,955,416,948	2,448,915,608
Less: Total liabilities	847,448,268	348,483,063
A. Net asset value	2,107,968,680	2,100,432,545
B. Number of ordinary shares	63,168,520	63,168,520
Net asset value (NAV) per share (A/B)	33.37	33.25
36.00 Earnings per share		
Basic Earnings Per Share		
A. Profit attributable to the ordinary shareholders (basic)	83,338,359	110,891,969
B. Weightage average number of shares outstanding (basic)	63,168,520	63,168,520
Ordinary shares fully outstanding	63,168,520	63,168,520
Issue of ordinary shares through IPO	-	-
Stock dividend	-	-
Basic Earnings Per Share (EPS) (A/B)	1.32	1.76
Weighted average number of ordinary shares		
The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.		
Diluted earnings per share		
No diluted earnings per share is required to be calculated for the periods presented as the Company has no dilutive potential ordinary shares.		
37.00 Net operating cash flow per share		
A. Net cash (used in)/generated by operating activities	116,906,988	64,670,625
B. Number of ordinary shares	63,168,520	63,168,520
Net operating cash flow per share (A/B)	1.85	1.02

38.00 Related party disclosures

During the period of one year ended 30 June 2017, the Company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of these transactions and amounts thereof have been set out below in accordance with the provisions of BAS 24 Related Party Disclosures. Nature of relationship and significance of the amounts have been considered in giving this disclosure.

38.01 Related party transactions during the period/year

Name of related parties	Relationship	Nature of transactions	1 July 2016 to 30 June 2017	1 July 2015 to 30 June 2016
			BDT	BDT
Northern Corporation Limited	Shareholder & Common Directorship	Purchase of materials and dyeing services	83,421,005	9,399,967
		Office rent	30,000	30,000
Enviro Pac Limited	Common Directorship	Purchase of accessories	8,036,908	5,288,307
Printers & Printers Limited	Common Directorship	Purchase of accessories	28,997,391	5,105,037
Fashion Asia Ltd	Common Directorship	Rental income	(4,896,000)	(2,448,000)
		Purchase of accessories	18,067,875	-
Northern Knit Ltd	Common Directorship	Lease rent	235,600	157,067

Note: Office rent BDT 30,000 for six months due to office shift from 01 January 2017.

38.02 Receivables/(payables) with related parties

Name of related parties	Relationship	Nature of transactions	As at 30 Jun 2017	As at 30 Jun 2016
			BDT	BDT
Northern Corporation Limited	Shareholder & Common Directorship	Purchase of materials and dyeing services	(7,235,523)	-
Enviro Pac Limited	Common Directorship	Purchase of accessories	(363,410)	(945,585)
		Advance for expenses	1,455,030	851,430
Printers & Printers Limited	Common Directorship	Purchase of accessories	(130,760)	-
Fashion Asia Limited	Common Directorship	Purchase of accessories	(13,171,875)	-
Northern Knit Ltd	Common Directorship	Lease rent	392,667	(157,067)

39.00 Number of board meetings held during the period

Total 13 board meetings were held during the period.

40.00 Disclosure of Directors' remuneration under Paragraph 4 of Schedule XI, PART II of the Companies Act, 1994

Directors have received the following remuneration from the Company during the period from 1 July 2016 to 30 June 2017.

Name of Directors	Designation	Monthly remuneration	Monthly house rent	1 July 2016 to 30 June 2017	1 Jan 2016 to 30 June 2016
				BDT	BDT
Mr. Mohim Hassan	Managing Director	340,000	25,000	4,380,000	2,070,000
Mr. Naim Hassan	Director	140,000	25,000	1,980,000	990,000
Mr. Rafiq Hassan	Director	135,000	25,000	1,920,000	960,000
Total				8,280,000	4,020,000

41.00 Directors' fees for attending board meetings

BDT 5,000 was paid to each director for attending each board meetings during the period.

42.00 Receivables from directors

No amount is lying as receivable from the directors as at 30 June 2017.

43.00 Disclosure under Para III of Schedule XI, Part II of the Companies Act, 1994

The Company has 2341 number of employees and all of them are getting more than BDT 63,600 as salary per year.

44.00 Capacity utilization

Section	Installed capacity		Utilization for the period	% of utilization	Over/(under) utilized
	Per day	For 1 year			
	Ton/PCS	Ton/PCS	Ton/PCS	%	Ton/PCS
Knitting (ton)	8.50	2,550	2,261	89%	(289)
Sewing - basic T-shirts (PCS)	23,000	6,900,000	5,570,743	81%	(1,329,257)

Notes:

- 300 days have been considered as working days for the period of 1 year;
- The capacity varies depending on sophistication of the product. For higher grade products, the capacity decreases from the mentioned level.
- Sewing capacity for "Basic T-Shirt" is 23,000 pieces per day. The capacity varies depending on the sophistication of the product. For higher grade products, the capacity decreases from the mentioned level.
- Capacity utilized in knitting section is 89%, i.e. 2,261 ton.
- Capacity utilized in sewing section is 81%, i.e. 5,570,743 pieces.

45.00 Transactions in foreign currency

Particulars	Currency	1 July 2016 to 30 June 2017	1 Jan. 2016 to 30 June 2016
Import or local purchase in foreign currency			
Yarn	USD	4,242,461.00	2,185,765.93
Fabrics	USD	512,220.00	153,676.34
Accessories	USD	1,421,260.00	893,374.28
Fabrics dyeing and finishing	USD	879,442.00	437,666.89
Embroidery	USD	20,452.00	5,791.47
Garments printing	USD	523,116.00	141,786.12
Garments washing	USD	215,445.00	41,890.84
Total		7,814,396.00	3,859,951.87
FOB value of export	USD	15,295,194.59	10,138,084.01
Total		15,295,194.59	10,138,084.01

46.00 Contingent liabilities

There is no contingent liability as at the reporting date for the Company.

47.00 Guarantees and commitments

As at 30 June 2017, the Company had no capital commitment towards procurement of items of property, plant, and equipment or intangibles.

48.00 Claims against the Company not acknowledged as debt

There is no claim against the Company acknowledged as debt.

49.00 Events after the reporting period

There is no material event that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.

GLIMPSES OF 14TH AGM



Shareholders' Note :

A series of horizontal dashed lines intended for writing a note to shareholders.



TOSRIFA INDUSTRIES LIMITED

Registered & Share Office:
28-30, Kemal Ataturk Avenue, 16th Floor, Banani, Dhaka-1213
Website: www.til.com.bd

PROXY FORM

I/We.....

Of.....

.....being a Shareholder Member of TOSRIFA Industries Limited, do hereby appoint Mr. /Mrs.

.....

of.....

either of them may, in writing, appoint anyone to act as my proxy at the 15th Annual General Meeting of the Company to be held on Thursday, 28 December 2017 and at any adjournment thereof

As Witness my/our hand this..... day of.....2017

.....
Signature of Proxy

Revenue
Stamp of
Tk. 20/=

.....
Signature of Shareholder(s)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of shares held.....

Notes:

1. A member entitled to attend and vote in the AGM may appoint a proxy to attend and Vote on his / her behalf.
2. The Proxy Form, duly filed and stamped must be deposited at the corporate office of the Company at least 48 hours before of the meeting.
3. Signature of the member(s) must be accordance with the Specimen Signature recorded with the Company



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ATTENDANCE SLIP

I/we do hereby record my/ our attendance at the 14th Annual General Meeting (AGM) of the Company being held on on Thursday, 28 December 2017 at Baridhara DOHS Convention Center, DOHS Baridhara, Dhaka Cantonment, Dhaka at 11.00 a.m.

Name of the Shareholder(s) / Proxy.....

Folio/BO ID No. of the Shareholder(s):

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of Shares held:

.....
Signature of Shareholder(s) / Proxy

Note: Please present this attendance slip at the registration counter on or before 10.30 a.m of the AGM date. Children and Non-Shareholders will not be allowed at the meeting.

Our Achievements





TOSRIFA INDUSTRIES LIMITED

Registered Office

28-30, Kemal Ataturk Avenue, 16th Floor, Banani, Dhaka-1213, Bangladesh.

Corporate Office

4/2 A, Plot-49 & 57, Mouza-135, Gopalpur, Munnu Nagar, Tongi, Gazipur, Bangladesh.

Factory - 01

4/2A, Plot-49 & 57, Mouja: 135, Gopalpur, Munnu Nagar, Tongi, Gazipur, Bangladesh.

Factory - 02

Holding No-121/1, Block-H, Beraiderchala, Sreepur, Gazipur, Bangladesh.

Contact Details

E-mail: info@til.com.bd, Website: www.til.com.bd, Phone: +880 9617888777.