# DRAGON SWEATER & SPINNING LIMITED
## Statement of Financial Position
## As at 31 December 2017

*Amount in BDT*

| Particulars | Note | 31 Dec. 2017 | 30 June 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | **907,100,829** | **930,857,503** |
| Property, Plant & Equipment | 4 | 714,896,540 | 755,561,602 |
| Intangible Assets | 5 | 5,639,986 | 6,088,027 |
| Capital Works-In-Progress | 6 | 186,564,303 | 169,207,875 |
| **Current Assets** | | **1,522,608,636** | **1,348,062,698** |
| Short-Term Investment in FDR | 7 | 4,140,229 | 4,140,229 |
| Inventories | 8 | 402,750,508 | 345,337,738 |
| Bills Receivable | 9 | 927,295,518 | 851,093,907 |
| Advance, Deposit & Pre-Payment | 10 | 23,980,216 | 12,519,542 |
| Cash and Cash Equivalents | 11 | 164,442,165 | 134,971,282 |
| **TOTAL ASSETS** | | **2,429,709,465** | **2,278,920,201** |
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Equity** | | **1,980,272,444** | **1,833,361,353** |
| Share Capital | 12 | 1,322,500,000 | 1,150,000,000 |
| Retained Earnings | 13 | 518,598,715 | 534,897,818 |
| Reserve for Revaluation | 14 | 139,173,729 | 148,463,535 |
| **LIABILITIES** | | | |
| **Non-Current Liabilities** | | **348,861,464** | **353,683,509** |
| Long Term Loan Net of Current Portion | 15 | 348,861,464 | 353,683,509 |
| **Current Liabilities and Provision** | | **100,575,556** | **91,875,339** |
| Bills Payable | 16 | 5,239,374 | 7,315,960 |
| Liabilities for Expenses | 17 | 14,067,235 | 12,768,138 |
| Long Term Loan Current Portion | 15 | 34,886,146 | 35,368,351 |
| Provision for Income Tax | 18 | 46,382,800 | 36,422,890 |
| **Total Liabilities** | | **449,437,020** | **445,558,848** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,429,709,465** | **2,278,920,201** |
| Net Assets Value (NAV) | 25 | **14.97** | **13.67** |

The annexed notes forms are an integral part of the Statement of Financial Position.

The financial statements approved and authorized for issue by the Board of Directors on January 14, 2017 and signed on behalf of the Board.

**Chief Financial Officer** | **Managing Director** | **Chairman**

This is the Statement of Financial Position referred to in our separate report of even date.

Dragon Sweater & Spinning Limited
Mostafa Golam Quddus
Managing Director

Date, Dhaka
January 14, 2017

## DRAGON SWEATER & SPINNING LIMITED

### Statement of Profit or Loss and Other Comprehensive Income

### For the period ended 31 December 2017

*Amount in BDT*

| Particulars | Note | 1 Oct. 2017 to 31 Dec. 2017 | 1 Oct. 2016 to 31 Dec. 2016 | 1 July 2017 to 31 Dec. 2017 | 1 July 2016 to 31 Dec. 2016 |
|---|---|---|---|---|---|
| Sales | 19 | 508,656,845 | 321,711,836 | 902,912,327 | 730,804,432 |
| Cost of Goods Sold | 20 | (368,969,761) | (229,954,060) | (661,493,383) | (534,658,432) |
| **Gross Profit** | | **139,687,084** | **91,757,776** | **241,418,944** | **196,146,000** |
| Operating Expenses | 21 | (30,098,903) | (19,026,677) | (54,271,993) | (48,469,181) |
| **Operating Income** | | **109,588,181** | **72,731,099** | **187,146,951** | **147,676,819** |
| Financial Expenses | 22 | (9,971,905) | (9,191,739) | (19,698,202) | (18,159,248) |
| **Net Operating Income** | | **99,616,276** | **63,539,360** | **167,448,749** | **129,517,571** |
| Non-Operating Income | 23 | 2,827,442 | 2,398,900 | 5,256,881 | 5,051,697 |
| **Net Profit Before Contribution to WPPF** | | **102,443,718** | **65,938,260** | **172,705,630** | **134,569,268** |
| Worker's Profit Perticipation Fund (WPPF) | | (4,743,632) | (3,139,917) | (7,973,750) | (3,139,917) |
| **Net Profit Before Tax** | | **97,700,086** | **62,798,343** | **164,731,880** | **131,429,351** |
| Tax Paid under Section 82 C | | (5,086,568) | (2,873,873) | (7,860,877) | (4,770,305) |
| Provision for Taxation | 18 | (6,252,203) | (3,721,375) | (9,959,911) | (8,794,691) |
| **Profit After Tax** | | **86,361,315** | **56,203,095** | **146,911,092** | **117,864,355** |
| Other Comprehensive Income | | - | - | - | - |
| | | **86,361,315** | **56,203,095** | **146,911,092** | **117,864,355** |
| **Basic Earnings Per Share (BEPS)** | 24 | **0.65** | **0.49** | **1.25** | **1.15** |
| **Restated Basic Earnings Per Share (RBEPS)** | 24.01 | **0.65** | **0.42** | **1.11** | **0.89** |

The annexed notes forms are an integral part of the Statement of Comprehensive Income.

The financial statements approved and authorized for issue by the Board of Directors on January 14, 2017 and signed on behalf of the Board.

**Chief Financial Officer** **Managing Director** **Chairman**

This is the Statement of Comprehensive Income referred to in our separate report of even date.

Dragon Sweater & Spinning Limited
Mostafa Golam Quddus
Managing Director

Date, Dhaka
January 14, 2017

## DRAGON SWEATER & SPINNING LIMITED

### Statement of Changes in Equity

### For the period ended from 01 July 2017 to 31 December 2017

*Amount in BDT*

| Particulars | Ordinary Share Capital | Revaluation Surplus | Retained Earnings | Total |
|---|---|---|---|---|
| Balance as of 01 July 2017 | 1,150,000,000 | 148,463,535 | 534,897,818 | 1,833,361,352 |
| Prior year's unrealized gain for Marked to Market | - | - | - | - |
| Revaluation Surplus realised | - | (9,289,806) | 9,289,806 | - |
| Addition during the period | 172,500,000 | - | 146,911,092 | 319,411,092 |
| **Sub-Total** | **1,322,500,000** | **139,173,729** | **691,098,715** | **2,152,772,444** |
| Less: Dividend Paid during the period | - | - | (172,500,000) | (172,500,000) |
| **Balance as of December 31, 2017** | **1,322,500,000** | **139,173,729** | **518,598,715** | **1,980,272,444** |

### For the period ended 31 December 2016

| Particulars | Ordinary Share Capital | Revaluation Surplus | Retained Earnings | Total |
|---|---|---|---|---|
| Balance as of 01 July 2016 | 1,000,000,000 | 170,247,393 | 513,838,173 | 1,684,085,566 |
| Prior year's unrealized gain for Marked to Market | - | - | (3,985,476) | (3,985,476) |
| Revaluation Surplus realised | - | (10,711,163) | 10,711,163 | - |
| Addition during the period | 150,000,000 | - | 117,864,354 | 267,864,354 |
| **Sub-Total** | **1,150,000,000** | **159,536,230** | **638,428,214** | **1,947,964,444** |
| Less: Dividend Paid during the period | - | - | (150,000,000) | (150,000,000) |
| **Balance as of December 31, 2016** | **1,150,000,000** | **159,536,230** | **488,428,214** | **1,797,964,444** |

**Chief Financial Officer** | **Managing Director** | **Chairman**

Dragon Sweater & Spinning Limited
Mostafa Golam Quddus
Managing Director

Date, Dhaka
January 14, 2017

## DRAGON SWEATER & SPINNING LIMITED

### Statement of Cash Flows

### For the period ended 31 December 2017

*Amount in BDT*

| Particulars | Note | 1 July 2017 to 31 Dec. 2017 | 1 July 2016 to 31 Dec. 2016 |
|---|---|---|---|
| **Cash Flow From Operating Activities:** | | | |
| Cash Receipt from Customers | | 819,013,428 | 631,255,629 |
| Cash Receipt from Non-Operating Income | | 5,256,881 | 5,051,697 |
| Cash paid to Suppliers and Others | | (744,579,669) | (561,477,565) |
| **Cash Generated from Operations** | | **79,690,640** | **74,829,761** |
| Cash Paid for Financial Expenses | | (19,698,202) | (18,159,248) |
| Income Tax Paid | | (7,860,877) | (4,770,305) |
| **Net Cash Flow From Operating Activities** | | **52,131,561** | **51,900,208** |
| **Cash Flow From Investing Activities:** | | | |
| FDR Investment | | - | 882,827 |
| Investment for Non-current Assets | | - | (44,207,711) |
| Capital Works-in-Progress | | (17,356,428) | (8,032,648) |
| **Net Cash Used In Investing Activities** | | **(17,356,428)** | **(51,357,532)** |
| **Cash Flow From Financing Activities:** | | | |
| Long Term Loan Net of Current Portion | | (4,822,045) | (37,310,926) |
| Long Term Loan Current portion | | (482,204) | (1,021,543) |
| Share Money Deposit | | - | - |
| **Net Cash Available For Financing Activities** | | **(5,304,249)** | **(38,332,468)** |
| **Cash and Cash Equivalents** | | 29,470,883 | (37,789,792) |
| **Opening Cash and Cash Equivalents** | | 134,971,282 | 267,323,611 |
| **Closing Cash and Cash Equivalents** | | **164,442,165** | **229,533,819** |
| **Net Operating Cash Flow Per Share** | 26 | **0.39** | **0.39** |

The annexed notes forms are an integral part of the Statement of Cash Flow.

**Chief Financial Officer** | **Managing Director** | **Chairman**

Date, Dhaka
January 14, 2017

Dragon Sweater & Spinning Limited
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Managing Director

**DRAGON SWEATER & SPINNING LIMITED**
**Notes to the Financial Statements (Unaudited)**
**For the period ended 01 October 2017 to 31 December 2017**

## 1.00 The Background and Activities of the Company

### 1.01 Legal Status of the Company

Dragon Sweater & Spinning Limited was incorporated on June 16, 1999 as a 'Private' Company limited by Shares, Registered under the Companies Act 1994 as adopted in Bangladesh vide certificate of incorporation No. C-37951 (2251)/99. Dragon Sweater & Spinning Limited was converted into a Public Limited Company as on 13th January 2012. The Company's registered office is situated at 25/2, DIT Road, Malibagh Chowdhury Para, Dhaka and its factory is located at Chandul, Miah Bazar, Chowddagaram, Comilla.

### 1.02 Principal Activities of the Company

The company has been incorporated with the primary objective of getting involved to promote, established and conduct textile, yarn and acrylic spinning mills in Bangladesh and to undertake all other business in connection therewith. Dragon Sweater & Spinning Limited runs the business of producing Spinning and manufacturing and exporting of readymade sweater, pull over and wearing apparels of all kinds out of wool, cotton, synthetic, fibers, acrylics and others to establish a modern Sweater Factory or manufacturing Sweater shirt and pullover of acrylic cotton, wool, silk, jute, flex, synthetic, and/or any fabric yarn for men, women, boys, and girls and marketing the same in the foreign market.

### 1.03 Summary of Significant Accounting and Valuation Policies

The principal accounting policies have been consistently applied to all the years presented, unless otherwise stated. The specific Accounting Policies selected and applied by the company's management for significant transactions and events that have a material effect within the framework of Bangladesh Accounting Standard (BAS)-1 "Presentation of Financial Statements" in preparation and presentation of financial statements. Compared to the previous period, there were no significant changes in the accounting and valuation principles affecting the financial position and performance of the company. Accounting and valuation methods are disclosed for reasons of clarity.

## 2.00 Basis of Financial Statements Preparation and Presentation

### 2.01 Accounting Standard

The financial statements of the company have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) which include Bangladesh Accounting Standards (BAS).

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Managing Director

## 2.02 Accounting Convention

The financial statements are prepared under the historical cost convention. The company classified the expenses using the function of expenses method as per BAS-1.

## 2.03 Legal Compliance

The financial statements have been prepared and the disclosures of information have been made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules 1987, BASs and BFRSs. On the basis of these regulations Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS) were applied at the date of financial statements.

## 2.04 Accounting Estimates, Assumptions and Judgments

The preparation of the financial statements in conformity with BFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Therefore the management has fulfilled these requirements for ration and presentation of financial statements of the company.

## 2.05 Reporting Framework and Compliance Thereof

The Financial Statement have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987 and other relevant local laws as applicable, and in accordance with the Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BAS).

## 2.06 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by BAS 1: Presentation of Financial Statements. The Financial Statement comprises:

i) A Statement of Financial Position as at 31 December 2017;
ii) A Statement of Profit or Loss and Other Comprehensive Income for the period ended from 1 July 2017 to 31 December 2017;
iii) A Statement of Changes in Equity for the period ended from 1 July 2017 to 31 December 2017;
iv) A Statement of Cash Flows for the period ended from 1 July 2017 to 31 December 2017;
v) Notes, comprising a summary of significant accounting policies and explanatory information.

## 2.07 Application of Standards

The following BASs are applicable for the financial statements of the company for the period under audit:

Dragon Sweater & Spinning Limited
Mostafa Golam Quddus
Managing Director

| Name of the accounting standards | Ref. No. | Status of Application |
|---|---|---|
| Presentation of Financial Statements | BAS-1 | Applicable |
| Inventories | BAS-2 | Applicable |
| Statement of Cash Flows | BAS-7 | Applicable |
| Accounting Policies, Changes in Accounting Estimates and Errors | BAS-8 | Applicable |
| Events After the Reporting Period | BAS-10 | Applicable |
| Income Taxes | BAS-12 | Applicable |
| Property, Plant and Equipment | BAS-16 | Applicable |
| Revenue | BAS-18 | Applicable |
| Employee Benefits | BAS-19 | Applicable |
| The Effects of Changes in Foreign Exchange Rates | BAS-21 | Applicable |
| Borrowing Costs | BAS-23 | Applicable |
| Related Party Disclosure | BAS-24 | Applicable |
| Earnings Per Share (EPS) | BA5-33 | Applicable |
| Provisions, Contingent Liabilities and Contingent Assets | BAS-37 | Applicable |
| Intangible Assets | BAS-38 | Applicable |

**2.08 Reporting Period**

The financial statement covers one quarter of the period from 1 October 2017 to 31 December 2017.

**2.09 Date of Authorization**

The Board of Directors has authorized these financial statements on January 14, 2017.

**2.10 Functional and Presentation Currency**

The Financial Statements are prepared and presented in Bangladesh Currency (Taka), though the major sales and purchase activities were carried out in US Dollar. Foreign currencies are translated at the applicable rates of exchanges ruling at that date. All Financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

**2.11 Comparative Information**

Comparative information has been disclosed in respect of the period from 1st October 2017 to 31st December 2017 for all numerical information in the financial statements and also narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

**2.12 Going Concern**

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Mostafa Golam Quddus
Managing Director

It was reviewed by the management; there were no significant going concern threats available in the operation of the company.

## 3.00 Significant Accounting Policies

The accounting policies in respect of material items of financial statements have been set out below:

### 3.01 Revenue Recognition

In compliance with the requirements of BAS 18: Revenue, revenue receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from sales is exclusive of VAT.

### 3.02 Property, Plants and Equipments

#### 3.02.01 Recognition and Measurement

This has been stated at cost or revalued amount less accumulated depreciation in compliance with the requirements of BAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

#### 3.02.02 Pre-Operating Expenses and Borrowing Costs

Interest and other expenses incurred by the company in respect of borrowing of fund are recognized as expenses in the year in which they incurred unless the activities are necessary to prepare the qualifying assets for its intended use are in progress. Expenses capitalized also include applicable borrowing cost considering the requirement of BAS 23: Borrowing Costs.

#### 3.02.03 Subsequent Costs and Maintenance Activities

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the year in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are charged to the profit and loss account as expenses if incurred. All ap-

Dragon Sweater & Spinning Limited

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gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

### 3.02.04 Software

Software is generally charged off as revenue expenditure. Customized software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Which is locally developed customized software with the technical assistant of Wetech India Limited.

### 3.02.05 Disposal of Fixed Assets

On Disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Statement of Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds.

### 3.02.06 Depreciation of Fixed Assets

Depreciation is calculated using 'Reducing Balance Method' over the estimated useful life of each item of property, plant and equipments. Depreciation has been charged on addition of property, plant and equipments during the period when the assets are ready for use. Rate(s) of depreciation of assets considering their useful lives are as follows:

| Category | Rate |
|---|---|
| Land & Land Development | 0% |
| Building | 10% |
| Plant & Machinery | 15% |
| Generator | 15% |
| Boiler | 15% |
| Washing Machine | 15% |
| Weight Machine | 15% |
| Cleaning Machine | 15% |
| Transformer | 10% |
| Furniture & Fixture & Decoration | 10% |
| Office Equipments | 10% |
| Cookeries | 20% |
| Air Compressor | 10% |
| Water & Gas Installation | 10% |
| Computer & Accessories | 20% |
| Telephone & PABX | 10% |
| Electric Installation | 10% |
| Fire Fighting's | 10% |
| C.C. Camera | 20% |
| Motor Vehicles | 15% |

### 3.02.07 Intangible assets and amortization

Dragon Sweater & Spinning Limited.
Mostafa Golam Quddus
Managing Director

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less amortization and impairment losses if any. Amortization is calculated using the Reducing Balance Method at 15% to write-off the cost of intangible assets.

### 3.03 Valuation of Inventory

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

### 3.04 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

#### 3.04.01 Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables.

The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when, the contractual rights of probabilities of receiving the cash flows from the asset expire of it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

#### 3.4.01 (a) Accounts Receivable

Bills receivables are recognized at cost or net realizable value from the ordinary course of sales in the market whichever is lower. Bills receivables from foreign currency transactions are recognized into Bangladeshi Taka using exchange rates prevailing on the closing date of the accounts in accordance with BAS-21: The Effects of Changes in Foreign Exchange Rates.

#### 3.4.01 (b) Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. 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.

Dragon Sweater & Spinning Limited
Mostafa Golam Quddus
Managing Director



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### 3.4.01 (c) Cash and Cash Equivalents

Cash and Cash Equivalents are carried in the Statement of Financial Position at cost and include cash in hand and with banks on current and deposit accounts, which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

### 3.4.02 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged of canceled or expire.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

### 3.4.02 (a) Accounts Payable

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

### 3.05 Impairment

#### a) Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

#### b) Non-Financial Assets

An asset impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

### 3.06 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

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Managing Director

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 date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

### 3.07 Taxation

Income tax expense is recognized in profit and loss account and accounted for in accordance with the requirements of BAS 12: Income Taxes

a) Tax deducted by the authorized dealer on proceed realized from 01 January 2016 to 30 June 2016 was considered as final tax liability as per SRO NO. 205-AAIN/ AYKOR/2005 dated July 7, 2005.

b) **Current Tax**
As per section 53BBBB of the Income Tax Ordinance 1984 tax has been deducted at source from export proceeds @ 1.00% from 01st July, 2017 and the deducted amount is treated as the final settlement as final discharge of income tax liability of the company under the provision of section 82,C (KK)

c) **Deferred Tax**
Deferred tax arises due to temporary difference deductible or taxable for the events or transaction which is recognized in the Statement of Comprehensive Income. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the Statement of Financial Position. Deferred tax assets or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. The income of the company is being assessed and income tax @ 1.00% is deducted on the gross turnover of the company as its final tax liability. Thus there arises a permanent difference due to unavailability of temporary differences, unused tax losses and unused tax credits for the company. Therefore, no deferred tax policy has been adopted by the management during the period.

### 3.08 Borrowing Costs

This has been dealt with the requirement of BAS 23: Borrowing Costs.

Borrowing costs relating to projects in commercial operation are recognized as expenses in the year in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress.

### 3.09 Employee Benefits

The company taking initiative to maintain contribution plan for its eligible permanent employees in compliance with the provisions of BAS 19: Employee Benefits.

As per Section 232 of Bangladesh Labor Act 2006, which states that in sub-section 2 "The Government may, by notification in the official Gazette apply this chapter to

Dragon Sweater & Spinning Limited
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Managing Director

such other companies as it may specify therein." And in sub-section 3 "Notwithstanding anything contained in sub-section (1) and (2), in industrial sector which is hundred percent export oriented or which is hundred percent foreign invested, the government may, by rules, for the beneficiaries working in such sectors, from sector-wise a central fund consolidating buyers and owners, fund management board, determine amount of donation and procedure for recovery thereof, adopt rules for using money of that fund and relevant other necessary rules. Provided that, such board, may very prior approval of government adopt regulations for the purpose of this section."

That is why the company was not able to make provision for WPPF during the year. However the management of the company has positive intention to implement WPPF after notification in the official Gazette by the Government.

### 3.10 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules 1987 and as the benchmark treatment of BAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

### 3.11 Earnings per Share (EPS)

The Company calculates Earnings per Share (EPS) in accordance with BAS-33: Earnings per Share, which has been shown at the bottom of the Statement of Comprehensive Income.

**Basic Earnings (Numerator)**
This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the period has been considered as fully attributable to the ordinary shareholders.

**Weighted Average Number of Ordinary Shares outstanding during the period (Denominator):**

This represents the number of ordinary shares outstanding at the beginning of the period plus the number of ordinary shares issued during the period multiplied by a time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

### 3.12 Foreign Currency Transactions

The financial records of the company are maintained and the financial statements are stated in Bangladeshi Taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The major activities of the company were carried out in USD but recorded and reported in Bangladesh Taka as this is the reporting currency.

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Managing Director

The import activities were not subject to any exchange fluctuation. Only the unencumbered portions of export bills were subject to exchange fluctuation which was dealt through Statement of Comprehensive Income of the entity. Foreign currency transaction is recorded at the applicable rates of exchange ruling at the transaction date.

Among the monetary assets and liabilities denominated in foreign currencies at the reporting date, only the export retention quota accounts were translated at the applicable rates of exchange ruling at that date. Exchange difference on such translation was also dealt through the Statement of Comprehensive Income.

The monetary assets and liabilities, if any, denominated in foreign currencies at the reporting date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure / gain in compliance with the provisions of IAS 21: The Effects of changes in Foreign Exchange Rates.

### 3.13 Contingent Assets and Liabilities

A contingent assets is disclosed when it is a possible that assets arise from the 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 entity.

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

### 3.14 Events after the Reporting Period

There has no adjusting or non-adjusting event during the Period.

AMARSTOCK

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director

| | 31 Dec. 2017 Taka | 30 June 2017 Taka |
|---|---|---|
| **4.00 Property, Plant & Equipment :** | | |
| **At Cost/Valuation** | | |
| Opening Balance | 1,579,007,572 | 1,405,865,764 |
| Addition during the Period | - | 173,141,808 |
| | **1,579,007,572** | **1,579,007,572** |
| **Accumulated Depreciation** | | |
| Opening Balance | 844,114,591 | 740,733,908 |
| Charged during the period | 19,996,441 | 82,712,062 |
| | **864,111,032** | **823,445,969** |
| **Written Down Value** | **714,896,540** | **755,561,602** |
| Land & Land Development | 94,440,000 | 94,440,000 |
| Building | 284,574,900 | 299,355,581 |
| Plant & Machinery | 254,392,833 | 274,601,810 |
| Spare Parts | 38,386,941 | 41,436,401 |
| Generator | 6,772,983 | 7,311,029 |
| Boiler | 2,895,066 | 3,125,051 |
| Washing Machine | 634,305 | 684,694 |
| Weight Machine | 21,696 | 23,420 |
| Cleaning Machine | 2,015,102 | 2,175,182 |
| Transformer | 1,927,025 | 2,027,113 |
| Furniture & Fixture & Decoration | 2,081,630 | 2,189,749 |
| Office Equipments | 1,091,082 | 1,147,752 |
| Cookeries | 10,130 | 11,225 |
| Air Compressor | 1,391,189 | 1,463,447 |
| Water & Gas Installation | 3,364,079 | 3,538,808 |
| Computer & Accessories | 396,065 | 438,853 |
| Telephone & PABX | 9,195 | 9,672 |
| Electric Installation | 1,939,806 | 2,040,558 |
| Fire Fighting's | 17,797,985 | 18,722,403 |
| C.C. Camera | 153,369 | 169,938 |
| Motor Vehicles | 601,159 | 648,915 |
| **Total Tangible Assets:** | **714,896,540** | **755,561,602** |

The details of the above is given in **Annexure-1**

**5.00 Intangible Assets :**

Intangible assets is amortized in Reducing Balance Method @ 15%.

| | | |
|---|---|---|
| **At Cost/Valuation** | | |
| Opening Balance | 23,591,000 | 23,591,000 |
| Addition during the period | - | - |
| | **23,591,000** | **23,591,000** |
| **Accumulated Amortization** | | |
| Opening Balance | 17,731,274 | 16,428,616 |
| Charged during the period | 219,740 | 1,074,358 |
| | 17,951,014 | **17,502,973** |
| **Written Down Value** | **5,639,986** | **6,088,027** |
| ERP Software | 5,639,985 | 7,162,384 |
| **Total Intangible Assets:** | **5,639,985** | **7,162,384** |

The details of the above is given in **Annexure-1**

**6.00 Capital Works-In-Progress :**

| | | |
|---|---|---|
| Buildings | 142,045,851 | 96,043,101 |
| Plant & Machineries | 44,518,452 | 65,558,200 |
| Spare Parts | - | 7,606,574 |
| | **186,564,303** | **169,207,875** |

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Sweater & Spinning Limited
Mostafa Golam Quddus
Managing Director

| | | | | 31 Dec. 2017 Taka | 30 June 2017 Taka |
|---|---|---|---|---|---|
| **7.00** | **Short-Term Investment in FDR :** | | | | |
| | **FDR No.** | **Name of the Bank** | | | |
| | 4712020498002 | The City Bank Ltd. | | - | - |
| | 4712020500005 | The City Bank Ltd. | | 1,347,725 | 1,347,725 |
| | 4712020501006 | The City Bank Ltd. | | - | - |
| | 4712020502006 | The City Bank Ltd. | | 1,347,725 | 1,347,725 |
| | 4712020486005 | The City Bank Ltd. | | 539,087 | 539,087 |
| | 4852005398001 | The City Bank Ltd. | | 285,600 | 285,600 |
| | 4851175306001 | The City Bank Ltd. | | 257,228 | 257,228 |
| | 4851175306002 | The City Bank Ltd. | | 362,864 | 362,864 |
| | | | | **4,140,229** | **4,140,229** |

The above FDR are kept as lien with City Bank Ltd.

| | | | | | |
|---|---|---|---|---|---|
| **8.00** | **Inventories :** | | **Quantity (pcs/lbs)** | | |
| | Raw Materials | 20.01 | 1,196,158 | 294,254,854 | 230,355,368 |
| | Packing Materials | 20.02 | 16,035,134 | 49,548,564 | 47,177,273 |
| | Work In Process | 20.00 | 24,507 | 3,798,542 | 3,875,842 |
| | Finished Goods | 20.00 | 165,611 | 55,148,548 | 63,929,255 |
| | | | | **402,750,508** | **345,337,738** |

| | | | | |
|---|---|---|---|---|
| **9.00** | **Bills Receivable :** | | | |
| | Bill Receivable from Foreign Companies | 9.01 | 503,300,948 | 419,695,033 |
| | Bill Receivable from Inter-Companies | 9.02 | 423,994,570 | 431,398,874 |
| | | | **927,295,518** | **851,093,907** |

| | | | |
|---|---|---|---|
| **9.01** | **Bills Receivable from Foreign Companie :** | | |
| | Walmart | 147,815,538 | 177,746,363 |
| | Lidl | 355,485,410 | 211,902,542 |
| | Valverde Norambuena Spa | - | 565,845 |
| | JD. Williams | | 3,610,000 |
| | Michel | | 7,282,320 |
| | Cam | - | 8,674,437 |
| | Dijon Comercial Limitada | - | 2,216,238 |
| | | **503,300,948** | **411,997,745** |
| | Marked to Market Gain/(Loss) | - | 7,697,288 |
| | | **503,300,948** | **419,695,033** |

**9.02 Bills Receivable from Inter-Company :**

**i) Related Party Transactions**

During the year, the company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out:

Company under common directorship

| Name of the Party | Dr. or Cr. | Nature of Transactions | Nature of Relation ship | Transaction Value in Taka | |
|---|---|---|---|---|---|
| | | | | 30 June 2017 | 30 June 2016 |
| Dragon Sweater BD. Ltd. | Dr. | Sub-contract | Common Management | 266,054,598 | 231,202,763 |
| CD Acrylic Bangladesh Ltd. | Dr. | Sub-contract | Common Management | 15,425,120 | 51,441,901 |
| Imperial Sweater BD Ltd. | Dr. | Sub-contract | Common Management | 142,514,852 | 148,754,210 |
| **Total:** | | | | **423,994,570** | **431,398,874** |

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director

| | | | 31 Dec. 2017 Taka | 30 June 2017 Taka |
|---|---|---|---|---|
| **10.00** | **Advance, Deposit & Pre-payment :** | | | |
| | Advance | 10.01 | 23,030,216 | 11,569,542 |
| | Deposits | 10.02 | 950,000 | 950,000 |
| | | | **23,980,216** | **12,519,542** |
| **10.01** | **Advance** | | | |
| | Advance Income Tax | 10.01A | 654 | 45,620 |
| | Advance Salary to Staff | | 13,145,820 | 7,245,800 |
| | Advance against Expenses | 10.01B | 7,441,042 | 2,853,020 |
| | Advance for Fire Insurance | | 984,460 | - |
| | Advance for Fire Fighting's | | 1,458,240 | 1,425,102 |
| | | | **23,030,216** | **11,569,542** |
| **10.01A** | **Advance Income Tax :** | | | |
| | Advance Tax from SND | | - | 4,691 |
| | Advance Tax from FDR | | 654 | 40,929 |
| | | | **654** | **45,620** |
| **10.01B** | **Advance Against Expenses:** | | | |
| | Advance Aginst Factory Supply & Chemicals | | 1,548,202 | 524,850 |
| | Advance Against Repair & Maintenance of Machineries | | 1,241,852 | 215,480 |
| | Advance Against License Renewal | | 685,475 | 254,870 |
| | Advance Against Comerrcial Work | | 954,821 | 154,200 |
| | Advance Against Lab Test | | 1,585,210 | 1,548,750 |
| | Advance Against Copliance Audit Fee | | 1,425,482 | 154,870 |
| | | | **7,441,042** | **2,853,020** |
| **10.02** | **Deposits :** | | | |
| | Deposit with PDB | | 250,000 | 250,000 |
| | Deposit with DESA | | 150,000 | 150,000 |
| | Deposit with CDBL | | 500,000 | 50,000 |
| | Deposit with T&T | | 50,000 | 500,000 |
| | | | **950,000** | **950,000** |
| **11.00** | **Cash and Cash Equivalents :** | | | |
| | Cash in hand | | 9,854,623 | 42,512,520 |
| | Cash at bank | | 154,587,542 | 92,458,762 |
| | | | **164,442,165** | **134,971,282** |
| | **Bank Name** | | | |
| | The City Bank Ltd. (CD A/c) | | 6 | 6 |
| | The City Bank Ltd. (FC A/c) | | 144,277 | 144,277 |
| | Bank Asia Ltd. (CD A/c) | | 74,525,149 | 50,206,756 |
| | South Bangla Agriculture Bank | | 79,918,109 | 40,002,902 |
| | National Bank Ltd. | | 1 | 2,104,821 |
| | | | **154,587,542** | **92,458,762** |

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director

| | 31 Dec. 2017 Taka | 30 June 2017 Taka |
|---|---|---|
| **12.00 Share Capital :** | | |
| **12.01 Authorized Capital :** | | |
| 150,000,000 Ordinary Shares of Tk. 10 each | **1,500,000,000** | **1,500,000,000** |
| **12.02 Issued Subscribed and Paid up Capital :** | | |
| 132,250,000 Ordinary Shares of Tk. 10 each fully paid up | 1,322,500,000 | 600,000,000 |

The shareholding position of the company are as under:

| Name of Shareholders | No. of Shares | (%) | | |
|---|---|---|---|---|
| Mostafa Golam Quddus | 2,956,696 | 2.236% | 29,566,960 | 25,710,400 |
| Mostafa Quamrus Sobhan | 32,223,185 | 24.365% | 322,231,850 | 280,201,610 |
| Tasnia Quamrun Anika | 2,662,822 | 2.013% | 26,628,220 | 23,154,980 |
| Shafia Sobhan Chowdhury | 2,861,197 | 2.163% | 28,611,970 | 24,879,980 |
| Fazlutun Nessa | 2,861,197 | 2.163% | 28,611,970 | 24,879,980 |
| Fauzia Quamrun Tania | 9,478,007 | 7.167% | 94,780,070 | 82,417,460 |
| CD Spinning Mills Limited | 27,632 | 0.021% | 276,320 | 240,280 |
| CD Acrylic Bangladesh Ltd. | 27,632 | 0.021% | 276,320 | 240,280 |
| Muzaffar Ahmed | 66,125 | 0.050% | 661,250 | 575,000 |
| Mrs Sadia Akhter | 230,000 | 0.174% | 2,300,000 | 2,000,000 |
| Mrs Nasima Ferdous | 230,000 | 0.174% | 2,300,000 | 2,000,000 |
| A. S. Shahudul Huque Bulbul | 230,000 | 0.174% | 2,300,000 | 2,000,000 |
| Tanzila Ferdous | 230,000 | 0.174% | 2,300,000 | 2,000,000 |
| Mohammad Zahir | 115,000 | 0.087% | 1,150,000 | 1,000,000 |
| Zaed Bin Zahir | 115,000 | 0.087% | 1,150,000 | 1,000,000 |
| Fahmida Kamal | 114,487 | 0.087% | 1,144,870 | 1,000,000 |
| IPE Capital Limited | 57,500 | 0.043% | 575,000 | 500,000 |
| Heritage Capital Management Limited | 57,500 | 0.043% | 575,000 | 500,000 |
| Pandemic Fisheries Limited | 2,000,000 | 1.512% | 20,000,000 | 20,000,000 |
| Pandemic Trade International | 2,000,000 | 1.512% | 20,000,000 | 20,000,000 |
| Dr. Tamanna Mostafiz | 2,000,000 | 1.512% | 20,000,000 | 20,000,000 |
| A. K. M. Sajedur Rahman | 2,000,000 | 1.512% | 20,000,000 | 20,000,000 |
| First Securities Services Limited | 1,150,000 | 0.870% | 11,500,000 | 10,000,000 |
| Mohammed Ashraful Huque | 230,000 | 0.174% | 2,300,000 | 2,000,000 |
| M. Shefaque Ahmed | 1,150,000 | 0.870% | 11,500,000 | 10,000,000 |
| Molla Abdul Hakim | 100,000 | 0.076% | 1,000,000 | 1,000,000 |
| Farid Ahmed | 100,000 | 0.076% | 1,000,000 | 1,000,000 |
| Md. Ziaul Hossain | 100,000 | 0.076% | 1,000,000 | 1,000,000 |
| A. K. Mostafizur Rahman | 2,000,000 | 1.512% | 20,000,000 | 20,000,000 |
| Dragon Information Technology & Communication Ltd. | 3,105,000 | 2.348% | 31,050,000 | 27,000,000 |
| Sonali Life Insurance Company Limited | 2,000,000 | 1.512% | 20,000,000 | 20,000,000 |
| Md. Arifur Rahman | 92,000 | 0.070% | 920,000 | 800,000 |
| S.M. Iftekhar Imam | 80,500 | 0.061% | 805,000 | 700,000 |
| Md. Mustafizur Rahman | 46,000 | 0.035% | 460,000 | 400,000 |
| Md. Raihan Ahmed | 13,225 | 0.010% | 132,250 | 115,000 |
| Fortune Wealth Management Limited | 77,050 | 0.058% | 770,500 | 670,000 |
| Md. Al-Amin Khan | 152,950 | 0.116% | 1,529,500 | 1,330,000 |
| Hoda Ali Selim Ahmed Mohamed | 1,322,500 | 1.000% | 13,225,000 | 11,500,000 |
| All Remaining Public Shares | 57,986,795 | 43.846% | 579,867,950 | 488,185,030 |
| | **132,250,000** | **100.00%** | **1,322,500,000** | **1,150,000,000** |

| | | |
|---|---|---|
| **13.00 Retained Earnings :** | | |
| Opening Balance | 600,170,496 | 513,838,173 |
| Less: Prior period's unrealized gain for marked to market | - | (3,985,477) |
| **Sub- Total** | **600,170,496** | **509,852,697** |
| Less: Stock dividend paid | (172,500,000) | (150,000,000) |
| Add: Current periods profit | 86,361,315 | 153,261,262 |
| Add: Revaluation surplus realised (Note: 14) | 4,566,904 | 21,783,859 |
| | **518,598,715** | **534,897,818** |

Paper Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director

| | 31 Dec. 2017 Taka | 30 June 2017 Taka |
|---|---|---|

**14.00 Revaluation Reserve :**

The company revalued its buildings and plant & machinary on 31 December 2010 by K.M. Alam & Co. Chartered Accountants to reflect the fair value of property, plant and equipment assets in the financial statements as on 31 December 2010.

| Opening Balance | Adjustment | Closing Balance | |
|---|---|---|---|
| 143,740,634 | 4,566,904 | 139,173,729 | 148,463,535 |

**15.00 Long Term Loan Net of Current Portion :**

| | | |
|---|---|---|
| **Corporate Mid Term Loan:** | | |
| Opening Balance | 398,778,157 | 408,637,629 |
| Add: Interest during the period | 9,969,454 | 37,230,319 |
| Less: Adjustment during the period | (25,000,000) | (56,816,088) |
| **Closing Balance** | **383,747,611** | **389,051,860** |
| Less: Current Portion | (34,886,146) | (35,368,351) |
| Net of Current Portion | **348,861,464** | **353,683,509** |

**16.00 Bills Payable :**

| | | |
|---|---|---|
| M/S. Redwan packaging | 758,452 | 1,219,519 |
| M/S. Labib Dyeing | 1,524,260 | 1,384,530 |
| M/S. S.B.Trade | 154,200 | 711,920 |
| M/S. Zhangjiagan | 2,546,250 | 2,374,361 |
| M/S. A.K. Accessories | 256,212 | - |
| M/S. Nice Cotton | - | 1,611,561 |
| | **5,239,374** | **7,301,891** |
| Marked to Market Gain/(Loss) | - | 14,069 |
| | **5,239,374** | **7,315,960** |

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
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| | | | 31 Dec. 2017 Taka | 30 June 2017 Taka |
|---|---|---|---|---|
| **17.00** | **Liabilities for Expenses :** | | | |
| | Audit fee | | 45,000 | 100,000 |
| | Salaries, Wages & Remuneration | | 4,603,659 | 6,854,150 |
| | Fuel, Water and Power | | 1,245,826 | 958,120 |
| | Rent & Others | | 199,000 | 210,500 |
| | Worker's Profit Perticipation Fiund (WPPF) | | 7,973,750 | 4,645,368 |
| | | | **14,067,235** | **12,768,138** |
| **18.00** | **Provision for Income Tax :** | | | |
| | Opening Balance | | 40,130,598 | 27,615,552 |
| | Add: Addition during the period | 18.01 | 6,252,203 | 8,807,338 |
| | | | **46,382,800** | **36,422,890** |
| | Less: Adjustment during the period | | - | - |
| | | | **46,382,800** | **36,422,890** |

**18.01 Provission for Taxation:**

This represents amount provided on Business and Non-Business income as per Income Tax Law.

| | | | | |
|---|---|---|---|---|
| | **Total Income before Tax:** | | 97,700,086 | 158,919,023 |
| | Less: Non-Operating Income for separate consideration: | | | |
| | 1. Interest on FDR | 6,542 | | |
| | 2. Interest on SND | - | | |
| | 3. Exchange gain | - | | |
| | 6. Scrap Sales | 3,205,421 | | |
| | | | 3,211,963 | 7,264,721 |
| | **Income from Business:** | | **94,488,123** | **151,654,303** |

Advance Income Tax deducted at source on export bills realization Tk. 5,086,568.45 which is minimun tax as per section 82 C (KK) of Income Tax Ordinance 1984 and any profit arrive out of Income as per advance Income Tax deduction at source to be considered taxable Income under section 82 C (KK) of the Income Tax Ordinance 1984. As such Income Tax provision has arrived as follows:

| | | | |
|---|---|---|---|
| 82 C Income @ 12% | 42,383,070 | 5,085,968 | 7,107,374 |
| 82 C (6) Income @ 12% | 48,893,090 | 5,867,171 | 7,909,347 |
| Scrap Sales @12% | 3,205,421 | 384,651 | 829,561 |
| Exchange Gain/Loss @ 12% | - | - | - |
| Interest on FDR @ 25% | 6,542 | 1,636 | 102,323 |
| Interest on SND @ 25% | - | - | 11,727 |
| | | **11,339,425** | **15,960,332** |
| Tax deduction at source from export proceeds | | **(5,086,568)** | **(7,107,374)** |
| Less: Tax deduction at source from FDR Interest | | **(654)** | **(40,929)** |
| Less: Tax deduction at source from SND Interest | | - | **(4,691)** |
| | | **6,252,203** | **8,807,338** |

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director

AMARSTOCK

| | | | 31 Dec. 2017 Taka | 31 Dec. 2016 Taka |
|---|---|---|---|---|
| **19.00** | **Sales :** | | | |
| | Sales | 19.01 | 508,656,845 | 321,711,836 |
| | | | **508,656,845** | **321,711,836** |
| **19.01** | **Sales :** | | | |
| | Gross Sales | | 508,656,845 | 321,711,836 |
| | | | **508,656,845** | **321,711,836** |
| **20.00** | **Cost of Goods Sold :** | | | |
| | Raw Materials Consumed | 20.01 | 223,193,489 | 148,434,329 |
| | Packing Materials Consumed | 20.02 | 89,852,163 | 44,109,125 |
| | | | **313,045,652** | **192,543,454** |
| | Add: Work in Process-Opening | 8.00 | 3,945,128 | 3,784,510 |
| | | | **316,990,780** | **196,327,964** |
| | Less: Work in Process-Closing | 8.00 | 3,798,542 | 3,348,572 |
| | **Total Consumption** | | **313,192,238** | **192,979,392** |
| | Add: Manufacturing Overhead | 20.03 | 41,904,765 | 25,867,139 |
| | Add: Depreciation | (Annexure-1) | 17,996,797 | 17,145,349 |
| | **Cost of Production** | | **373,093,799** | **235,991,880** |
| | Add: Finished Goods-Opening | 8.00 | 51,024,510 | 49,807,542 |
| | | | **424,118,309** | **285,799,422** |
| | Less: Finished Goods - Closing | 8.00 | 55,148,548 | 55,845,362 |
| | | | **368,969,761** | **229,954,060** |
| **20.01** | **Raw Materials Consumed :** | | | |
| | Opening Stock | 8.00 | 234,575,415 | 164,258,451 |
| | Add: Purchase During the Year | | 282,872,928 | 142,587,540 |
| | Raw Materials Available for Production | | **517,448,343** | **306,845,991** |
| | Less: Closing Stock | 8.00 | 294,254,854 | 158,411,662 |
| | | | **223,193,489** | **148,434,329** |
| **20.02** | **Packing Materials Consumed :** | | | |
| | Opening Stock | 8.00 | 62,154,875 | 23,458,154 |
| | Add: Purchase During the Year | | 77,245,852 | 52,548,513 |
| | Materials Available for Packing | | **139,400,727** | **76,006,667** |
| | Less: Closing Stock | 8.00 | 49,548,564 | 31,897,542 |
| | | | **89,852,163** | **44,109,125** |
| **20.03** | **Manufacturing Overhead :** | | | |
| | Salary & Wages | | 22,587,520 | 13,994,170 |
| | Fuel Water & Power | | 11,254,850 | 6,742,323 |
| | Factory Lease Rent | | 504,000 | 431,251 |
| | Lab Test Charges | | 1,458,752 | 1,046,612 |
| | Store & Spares Consumed | | 958,452 | 641,036 |
| | Repairs & Maintenance | | 338,542 | 200,327 |
| | Chemical Expenses | | 1,487,520 | 962,472 |
| | Security Service Charges | | 782,213 | 482,848 |
| | Uniform & Liveries | | 564,300 | 58,290 |
| | Medical Expenses | | 255,452 | 151,564 |
| | Carriage Inward | | 425,140 | 321,851 |
| | Garments Printing & Washing Expenses | | 101,254 | 61,912 |
| | Import Material Utilization Decleration Expenses | | 402,150 | 255,826 |
| | C & F Charges | | 624,512 | 376,858 |
| | Entertainment | | 124,512 | 82,743 |
| | Other Overheads | | 35,596 | 57,055 |
| | | | **41,904,765** | **25,867,139** |

Dragon Sweater & Spinning Limited
Mostafa Golam Quddus
Managing Director

AMAR STOCK

| | | 31Dec. 2017 Taka | 31 Dec. 2016 Taka |
|---|---|---|---|
| **21.00 Operating Expenses :** | | | |
| Distribution & Selling Expenses | 21.01 | 10,681,786 | 6,358,831 |
| Administrative Expenses | 21.02 | 19,417,118 | 12,667,846 |
| | | **30,098,903** | **19,026,677** |
| **21.01 Distribution & Selling Expenses :** | | | |
| Salaries & Welfare | | 1,542,520 | 967,080 |
| B/L, Air Freight Charges | | 1,250,352 | 746,595 |
| Advertising Expenses | | 95,842 | 56,442 |
| Transpiration and Handling Expenses | | 1,120,452 | 635,289 |
| Repair & Maintenance | | 550,241 | 321,378 |
| Sales promotion expenses | | 1,420,524 | 829,306 |
| Traveling Expenses | | 625,120 | 368,251 |
| Courier & Handling Charges | | 575,244 | 335,795 |
| Buyers Entertainment | | 920,120 | 516,409 |
| L/C Charges & Commission | | 812,402 | 473,040 |
| Misc. Expenses | | 1,369,040 | 728,239 |
| Depreciation (Annexure-1) | | 399,929 | 381,007 |
| | | **10,681,786** | **6,358,831** |
| **21.02 Administrative Expenses :** | | | |
| Salary & Allowances | | 9,124,520 | 5,280,927 |
| Remuneration | | 306,000 | 306,000 |
| Board Meeting Fee | 21.02A | 80,000 | 80,000 |
| Postage & Telecommunication | | 248,562 | 145,013 |
| Repair & Maintenance | | 895,620 | 522,910 |
| Vehicle Expenses | | 430,250 | 247,697 |
| Electricity, Fuel & Power | | 1,105,240 | 643,763 |
| Printing & Stationery | | 335,225 | 195,858 |
| Subscription & Donation | | 482,050 | 279,268 |
| Entertainment | | 131,203 | 75,613 |
| Legal & Professional Charges | | 1,425,142 | 830,676 |
| Insurance | | 417,370 | 713,096 |
| Audit Fee | | 45,000 | 48,241 |
| Office Rent | | 855,452 | 499,296 |
| Conveyance | | 520,145 | 301,507 |
| Renewal & License fee | | 835,452 | 484,067 |
| Security Service Charges | | 205,800 | 148,920 |
| BTMA Expenses | | 154,632 | 82,445 |
| Depreciation (Annexure-1) | | 1,599,715 | 1,524,031 |
| Amotrization (Annexure-1) | | 219,740 | 258,517 |
| | | **19,417,118** | **12,667,846** |

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director

AMARSTOCK

| | | | 31 Dec. 2017 Taka | 31 Dec. 2016 Taka |
|---|---|---|---|---|
| **21.02A** | **Board Meeting Fee :** | | | |
| | Mr. Mostafa Quamrus Sobhan | Chairman | 10,000 | 10,000 |
| | Mr. Mostafa Golam Quddus | Managing Director | 10,000 | 10,000 |
| | Miss.Tasnia Quamrun Anika | Director | 10,000 | 10,000 |
| | Mrs.Shafia Sobhan Chowdhury | Director | 10,000 | 10,000 |
| | Mrs.Fazlutun Nessa | Director | 10,000 | 10,000 |
| | Mrs.Fauzia Quamrun Tania | Director | 10,000 | 10,000 |
| | A.M.Saidur Rahman | Independent Director | 10,000 | 10,000 |
| | M. Jinnat Ali Mian | Independent Director | 10,000 | 10,000 |
| | | | 80,000 | 80,000 |
| **22.00** | **Financial expenses :** | | | |
| | Bank Charge & Commission | | 2,451 | 1,650 |
| | Interest on Corporate Mid Term Loan | | 9,969,454 | 9,190,089 |
| | | | 9,971,905 | 9,191,739 |
| **23.00** | **Non-Operating Income :** | | | |
| | FDR Interest | | 6,542 | 5,136 |
| | SND Interest | | - | 35 |
| | Exchange Gain/(Loss) | | (384,521) | (452,142) |
| | Scrap Sales | | 3,205,421 | 2,845,872 |
| | | | 2,827,442 | 2,398,901 |
| **24.00** | **Basic Earnings Per Share (BEPS)** | | | |
| | (a) Profit After Tax (Tk.) | | 86,361,315 | 56,203,095 |
| | (c) Number of Shares Outstanding | | 132,250,000 | 115,000,000 |
| | (d) Basic Earning Per Shares (EPS) | | 0.65 | 0.49 |
| **24.01** | **Restated Basic Earnings Per Share (RBEPS)** | | | |
| | (a) Profit After Tax (Tk.) | | 86,361,315 | 56,203,095 |
| | (c) Number of Shares Outstanding | | 132,250,000 | 132,250,000 |
| | (d) Basic Earning Per Shares (EPS) | | 0.65 | 0.42 |

| | | 31 Dec. 2017 Taka | 30 June 2017 Taka |
|---|---|---|---|
| **25.00** | **Net Asset Value (NAV) Per Share including tangible assets** | | |
| | Share Capital | 1,322,500,000 | 1,150,000,000 |
| | Retained Earnings | 518,598,715 | 518,213,280 |
| | Reserve for Revaluation | 139,173,729 | 139,173,729 |
| | Net Asset Value (NAV) | 1,980,272,444 | 1,807,387,009 |
| | Number of Ordinary Shares | 132,250,000 | 132,250,000 |
| | **Net Asset Value (NAV) Per Share** | 14.97 | 13.67 |

| | | 31 Dec. 2017 Taka | 31 Dec. 2016 Taka |
|---|---|---|---|
| **26.00** | Net Operating Cash Flow Per Share (NOCFPS) | | |
| | Net Operating Cash Flows | 52,131,561 | 51,900,208 |
| | Number of Ordinary Shares Outstanding (Denominator) | 132,250,000 | 132,250,000 |
| | Net Operating Cash Flows Per Share | 0.39 | 0.39 |

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director

AMARSTOCK

## DRAGON SWEATER & SPINNING LIMITED
### Fixed Assets Schedule
### As at 31 December 2017

*Amount in Taka*

| Particulars | Cost / Revaluation | | | | | | Depreciation | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost | | | Revaluation | Cost & Revaluati | Rate | Original Cost | | | Revaluation Cost | | | Balance | | Balance as on 31 Dec 2017 | Balance as on 31 Dec 2016 |
| | Balance as on 1 Oct. 2017 | Addition during the period | Balance as on 31 Dec. 2017 | Revaluation Surplus | Balance as on 31 Dec. 2017 | | Balance as on 1 Oct. 2017 | Charged during the period | Balance as on 31 Dec. 2017 | Balance as on 1 Oct. 2017 | Charged during the period | Balance as on 31 Dec. 2017 | Total Depreciation Charged | Total Accumulated Depreciation | | |
| Land & Land Development | 94,440,000 | - | 94,440,000 | - | 94,440,000 | 0% | - | - | - | - | - | - | - | - | 94,440,000 | 94,440,000 |
| Building | 451,749,017 | - | 451,749,017 | 130,816,459 | 582,565,476 | 10% | 224,271,364 | 5,686,941 | 229,958,306 | 66,422,420 | 1,609,851 | 68,032,271 | 7,296,792 | 297,990,576 | 284,574,900 | 227,881,343 |
| Plant & Machinery | 531,879,058 | - | 531,879,058 | 220,036,821 | 751,915,879 | 15% | 341,458,983 | 7,140,753 | 348,599,736 | 146,152,653 | 2,770,656 | 148,923,309 | 9,911,409 | 497,523,046 | 254,392,833 | 301,171,712 |
| Spare Parts | 44,796,109 | - | 44,796,109 | | 44,796,109 | 15% | 4,913,573 | 1,495,595 | 6,409,168 | | - | | 1,495,595 | 6,409,168 | 38,386,941 | - |
| Generator | 23,355,200 | - | 23,355,200 | 3,845,266 | 27,200,466 | 15% | 17,609,501 | 215,464 | 17,824,965 | 2,554,099 | 48,419 | 2,602,518 | 263,882 | 20,427,483 | 6,772,983 | 7,968,215 |
| Boiler | 6,905,512 | - | 6,905,512 | 3,968,576 | 10,874,088 | 15% | 5,230,223 | 62,823 | 5,293,046 | 2,636,004 | 49,971 | 2,685,975 | 112,795 | 7,979,022 | 2,895,066 | 3,405,960 |
| Washing Machine | 2,100,000 | - | 2,100,000 | 177,642 | 2,277,642 | 15% | 1,500,631 | 22,476 | 1,523,107 | 117,993 | 2,237 | 120,230 | 24,713 | 1,643,337 | 634,305 | 746,241 |
| Weight Machine | 178,000 | - | 178,000 | - | 178,000 | 15% | 155,458 | 845 | 156,304 | - | - | - | 845 | 156,304 | 21,696 | 25,525 |
| Cleaning Machine | 5,751,000 | - | 5,751,000 | 2,703,223 | 8,454,223 | 15% | 4,565,078 | 44,472 | 4,609,550 | 1,795,532 | 34,038 | 1,829,571 | 78,510 | 6,439,121 | 2,015,102 | 2,370,709 |
| Transformer | 3,785,000 | - | 3,785,000 | 608,628 | 4,393,628 | 10% | 2,108,160 | 41,921 | 2,150,081 | 309,033 | 7,490 | 316,522 | 49,411 | 2,466,603 | 1,927,025 | 2,141,138 |
| Furniture & Fixture & Decoration | 4,641,367 | - | 4,641,367 | - | 4,641,367 | 10% | 2,506,362 | 53,375 | 2,559,737 | - | - | - | 53,375 | 2,559,737 | 2,081,630 | 2,312,922 |
| Office Equipments | 1,724,820 | - | 1,724,820 | - | 1,724,820 | 10% | 605,762 | 27,976 | 633,738 | - | - | - | 27,976 | 633,738 | 1,091,082 | 1,212,313 |
| Cookeries | 72,300 | - | 72,300 | - | 72,300 | 20% | 61,637 | 533 | 62,170 | - | - | - | 533 | 62,170 | 10,130 | 12,663 |
| Air Compressor | 2,797,800 | - | 2,797,800 | 263,560 | 3,061,360 | 10% | 1,500,676 | 32,428 | 1,533,104 | 133,823 | 3,243 | 137,067 | 35,672 | 1,670,171 | 1,391,189 | 1,545,766 |
| Water & Gas Installation | 7,300,772 | - | 7,300,772 | 830,000 | 8,130,772 | 10% | 4,258,999 | 76,044 | 4,335,044 | 421,435 | 10,214 | 431,649 | 86,258 | 4,766,693 | 3,364,079 | 3,737,866 |
| Computer & Accessories | 1,190,000 | - | 1,190,000 | - | 1,190,000 | 20% | 773,089 | 20,846 | 793,935 | - | - | - | 20,846 | 793,935 | 396,065 | 495,081 |
| Telephone & PABX | 23,400 | - | 23,400 | - | 23,400 | 10% | 13,970 | 236 | 14,205 | - | - | - | 236 | 14,205 | 9,195 | 10,216 |
| Electric Installation | 5,025,478 | - | 5,025,478 | 1,295,315 | 6,320,793 | 10% | 3,673,549 | 33,798 | 3,707,347 | 657,700 | 15,940 | 673,640 | 49,739 | 4,380,987 | 1,939,806 | 2,155,340 |
| Fire Fighting's | 22,048,100 | - | 22,048,100 | - | 22,048,100 | 10% | 3,793,757 | 456,359 | 4,250,115 | - | - | - | 456,359 | 4,250,115 | 17,797,985 | 19,775,539 |
| C.C. Camera | 720,293 | - | 720,293 | - | 720,293 | 20% | 558,852 | 8,072 | 566,924 | - | - | - | 8,072 | 566,924 | 153,369 | 191,712 |
| Motor Vehicles | 2,800,000 | - | 2,800,000 | 1,178,856 | 3,978,856 | 15% | 2,571,257 | 8,578 | 2,579,835 | 783,019 | 14,844 | 797,863 | 23,422 | 3,377,697 | 601,159 | 707,246 |
| **Total Tangible Assets:** | **1,213,283,226** | **-** | **1,213,283,226** | **365,724,346** | **1,579,007,572** | | **622,130,881** | **15,429,536** | **637,560,417** | **221,983,710** | **4,566,904** | **226,550,615** | **19,996,441** | **864,111,032** | **714,896,540** | **672,307,507** |

| Allocation of Depreciation | Amount |
|---|---|
| Manufacturing Overhead 90% | 17,996,797 |
| Distribution & Selling Expenses 2% | 399,929 |
| Administrative Expenses 8% | 1,599,715 |
| **Total :** | 19,996,441 |

## DRAGON SWEATER & SPINNING LIMITED
### Intangible Assets Schedule
### As at 31 December 2017

*Amount in Taka*

| Particulars | Cost / Revaluation | | | | | | Depreciation | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost | | | Revaluation | Cost & Revaluati | Rate | Original Cost | | | Revaluation Cost | | | Balance | | Balance as on 31 Dec 2017 | Balance as on 31 Dec 2016 |
| | Balance as on 1 Oct. 2017 | Addition during the period | Balance as on 31 Dec. 2017 | Revaluation Surplus | Balance as on 31 Dec. 2017 | | Balance as on 1 Oct. 2017 | Charged during the period | Balance as on 31 Dec. 2017 | Balance as on 1 Oct. 2017 | Charged during the period | Balance as on 31 Dec. 2017 | Total Depreciation Charged | Total Accumulated Depreciation | | |
| ERP Software | 23,591,000 | - | 23,591,000 | - | 23,591,000 | 15% | 17,731,274 | 219,740 | 17,951,014 | - | - | - | 219,740 | 17,951,014 | 5,639,985 | 6,635,277 |
| **Total Intangible Assets:** | **23,591,000** | **-** | **23,591,000** | **-** | **23,591,000** | | **17,731,274** | **219,740** | **17,951,014** | **-** | **-** | **-** | **219,740** | **17,951,014** | **5,639,985** | **6,635,277** |

Dragon Sweater & Spinning Limited

Mostafa Golam Quddus
Managing Director