ANNUAL REPORT 2016/17



MITHUN KNITTING & DYEING (CEPZ) LTD.

AMAR STOCK

ANNUAL REPORT
2016 - 2017

REGISTERED OFFICE	:	DOULATDIAR, CHUADANGA, BANGLADESH
CORPORATE OFFICE & SHARE DEPARTMENT	:	SOUTH AVENUE TOWER (6TH FLOOR), HOUSE # 50, ROAD # 3 7, GULSHAN AVENUE, DHAKA-1212. TEL : 9848948, 9849458, 9840264 FAX : 88-02-9862312, 9862803
FACTORIES	:	PLOT # 44-46, SECTOR - 4 (CEPZ), CHITTAGONG & 1 SOUTH KAMALAPUR, DHAKA

AMAR STOCK

COMPANY PROFILE

REGISTERED OFFICE

Doulatdiar, Chuadanga

CORPORATE OFFICE

South Avenue Tower (6th floor), House # 50, Road 7, Gulshan Avenue, Dhaka-1212.
Tel : 9848948, 9849458, 9840264
Fax : 88-02-9862312, 9862803

LOCATION OF FACTORIES

Plot No. 44-46, Sector-4, Chittagong Export Processing Zone, Bangladesh
& 1, South Kamalapur, Dhaka.

YEAR OF INCORPORATION

1991

YEAR OF BUSINESS COMMENCEMENT

1991

COMMERCIAL OPERATION

September, 1993

BUSINESS

Circular Knitting, Dyeing, Finishing and Knit Garments

PRODUCT RANGE

Single Jersey, Interlock, Rib, French Terry, Flat Knit, Collar & Cuff, Rib with Lycra etc. and Knit Garments of all Sorts

CAPACITY

5.7 M.T. Fabrics and 5000 Pcs. Garments per day

AUTHORISED CAPITAL

Tk. 800,000,000

PAID-UP CAPITAL

Tk. 324,911,620

LEGAL FORM OF THE COMPANY

Public Limited Company

LISTING WITH STOCK EXCHANGES

Listed with Dhaka Stock Exchange in June, 1994
Listed with Chittagong Stock Exchange in June, 2001

NO. OF SHAREHOLERS

7522 (As on June 30, 2017)

MARKETING CHANNEL

Mostly through Local Garments Manufacturing Units against Local Back To Back L/C & Direct Overseas Export

NO. OF EMPLOYMENT

Officer and Staff-87, Floor Level Workers-689, Total = 776

ORIGIN OF MACHINERY

Italy, Sweden, Korea, China, Singapore, Hong Kong and Japan.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Rabeya Khatun, Chairman
Md. Rafiqul Haque, Managing Director
Md. Mahbub-Ul Haque, Director
Md. Atiqul Haque, Director
Md. Abdul Allam, Independent Director
Md. Shakil Choudhury, Independent Director

COMPANY SECRETARY

S.M. Shahid-ul-Arafin

CHIEF FINANCIAL OFFICER

Abdus Salam

AUDIT COMMITTEE

Md. Shakil Choudhury, Independent Director, Chairman
Md. Mahbub-Ul Haque, Director, Member
Md. Atiqul Haque, Director, Member

AUDITORS

Zoha Zaman Kabir Rashid & Co.
Charterd Accounts
Rupayan Karim Tower
Level-7, Suite # 7A
80, Kakrail, Dhaka-1000.

BANKERS

BASIC Bank Ltd.
Shantinagar Branch,
169/1, Shantinagar, Dhaka

AMAR STOCK

BOARD OF DIRECTORS



Rabeya Khatun
Chairman

Educational Qualification
Bachelor of Arts

Professional Experience
34 Years experience in Manufacturing and Trading business



Md. Rafiqul Haque
Managing Director

Educational Qualification
M.S.S from University of Dhaka

Professional Experience
35 Years experience in Manufacturing and Trading business



Md. Mahbub-Ul Haque
Director

Educational Qualification
M. Com, Finance & Banking, University of Dhaka
M.B.A from United Kingdom
Ph.d from Washington Internationl University, USA

Professional Experience
30 Years experience in Manufacturing and Trading business

BOARD OF DIRECTORS



Md. Atiqul Haque
Director

Educational Qualification
M. Com, Finance & Banking, University of Dhaka

Professional Experience
29 Years experience in Manufacturing and Trading business



Md. Abdul Allam
Independent Director

Educational Qualification
M.A (Statistics), Rajshahi University

Professional Experience
31 Years experience as Banker Senior Officer to DGM in Bangladesh Development Bank Ltd.

ANWAR STOCK

BOARD OF DIRECTORS



Md. Shakil Choudhury, FCA
Independent Director

Educational Qualification
Associate Member of the Institute of Chartered Accountants of Bangladesh
M. Com (Mgt.), National University

Professional Experience
19 Years experience in Finance & Accounts in different Multinational & Local enterprises

COMPANY SECRETARY



S.M. Shahid-ul-Arafin
Executive Director & Company Secretary

Educational Qualification
Master of Business Administration (MBA)
Institute of Business Administration (IBA)
University of Dhaka

Professional Experience
25 Years experience in Finance & Accounts in different Multinational, Bank & Local business enterprises, specially in public limited company

TRANSMITTAL LETTER

The Shareholders,
Bangladesh Securities & Exchange Commission
Dhaka Stock Exhange Ltd.
Chittagong Stock Exhange Ltd.
Registrar of Joint Stock Companies and Firms

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

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Consolidated Statement of Financial Position as at 30th June, 2017, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Cash Flow Statement for the year ended on 30 June 2017 along with notes thereon and all related Financial Statements for your record/necessary measures.

Yours faithfully,

S.M. Shahid-ul-Arafin
Company Secretary

AMARSTOCK

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OUR PHILOSOPHY

Business is and always has been a dynamic and diversification process. We strive to be at the fore front of change in fashion and trend setting while in continuous pursuit of quality and commitments through total customer focus in all operational areas.

Products to be of best available quality. Products for premium market segments integrated diversification/product range expansion.

Care for value of money.

Faith in individual potential and respect for human values.

Encouraging innovation for constant improvements to achieve excellence in all functional areas.

Striving for technological development and research for quality product and better packaging.

Accepting changes as a way of life.

Strict adherence to financial and administrative principles.

That is why we have based our production & marketing philosophy on three basic principles- Stability, Quality and Efficiency.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of Mithun Knitting and Dyeing (CEPZ) Limited will be held at the factory premises of Bangas Limited at Doulatdiar, Chuadanga on Saturday, December 30, 2017 at 12.15 p.m. to transact the following business:

AGENDA :

1. To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2017 together with the reports of Auditors and the Directors.
2. To elect Directors.
3. To appoint Auditors.
4. To transact any other business with the permission of the Chair

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By Order of the Board

November 25, 2017
Dhaka

S.M.Shahid-ul-Arafin
Company Secretary

Notes :

1. The record date for this AGM will be December 14, 2017.
2. A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
3. Form of Proxy, duly completed and stamped, must be deposited at company's Share Department at least 48 hours before the time appointed for the meeting and in default it will not be treated as valid.
4. Members are requested to notify change of address, if any, to the company.

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই মর্মে শেয়ারহোল্ডারদের জানানো যাচ্ছে যে, মিথুন নিটিং এন্ড ডাইং (সিইপিজেড) লিমিটেড এর ২৬তম বার্ষিক সাধারণ সভা আগামী ৩০শে ডিসেম্বর ২০১৭, শনিবার, দুপুর ১২:১৫ টায় নিম্নে বর্ণিত বিষয়াদি সম্পাদনাকল্পে বঙ্গজ লিঃ এর কারখানা দৌলদিয়ার, চুয়াডাঙ্গায় অনুষ্ঠিত হবে ঃ

বিষয়সমূহ ঃ

১. নিরীক্ষক এবং পরিচালকমন্ডলীর প্রতিবেদনসহ ৩০শে জুন ২০১৭ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী গ্রহন ও অনুমোদন।

২. পরিচালকমন্ডলীর নির্বাচন।

৩. নিরীক্ষকদের নিয়োগ।

৪. সভাপতির অনুমোদনক্রমে অন্য কোন বিষয় নিয়ে আলোচনা।

বোর্ডের আদেশক্রমে

এস. এম. শহীদ-উল-আরেফিন
কোম্পানি সচিব

২৫ নভেম্বর, ২০১৭
ঢাকা

দ্রষ্টব্যঃ

১. ১৪ই ডিসেম্বর ২০১৭ রেকর্ড তারিখ হিসাবে গন্য হবে। ঐ দিন কোম্পানির ডিপোজিটরী/শেয়ার রেজিষ্টারে যাদের নাম লিপিবদ্ধ থাকবে তারাই কোম্পানির লভ্যাংশ পাওয়ার যোগ্যতা রাখবেন।

২. শুধুমাত্র শেয়ারহোল্ডারগন অথবা তাঁদের নিয়োগকৃত প্রতিনিধিরাই বার্ষিক সাধারন সভায় উপস্থিত থাকতে পারবেন।

৩. কোন শেয়ারহোল্ডার প্রতিনিধি নিয়োগ করতে চাইলে উপযুক্ত ষ্ট্যাম্প সম্বলিত প্রতিনিধিপত্র কোম্পানির শেয়ার বিভাগে সভার নির্ধারিত সময়ের কমপক্ষে ৪৮ ঘন্টা পূর্বে অফিস চলাকালীন সময়ে অবশ্যই জমা দিতে হবে।

৪. সম্মানিত সদস্যদের ঠিকানা পরিবর্তন হলে তা শেয়ার বিভাগকে জানাতে অনুরোধ করা হচ্ছে।

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CHAIRMAN'S STATEMENT

Dear Shareholders,

Assalamualaikum.

I cordially welcome you all to this AGM; and express my heartfelt thanks for your graceful presence. With deep sorrow, we would like to express our heart-break profound shook at the sad demise of Haji Md. Mozammel Haque, our Honorable Founder Chairman and Managing Director of Mithun Knitting and Dyeing (CEPZ) Limited who passed away at 5.20 p.m. on 4 September, 2017. We alongwith you and our well-wishers remember with honor his notable contribution to the company and pray to the Almighty Allah for the salvation of his departed soul.

As you all know, the Board of Directors and Top Management of the Company and its two subsidiaries were restructured on 25 September 2016. As a part of such restructuring, Mr. AKM Sahabub Alam was appointed as Chairman and Mr Showkat Mehmood was appointed as Managing Director of these companies. The objective of such restructuring was to streamlining operations of these companies; and bringing further growth therein. But unfortunately, the new Board and the management headed by Mr. AKM Sahabub Alam expressed their inability to take over the physical operation of the Company and they all resigned from the Board of Directors of MKDL and its subsidiaries on 11 May, 2017. The previous management i.e. the Sponsor Directors could not think of abandonment of the project and the operation for the interest of thousand of shareholders and other related institutions as the Company is enlisted as a public limited Company. Thus finally, the previous Board decided to take over the Company once again to salvage it and appointed Mrs. Rabeya khatun and Mr. Md. Rafiqul Haque respectively as the Chairman and Managing Director of the Company in a meeting held on 11 May, 2017

Your company started its commercial operation in 1993; and accordingly, needs BMRE sooner than later. The new Board of Directors and Top Management has put its best endeavour towards that and by now has become succeeded in sanctioning a term loan of Tk. 7.00 crore from BASIC Bank Limited for implementing BMRE of the project.

Although turnover and net profit came out with a negative turn during the year ended 30 June 2017, mainly because of non-satisfaction of accord inspection issues; yet there is scope for much improvement therein with the BMRE just at hand. We hope to plan for such improvement soon with results expected in the years to come.

Finally, I sincerely thank our stakeholders-shareholders, customers, suppliers, employees, workers, banks, financial institutions, stock exchanges, CDBL, BSEC and the Government-for their invaluable support; and expect to get the same in future as well.

রাবেয়া খাতুন

Rabeya Khatun
Chairman
Mithun Knitting & Dyeing (CEPZ) Limited

25 November, 2017

সভাপতির বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আস্‌সালামু আলাইকুম্।

এই মহতী সাধারণ সভায় উপস্থিত হওয়ার জন্য আমি আন্তরিক ভাবে আপনাদের স্বাগত জানাচ্ছি। আমরা অতীব দুঃখের সাথে জানাচ্ছি যে, মিথুন নিটিং এন্ড ডাইং (সি.ই.পি.জেড) লিমিটেড-এর প্রতিষ্ঠাতা চেয়ারম্যান এবং ব্যবস্থাপনা পরিচালক হাজী মোঃ মোজাম্মেল হক গত ৪ঠা সেপ্টেম্বর ২০১৭ তারিখ বিকাল ৫.২০ ঘটিকায় ইন্তেকাল করেছেন। হাজী মোঃ মোজাম্মেল হকের মৃত্যুতে গভীর শোক ও দুঃখ প্রকাশ করে আমরা সকলে ও আমাদের সকল শুভাকাঙ্খিরা এই কোম্পানীর প্রতি মরহুমের অবদানের কথা স্মরন করছি এবং মহান আল্লাহ্‌র দরবারে তাঁর আত্মার মাগফেরাত কামনা করছি।

আপনারা জানেন যে, কোম্পানী এবং এর দুইটি সাবসিডিয়ারী কোম্পানীর পরিচালনা পর্ষদ এবং শীর্ষ ব্যবস্থাপনা কর্তৃপক্ষ গত ২৫ শে সেপ্টেম্বর ২০১৬ ইং তারিখে পূর্নঃগঠনের হয়েছিল। এই পূর্নঃগঠনের অংশ হিসাবে কোম্পানীর চেয়ারম্যান হিসাবে জনাব এ কে এম শাহবুব আলম ও ব্যবস্থাপনা পরিচালক হিসাবে জনাব শওকত মেহমুদ নিযুক্ত হয়েছিলেন। এই পূর্নঃগঠনের উদ্দেশ্য হলো কোম্পানীর উৎপাদন পদ্ধতিকে গতিময় করা। কিন্তু দুর্ভাগ্য জনকভাবে উল্লেখিত পর্ষদ ও শীর্ষ ব্যবস্থাপনা কর্তৃপক্ষ সেই উদ্দেশ্য সাধনে অপারগতা প্রকাশ করে গত ১১ই মে ২০১৭ তারিখে পদত্যাগ করে। পূর্বের ব্যবস্থাপনা কর্তৃপক্ষ তথা উদ্যোক্তা পরিচালকগন হাজার হাজার শেয়ারহোল্ডার ও অন্যান্য সংশ্লিষ্ঠ প্রতিষ্ঠানের স্বার্থ বিবেচনা করে কোম্পানীর কোন ক্ষতি হউক বা উৎপাদন ব্যহত হউক এ প্রকার কোন অবস্থা মানতে পারছিলনা। তাই পরিশেষে পূর্বের পরিচালনা পর্ষদ গত ১১ই মে ২০১৭ তারিখে আবার কোম্পানীর দায়িত্ব গ্রহন করে এবং জনাবা রাবেয়া খাতুনকে চেয়ারম্যান এবং জনাব মোঃ রফিকুল হককে ব্যবস্থাপনা পরিচালক নির্বাচিত করেন।

আমাদের কোম্পানীর বানিজ্যিক উৎপাদন শুরু হয় ১৯৯৩ সালে এবং সে কারনে এর বি.এম.আর.ই (BMRE) করা প্রয়োজন। নতুন পরিচালনা পর্ষদ ও শীর্ষ ব্যবস্থাপনা কতৃপক্ষের চেষ্টায় বেসিক ব্যাংক থেকে সাত কোটি টাকার মেয়াদী লোনের অনুমোদন হয়েছে যা অত্র কোম্পানীর বি.এম.আর.ই এর জন্য ব্যয় করা হবে।

যদিও ৩০ শে জুন ২০১৭ ইং তারিখে কোম্পানীর টার্নওভার এবং নীট মুনাফা কমেছে; কারন এর্কড (Accord) পরিদর্শনের শর্তাবলি পরিপালনে আমরা যথেষ্ট উন্নতি সাধন করতে পারি নাই; তথাপি উল্লেখিত ব্যাংক মঞ্জুরিকৃত বি.এম.আর.ই (BMRE) করলে টার্নওভার ও নীট মুনাফা বাড়বে। আমরা আশা করি যা আগামীতে আমাদের কাংখিত লক্ষ্যে পৌছাতে সাহায্য করবে।

পরিশেষে, আমাদের সকল ব্যবসায়িক অংশিদারদের আমি আন্তরিক ধন্যবাদ জানাই তাদের মূল্যবান সহযোগীতার জন্য যার মধ্যে অর্ন্তভূক্ত আছে আমাদের সম্মানিত ক্রেতাগণ, আপনারা শেয়ারহোল্ডারগণ, সকল স্টক এক্সচেঞ্জ, বি.এস.ই.সি, সিডিবিএল, কর্মকর্তা ও কর্মচারীবৃন্দ, আর্থিক প্রতিষ্ঠান সমূহ, ব্যাংক এবং বাংলাদেশ সরকার।

রাবেয়া খাতুন
চেয়ারম্যান
মিথুন নিটিং এন্ড ডাইং (সি.ই.পি.জেড) লিমিটেড

২৫ নভেম্বর, ২০১৭

DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 30TH JUNE, 2017

DEAR SHAREHOLDERS,

As-salamo Alaikum.

It is indeed my proud privilege to greet you on behalf of the Board of Directors of the Company to the Twenty Sixth Annual General Meeting of the esteemed shareholders and lay before you the Annual Report together with the Audited Accounts containing Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows and Statement of Changes in Equity and Notes to them as well as the Auditors Report thereon for the year ended 30th June, 2017. I hope your constructive suggestions, advice and active participation will turn this meeting a success.

At the same time, we convey our heartfelt deep condolence on the sad demise of the Company's Founder Chairman & Managing Director Haji Md. Mozammel Haque. May Allah shower his mercy and forgiveness for the salvation of his departed soul.

ENVIRONMENT ENCIRCLING THE BUSINESS

The business environment and its outlook especially in the garment sector, has not improved much during the year and in line with what we forecasted earlier. It had to face a turbulent economic scenario that mostly emanated from the global recession, primarily arising out of Europe. With the continuation of the global recession the business outlook appears to be still volatile. There appears to be little scope to keep business above the breakeven of minimum acceptable risk and the risk still persists at a high level. Having so much competition in the market and facing increasing pressure of the buyers to reduce prices, Bangladesh is still availing the advantage of low production costs compared to China, its main competitor in the global market. However, costs of doing business is also increasing in Bangladesh as reflected by the increase in service charges by the financial institutions, low gas supply, increased transportation costs and increased cost of electricity and gas. With the increase in production costs in China, the Chinese RMG sector is more interested in producing value added products thus creating an opportunity of supplying low-end RGM products to the Chinese market by foreign suppliers. This may again create an opportunity for Bangladesh to explore the Chinese market. It is expected that the RMG sector will grow in the same pace next year. However, it needs the attention of regulators to keep the utility and financial costs within tolerable limit.

With the pace of change, the buyer countries are also erecting more and more non-tariff barriers like work place, code of conduct, eco-labelling, human rights, social accountability, safety requirements and creation of trade unionism in the EPZ area. In the domestic concern, political impasse, back dated customs, port system, high rate of bank & insurance charges, irregular supply and higher charges of utilities in EPZ zone and stiff competition from outside EPZ companies also put hindrance to our business.

OPERATIONS REVIEW AND PRESENT STATUS OF THE COMPANY

Dear shareholders, as you know the foreign buyers engaged accord and alliance in Bangladesh after the disaster happened at Rana Plaza. In connection with this, we have invested sufficient amount of money at factory to implement the requirements of accord for their certification of getting orders from their enlisted buyers; but failed to pass their final inspection which has worsely affected us in getting enough orders to achieve a sustainable turnover and profitability during the year under review.

Due to this adverse outcome, The Company was constrained to achieve a comprehensive revenue of Tk. 50.85 crore and a net loss of Tk. 5.97 crore.

There has been no change in the nature of the Company's business during the year under review and the company remained operated on its principal areas of business i.e. the manufacturing of export oriented knit fabrics and knit garments towards more value addition from the company's own produced fabrics.

BOARD AUDIT COMMITTEE

The Company has an audit committee, which met four times during the year 2016-2017, to consider first quarter, half-yearly, third quarter and annual accounts ended June 30, 2017 along-with auditors' report on the annual financial statements.

FINANCIAL REPORT

The operating financial results of the company for the year ended 30 June, 2017 are given below :

Particulars	2016-2017 Taka	2015-2016 Taka
Sales (Tk.)	508,534,939	861,758,235
Gross Profit (Tk.)	(21,039,980)	145,002,717
Operating Profit (Tk.)	(58,093,313)	86,030,553
Net Profit Before Tax for the Year (Tk.)	(58,093,313)	86,090,553
Earning Per Share (Tk.) (After Tax)	(1.84)	2.58

APPROPRIATION AND DIVIDEND

The Board of Directors has proposed for appropriation as follows:

Particulars	2016-2017 Taka	2015-2016 Taka
Accumulated Surplus - Opening Balance	184,540,073	156,129,956
Deduct : Dividend Apportioned for Previous Year	(54,151,930)	(39,341,150)
Accumulated Surplus -Net of Previous year's Dividend	130,388,143	116,788,806
Less: Prior Year's Adjustments	19,888,508	(2,168,991)
Add : Net profit During the year	(59,709,179)	69,920,258
Balance Available for Appropriation	90,567,472	184,540,073

On the basis of the proposed appropriation, the Board of Directors has not recommend any dividend to the shareholders for the year under report .

FUTURE PLAN

Mithun Knitting & Dyeing (CEPZ) Limited is being managed by a group of professionals with good business acumen and experience. The management always endeavors to keep the business on track of best performance. We believe that the company is in right track of business and operation. The Company will however look for implementing the stated BMRE to cater to the customers needs and current trends which will ultimately add momentum to the company's journey ahead.

INDUSTRIAL RELATIONS

The management-employee relations in our Company remained supportive of production and conducive to the growth of the Company during the year.

THE BOARD OF DIRECTORS AND ELECTION

The following persons were the members of the Board of Directors of the company during the year under review. The number and amount of shares held by each Director at the beginning and end of the reporting financial year are also furnished in the following statement as per Stock Exchange Listing Regulations :-

NAME & DESIGNATION	SHARES HELD 01-07-2016	AMOUNT Taka	SHARES HELD 30-06-2017	AMOUNT Taka
Mrs. Rabeya Khatun Chairman	542699	5,426,990	651238	6,512,380
Mr. Md. Rafiqul Haque Managing Director	1724785	17,247,850	1039742	10,397,420
Mr. Md. Mahbub-Ul Haque Director	1724043	17,240,430	1038851	10,388,510
Mr. Md. Atiqul Haque Director	1724043	17,240,430	1038851	10,388,510

In accordance with Article 74 of the Articles of Association Mrs. Rabeya Khatun and Md Mahbub-UL Haque retire from the Board and being eligible, offer themselves for re-election as per Article 75 of the Articles of Association of the Company.

ENVIRONMENT ROLE

The Company is committed to maintain high standard of pollution free environment at mill area. Accordingly, tree plantation acctivites are implemened every year at mill premises.

AUDITORS

The present auditors, Zoha Zaman Kabir Rashid & Co, Chartered accountants will retire at 26th Annual General Meeting and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE

Corporate Governance is the practice through which the company is governed by the board, keeping in view its accountability to the shareholders, stakeholders and to the society. The status report is required to be presented by the Company pursuant to notification No. SEC/CMRRCD /2006-158/134/Admin/44 of August 07, 2012 issued by the Bangladesh Securities and Exchange Commission is furnished in the Annexture-I.

DEAR SHAREHOLDERS

Before concluding, on behalf of the board, I would like to record the appreciation of the Board of Directors for the skill, dedication and commitment of all employees who have continued to render excellent service to the Company even under difficult circumstances. I would also like to express my sincere appreciation and gratitude to our dear Shareholders, Customers, Banks & Financial Patrons, Agents, Suppliers and Well-wishers for their continued confidence reposed on us and also for their untiring efforts and support to the Company.

On behalf of the Board

Md. Rafiqul Haque
Managing Director

25 November, 2017

শেয়ারহোল্ডারদের প্রতি পরিচালকমন্ডলীর প্রতিবেদন
৩০শে জুন ২০১৭ সমাপ্ত অর্থ বছরের জন্য

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আস্‌সালামু আলাইকুম্‌।

ছাব্বিশ তম বার্ষিক সাধারণ সভায় ব্যবস্থাপনা পরিষদের পক্ষ থেকে ৩০ শে জুন ২০১৭ সমাপ্ত অর্থবছরের বার্ষিক প্রতিবেদন, নিরীক্ষিত স্থিতিপত্র, লাভ-লোকসান হিসাব, নগদ অর্থ প্রবাহ বিবরনী, ইকুইটি পরিবর্তন সংক্রান্ত বিবরনী, হিসাব সংক্রান্ত টীকা ও নিরীক্ষকদের প্রতিবেদন শেয়ারহোল্ডারদের সম্মুখে উপস্থাপন করতে পেরে আমি অত্যন্ত গর্ব এবং আনন্দ বোধ করছি। আমি আশা করি আপনাদের সুচিন্তিত মতামত, পরামর্শ এবং সক্রিয় উপস্থিতি এ সভাকে সার্থক করবে।

একইসাথে, কোম্পানীর প্রতিষ্ঠাতা চেয়ারম্যান এবং ব্যবস্থাপনা পরিচালক হাজী মোঃ মোজাম্মেল হকের মৃত্যুতে আমরা গভীর শোক ও দুঃখ প্রকাশ করছি। মহান আল্লাহতায়ালা তার বিদেহী আত্মার প্রতি শান্তি বর্ষন করুন।

ব্যবসায়িক পরিবেশ

আগের বছরের মতো ২০১৬-২০১৭ সনের ব্যবসায়ের পরিবেশে, বিশেষ করে, পোষাক শিল্পে কোন উন্নতি দেখা যায়নি। উদ্ভুত বিশ্ব মন্দার কারণে, এই খাতকে অনেক উত্থান-পতনের সম্মুখীন হতে হয়েছে। একথা বলাই বাহুল্য যে, বিশ্ব মন্দার কারণে এখনও পোষাক শিল্পের ব্যবসা পরিবেশে অনেক অস্বাভাবিকতা বিরাজ করছে। এসব কারণে ব্যবসায়ের পরিস্থিতি এখনো নূন্যতম গ্রহণযোগ্য ঝুকির পর্যায়ে পৌছায়নি। বিশ্ব বাজারে প্রতিযোগিতার তিব্রতা ও ক্রেতাদের উপুর্যপরি তৈরী পোষাকের মূল্য কমানোর চাপ থাকা সত্ত্বেও বাংলাদেশ এখনো তুলনামূলকভাবে কম খরচে পোষাক উৎপাদনের সুবিধা ভোগ করছে, বিশেষ করে বিশ্ব বাজারের প্রধান পোষাক যোগানকারী দেশ চীনের তুলনায়। কিন্তু আপনারা দেখছেন যে বাংলাদেশেও পোষাক শিল্পের উৎপাদন খরচ উত্তরোত্তর বৃদ্ধি পাচ্ছে। বর্তমান আর্থিক প্রতিষ্ঠান সমূহের সুদের হার ও অন্যান্য খরচ, সেবার খরচ বাড়ানো, অপ্রতুল গ্যাস সরবরাহ, যানবাহনের খরচ বৃদ্ধি, বিদ্যুৎ ও তেলের দাম বাড়ানো ইত্যাদি নেতিবাচক বিষয় খেয়াল করলেই বুঝা যাবে যে, এ সুবিধাজনক অবস্থান বেশি দিন বিরাজমান নাও থাকতে পারে। পোষাক উৎপাদন খরচ বৃদ্ধির কারণে চীন এখন দামী পোষাক প্রস্তুতের দিকে বেশী মনোযোগ প্রদান করছে, ফলে অপেক্ষাকৃত কম দামের পোষাক চীন দেশে সরবরাহের একটা সুবিধাজনক অবস্থার সৃষ্টি হওয়ার সম্ভাবনা পোষাক শিল্পে দেখা যাচ্ছে। যদিও এই সুযোগের সৎ ব্যবহার নির্ভর করবে আমাদের সরকারের উপর, বিশেষ করে পর্যাপ্ত গ্যাস সরবরাহ, অবকাঠামো নিমার্ণ, দক্ষ শ্রমিক যোগান, আর্থিক প্রতিষ্ঠান সমূহের সুদ ও অন্যান্য খরচ নিয়ন্ত্রণে রাখার উপর।

পরিবর্তিত পরিস্থিতি মোকাবেলার জন্য ক্রেতা দেশসমূহ ইপিজেড এর ভিতর বেশী বেশী নন-ট্যারিফ অবরোধ যেমন কর্মস্থল, আচরন বিধি আরোপ, ইকো লেবেলিং, মানবাধিকার উন্নয়ন, সামাজিক নিরাপত্তা বিধান, ট্রেড ইউনিয়ন গঠন প্রভৃতি বিষয়ের প্রতি গুরুত্ব আরোপ করেছে। আভ্যন্তরীন গোলযোগ, রাজনৈতিক অস্থিরতা, পুরাতন শুল্ক প্রথা, বন্দরের অব্যবস্থা, ব্যাংক ও বীমা কর্তৃক উচ্চ হার নির্ধারণ, ইপিজেড এর ভিতরে গ্যাস, বিদ্যুৎ ও পানির অপ্রতুল সরবরাহ ও উচ্চমূল্য এবং ইপিজেড এর বাইরে অবস্থিত কোম্পানির সাথে তীব্র প্রতিযোগীতাও আমাদের ব্যবসায়ের ক্ষেত্রে প্রতিবন্ধকতার সৃষ্টি করেছে।

ব্যবসায়িক কার্যক্রম পর্যালোচনা ও কোম্পানির বর্তমান অবস্থা

প্রিয় শেয়ারহোল্ডারবৃন্দু, আপনারা অবগত আছেন যে, রানা প্লাজা বিপর্যয়ের পর বিদেশি ক্রেতারা কারখানার কর্মপরিবেশ ও নিরাপত্তা ব্যবস্থা উন্নয়নের জন্য অ্যাকর্ড ও অ্যালায়েন্স নামক দুইটি আন্তর্জাতিক সংস্থাকে নিয়োগ দেয়। এমতাবস্থায়, সংস্থাটির তালিকাভূক্ত ক্রেতার কার্যাদেশ পাওয়ার জন্য আমাদের কোম্পানী অ্যাকর্ডের শর্তাবলী পালনে যথেষ্ট পরিমান অর্থ বিনিয়োগ করে। কিন্তু অর্থাভাবে চূড়ান্ত শর্তাবলী প্রতিপালনের ক্ষেত্রে আমাদের কিছু ঘাটতি থাকায় প্রয়োজনীয় কার্যাদেশের অভাবে বিক্রয় ও মুনাফা অর্জনে প্রতিবন্ধকতা সৃষ্টি হয়।

উপরিল্লোখিত প্রতিকুল অবস্থার প্রেক্ষিতে কোম্পানীকে আলোচ্য বছরে ৫০.৮৫ কোটি টাকার টার্নওভার ও ৫.৯৭ কোটি টাকার ক্ষতির সম্মুখীন হতে হয়। নিজস্ব উৎপাদিত ফেব্রিক্স ব্যবহারের পরিমাণ বৃদ্ধির মাধ্যমে অধিক মূল্য সংযোজনের জন্য বিদেশে রপ্তানীযোগ্য নীট ফেব্রিক্স ও নীট গার্মেন্টস্ উৎপাদনের সাহায্যে মূল ব্যবসায়িক কার্যক্রম অব্যাহত রাখা ছাড়া কোম্পানির ব্যবসায়ের ধরনের কোন পরিবর্তন হয়নি। পরিচালকবৃন্দের উপরোক্ত সিদ্ধান্ত পরবর্তীতে অত্যন্ত সময়োপযোগী বলে প্রমাণিত হয়েছে এবং ইতিমধ্যে কোম্পানী আশানুরূপ ফল পেতে শুরু করেছে।

অডিট কমিটি

কোম্পানীর একটি অডিট কমিটি আছে, ২০১৬-২০১৭ অর্থ বছরের প্রথম ত্রৈমাত্রিক, অর্ধ বার্ষিক, তৃতীয় ত্রৈমাত্রিক এবং ৩০শে জুন, ২০১৭ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী যাচাই বাছাই করার লক্ষ্যে কমিটি চারবার মিলিত হয়েছে।

আর্থিক প্রতিবেদন

কোম্পানির ৩০ জুন ২০১৭ ইং তারিখে সমাপ্ত অর্থ বছরের আর্থিক ফলাফল আপনাদের পর্যালোচনার জন্য নিম্নে উপস্থাপন করা হলো ঃ

বিবরণ	২০১৬-২০১৭	২০১৫-২০১৬
বিক্রয় (টাকা)	৫০৮,৫৩৪,৯৩৯	৮৬১,৭৫৮,২৩৫
গ্রস লাভ (টাকা)	(২১,০৩৯,৯৮০)	১৪৫,০০২,৭১৭
অপারেটিং লাভ (টাকা)	(৫৮,০৯৩,৩১৩)	৮৬,০৩০,৫৫৩
করপূর্ব নীট লাভ (টাকা)	(৫৮,০৯৩,৩১৩)	৮৬,০৯০,৫৫৩
শেয়ার প্রতি আয় (কর পরবর্তী)	(১.৮৪)	২.৫৮

মুনাফা বন্টন ও লভ্যাংশ

আলোচ্য বছরের আর্থিক ফলাফল, পূর্ববর্তী বছরের জমাকৃত উদ্বৃত্তের জের এবং উপরোক্ত বিষয় বিবেচনায় পরিচালক পর্ষদ কর্তৃক নিম্নরূপ বন্টনের জন্য প্রস্তাবিত হয়।

বিবরণ	২০১৬-২০১৭ টাকা	২০১৫-২০১৬ টাকা
জমাকৃত উদ্বৃত্ত-প্রারম্ভিক জের	১৮৪,৫৪০,০৭৩	১৫৬,১২৯,৯৫৬
বাদ ঃ বিগত বছরের লভ্যাংশ	(৫৪,১৫১,৯৩০)	(৩৯,৩৪১,১৫০)
জমাকৃত উদ্বৃত্ত-বিগত বছরের লভ্যাংশ	১৩০,৩৮৮,১৪৩	১১৬,৭৮৮,৮০৬
যোগ ঃ পূর্ববতী বছরের সমন্বয়	১৯,৮৮৮,৫০৮	(২,১৬৮,৯৯১)
যোগ ঃ আলোচ্য বছরের নীট লাভ	(৫৯,৭০৯,১৭৯)	৬৯,৯২০,২৫৮
বন্টনযোগ্য তহবিল	৯০,৫৬৭,৪৭২	১৮৪,৫৪০,০৭৩

পরিচালনা পর্ষদ গভীর দুঃখের সাথে জানাচ্ছে যে ২০১৬-২০১৭ হিসাব বছরের কোম্পানির সার্বিক ক্ষতির কারনে এ বছর লভ্যাংশ ঘোষনা করা যাচ্ছে না। বিষয়টি সম্মানিত শেয়ারহোল্ডারদের সদয় অনুমোদনের জন্য উপস্থাপিত হল।

ভবিষ্যৎ পরিকল্পনা

মিথুন নিটিং এন্ড ডাইং (সিইপিজেড) লিঃ একদল সুশিক্ষিত কর্মীবাহিনী দ্বারা পরিচালিত, যাদের আছে অভিজ্ঞাতা ও ব্যবসায়ী জ্ঞান। ব্যবস্থাপনা কর্তৃপক্ষ সব সময় চেষ্টা করে যাতে ব্যবসা সঠিকভাবে পরিচালিত হয়। এর বর্তমান সুযোগ-সুবিধা সমূহ এবং প্রযুক্তিগত উন্নতিকে সর্বতভাবে কাজে লাগিয়ে ব্যবসায় উত্তোরোত্তর ভাল করার ব্যাপারে আপনার প্রতিষ্ঠান সদা সচেষ্ট। আমরা বিশ্বাস করি ভবিষ্যতে ব্যবসা আরো সঠিকভাবে পরিচালিত হবে। কোম্পানী তার উৎপাদন বাড়ানো ও ক্রেতাদের চাহিদা মেটানোর জন্য বি.এম.আর.ই (BMRE) বাস্তবায়ন করতে যাচ্ছে।

পরিচালকমন্ডলী এবং নির্বাচন

নিম্নবর্ণিত ব্যক্তিবর্গ আলোচ্য বছরে কোম্পানির পরিচালনা পর্ষদের সদস্য ছিলেন এবং সেই সঙ্গে ষ্টক এক্সচেঞ্জের লিষ্টিং বিধি অনুযায়ী আলোচ্য বছরের শুরু ও শেষ তারিখে প্রত্যেক পরিচালকের শেয়ার সংখ্যা ও নামিক মূল্য নিম্নের প্রতিবেদনে উলেখ করা হলো ঃ

নাম	পদের নাম	ধারণকৃত শেয়ার ০১-০৭-২০১৬	শেয়ার মূল্য টাকা	ধারণকৃত শেয়ার ৩০-০৬-২০১৭	শেয়ার মূল্য টাকা
মিসেস রাবেয়া খাতুন	সভাপতি	৫৪২৬৯৯	৫,৪২৬,৯৯০	৬৫১২৩৮	৬,৫১২,৩৮০
জনাব মোঃ রফিকুল হক	ব্যবস্থাপনা পরিচালক	১৭২৪৭৮৫	১৭,২৪৭,৮৫০	১০৩৯৭৪২	১০,৩৯৭,৪২০
জনাব মোঃ মাহবুব-উল হক	পরিচালক	১৭২৪০৪৩	১৭,২৪০,৪৩০	১০৩৮৮৫১	১০,৩৮৮,৫১০
জনাব মোঃ আতিকুল হক	পরিচালক	১৭২৪০৪৩	১৭,২৪০,৪৩০	১০৩৮৮৫১	১০,৩৮৮,৫১০

কোম্পানির আর্টিকেল্স অব্ এসোসিয়েশনের ৭৪ ধারা অনুযায়ী জনাবা রাবেয়া খাতুন এবং জনাব মোঃ মাহবুব-উল হক অবসর গ্রহন করবেন এবং যোগ্য বিধায় কোম্পানির পরিচালক হিসাবে পূনরায় নির্বাচিত হবার আবেদন রেখেছেন।

পরিবেশের ভূমিকা

কোম্পানী মিল এলাকার পরিবেশ সম্পূর্ণরূপে দূষণমুক্ত রাখতে বিশেষভাবে সচেষ্ট। এই জন্য মিল এলাকায় প্রতি বছর অন্যান কর্মসূচীর সাথে বনায়নের মাধ্যমে পরিবেশ বান্ধব এলাকা গড়ার চেষ্টা করে থাকে।

নিরীক্ষক নিয়োগ

মেসার্স জোহা জামান কবির রশিদ এন্ড কোম্পানী, চার্টার্ড অ্যাকাউনট্যান্টস্, রুপায়ন করিম টাওয়ার, লেভেল-৭, সুইট-৭এ, ৮০, কাকরাইল, ঢাকা-১০০০, ২৬তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং ২০১৭-২০১৮ অর্থ বৎছরের জন্য কোম্পানীর নিরীক্ষক হিসেবে নিয়োগ প্রাপ্তির ইচ্ছা প্রকাশ করেছেন।

কর্পোরেট গভর্নেন্স

কর্পোরেট গভর্নেন্স হচ্ছে কর্পোরেট সুনাগরিকত্বের চর্চা যার মাধ্যমে পরিচালনা পর্ষদ কোম্পানির কার্যক্রম পরিচালনা করেন শেয়ারহোল্ডার/স্বার্থ সংশিষ্ট ব্যক্তিবর্গ এবং সমাজের প্রতি জবাবদিহিতার দৃষ্টিভঙ্গি নিয়ে। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/প্রশাসন/৪৪ আগষ্ট ০৭, ২০১২ এর নিরিখে কোম্পানির কর্পোরেট গভর্নেন্স এর অবস্থান সন্নিবেশিত হয়েছে সংযুক্ত ১ (এক) মধ্যে।

প্রিয় শেয়ারহোল্ডারবৃন্দ

সর্বশেষে, আমি পরিচালকমন্ডলীর পক্ষ থেকে জানাই কোম্পানীতে কর্মরত সকল কর্মচারীদের যারা তাদের যোগ্যতম নিষ্ঠা ও কর্তব্যপরায়নতার সাথে কাঁধে কাঁধ রেখে বিভিন্ন প্রেক্ষাপটে কাজ করেছেন। আমি সকল সম্মানিত শেয়ারহোল্ডার, ভোক্তা, এজেন্ট, সরবরাহকারী ও শুভাকাঙ্খীদের ধন্যবাদ জানাচ্ছি এবং আশা করছি তাদের অবিরাম সহযোগিতা ও অশেষ ভালবাসা কোম্পানির প্রতি অবিচল থাকবে। আমাদের সকলের সম্মিলিত প্রয়াস যেন সার্থক হয় এই প্রার্থনা করেই প্রতিবেদন শেষ করছি।

পরিচালনা পর্ষদের পক্ষে

মো রফিকুল হক
ব্যাবস্থাপনা পরিচালক
২৫ নভেম্বর, ২০১৭

AUDIT COMMITTEE REPORT

For the Year ended 30th June 2017

Mithun Knitting and Dyeing (CEPZ) Limited having an Audit Committee as a sub committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversignt responsibilities.

The Audit Committee consists of the following persons :

Mr. Md. Shakil Choudhury, Independent Director	-	Chairman
Mr. Md. Mahbub-Ul Haque	-	Director
Mr. Md. Atiqul Haque	-	Director

The Scopr of Audit Committee was defined as under :

(a) Review and recommend to the Borad to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;

(b) Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors are in the fine with the requirement of the company;

(c) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and

(d) Review and consider the report of internal auditors and statutory auditors, observations on internal control.

Activities carried out during the year

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.

Md. Shakil Choudhury

Md. Shakil Choudhury
Chairman
Audit Committee

Date : 25 November, 2017

ANNEXURE-I

The Directors also report that:

- The financial statements of the Company present true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial Statements and Accounting estimates were reasonable and prudent.
- The financial statements was prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- The number of board meetings and the attendance of directors during the year 2016-2017 were as follows:

Name of Directors	Meeting Held	Attended
Mrs. Rebeya Khatun	8	6
Mr. Md. Mahbub-Ul Haque	8	8
Mr. Md. Mozammel Haque	8	6
Mr. Md. Rafiqul Haque	8	8
Mr. Md. Atiqul Haque	8	8
Mr. Md. Abdul Allam	8	6
Mr. Md. Shakil Choudhury	8	6

- The pattern of shareholding (alongwith name wise detail) of parent/subsidiary/associated companies and other related parties, directors, chief executives officer, company secretary, chief financial officer, head of internal audit and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the company as at 30th June, 2017 is stated in ANNXURE-II
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III.
- Key operating and financial data of last seven years have been presented as Progress at a Glance (Figures) in summarized form in ANNEXURE-IV.

AMARSTOCK

ANNEXURE-II

Pattern of Shareholding as on June 30, 2017

Particulars	Shares Held	Percentage	Remark
Parent Company	—	—	N/A
Associated Companies:	—	—	N/A
Directors:			
Mrs. Rabeya Khatun	651238	2.00%	
Mr. Md. Rafiqul Haque	1039742	3.20%	
Mr. Md. Mahbub-Ul Haque	1038851	3.20%	
Mr. Md. Atiqul Haque	1038851	3.20%	
Chief Executive Officer(CEO) and his spouse and minor	1039742	3.20%	
children: Chief Financial Officer(CFO) and his spouse and minor			
children: Company Secretary(CS) and his spouse and minor	— —	— —	
children: Head of Internal Audit(HIA) and his spouse and minor	—	—	
children: Executives(Top five salaried person other than	—	—	
CEO,CFO,CS,HIA): 1. Firoz Iftekhar Masum, General Manager (Finance & Corporate Affairs)			
2. Mr. Probir Ranjan Dey, General Manager,(Operation)	—	—	
3. Mr. Md. Showkat Hossain, Deputy Manager (Commercial) Shareholders Holding 10% or more voting right	—	—	
	—	—	
	—	—	

ANNEXURE-III

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

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (If any)
		Complied	Note Complied	
1.	**BOARD OF DIRECTORS :**			
1.1	Board size : Board members should not be less than 5(five) and more than 20(twenty)	✓		
1.2	**Independent Directors**			
1.2 (i)	Independent Director : at least 1/5th	✓		
1.2 (ii) a)	Holding / Holding less than 1% share	✓		
1.2 (ii) b)	Connection with the Company's Management	✓		
1.2 (ii) c)	Relationship	✓		
1.2 (ii) d)	Not a member / Director of stock exchanges	✓		
1.2 (ii) e)	Not a Shareholder/Director/officer of any member of stock exchanges	✓		
1.2 (ii) f)	Not a partner / executive / was not a partner of compnay's audit firm	✓		
1.2 (ii) g)	Who shall not be a Independent Director more than 3 companies	✓		
1.2 (ii) h)	Not defaulter by a court	✓		
1.2 (ii) i)	Not convicted for a criminal offence	✓		
1.2 (iii)	Shall be appointed by the Board of Directors and approved by the shareholders the AGMrecoreded	✓		
1.2 (iv)	The post can not vacant more than 90 days	✓		
1.2 (v)	The Board lay down a code of conduct of all Board of embers and annual compliance of the to be	✓		
1.2 (vi	Tenure of Independent Director shall be 3 years which may be extended for 1 year	✓		
1.3	**Qualification of Independent Director(ID)**			
1.3 (i)	Financial Knowledge	✓		
1.3 (ii)	Professional experience	✓		
1.3 (iii)	Relaxed of qualification	✓		
1.4	Segment-wise or product-wise performance	✓		
1.5	**The Directors' Report to Shareholders**			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	**Chairman of the Board and Chief Executive Officer**	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issue, rights issue and / or through any others insturments	✓		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, Report IPO, Rights Offer, Direct Listing etc.	✓		
1.5 (ix)	If significant Variance occures between Quarterly Financial performance and Annual financial Statement the management shall explain about the variance on their Annual Report.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (x)	Remuneration to Directors Including Independent Directors			N/A
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of accounts of the issuer company has been maintained	✓		
1.5 (xiii)	Appropriate accounting policies has been consistently applied in preparation of the financial statement and that the accounting estimated are based on reasonable and prudent judgment.	✓		
1.5 (xiv)	International Accounting standard (IAS)/Bangladesh Accounting standard (BAS) / International Financial Reporting Standard / Bangladesh Financial Reporting Standard, as applicable in Bangladesh, have been followed in preparation of the financial statements and departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reason thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reason thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1.5 (xx)	The number of Board meeting held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose to aggregate number of share (along with name wise details where stated below) held by:-	✓		
1.5 (xxi) a)	Parent/Subsidiary/Associated companies and other related parties (name wise details):	✓		
1.5 (xxi) b)	Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise details):	✓		
1.5 (xxi) c)	Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent(10%) or more voting interest in the company (name wise details):	✓		
1.5 (xxii) a)	A brief resume of the Director	✓		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	Name of companies in which the person also holds the directorship and the membership of committees of the board.			N/A

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2.	**CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)**			
2.1	Appointment The Company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) a Company Secretary and Responsibilites.	✓		
2.2	Requirement to attend the Board Meetings.	✓		
3	**Audit Committee**	✓		
3 (i)	Audit Committee as a sub-committee of the Board of Directors	✓		
3 (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.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors.	✓		
3.1	**Constitution of Audit Committee**	✓		
3.1 (i)	The Audit Committee shall be composed of at least 3(three) members.	✓		
3.1 (ii)	The Board of Directors shall members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (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.	✓		
3.1 (iv)	Duration and Re-appointment	✓		
3.1 (v)	The Secretary shall act as the secretary of Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2	**Chairman of the Audit Committee**			
3.2 (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.	✓		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the AGM.	✓		
3.3	**Role of Audit Committee**			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principals.	✓		
3.3 (iii)	Monitor Internal Control Risk Management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the Borad for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly & half yearly financial statements before submission to the Board for approval.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3 (vii)	Review the accuracy of internal audit function.	✓		
3.3 (viii)	Review the statement of significant related transaction submitted by the management.	✓		
3.3 (ix)	Review management letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	when money is raised through initial IPO/RPO/Right Issue the company shall disclose to the Audit Committee.	✓		
3.4	**Reporting of the Audit Committee.**			
3.4.1	**Reporting to the Board of Director.**	✓		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (i) a)	Report on conflicts of interests.	✓		
3.4.1 (i) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	✓		
3.4.1 (i) c)	Suspected infringement of laws, including securities related laws, rules and regulations.	✓		
3.4.1 (i) d)	Any other matter which shall be disclosed to the Board of Directors.	✓		
3.4.2	**Reporting to the Authorizes.**			N/A
3.5	**Reporting to the Shareholders.**	✓		
4	**EXTERNAL / STATUTORY AUDITORS :**			
4 (i)	Appraisal or valuation services of fairness opinions	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (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.	✓		
4 (xi)	Audit/Certification services on Complaiance of Corporate Governance as required under Clause (i) of Condition : 7.	✓		
5	**SUBSIDIARY COMPANY :**			
	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.	✓		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		
5 (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.	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed that affairs of the subsidiary company also.	✓		
5 (v)	The Audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	**DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO), The CEO and CFO shall certify to the Board that:-**			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6 (i) 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	✓		
6 (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	✓		
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7 (i)	The company shall obtain a certificate from a parcticing 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.	✓		
7 (ii)	The Directors of the company shall state, in accrd-ance with the Annexure attached, in the directors report whether the company has complied with these conditions	✓		

AMAR STOCK

ANNEXURE-IV

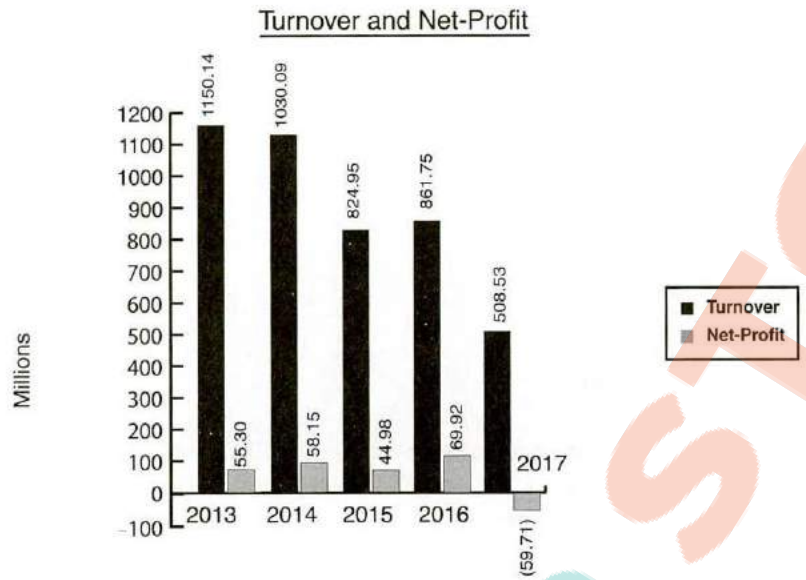
Key operating and financial data have been presented below in summarized form;

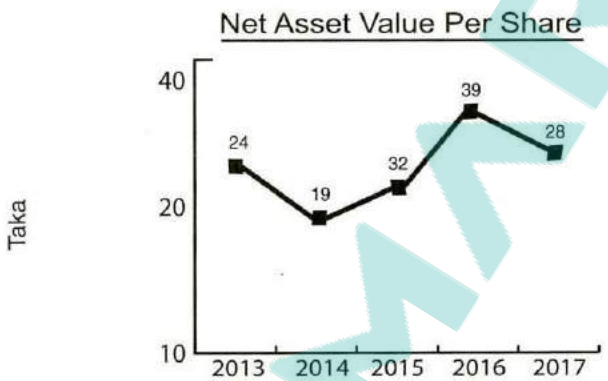
Progress at a Glance (Figures)

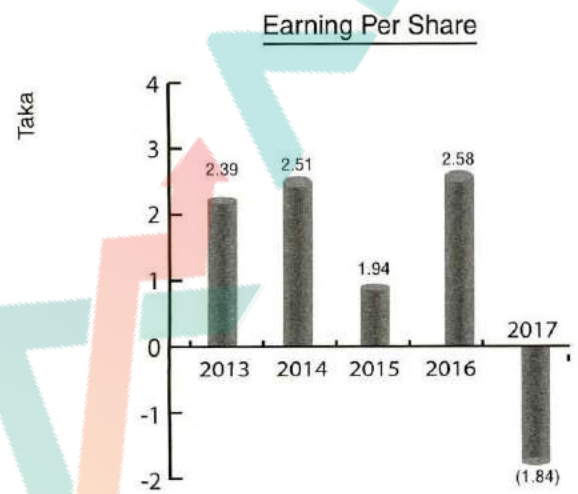
(Taka in Thousand)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Authorised Capital	800,000	800,000	800,000	250,000	250,000
Issued and Paid Up Capital	324,911	270,760	231,419	192,849	166,249
Reserve and Surplus	389,557	503,418	182,544	176,131	144,576
Long Term Loan	3,681	15,546	15,118	17,600	688
Fixed Assets (Net)	269,874	299,093	104,282	110,350	85,382
Current Assets	650,424	758,679	642,286	572,574	683,482
Current Liabilities	109,457	265,999	231,165	211,015	371,163
Dividend/Bonus	-	54,152	39,341	38,569	26,599
Sales (Export)	508,534	861,758	824,948	1,030,093	1,150,137
Gross Profit	(21,039)	145,003	120,277	141,672	140,270
Operating Profit	(58,093)	86,030	53,459	63,126	63,737
Net Profit	(59,709)	69,921	44,982	58,156	55,304
Earnings per Share (Tk.)	(1.84)	2.58	1.94	2.51	2.39
Net Worth per Share (Tk.)	28	39	32	19	24
Number of Shareholders	7,522	4976	4289	4179	3931
Number of Employment	776	1,506	1425	1425	1415

FIVE YEARS PROGRESS AT A GLANCE (CHARTS)







CEO & CFO'S Declaration To the Board of Directors of Mithun Knitting and Dyeing (CEPZ) Limited

The Board of Directors

Mithun Knitting and Dyeing (CEPZ) Limited

South Avenue Tower, 6th Floor
House # 50, Road # 03
Gulshan Avenue, Gulshan-1
Dhaka - 1212.

Dear Sir(s)

CEO & CFO's Declaration To the Board of Directors.

In compliance with the condition no. 6 imposed by the Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued under section 2CC of Securities & Exchange Oridiance, 1969, 23 we do hereby certify to the Board of Directors that :

(i) We have reviewed the financial statements for the year ended on June 30, 2017 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statements or omit any material facts or contain state-ments that might be misleading;

(b) These statements together present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.

Thanking you,

Sincerely,

Md. Rafiqul Haque
Managing Director

Abdus Salam
Chief Financial Officer

A. MOTIN & CO.
Chartered Accountant

CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS OF MITHUN KNITTING AND DYEING (CEPZ) LIMITED

(as required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by MITHUN KNITTING AND DYEING (CEPZ) LIMITED for the year ended 30th June, 2017, These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 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 was limited to the procedures and implementation thereof as dopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a Scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

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. We also state that such compliance is neiter an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

60/2, Naya Paltan
Dhaka-1000
29 October, 2017

A. MATIN & CO.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS of Mithun Knitting & Dyeing (CEPZ) Limited

We have audited the accompanying Financial Statements of **Mithun Knitting & Dyeing (CEPZ)** Limited which comprise the Consolidated Statement of Financial Position as at 30 June 2017, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated 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 notes.

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), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statement, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the entity's preparation and fair presentation of the Financial Statement in order to design audit procedure 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 Statement present fairly in all material respects Financial Position of the company's as at 30 June, 2017 and its financial performance and its cash flow for the year then ended in accordance with Bangladesh Financial Reporting Standard and comply with the Companies Act 1994, the securities and Exchange Rules 1987 and others applicable laws and regulation. We also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by Mithun Knitting & Dyeing (CEPZ) Limited and its subsidiaries so far as it appeared from our examination of those books;

(iii) the company Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income together with the annexed notes and its Statement of Cash Flows detail with by this report are in agreement with the books of accounts and returns;

(iv) the expenditure incurred and payments made were for the purposes of the Company's business.

25 November, 2017
Rupayan Karim Tower
Level-7, Suite # 7A
80, Kakrail, Dhaka-1000

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2017

PARTICULARS	Notes	June 30, 2017 Taka	June 30, 2016 Taka
NON-CURRENT ASSETS		**269,874,525**	**299,092,818**
Fixed Assets (Knitting & Dyeing Devision)	8(A)	234,423,494	257,404,488
Fixed Assets (Garments Division)	8(B)	35,451,031	41,688,330
CURRENT ASSETS		**650,424,977**	**758,679,027**
Inventories	20	182,960,883	278,949,053
Export Bills Receivable	21	324,579,443	391,690,813
Advances, Deposits & Prepayments	22	82,854,575	58,507,742
Cash and Cash Equivalents	23	60,030,076	29,531,419
TOTAL ASSETS		**920,299,502**	**1,057,771,845**
SHAREHOLDERS' EQUIT Y AND LIABILITIES			
SHAREHOLDERS' EQUIT Y			
Share Capital	9	324,911,620	270,759,690
Retained Earnings	10	90,567,472	184,540,073
Capital Reserve		85,186,731	85,186,731
Tex Holiday Reserve		16,413,572	16,413,572
General reserve and Dividend Equalization Fund		10,000,000	10,000,000
Revaluation Surplus	10A	187,388,899	207,277,407
Equity Attributable To Owners Of The Company		**714,468, 294**	**774,177,473**
Non Controlling Interest		**3,009**	**3,009**
TOTAL EQUITY		**714,471,303**	**774,180,482**
NON-CURRENT LIABILITIES		**6,370,613**	**17,591,923**
Long Term Loan	12	3,681,642	15,546,023
Deferred Tax Liability	13	2,688,971	2,045,900
CURRENT LIABILITIES		**199,457,587**	**265,999,440**
Working Capital Loan (Secured)	14	55,334,651	63,655,831
Un-paid Import Bills (Secured)	15	32,993,005	88,256,770
Liabilities Against Bill Purchase (Secured)	16	18,907,597	30,554,958
Liabilities For Goods And Expenses (Unsecured)	17	60,670,858	49,741,301
Income Tax Payable	18	31,551,476	33,790,580
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**920,299,502**	**1,057,771,845**
Net Asset Value Per Share (Re-stated)		**21.99**	**23.83**

The annexed Nots form (01-42) an Integral Part of this Statement

Md. Rafiqul Haque
Managing Director

Md. Mahbub-Ul Haque
Director

Abdus Salam
Chief Financial Officer

S.M. Shahid-ul-Arafin
Company Secretary

Auditors' Report to the Shareholders

This is the Consolidated Statement Financial Position referred to in our Report of even date.

Dhaka
25 November, 2017

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	Notes	2016-2017 Taka	2015-2016 Taka
SALES	24	508,534,939	861,758,235
Less : Cost of Goods Sold	25	529,574,919	716,755,518
GROSS PROFIT		**(21,039,980)**	**145,002,717**
Less : Administrative Expenses	27	12,496,839	19,044,179
Selling and Distribution Expenses	28	8,201,026	19,115,143
Financial Expenses	29	16,355,468	20,812,842
		37,053,333	**58,972,164**
OPERATING PROFIT		**(58,093,313)**	**86,030,553**
Add : Non Operating Income	30	-	60,000
Net Profit Before Tax		**(58,093,313)**	**86,090,553**
Less : Tax Expenses			
Current Tax		972,794	15,257,622
Deferred Tax Expenses/(Income)		643,071	912,181
Total Tax Expenses	31	**1,615,865**	**16,169,804**
Net Profit After Tax		**(59,709,178)**	**69,920,749**
Less: Pre-Acquisition Profit Transferred to Capital Reserve		-	-
		(59,709,178)	**69,920,749**
Less: Minority Interest in Income		-	492
Net Profit Attributable to Controlling Interest		**(59,709,178**	**69,920,258**
Earnings Per Share	33	(1.84)	2.15

The annexed Nots form (01-42) an Integral Part of this Statement

Md. Rafiqul Haque	**Md. Mahbub-Ul Haque**	**Abdus Salam**	**S.M. Shahid-ul-Arafin**
Managing Director	Director	Chief Financial Officer	Company Secretary

Auditors' Report to the Shareholders

This is the Consolidated Statement of Profit or Loss and Other comprehensive income referred to in our Report of even date.

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Dhaka
25 November, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2017

	June 30, 2017	June 30, 2016
CASH FLOW FROM OPERATING ACTIVETIES :	**Taka**	**Taka**
Collection from Turnover and Others	575,646,309	825,716,650
Payment for Cost and Expenses	(493,747,362)	(835,083,739)
Payment for Financial Expenses	(16,355,469)	(20,812,842)
Income Tax Paid /Deductrd	(3,211,899)	(2,500,603)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**62,331,579**	**(32,680,534)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets (Schedule- A, B & C)	-	(314,922)
NET CASH PROVIDED BY INVESTING ACTIVITIES	**-**	**(314,922)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Loan Increase/(Decrease) (Note- 12)	(11,864,381)	428,069
Short Term Loan Increase/(Decrease) (Note- 14 & 16)	(19,968,541)	15,782,028
NET CASH PROVIDED BY FINANCING ACTIVITIES	**(31,832,922)**	**16,210,097**
Increase/(Decrease) in Cash and Cash Equivalents	30,498,657	(16,785,359)
Cash and Cash Equivalents on Opening	29,531,419	46,316,778
Cash and Cash Equivalents on Closing	**60,030,076**	**29,531,419**
Net Operating Cash Flow Per Share	1.92	(1.01)

The annexed Nots form (01-42) an Integral Part of this Statement

Md. Rafiqul Haque	**Md. Mahbub-Ul Haque**	**Abdus Salam**	**S.M. Shahid-ul-Arafin**
Managing Director	Director	Chief Financial Officer	Company Secretary

Auditors' Report to the Shareholders

This is the consolidated Cash Flows Statement referred to in our Report of even date.

Dhaka

25 November, 2017

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 30TH JUNE, 2017

Particulars	Share Capital	Capital Reserve	Tax-Holiday Reserve	General Reserve & Dividend Equa. Fund	Revaluation Surplus	Retained Earnings	Total Controlling Interest	Minority Interest	Total
Balance as on June 30, 16	270,759,690	85,186,731	16,413,572	10,000,000	207,277,407	184,540,073	774,177,472	3,009	774,180,483
Net Profit After Tax	—	—	—	—	—	(59,709,179)	(59,709,179)	—	(59,709,179)
Issue of Bonus Share	54,151,930	—	—	—	—	(54,151,930)	—	—	—
Revaluation surplus	—	—	—	—	(19,888,508)	19,888,508	—	—	—
Balance as on June 30, 17	**Tk. 324,911,620**	**85,186,731**	**16,413,572**	**10,000,000**	**187,388,899**	**90,567,472**	**714,468,294**	**3,009**	**714,471,303**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 30TH JUNE, 2016

Particulars	Share Capital	Capital Reserve	Tax-Holiday Reserve	General Reserve & Dividend Equa. Fund	Revaluation Surplus	Retained Earnings	Total Controlling Interest	Minority Interest	Total
Balance as on June 30,15	231,418,540	85,186,731	16,413,572	10,000,000	—	156,129,956	499,148,799	2,517	499,151,316
Net Profit After Tax	—	—	—	—	—	69,920,258	69,920,258	492	69,920,750
Issue of Bonus Share	39,341,150	—	—	—	—	(39,341,150)	—	—	—
Prior year adjustment	—	—	—	—		(2,168,991)	(2,168,991)	—	(2,168,991)
Revaluation surplus	—	—	—	—	207,277,407		207,277,407	—	207,277,407
Balance as on June 30, 16	**Tk. 270,759,690**	**85,186,731**	**16,413,572**	**10,000,000**	**207,277,407**	**184,540,073**	**774,177,472**	**3,009**	**774,180,483**

The annexed Nots form (01-42) an Integral Part of this Statement

Md. Rafiqul Haque Managing Director	**Md. Mahbub-Ul Haque** Director	**Abdus Salam** Chief Financial Officer	**S.M. Shahid-ul-Arafin** Company Secretary

Auditors' Report to the Shareholders

This is the Statement of Changes in Equity referred to in our Report of even date.

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Dhaka
25 November, 2017

Notes to the Financial Statements

As on and for the year ended June 30, 2017

1.0 Reporting Entity

1.1 Domicile, Legal from and Country of Incorporation

Mithun Knitting & Dyeing (CEPZ) Limited was incorporated in Bangladesh as a public company with limited liability on June 17, 1991 and Commenced commercial operation in 1993.

The company went for public issue of shares in 1994, which are listed in the stock exchanges of Bangladesh both in Dhaka and Chittagong and its subsidiaries, Toyo Composite Knit Garments Limited and Pure Cotton Knitwear's Limited incorporated with Registrar Joint Stock Companies and firm, Dhaka, Bangladesh under Companies Act, 1994. The company acquired two other knit garments manufacturing companies namely Toyo Composite Knit Garments Limited and Pure Cotton Knitwear's Limited in exchange of its shares by an order of Bangladesh Securities & Exchange Commission (BSEC) on 5th March, 2012.

1.2 Address of Registered Office and Principal place of Business

The principal place of business is the corporate office at South Avenue Tower, 6th Floor, House # 50, Road # 03, Gulshan Avenue, Dhaka-1212 and the Registered Office of the company is situated at Uzirpur, Chuadanga and the project is located at plot # 44-46, sector # 4, CEPZ, Chittagong.

1.3 Principal Activities and Nature of Operations

The Company owns and operates an industrial plant with 100% export oriented manufacturing, dyeing, knitting, finishing and sewing facilities for producing high quality knit fabrics and knit garments.

1.4 Number of Employees

Number of employees at the year end June 30,2017 was 776 (in 2015-2016:1506)

2.0 Basis of Presenting Financial Statements

2.1 Basis of Measurement

The Financial Statements have been prepared on the Historical Cost Basis except revaluation of certain fixed assets. The Financial Statements, therefore, do not take into consideration the effect of inflation.
The Board of Directors are responsible for preparing and presenting the Financial Statements, which have been approved and authorized for issue of these Financial Statements.

2.2 Statement of Compliance

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities & Exchange Rule 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable and in accordance with Bangladesh Financial Reporting Standards (BFRSs).

2.3 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 statements comprises of:

a. A Statement of Financial Position as at June 30, 2017;
b. A Statement of Profit or Loss and other Comprehensive Income for the year ended June30, 2017;
c. A Statement of Changes in Equity for the year ended June 30, 2017;
d. A Statement of Cash Flows for the year for the year ended June 30, 2017 and
e. Notes to the Financial Statements comprising summery of significant accounting policies and explanatory information.

2.4 Other Regulatory compliance

As required, Mithun Knitting & Dyeing (CEPZ) Limited also complies with the following major regulatory provisions in addition to the Companies Act 1994, the Securities and Exchange rules, 1987 and other applicable laws and regulations:
The Income Tax Ordinance, 1984 The Income Tax Rules, 1984
The Securities and Exchange Commission Ordinance, 1969 The Securities and Exchange Commission Act, 1993 The Value Added Tax Act, 1991 The Value Added Tax Rules, 1991

2.5 Use of Estimated*and Judgments

The preparation of Financial Statements in-conformity with the BFRSs including BASs requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the data of and during the reporting period. Due to the inherent uncertainly involved in making estimates, actual result reported could differ from these estimates.

2.06 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of existing business,

2.7 Reporting Period

The Financial Statements cover one calendar year from 01 July 2016 to 30 June 2017.

2.8 Authorization for Issue

The Financial Statements have been authorized for Issue by the Board of Directors on 25 November, 2017.

2.9 Comparative Information

Comparative Information have been disclosed in respect of the year 2017 for all numerical information in the Financial Statement and also the narrative and descriptive information where it is relevant for understanding current period's Financial Statements.

Re-arrangement

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

Re-statement

In finalizing the Financial Statements for the year ended 30 June, 2017, some figures of previous year were restated in accordance with BAS 8.

2.10 Reporting Currency and Level of Precision

The figures in the Financial Statements represent Bangladeshi Taka currency, which have been rounded off to the nearest take except where indicated otherwise.

3.00 Significant Accounting Policies Adopted

Following are the accounting polices relating to recognition and valuation of items in Financial Statements which are material and critical in determining the company's results of operations for the year and as on the Financial Position date and consistent with those adopted in the Financial Statements for the previous year.

3.01 Property, Plant & Equipments

3.01.1 Recognition and Measurement

These are initially stated at cost of acquisition and subsequently stated at cost/valuation less accumulated depreciation in compliance with the requirement 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 asset to its location and condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repair & maintenance is normally charged off as revenue expenditure in the period 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 obtain from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

3.01.3 Depreciation

Land is held on a freehold basis and is not depreciated considering the ultimate life. In respect of all other fixed assets, depreciation is provided using the reducing balance method.

The annual depreciation rates applicable to the principal categories are:

Particulars	2016 -2017	2015 -2016
Factory Building	5%	5%
Machinery and Equipment	10% -15 %	10% -15 %
Furniture and Fixture	10%	10%
Vehicles	15 %-20%	15 %-20%
Office Equipment	10% -15/%	10% -15/%
Generators	15%	15%

3.01.4 Retirements and Disposals

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

3.03 Leased Assets

In compliance with the BAS 17: Leases, cost of assets acquired under finance lease along with related obligation has been accounted for as assets and liabilities respectively of the company and the interest element has been charged as expenses. Lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability.

3.4 Foreign Currency Transactions

The financial records of the company are maintained and Financial Statements are stated in Bangladesh Taka. Foreign Currency transactions are recorded at the applicable rates of exchange rule at the transaction date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the Financial Position date are translated at the applicable rates of exchanges rules at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of BAS 21: The effects of charges in Foreign Exchange Rates, However, as per requirement of the companies Act, 1994 exchange differences relating to foreign currency loan has been adjusted against fixed assets being procured under the said obligation.

3.5 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS2: inventories. Cost is determined using weighted average method. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in the normal course of business in bringing the inventories to their present location and condition. Costs of conversion include all direct costs excluding interest expense. Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale. Cost of Finished Goods include material and conversion cost. Cost of work-in-process includes material cost.

3.6 Financial Instruments

A Financial Instruments is any contract that gives raise to a financial asset of any entity and a financial liability or equity Instrument of another entity.

3.06.1 Non-derivative Financial Assets

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

(a) Accounts Receivable

Accounts Receivable are created at original invoice amount less any provision for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the income statement, subsequent recoveries of amounts previously provided for are credited to the Income Statement.

(b) Other Current Assets

Other Current Assets have a value on realization in the ordinary course of the company's business, which are a least equal to the amount at which they are stated in the Statement of Financial Position.

(c) Cash & Cash Equivalents

Cash in hand and cash at banks have been considered as the cash and cash equivalents for preparation of these Financial Statements as there were insignificant risk of changes in value of the same.

3.06.2 Financial Liabilities

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 derecognized a financial liability where its contractual obligations are discharge or cancelled or expire. Finance Liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.07 Impairment 3.07.1 Financial Assets

Accounts Receivable are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset Is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event has negative effects 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 issue will enter bankruptcy etc.

3.07.2 Non-Financial Assets

An asset is 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 assets. The recoverable amounts of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less that it's carrying amount. Impairment loss is recognized immediately in profit and loss, unless the asset is carried at revalued amount. Any impairment loss of revalued asset shall be treated as a revaluation decrease.

3.8 Employee Benefits

3.08.1 Define contribution Plan (Provident Fund)

There is recognized provident fund benefit scheme for the employees.

3.9 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 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.

3.10 Income Tax

The company is a publically traded company as per Income Tax Ordinance, 1984, provision for the Income Tax has been made at the existing rate of 15% in respect of any current income as per Income Tax Rules as per SRO No.207 dated 30 June, 2008.

3.10.1 Current Tax

Income Tax expenses is recognized in Statement of Comprehensive Income. Current Tax is the expected Tax payable on the total taxable income for the period/year using tax rates enacted or substantly enacted as of reporting date and any adjustment to tax payable in respect of previous year. The company is a Publicly Traded Company as per Income Tax Law and provision for tax has duly been made.

3.10.2 Deferred Tax

Deferred Tax has been provided using the balance sheet method for all temporary time differences arising between the tax bases of assets and liabilities and their carrying value for financial reporting purpose. Deferred Tax assets and liabilities are measured using tax rate and tax laws that have been enacted or substantially enacted at the date of statement of financial position. Adjustments arising from such accounting have been considered to determine net profit after tax and earnings per share (EPS).

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

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.

The deferred tax asset/income of liability/expenses does not create a legal liability/ recoverability to and from the Income tax authority.

3.11 Tax Holiday Reserve

The company enjoyed tax holiday as specified in the Income Tax Ordinance, 1984.

3.12 Revenue Recognition

In compliance with the requirement of BAS 18: Revenue from the sale of goods are recognized on preparation of invoices after products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible returns of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

3.13 Turnover

During the year under review, turnover comprises of export sales of knitted 8i dyed fabrics to local knit garments industries in Bangladesh for exporting their products to abroad and also knit garments directly to abroad through the company.

3.14 Finance Expenses and Income

Finance Expenses comprise interest expense on long term and short term loans, bank charges and commission. Finance expenses are recognized in the statement of comprehensive income unless capitalization of such is allowed under BAS 23: Borrowing Costs. Interest income is accounted for on cash basis.

3.15 Other corporation Debt, Accounts Payable, Trade and other Liabilities

These liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier,

3.16 Advertising and Promotional Expenses

All costs associated with advertising and promoting products are expensed in the year it incurred.

3.17 Earnings Per Share (EPS)

This has been calculated in compliance with the requirement of BAS 33: Earnings per Share-dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

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 year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding during the year

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

Diluted Earnings Per Share

No diluted EPS is require to be calculated for the year as there was no scope for dilution during the year under review.

3.18 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the requirement of BAS 7: Statements 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 following the benchmark treatment of BAS 7, whereby major classes of gross cash receipt and gross cash payments from operating activities are disclosed.

3.19 Transaction with Related Parties/ Associated Undertakings (BAS-24)

Related party transaction can be made with (I) to (V) below:

i) Enterprises that directly or indirectly through one or more intermediates, control or are controlled by or are under common control with reporting enterprise.
ii) Associates.
iii) individuals owning, directly or indirectly an interest in the voting power of the reporting enterprise.
iv) Key management personnel, that is those person's having authority and responsibility
f or planning, directing and controlling the activities of the reporting enterprise.
v) Enterprise in which a substantial interest in the voting power in owned, directly or indirectly by any person describe in (iii) or (iv) over which such a person is able to exercise significant influence.

During the year under review, no transaction with related parties was made to be disclosed as per BAS-24.

3.20 Financial risk management

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company has exposure to the following risk from its use of financial instruments.

(a) Credit Risk
(b) Liquidity Risk

(a) Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. cash at bank and other external receivables are nominal.

(b) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions , without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

4.00 Dividend for The Year

Dividend is subject to the approval of the shareholders in the 26th Annual General Meeting and it is not treated as a liability at the Balance Sheet date. The Board of Directors will not recommend
any dividend for the financial year 2016-2017.

5.00 Events after Reporting Period

Events after the reporting period that provide additional information about the company's Position at the date of Statement of Financial Position are reflected in the Financial Statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

6.00 Post Closing Events

Except the fact as stated above, no circumstances have arisen since the Statement of Financial Position date which require adjustment to or disclosure in the Financial Statement or notes thereto.

7.00 Concentrations

As of 30 June 2017, the company does not have any significant concentration of business transected with a particular customer, supplier or lender that could, if suddenly eliminated, severely impact the company's operations. The company also does not have a concentration of available sources of labor, services, or licenses or other rights that could, if suddenly eliminated, severely impact the operations of the company.

8.00 Statement of Profit or Loss and Other Comprehensive Income

The results for the year were not materially affected by:
(a) Transactions of a natural not usually undertaking by the company;
(b) Circumstances of an exceptional or non-recurring nature and
(c) Change m accounting policies.

AMAR STOCK

08 PROPERTY, PLANT AND EQUIPMENTS : TK 269,874,525

	June 30, 2017 Taka	June 30, 2016 Taka
Knitting & Dyeing Division (A)		
Cost		
Opening Cost as on 01-07-2016	351,392,335	351,077,413
Add: Addition during the year	-	314,922
Add:Revalation Surplus during this year	178,844,432	178,844,432
Less: Disposal during the year		-
Closing Cost as on 30-06-2017	**530,236,767**	**530,236,767**
Accumulated Depreciation		
Opening Accumulated Depreciation as on 01-07-2016	272,832,279	264,443,209
Add: Charged during this year	22,980,994	8,389,071
Less: Disposal during the year	-	-
Closing Acc Dep. as on 30-06-2017	**295,813,273**	**272,832,280**
Written Down Value	**234,423,494**	**257,404,487**
Garments Division (B)		
Cost		
Opening Cost as on 01-07-2016	61,819,188	61,819,188
Add: Addition during the year	-	-
Add:Revalation Surplus during this year	28,432,974	28,432,974
Less: Disposal during the year	-	-
Closing Cost as on 30-06-2017	**90,252,162**	**90,252,162**
Accumulated Depreciation		
Opening Accumulated Depreciation as on 01-07-2016	48,563,832	46,340,204
Add: Charged during this year	6,237,299	2,223,628
Less: Disposal during the year	-	-
Closing Acc Dep. as on 30-06-2017	**54,801,131**	**48,563,832**
Written Down Value	**35,451,031**	**41,688,330**
Total Written Down Value	**269,874,525**	**299,092,817**

AMARSTOCK

09 SHARE CAPITAL : TK 324,911,620

	June 30, 2017 Taka	June 30, 2016 Taka
Authorised Capital:		
80,000,000 Ordinary Shares of Tk. 10 each	**800,000,000**	**800,000,000**
Issued, Subscribed and Paid-Up Capital:		
5,000,000 Ordinary Shares of Tk. 10 each fully paid-up in cash	50,000,000	50,000,000
2,187,500 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	21,875,000	21,875,000
Issue of 6,666,580 Ordinary Shares of Tk. 10.00 each against Acquisition	66,665,800	66,665,800
Issue 27,708,160 Ordinary Shares of Tk. 10 each fully paid up as bonus shares	27,708,160	27,708,160
Issue a 26,599,830 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	26,599,830	26,599,830
Issue a 38,569,750 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	38,569,750	38,569,750
Issue a 3,934,115 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	39,341,150	39,341,150
Issue a 5,415,193 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	54,151,930	
	324,911,620	**270,759,690**

COMPOSITION OF SHAREHOLDINGS

Description	No. of Investors	No.of Shares	% of Share Holding June 30, 2017	% of Share Holding June 30, 2016
Sponsors	11	5,588,242	17.20	28.46
ICB & Body Corporates	192	3,307,625	10.18	9.36
General Public	7,319	23,595,295	72.62	62.18
Total	**7,522**	**32,491,162**	**100.00**	**100.00**

SHAREHOLDINGS STRUCTURE

A distribution schedule of equity security setting at the number of holders and percentage in the following categories as on 30-06-2017 as compared to 30-06-2016

Class Interval	No. of Holders	No. of Shares	% of Share Holding June 30, 2017	% of Share Holding June 30, 2016
Less than 500	2,705	525,542	1.62	1.52
501 to 5000	3,841	7,264,805	22.36	12.67
5001 to 10000	557	3,978,032	12.24	6.02
10001 to 20000	248	3,986,064	12.27	6.52
20001 to 30000	66	1,748,767	5.38	2.93
30001 to 40000	23	825,520	2.54	2.40
40001 to 50000	29	1,395,526	4.30	1.74
50001 to 100000	30	2,057,344	6.33	5.07
100001 to 100000	19	5,339,302	16.43	34.19
100001 to 1000000	4	5,370,260	16.53	26.92
1000000 - above	**7,522**	**32,491,162**	**100.00**	**100.00**
Total				

10 RETAINED EARNINGS: TK. 90,567,472

Description	June 30, 2017 Taka	June 30, 2016 Taka
Retained Earnings as on 01-07-2016	184,540,073	156,129,957
Profit/Loss during the year	(59,709,179)	69,920,258
Prior Year Adjustment	-	(2,168,991)
Revaluation surplus adjustment	19,888,508	-
Dividend paid	(54,151,930)	(39,341,150)
Total	**90,567,472**	**184,540,073**

10(A) REVALUATION SURPLUS: TK. 187,388,899

Description	June 30, 2017 Taka	June 30, 2016 Taka
Revaluation Surplus	187,388,899	207,277,407
	187,388,899	**207,277,407**

Details Are Show in Schedule A,B & C in The Page Of 56, 57, 58

As the Revaluation was made on June 30,2016, no depriciation has been charged on revalued amount.

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11 SHAREHOLDERS EQUITY : TK. 714,468,294

	June 30, 2017 Taka	June 30, 2016 Taka
Paid up Capital	324,911,620	270,759,690
Tax Holiday Reserve	16,413,572	16,413,572
General Reserve	5,000,000	5,000,000
Dividend Equalization Fund	5,000,000	5,000,000
Retained Earnings	90,567,472	184,540,073
Capital Reserve	85,186,731	85,186,731
Reavaluation Surplus	187,388,899	207,277,407
	714,468,294	**774,177,473**

12 TERM LOAN (SECURED) : TK. 3,681,642

	June 30, 2017 Taka	June 30, 2016 Taka
Term Loan	**3,681,642**	**15,546,023**

Purpose of Loan

To procure Knitting, dyeing, finishing, Garments machinary and laboratory equipment towards BMRE of the project.

Rate of Interest

13.00% per annum at quarterly rests, subject to change by the bank from time to time for both previous and additional loan.

Nature of Security

i) Hypothecation of project's existing machinery and future additions, if any.

ii) Floating charges on all other assets both present and future.

iii) Personal guarantees of all the Director; Jointly and severally.

iv) Other usual charge documents/undertakings.

13 (a) Deferred Tax Liabilities are arrived at as follows: TK. 2,688,971

	June 30, 2017 Taka	June 30, 2016 Taka
Book Value of Depreciable Fixed Assets	71,130,175	78,560,055
Less- Tax base	53,203,703	64,920,719
Taxable Temporary Difference	17,926,472	13,639,336
Effective Tax Rate	15%	15%
Deferred Tax Liability	**2,688,971**	**2,045,900**

(b) Deferred Tax Expenses/(Income) is arrived at as follows :

Closing Deferred Tax Liabilites	2,688,971	2,045,900
Opening Deferred Tax Liabilites	2,045,900	(1,133,719)
	643,071	**912,181**

14 WORKING CAPITAL LOAN (SECURED) : TK. 55,334,651

	June 30, 2017	June 30, 2016
	Taka	Taka
BASIC Bank, Shantinagar, CC A/C No. 0960-01-0000022	**55,334,651**	**63,655,831**
	55,334,651	**63,655,831**

Cash credit, secured against hypothecation of stocks collateralised by company's fixed assets was sanctioned for one year and is usually renewable from year to year. The interest rate was 12.75% p.a. quarterly rests as on 30th June, 2017 which is also subject to change from time to time by the Bank. The said loan was renewed up to 31st October, 2018.

15 UN-PAID IMPORT BILLS (SECURED) : TK.32,993,005

The above amount which is secured by Master Export L/C's was remained unpaid against back to back L/C for importation of cotton yarn, chemecals & dyes as on 30th June, 2017.

16 LIABILITIES AGAINST BILL PURCHASE: TK. 18,907,597

The above amount was secured against lien of export L/Cs duly accepted by L/C opening Bank. The interest rate on the above bill purchasing finance is 13% p.a. as the payments are being received in US dollars.

17 LIABILITIES FOR GOODS AND EXPENSES (UNSECURED) 60,670,858

The above liabilites, which are unsecured, are expected to be settled in the normal course of the company's operating cycle on regular basis.

18 INCOME TAX PAYABLE: TK. 31,551,476

The amount represents tax for the current year which has been provided on the accounting profit for the year at the presently enacted tax rate 15% for the 100% export oriented knit and garments industried alongwith the short provision of tax of perior years.

19 PROPOSED DIVIDEND : TK. Nil

Dividend is subject to the approval of the shareholders in the 26th Annual General Metting and it is not treated aas libility at the Balance Sheet date. November 25,2017 the Board of Directors has not recommended any dividend for the financial year 2016-2017.

20 INVENTORIES : TK. 182,960,883

	June 30, 2017 Taka	June 30, 2016 Taka
Stock of Yarn & Fabric	66,731,084	119,625,945
Stock of Dyes	5,184,294	6,972,589
Stock of Chemicals	6,129,338	7,116,012
Spares, Stores & Accessories	34,375,254	35,043,989
Packing Material	379,926	160,902
Stock of Materials	**112,799,896**	**168,919,437**
Finished Goods	**52,025,731**	**87,158,132**
Fabrics		
Garments		
Work-in process	**18,135,256**	**22,871,484**
Fabrics		
Garments		
	182,960,883	**278,949,053**

21 EXPORT BILLS RECEIVABLE : TK. 324,579,443

	June 30, 2017 Taka	June 30, 2016 Taka
Accounts Receivable	**324,579,443**	**391,690,813**

The amount of non-proceeded export bills as on June 30, 2017 is considered good and realisable and is secured by export letter of credits.

22 ADVANCES, DEPOSITS & PRE-PAYMENTS : TK. 82,854,575

	June 30, 2017 Taka	June 30, 2016 Taka
Deposits with PDB	378,142	378,142
Bakharabad Gas Systems Ltd.	1,428,248	1,428,248
Federal Insurance Co. Ltd.	25,000	25,000
Karnopuly Gas Distribution Co. Ltd.	12,244	6,297
Lease Deposit	548,248	548,248
Advances & Other Deposits	29,151,999	11,359,784
Advance Income Tax	15,658,688	12,159,910
L/c Margin deposit	1,161,242	1,161,242
Advance against Factory Rent	34,490,764	31,440,871
	82,854,575	**58,507,742**

22.(A) The above advances, deposits & prepayments consisting of deposits & advances made to statutory authorities and other institutions are considered good and are unsecured.

22.(B) No amount was due by directors (Including managing director), managing agents or other officers of the company and any of them jointly or severally with any other person as on June 30, 2017.

22.(C) No amount was due by related parties as on June 30, 2017.

23 CASH AND CASH EQUIVALENTS : TK. 60,030,076

	June 30, 2017	June 30, 2016
	Taka	Taka
Cash in Hand	2,659,632	3,633,997
Cash at Bank	57,370,444	25,897,422
	60,030,076	**29,531,419**

Cash at Bank shown above includes Tk. 28,736,131.00 Kept in DFC A/C at BASIC, Shantinagar Branch, 14 Kakrial, Dhaka, for making payment of import liablities against BBLC.

Details Are Shown in Annexure-D in the Page no. 92

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24 SALES : TK. 508,534,939

	2015-2017 Taka	2015-2016 Taka
a) Sales of Knit Fabrics :		
Single Jersey & Pique	257,090,931	265,987,410
Interlock Plain & Drop Needle	59,479,385	75,248,215
Rib Plain & Lycra	36,423,068	71,025,841
	352,993,384	**412,261,466**
b) Sales of knit Garments :		
TEE Shirts	155,541,555	449,496,769
	155,541,555	**449,496,769**
	508,534,939	**861,758,235**

25 COST OF GOODS SOLD : TK. 529,574,919

	2015-2017 Taka	2015-2016 Taka
Yarn & Fabric Consumed (32.A)	247,947,707	399,649,029
Chemicals & Dyes Consumed (Note 32.B)	27,255,852	46,458,470
Spares, Stores & Accessories Consumed (Note 32.C)	18,018,501	63,157,835
Packing Materials Consumed (Note 32.D)	1,666,134	5,123,165
	294,888,194	**514,388,499**
Add : Opening Work-in-Process	22,871,484	33,344,741
	317,759,678	**547,733,240**
Less : Closing Work-in-Process	18,135,256	22,871,484
Total Consumption	**299,624,422**	**524,861,756**
Add : Factory Overhead (Note - 26)	194,818,096	229,620,121
Cost of Production	**494,442,518**	**754,481,877**
Add : Opening Stock of Finished Goods	87,158,132	49,431,773
	581,600,650	**803,913,650**
Less : Closing Stock of Finished Goods	52,025,731	87,158,132
	529,574,919	**716,755,518**

AMARSTOCK

26 FACTORY OVERHEAD : TK. 194,818,096

	2016-2017 Taka	2015-2016 Taka
Salary & Wages	73,403,392	107,904,938
Factory Overtime	10,802,350	11,680,215
Festival Bonus	7,494,541	13,992,268
Worker Service Benefit	8,417,406	-
Traveling & Conveyance	490,082	848,665
Entertainment	1,703,700	3,112,222
Printing & Stationary	235,967	397,392
Postage & Telegram	41,981	103,457
Telephone & Telex	155,203	151,592
Vehicle Fuel & Maintenace	685,584	759,421
Rent , Rates & Taxes	5,791,718	7,304,228
Gas, Electricity & Water	28,240,050	36,061,829
Factory Repairs & Maintenance	2,173,049	2,827,796
Medical Expenses	600,140	405,453
Mise. Expense	1,746,190	1,121,870
Clearing and Port Charge	1,112,355	2,575,038
Software and Internet bill	384,000	384,000
Laboratory Test	156,667	23,300
Marine Insurance Premium	45,850	22,700
Carriage Inward	1,618,238	1,425,603
Factory Maternaty Leave Benefit	272,496	-
Revenue Stamp Expenses	23,530	78,915
Fabric Inspection Fees	661,266	615,065
Depreciation	27,054,599	8,244,128
Factory Labour Welfare	1,465,105	6,915,885
Water Purification Expense	2,355,737	4,190,781
Kniting & Dyeing Charge	11,172,224	15,903,973
Export & Import Automation Bills	10,575	12,910
Factory Local Purchase	25,760	1,932,910
Factory Computer Maintenance	48,635	24,070
Indirect Labour	439,683	-
Group Insurance	-	66,000
Fire Insurance Premium	-	533,497
Garments Priting & Embrotary	5,990,023	-
	194,818,096	**229,620,121**

26(A) Salary and wages include company's contribution to provident fund of Tk. 1,701,152.00

26(B) No item of the miscellaneous expenses exceeds 1% of the total revenue expenses.

26(C) The number of employees received salaries & wages during the year under review are as follows :

	No. of Employees	Amount (Tk.)
Up to Tk. 3000 per month	709	62,048,392
Above Tk. 3000 per month	50	11,355,000
	759	**73,403,392**

27 ADMINISTRATIVE EXPENSES : TK. 12,496,839

	June 30 2017 Taka	June 30 2016 Taka
Salary & Allowances	4,991,404	5,401,626
Festival Bonus	1,196,580	3,329,510
Travelling & Conveyance	1,452,436	3,395,961
Entertainment	80,321	72,141
Printing & Stationery	145,650	185,362
Postage & Telegram	58,533	551,739
Telephone & Telex	149,150	465,785
Car Repair & Maintenance	360,167	1,012,499
Power, Fuel & Water	-	195,901
Office repair and maintenance	21,750	174,922
Misc. Expenses	178,550	652,202
Board Meeting Fee	16,000	16,000
Donation & Subscription	163,851	107,800
Medical Expenses	7,235	-
Audit Fees	180,000	50,000
Registration & Renewal Fees	229,300	420,120
B/E Expenses	112,150	-
AGM Expenses	245,767	60,000
Legal Expenses	81,350	27,370
Training fee & Service charge	-	56,264
Corporate Govornance Compliance	-	172,836
Intenet and website Charge	662,950	-
Depreciation	2,163,695	2,368,571
VAT Expense	-	3,621
Insurance Premium (Fire)	-	95,184
Uniform	-	28,765
Professional Fee (Assets Revaluation)	-	200,000
	12,496,839	**19,044 ,179**

27 (A) No others fee except shown above was paid to the auditors for rendering other services.

27 (B) The number of employees received salaries & wages during the year under review are as follows :

	No. of Employees	Amount (Tk.)
Up to Tk. 10000 per month	17	4,835,769
	17	**4,835,769**

28 SELLING AND DISTRIBUTION EXPENSES : TK. 8,201,026

	30 June 2017 Taka	30 June 2016 Taka
Carriage Outward	2,033,183	2,462,284
Advertisement & Publicity	61,700	5,141,803
Sales Commission Freight & Forwarding Charges	6,106,143	11,511,056
	8,201,026	**19,115,143**

29 FINANCIAL EXPENSES : TK. 16,355,468

	30 June 2017 Taka	30 June 2016 Taka
Bank Charges & Comission	5,704,086	6,819,949
Interest on CC & OD	7,215,355	7,590,315
Interest on Loan Terms Loan	576,510	1,560,948
Central fund for RMG	128,033	-
Interest on Loan Bills Purchase	2,731,484	4,841,630
	16,355,468	**20,812,842**

30 NON OPERATING INCOME : TK. 00.00

	30 June 2017 Taka	30 June 2016 Taka
Salle of Waste Materials	-	**60,000**

31 TAX EXPENSES : TK. 1,615,865

	30 June 2017 Taka	30 June 2016 Taka
Current Tax	972,794	15,257,622
Deferred Tax Expenses/(Income)	643,071	912,181
	1,615,865	**16,169,804**

32 MATERIALS CONSUMED FOR PRODUCTION :TK. 294,888,194

	June 30, 2017 Taka	June 30, 2016 Taka
A. Consumption of Yarn/Fabrics:		
Opening Stock	119,625,945	47,687,299
Add: Purchase	195,052,846	471,587,675
Less: Closing Stock	(66,731,084)	(119,625,945)
	247,947,707	**399,649,029**
B. Consumption of Dyes & Chemicals:		
Opening Stock	14,088,601	13,143,525
Add: Purchase	24,480,883	47,403,546
Less: Closing Stock	(11,313,632)	(14,088,601)
	27,255,852	**46,458,470**
C. Consumption Of Spares, Stores & Accessories :		
Opening Stock	35,043,989	46,014,356
Add: Purchase	17,349,766	52,187,468
Less: Closing Stock	(34,375,254)	(35,043,989)
	18,018,501	**63,157,835**
D. Consumption of Packing Materials :		
Opening Stock	160,902	1,337,529
Add: Purchase	1,885,158	3,946,538
Less: Closing Stock	(379,926)	(160,902)
	1,666,134	**5,123,165**
TOTAL CONSUMPTION	**294,888,194**	**514,388,499**

According to the part II of schedule XI of the Companies Act 1994, the quantities of raw materials, purchase and stocks should be expressed in quantitative denomination also but, this could not be done except the basic raw materials, cotton yarn (consumped 77.69%) as the company deals in a large number of itms as dyes & chemicals, spares, stores & accessories and packing materials which again varies in multiple units and numerous forms.

AMAR STOCK

33 EARNINGS PER SHARE-DISCLOSURE UNDER THE BAS - 33

	June 30, 2017	June 30, 2016
The Computation of EPS is given below :		
(a) Surplus for the year attributable to shareholders (Net Profit After Tax)	TK. (59,709,179)	TK. 69,920,258
(b) Weighted average number of shares outstanding duning the year	32,491,162	32,491,162
(c) Earnings per Share	TK. (1.84)	TK. 2.15

The definition of numerator (Earnings) and denominator (Weighted Average number of shares) is stated in Note- 3.17

34 PAYMENT OF REMUNERATION/PERQUISITIES TO DIRECTORS AND OFFICERS

During the year under review:

a) No compensation was allowed to the Managing Director of the company.

b) Board Meeting attendance fee of Tk. 16,000 was paid to the Directors of the company.

c) No amount of money was expensed by the company for compensating any member of the Board for special service rendered.

d) No amount was paid to the Directors during the year for service rendered by them.

e) No amount other than salaries, allowances and festival bonus was paid to the officers of the company.

35 CAPITAL EXPENDITURE COMMITMENT

(a) There was no capital expenditure contracted but not incurred or provided for at 30th June, 2017

(b) There was no material capital expenditure authorised by the Board but not contracted for at 30th June, 2017

36 UNAVAILED CREDIT FACILITIES

There was no credit facility available to the company under any contract but not availed of as on 30th June, 2017 other than bank credit facility and trade credit available in the ordinary course of business.

37 CLAIMS NOT ACKNOWLEDGED

There was no claim against the company not acknowledged as debt as on the Balance Sheet date.

38 AMOUNT DUE BY DIRECTORS / OFFICERS/ ASSOCIATED UNDERTAKINGS

There was no amount due by the Directors (Including Managing Director), Managing Agents, Managers and Officers of the company and any of them severally or jointly with any other person and no amount was due by associated undertakings.

39 FOREIGN EXCHANGE EARNINGS

a) During the year under review, the amount of foreign exchange earned on account of export was equivalent to Tk. 508,534,939.00 on C & F basis.

b) No amount of foreign exchange except above was earned on account of royalty, technical and professional advisory, interest, dividend or other income during the year.

40 FOREIGN CURRENCY EXPENSES AND REMITTANCES

a) There was no other expenses incurred in foreign exchange on account of royalty, technical expert and professional advisory fee, interest etc. during the year under review,

b) There are no non-resident shareholders of the company and as such no remittance of dividend in foreign exchange has been made.

41 COMMISSION, BROKERAGE OR DISCOUNT AGAINST SALES

a) There was no brokerage or discount against sales during 2016-2017

b) No commission was paid to sales agents during 2016-2017

42 APPROPRIATION DURING THE YEAR

In accordance with BAS - 1 "Presentation of Financial Statements," the appropriations for the year have been reflected in the "Statement of Changes in Equity".

Md. Rafiqul Haque Managing Director	**Md. Mahbub-Ul Haque** Director	**Abdus Salam** Chief Financial Officer	**S.M. Shahid-ul-Arafin** Company Secretary

AMAR STOCK

SCHEDULE OF FIXED ASSETS ON 30-06-2017

(MKDL KNITTING & DYEING)

SCHEDULE-A

		COST					DEPRECIATION					
SL.No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR	Revaluation Surplus 30-06-16	TOTAL AS ON 30-06-17	Rate	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17	Historical Value 30.06.17	Revaluation Surplus 30.06.17	WDV 30-06-17
1	Building & Civil Works	61,186,235	-	54,673,616	115,859,851	5%	38,202,414	3,882,872	42,085,286	21,834,630	51,939,935	73,774,565
2	Plant & Machinery	260,002,990	-	120,154,767	380,157,757	10%	213,738,639	16,641,912	230,380,551	41,637,916	108,139,290	149,777,206
3	Office Equipment (A)	5,077,115	-	471,900	5,549,015	10%	3,940,953	160,806	4,101,759	1,022,546	424,710	1,447,256
4	Furniture & Fixture (A)	3,602,355	-	(459,371)	3,142,984	10%	2,657,297	48,569	2,705,866	850,551	(413,433)	437,118
5	Vehicles -2 Nos	7,523,640	-	4,003,520	11,527,160	20%	7,012,976	902,837	7,915,813	408,531	3,202,816	3,611,347
6	Motor Car Parado (A)	14,000,000	-	-	14,000,000	20%	7,280,000	1,344,000	8,624,000	5,376,000	-	5,376,000
Grand Total Tk. 2017		**351,392,335**		**178,844,432**	**530,236,767**		**272,832,279**	**22,980,995**	**295,813,274**	**71,130,175**	**163,293,619**	**234,423,493**
Grand Total Tk. 2016		**351,077,413**	**314,922**	**-**	**351,392,335**		**264,443,209**	**8,389,071**	**272,832,280**	**78,560,055**	**178,844,433**	**257,404,488**

Charged to:

Factory Expenses:	21,427,620
Admin Expenses:	1,553,375
	22,980,995

MITHUN KNITTING & DYEING (CEPZ) LTD.
SCHEDULE OF FIXED ASSETS ON 30-06-17
Revalued Asset Schedule

		COST					DEPRECIATION					
SL.No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR		TOTAL AS ON 30-06-17	Rate	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17			WDV 30-06-17
1	Building & Civil Works	54,673,616	-		54,673,616	5%	-	2,733,681	2,733,681			51,939,935
2	Plant & Machinery	120,154,767	-		120,154,767	10%	-	12,015,477	12,015,477			108,139,290
3	Office Equipment (A)	471,900	-		471,900	10%	-	47,190	47,190			424,710
4	Furniture & Fixture (A)	(459,370)	-		(459,370)	10%	-	(45,937)	(45,937)			(413,433)
5	Vehicles -2 Nos	4,003,520	-		4,003,520	20%	-	800,704	800,704			3,202,816
Grand Total Tk. 2017		**178,844,433**	**-**		**178,844,433**		**-**	**15,551,115**	**15,551,115**			**163,293,319**

SCHEDULE OF FIXED ASSETS AS ON 30-06-16

(TOYO COMPOSITE KNITE GARMENTS LTD.)

SCHEDULE-B

		COST					DEPRECIATION			
SL.No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR	Revaluation Surplus 30-06-16	TOTAL AS ON 30-06-17	Rate	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17	WDV 30-06-17
1	Plant & Machinery	24,059,519	-	12,483,572	36,543,091	15%	18,257,197	2,742,884	21,000,081	15,543,010
2	Office Equipment (A)	893,873	-	114,115	1,007,988	15%	624,921	57,460	682,381	325,607
3	Furniture & Fixture (A)	3,982,435	-	(1,320,882)	2,661,553	10%	2,502,053	15,950	2,518,003	143,550
4	Others (A)	2,032,300	-	2,735,024	4,767,324	15%	1,677,324	463,500	2,140,824	2,626,500
Grand Total Tk. 2017		**30,968,127**	**-**	**14,011,829**	**44,979,956**		**23,061,495**	**3,279,794**	**26,341,289**	**18,638,667**

Charged to:

Factory Expenses:	2,742,884
Admin Expenses:	536,910
	3,279,794

TOYO COMPOSITE KNITE GARMENTS LTD.
SCHEDULE OF FIXED ASSETS ON 30-06-17
Revalued Asset Schedule

		COST					DEPRECIATION			
SL.No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR		TOTAL AS ON 30-06-16	Rate	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-16	WDV 30-06-17
1	Plant & Machinery	12,483,572	-		12,483,572	15%		1,872,536	1,872,536	10,611,036
2	Office Equipment (A)	114,115	-		114,115	15%		17,117	17,117	96,998
3	Furniture & Fixture (A)	(1,320,882)	-		(1,320,882)	10%		(132,088)	(132,088)	(1,188,794)
4	Others (A)	2,735,024	-		2,735,024	15%		410,254	410,254	2,324,770
Grand Total Tk. 2017		**14,011,829**			**14,011,829**			**2,167,818**	**2,167,818**	**11,844,011**

SCHEDULE OF FIXED ASSETS ON 30-06-17

PURE COMPOSITE KNITWEARS LTD.

SCHEDULE-C

SL. No.	DESCRIPTION	COST				DEPRECIATION				
		OPENING 01-07-16	ADDITION DURING THE YEAR	Revaluation Surplus 30-06-16	Total As on 30-06-17	RATE	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17	WDV 30-06-17
1	PLANT & MACHINERY	29,559,601	-	14,297,127	43,856,728	15%	24,629,426	2,884,095	27,513,521	16,343,207
2	OFFICE EQUIPMENTS (A)	507,628	-	252,092	759,720	15%	376,653	57,460	434,113	325,607
3	FURNITURE & FIXURES	783,832	-	(128,074)	655,758	10%	496,258	15,950	512,208	143,550
	Total	**30,851,061**	**-**	**14,421,145**	**45,272,206**	**0**	**25,502,337**	**2,957,505**	**28,459,842**	**16,812,364**

Charged To:

Factory Expenses	2,884,095
Admin Expenses	73,410
	2,957,505

(PURE COTTON KNITWEARS LTD.)
SCHEDULE OF FIXED ASSETS ON 30-06-2017
Revalued Asset Schedule

SCHEDULE-C

SL. No.	DESCRIPTION	COST				DEPRECIATION				
		OPENING 01-07-16	ADDITION DURING THE YEAR	Revaluation Surplus 30-06-16	Total As on 30-06-17	RATE	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17	WDV 30-06-17
1	PLANT & MACHINERY	14,297,127	-		14,297,127	15%	-	2,144,569	2,144,569	12,152,558
2	OFFICE EQUIPMENTS (A)	252,092	-		252,092	15%	-	37,814	37,814	214,278
3	FURNITURE & FIXURES	(128,074)	-		(128,074)	10%	-	(12,807)	(12,807)	(115,267)
	Total	**14,421,145**	**-**	**-**	**14,421,145**		**-**	**2,169,575**	**2,169,575**	**12,251,570**

Auditors' Report to the Shareholders of Mithun Knitting & Dyeing (CEPZ) Limited

We have audited the accompanying Financial Statements of **Mithun Knitting & Dyeing (CEPZ)** Limited which comprise the Statement of Financial Position as at 30 June 2017, the 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 notes.

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), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statement, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the entity's preparation and fair presentation of the Financial Statement in order to design audit procedure 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 Statement present fairly in all material respects Financial Position of the company's as at 30 June, 2017 and its financial performance and its cash flow for the year then ended in accordance with Bangladesh Financial Reporting Standard and comply with the Companies Act 1994, the securities and Exchange Rules 1987 and others applicable laws and regulation. We also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by Mithun Knitting & Dyeing (CEPZ) Limited so far as it appeared from our examination of those books;

(iii) the company Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income together with the annexed notes and its Statement of Cash Flows detail with by this report are in agreement with the books of accounts and returns;

(iv) the expenditure incurred and payments made were for the purposes of the Company's business.

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Rupayan Karim Tower
Level-7, Suite # 7A
80, Kakrial, Dhaka-1000
25 November, 2017

MITHUN KNITTING AND DYEING (CEPZ) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2017

PARTICULARS	Notes	June 30, 2017 Taka	June 30, 2016 Taka
NON-CURRENT ASSETS		**301,089,294**	**324,070,288**
Fixed Assets (Knitting & Dyeing Devision)	A	234,423,493	257,404,488
Investment in Subsidiaries		66,665,800	66,665,800
CURRENT ASSETS		**407,389,813**	**450,120,154**
Inventories	15	121,990,529	139,946,872
Export Bills Receivable	16	216,000,996	274,271,154
Advances, Deposits & Prepayments	17	35,903,889	23,718,364
Cash and Cash Equivalents	18	33,494,399	12,183,764
TOTAL ASSETS		**708,479,107**	**774,190,442**
SHAREHOLDERS' EQUIT Y AND LIABILITIES			
SHAREHOLDERS' EQUIT Y			
Share Capital	4	324,911,620	270,759,690
Retained Earnings	5	11,462,207	76,882,651
Tax Hoiday Reserve		16,413,572	16,413,572
General reserve fund		5,000,000	5,000,000
Dividend Equalization Fund		5,000,000	5,000,000
Revaluation Surplus	5A	163,293,319	178,844,433
TOTAL EQUITY		**526,080,718**	**552,900,346**
NON-CURRENT LIABILITIES		**6,370,613**	**17,591,923**
Long Term Loan	7	3,681,642	15,546,023
Deferred Tax Liability	8	2,688,971	2,045,900
CURRENT LIABILITIES		**176,027,776**	**203,698,173**
Working Capital Loan (Secured)	9	55,334,651	63,655,831
Un-paid Import Bills (Secured)	10	30,927,855	68,891,651
Liabilities Against Bill Purchase (Secured)	11	18,553,576	22,647,926
Liabilities For Goods And Expenses (Unsecured)	12	57,418,846	32,922,322
Income Tax Payable	13	13,792,848	15,580,443
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**708,479,107**	**774,190,442**
Net Asset Value Per Share		**16.19**	**17.02**

The annexed Nots form (01-45) an Integral Part of this Statement

Md. Rafiqul Haque	**Md. Mahbub-Ul Haque**	**Abdus Salam**	**S.M. Shahid-ul-Arafin**
Managing Director	Director	Chief Financial Officer	Company Secretary

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

Dhaka

25 November, 2017

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

MITHUN KNITTING AND DYEING (CEPZ) LIMITED

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	Notes	2016-2017 Taka	2015-2016 Taka
SALES	**19**	**378,308,731**	**504,531,651**
Less : Cost of Goods Sold	20	378,208,194	429,969,702
GROSS PROFIT		**100,537**	**74,561,949**
Less : Administrative Expenses	22	6,856,952	12,111,171
Selling and Distribution Expenses	23	3,480,104	5,801,139
Financial Expenses	24	14,967,245	17,439,875
		25,304,301	**35,352,185**
OPERATING PROFIT/ (LOSS)		**(25,203,764)**	**39,209,764**
Add : Non Operating Income	25	-	-
Net Profit/ (Loss) Before Tax		**(25,203,764)**	**39,209,764**
Less : Tax Expenses			
Current Tax		972,794	5,881,465
Deferred Tax Expenses/(Income)		643,071	912,181
Total Tax Expenses	26	**1,615,865**	6,793,646
Net Profit/(Loss) After Tax		**(26,819,629)**	**32,416,118**
(Transferred to The Statement of Changes in Equity)			
Earnings Per Share	28	**(0.83)**	**1.00**

The annexed Nots form (01-45) an Integral Part of this Statement

Md. Rafiqul Haque	**Md. Mahbub-Ul Haque**	**Abdus Salam**	**S.M. Shahid-ul-Arafin**
Managing Director	Director	Chief Financial Officer	Company Secretary

This is the Statement of Profit or Loss and other Comprehensive Income referred to in our report of even date.

Dhaka
25 November, 2017

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

MITHUN KNITTING AND DYEING (CEPZ) LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE, 2017

	JUNE 30, 2017 Taka	JUNE 30, 2017 Taka
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and Others	436,578,889	469,132,791
Payment for Cost and Expenses	(373,260,709)	(483,179,093)
Payment for Financial Expenses	(14,967,245)	(17,439,875)
Income Tax Paid /Deducted	(2,760,389)	(2,500,603)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**45,590,546**	**(33,986,780)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets (Schedule-A)	-	(314,922)
NET CASH USED/PROVIDED BY INVESTING ACTIVITIES	**-**	**(314,922)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Loan Increase/(Decrease) (Note-07)	(11,864,381)	428,069
Short Term Loan Increase/(Decrease) (Note- 09 & 11)	(12,415,530)	10,862,707
NET CASH USED/PROVIDED BY FINANCING ACTIVITIES	**(24,279,911)**	**11,290,776**
Increase/(Decrease) in Cash and Cash Equivalents	21,310,635	(23,010,926)
Cash and Cash Equivalents on Opening	12,183,764	35,194,690
Cash and Cash Equivalents on Closing	**33,494,399**	**12,183,764**
Net Operationg Cash Flow Per Share	**1.40**	**(1.05)**

The annexed Nots form (01-45) an Integral Part of this Statement

Md. Rafiqul Haque Managing Director	**Md. Mahbub-Ul Haque** Director	**Abdus Salam** Chief Financial Officer	**S.M. Shahid-ul-Arafin** Company Secretary

This is the Cash Flow statement referred to in our report of even date.

Dhaka

25 November, 2017

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

MITHUN KNITTING AND DYEING (CEPZ) LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 30TH JUNE, 2017

Particulars	Share Capital	Tax-Holiday Reserve	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Retained Earnings	Total
Balance as on June 30,16	270,759,690	16,413,572	5,000,000	178,844,433	5,000,000	76,882,651	552,900,346
Net Profit/(Loss)	-	-	-	-	-	(26,819,629)	(26,819,629)
Revaluation Surplus	-	-	-	-	-	-	-
Issue of Bonus Share	54,151,930	-	-	-	-	(54,151,930)	-
Revaluation Surplus	-	-	-	(15,551,115)	-	15,551,115	-
Balance as on June 30,17	**324,911,620**	**16,413,572**	**5,000,000**	**163,293,319**	**5,000,000**	**11,462,207**	**526,080,718**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 30TH JUNE, 2016

Particulars	Share Capital	Tax-Holiday Reserve	General Reserve	Revaluation Surplus	Dividend Equalization Fund	Retained Earnings	Total
Balance as on July 01,15	231,418,540	16,413,572	5,000,000	-	5,000,000	83,807,683	341,639,795
Net Profit		-	-	-	-	32,416,118	32,416,118
Revaluation Surplus		-	-	178,844,433	-	-	178,844,433
Issue of Bonus Share	39,341,150	-	-	-	-	(39,341,150)	-
Balance as on June 30,16	**270,759,690**	**16,413,572**	**5,000,000**	**178,844,433**	**5,000,000**	**76,882,651**	**552,900,346**

The annexed Nots form (01-45) an Integral Part of this Statement

Md. Rafiqul Haque
Managing Director

Md. Mahbub-Ul Haque
Director

Abdus Salam
Chief Financial Officer

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

This is the statement of Change in Equity referred to in our report of even date.
Dhaka
25 November, 2017

04 SHARE CAPITAL : TK 324,911,620

	June 30, 2017 Taka	June 30, 2016 Taka
Authorised Capital:		
80,000,000 Ordinary Shares of Tk. 10 each	**800,000,000**	**800,000,000**
Issued, Subscribed and Paid-Up Capital:		
5,000,000 Ordinary Shares of Tk. 10 each fully paid-up in cash	50,000,000	50,000,000
2,187,500 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	21,875,000	21,875,000
Issue of 6,666,580 Ordinary Shares of Tk. 10.00 each against Acquisition	66,665,800	66,665,800
Issue 2,770,816 Ordinary Shares of Tk. 10 each fully paid up as bonus shares	27,708,160	27,708,160
Issue a 2,659,983 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	26,599,830	26,599,830
Issue a 3,856,975 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	38,569,750	38,569,750
Issue a 3,934,115 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	39,341,150	39,341,150
Issue a 5,415,193 Ordinary Shares of Tk. 10 each fully paid-up as bonus shares	54,151,930	-
	324,911,620	**270,759,690**

COMPOSITION OF SHAREHOLDINGS

Description	No. of Investors	No.of Shares	% of Share Holding June 30, 2017	% of Share Holding June 30, 2016
Sponsors	11	5,588,242	17.20	28.46
ICB & Body Corporates	192	3,307,625	10.18	9.36
General Public	7,319	23,595,295	72.62	62.18
Total	**7,522**	**32,491,162**	**100.00**	**100.00**

SHAREHOLDINGS STRUCTURE

A distribution schedule of equity security setting at the number of holders and percentage in the following categories as on 30-06-2017 as compared to 30-06-2016.

Class Interval	No. of Holders	No. of Shares	% of Share Holding June 30, 2017	% of Share Holding June 30, 2016
Less than 500	2,705	525,542	1.62	1.52
501 to 5000	3,841	7,264,805	22.36	12.67
5001 to 10000	557	3,978,032	12.24	6.02
10001 to 20000	248	3,986,064	12.27	6.52
20001 to 30000	66	1,748,767	5.38	2.93
30001 to 40000	23	825,520	2.54	2.40
40001 to 50000	29	1,395,526	4.30	1.74
50001 to 100000	30	2,057,344	6.33	5.07
100001 to 1000000	19	5,339,302	16.43	34.19
1000000 - above	4	5,370,260	16.53	26.92
Total	**7,522**	**32,491,162**	**100.00**	**100.00**

OPTION ON UNISSUED SHARES

There is no option regarding authorised capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contribution and bonus.

05 RETAINED EARNINGS: TK. 11,462,207

Description	June 30, 2017 Taka	June 30, 2016 Taka
Opening Balance as on 01-07-2016	76,882,651	83,807,683
Profit during the year	(26,819,629)	32,416,118
Dividend Paid	(54,151,930)	(39,341,150)
Revaluation Surplus	15,551,115	-
Total	**11,462,207**	**76,882,651**

05(A) REVALUATION SURPLUS: TK. 163,293,319

Description	June 30, 2017 Taka	June 30, 2016 Taka
Revaluation Surplus	163,293,319	178,844,433
Total	**163,293,319**	**178,844,433**

As the Revaluation was made on June 30,2016,

06 SHAREHOLDERS` EQUITY : TK. 526,080,718

	June 30, 2017 Taka	June 30, 2016 Taka
Paid up Capital	324,911,620	270,759,690
Tax Holiday Reserve	16,413,572	16,413,572
General Reserve	5,000,000	5,000,000
Dividend Equalization Fund	5,000,000	5,000,000
Reavaluation Surplus	163,293,319	178,844,433
Accumulated Surplus	11,462,207	76,882,651
	526,080,718	**552,900,346**

07 TERM LOAN (SECURED) : TK. 3,681,642

	June 30, 2017 Taka	June 30, 2016 Taka
Term Loan	**3,681,642**	**15,546,023**

Purpose of Loan

To procure Knitting, dyeing, finishing, Garments machinary and laboratory equipment towards BMRE of the project.

Rate of Interest

13.00% per annum at quarterly rests, subject to change by the bank from time to time for both previous and additional loan.

Nature of Security

i) Hypothecation of project's existing machinery and future additions, if any.

ii) Floating charges on all other assets both present and future.

iii) Personal guarantees of all the Director; Jointly and severally.

iv) Other usual charge documents/undertakings.

08 DEFERRED TAX LIABILITIES : Tk. 2,688,971

(a) Deferred Tax Liabilities are arrived at as follows:

	June 30, 2017 Taka	June 30, 2016 Taka
Book Value of Depreciable Fixed Assets	71,130,175	78,560,055
Less- Tax base	53,203,703	64,920,719
Taxable Temporary Difference	17,926,472	13,639,336
Effective Tax Rate	15%	15%
Deferred Tax Liability	2,688,971	**2,045,900**

(b) Deferred Tax Expenses/(Income) is arrived at as follows :

Closing Deferred Tax Liabilites	2,688,971	2,045,900
Opening Deferred Tax Liabilites	(2,045,900)	(1,133,719)
	643,071	**912,181**

09 WORKING CAPITAL LOAN (SECURED) : TK. 55,334,651

	June 30, 2017 Taka	June 30, 2016
BASIC Bank, Shantinagar, CC A/C No. 0960-01-0000022	**55,334,651**	**63,655,831**
	55,334,651	**63,655,831**

Cash credit, secured against hypothecation of stocks collateralised by company's fixed assets was sanctioned for one year and is usually renewable from year to year. The interest rate was 12.75% p.a. quarterly rests as on 30th June, 2017 which is also subject to change from time to time by the bank. The said loan was renewed up to 31st October, 2018.

10 UP-PAID IMPORT BILLS (SECURED) : Tk. 30,927,855

The above amount which is secured by Master Export L/C`s was remained unpaid against back to back L/C for importation of cotton yarn, chemicals & dyes as on 30th June, 2017.

11 LIABILITIES AGAINST BILL PURCHASE : TK. 18,553,576

The above amount was secured against lien of export L/Cs duly accepted by L/C opening Bank. The interest rate on the above bill purchasing finance is 13%-15% p.a. as the payments are being received in US dollars.

12 LIABILITIES FOR GOODS AND EXPENSES (UNSECURED) TK. 57,418,846

	June 30, 2017 Taka	June 30, 2016 Taka
Salary, Wages & Overtive Payable	5,472,881	4,443,023
Al Baraka Stationery	24,530	54,014
Al Fazal Transport	222,400	222,400
CEPZ (Gax, Electricity & Water)	45,245,018	21,638,770
Kamal Enterprise (BD) Limited	105,370	105,370
Kaff	160,000	100,000
Audit Fees Payable	80,000	270,000
Sharif Textile	86,344	235,928
Auxiche International	-	76,100
New Port Express Ltd.	63,377	63,377
Newport Trading	3,812,279	3,600,347
Shaheed chow. Enterprise	325,350	246,900
General Electric Work	155,400	157,240
J.B Trading	218,865	218,865
Shek Electric	180,192	143,570
Islamic Commercial Insurance	148,001	148,001
JB & Sons	298,496	298,496
Smart Solution	149,000	112,100
Shamol Trading	104,698	104,698
Chittagong Stock Exchange	30,000	30,000
Lucky Electric & Co.	44,200	20,540
Ramisa Fashion Ltd	29,141	29,141
Shohel Lime Store	21,475	21,475
MK Rubber & Engineering works	67,250	52,250
Noor Mohammad & Son's	155,079	353,417
Practica	164,400	111,200
Bhai Bhai Lime Enterprise	40,500	40,500
Shah Jaki Engineering Works	14,600	24,600
	57,418,846	**32,922,322**

The above liabilities, which are unsecured, are expected to be settled in the mormal course of the company's operating cycle on regular basis.

13 INCOME TAX PAYABLE : TK. 13,792,848

The amount represents tax for the current year which has been provided on the accounting profit for the year at the presently enacted reduced tax rate of 15% for the textile industries alongwith the shourt provision of tax of prior years.

14 PROPOSED DIVIDEND : TK. Nil

This is subject to the approval of the shareholders in the 26th Annual General Meeting and it is not being treated as a liability at the Balance Sheet date. The Board of Directors will not recommend any dividend for the financial year 2016-2017.

15 INVENTORIES : TK. 121,990,529

	June 30, 2017 Taka	June 30, 2016 Taka
Stock of Yarn & Fabric	49,542,894	83,702,918
Stock of Dyes	5,184,294	6,972,589
Stock of Chemicals	6,129,338	7,116,012
Spares, Stores & Accessories	24,629,863	22,004,505
Packing Material	138,500	160,902
Stock of Materials	**85,624,889**	**119,956,926**
Finished Goods	**30,095,353**	**6,943,012**
Fabrics		
Garments		
Work-in process	**6,270,287**	**13,046,934**
Fabrics		
Garments		
	121,990,529	**139,946,872**

16 EXPORT BILLS RECEIVABLE : TK. 216,000,996

	June 30, 2017 Taka	June 30, 2016 Taka
Accounts Receivable	**216,000,996**	**274,271,154**

The amount of non-prtoceeded exprot bills as on June 30, 2017 is considered good and realisable and is secured by export letter of credits.

17 ADVANCES, DEPOSITS & PRE-PAYMENTS : TK. 35,903,889

	June 30, 2017 Taka	June 30, 2016 Taka
Deposits with PDB	378,142	378,142
Prepaid Insurance	-	-
Bakharabad Gas Systems Ltd.	1,428,248	1,428,248
Kornopuly Gas Distribution Co. Ltd.	12,244	6,297
Federal Insurance Co. Ltd.	25,000	25,000
Lease Deposit	548,248	548,248
Advances & Other Deposits	19,840,210	10,642,809
Advance Income Tax	12,510,555	9,528,378
L/c Margin deposit	1,161,242	1,161,242
	35,903,889	**23,718,364**

17.(A) The above advances, deposits & prepayments consisting of deposits & advances made to statutory authorities and other institutions are considered good and are unsecured.

17.(B) No amount was due by directors (Including managing director), managing agents or other officers of the company and any of them jointly or severally with any other person as on June 30, 2017.

17.(C) No amount was due by related parties as on June 30, 2017.

18 CASH AND CASH EQUIVALENTS : Tk. 33,494,399

	June 30, 2017 Taka	June 30, 2016 Taka
Cash in Hand	2,479,984	1,188,798
Cash at Bank	31,014,415	10,994,966
	33,494,399	**12,183,764**

Cash at Bank shown above includes Tk. 28,736,131 kept in DFC A/C at BASIC, Shantinagar Branch, 14, Kakrail, Dhaka, for making payment of import liabilities against BBLC.

AMAR STOCK

19 SALES : TK. 378,308,731

	June 30, 2017 Taka	June 30, 2016 Taka
a) Sales of Knit Fabrics :		
Single Jersey & Pique (422,643 kg.)	257,090,931	265,987,410
Interlock Plain & Drop Needle (119,420 kg.)	59,479,385	75,248,215
Rib Plain & Lycra (184,404 kg.)	36,423,068	71,025,841
b) Sales of knit Garments :	**352,993,384**	**412,261,466**
TEE Shirts (314,413 Pcs.)	25,315,347	92,270,185
	25,315,347	**92,270,185**
	378,308,731	**504,531,651**

20 COST OF GOODS SOLD : TK. 378,208,194

	June 30, 2017 Taka	June 30, 2016 Taka
Yarn Consumed (27.A)	207,592,030	215,957,851
Chemicals & Dyes Consumed (Note 27.B)	27,255,852	46,458,470
Spares, Stores & Accessories Consumed (Note 27.C)	7,351,309	2,592,927
Packing Materials Consumed (Note 27.D)	716,237	1,996,267
	242,915,428	**267,005,515**
Add : Opening Work-in-Process	13,046,934	17,990,461
	255,962,362	**284,995,976**
Less : Closing Work-in-Process	6,270,287	13,046,934
Total Consumption	**249,692,075**	**271,949,042**
Add : Factory Overhead (Note - 21)	151,668,460	136,249,921
Cost of Production	**401,360,535**	**408,198,963**
Add : Opening Stock of Finished Goods	6,943,012	28,713,751
	408,303,547	**436,912,714**
Less : Closing Stock of Finished Goods	30,095,353	6,943,012
	378,208,194	**429,969,702**

AMARSTOCK

21 FACTORY OVERHEAD : TK. 151,668,460

	June 30, 2017 Taka	June 30, 2016 Taka
Salary & Wages	55,504,621	58,390,798
Factory Overtime	7,536,166	5,166,883
Festival Bonus	5,917,576	9,411,925
Workers Service Benefit	8,211,354	-
Travelling & Conveyance	323,245	418,626
Entertainment	1,275,254	1,667,448
Printing & Stationery	178,599	238,519
Postage & Telegram	41,981	103,457
Telephone & Telex	155,203	151,592
Vehicle Fuel & Maintenance	685,584	759,421
Rent, Rates & Taxes	1,294,918	1,307,403
Gas, Electricity & Water	26,605,451	31,935,903
Factory Repairs & Maintenance	1,889,700	1,865,859
Medical Expenses	597,670	399,268
Misc. Expenses	1,590,490	435,926
Clearing and Port Charges	1,112,355	1,566,848
Software and Internet bill	384,000	384,000
Laboratory Test	13,750	23,300
Marine Insurance Premium	45,850	22,700
Carriage Inward	839,212	839,045
Fire Insurance Premium	-	533,497
Revenue Stamp Expenses	2,200	49,005
Fabric Inspection Fees	651,289	615,065
Depreciation	21,427,620	6,350,158
Factory Labour Welfare	1,465,105	2,537,871
Water Purification Expenses	2,355,737	4,190,781
Knitting & Dyeing Charge	11,172,224	4,914,733
Export & Import Automation Bills	10,575	12,910
Factory Local Purchase	25,760	1,932,910
Factory Computer Maintenance	48,635	24,070
Indirect Labour	306,336	-
	151,668,460	**136,249,921**

21.(01) Salary and wages include company's contribution to provident fund of Tk. 1,701,152.00

21.(02) No item of the miscellaneous expenses exceeds 1% of the total revenue expenses.

21.(03) The number of employees received salaries & wages during the year under review are as follows :

	No. of Employees	Amount (Tk.)
Up to Tk. 5900 per month	261	49,241,615
Above Tk. 5900 per month	16	6,263,006
	277	**55,504,621**

22 ADMINISTRATIVE EXPENSES : TK. 6,856,952

	June 30, 2017 Taka	June 30, 2016 Taka
Salary & Allowances	2,625,753	4,239,626
Festival Bonus	278,763	1,123,958
Travelling & Conveyance	787,979	2,249,270
Entertainment	80,321	72,141
Printing & Stationery	132,000	185,362
Postage & Telegram	17,790	47,010
Telephone & Telex	6,600	157,709
Car Repair & Maintenance	249,763	665,383
Power, Fuel & Water	-	195,901
Office repair and maintenance	-	154,922
Misc. Expenses	170,050	418,446
Board Meeting Fee	16,000	16,000
Donation & Subscription	105,476	91,800
Medical Expenses	7,235	-
Audit Fees	180,000	70,000
Registration & Renewal Fees	105,880	222,210
Uniform	-	28,765
AGM Expenses	245,767	60,000
Legal Expenses	6,350	13,870
Training fee & Service charge	-	56,264
VAT expenses	-	3,621
Internet and Website Charge	287,850	-
Depreciation	1,553,375	2,038,913
	6,856,952	**12,111,171**

21.(01) No others fee except shown above was paid to the auditors for rendering other services.

21.(02) The number of employees received salaries & wages during the year under review are as follows :

	No. of Employees	Amount (Tk.)
Above Tk. 10000 per month	8	2,625,753
	8	**2,625,753**

23 SELLING AND DISTRIBUTION EXPENSES : TK. 3,480,104

	June 30, 2017 Taka	June 30, 2016 Taka
Carriage Outward	704,973	477,699
Advertisement & Publicity	61,700	29,357
Sales Commission, Freight & Forwarding Cahrges	2,713,431	5,294,083
	3,480,104	**5,801,139**

24 FINANCIAL EXPENSES : TK. 14,967,245

	June 30, 2017 Taka	June 30, 2016 Taka
Bank Charges & Commission	4,455,781	4,562,025
Interest on CC & OD	7,215,355	7,288,883
Interest on Long Term Loan	576,510	1,560,948
Central fund for RMG	96,822	-
Interest on Local Bills Purchase	2,622,777	4,028,019
	14,967,245	**17,439,875**

25 NON OPERATING INCOME : TK. Nil

	June 30, 2017 Taka	June 30, 2016 Taka
Sale of Waste Materials	-	-
	-	-

26 TAX EXPENSES : TK. 1,615,865

	June 30, 2017 Taka	June 30, 2016 Taka
Current Tax	972,794	5,881,465
Deferred Tax Expenses/(Income)	643,071	912,181
	1,615,865	**6,793,646**

27 MATERIALS CONSUMED FOR PRODUCTION : TK. 242,915,428

	June 30, 2017 Taka	June 30, 2016 Taka
A. Consumption of Yarns:		
Opening Stock	83,702,918	22,928,805
Add :Purchase	173,432,006	276,731,964
Less : Closing Stock	(49,542,894)	(83,702,918)
	207,592,030	**215,957,851**
B. Consumption of Dyes & Chemicals:		
Opening Stock	14,088,601	13,143,525
Add : Purchase	24,480,883	47,403,546
Less : Closing stock	(11,313,632)	(14,088,601)
	27,255,852	**46,458,470**
C. Consumption of Spares, Stores & Accessories :		
Opening Stock	22,004,505	11,997,738
Add : Purchase	9,976,667	12,599,694
Less : Closing Stock	(24,629,863)	(22,004,505)
	7,351,309	**2,592,927**
D. Consumption of Packing Materials :		
Opening Stock	160,902	733,473
Add : Purchase	693,835	1,423,696
Less : Closing Stock	(138,500)	(160,902)
	716,237	**1,996,267**
	242,915,428	**267,005,515**

TOTAL CONSUMPTION

According to the part II of schedule XI of the Companies Act 1994, the quantities fo raw materials, purchase, purchases and stocks should be expressed in quantitative denomination also but, this could not be done except the basic raw materials, cotton yarn (consumed 85.46%) as the company deals in a large number items as dyes & chemicals, spares, stores & accessories and packing materials which again varies in multiple units and numerous forms.

28 EARNINGS PER SHARE-DISCLOSURE UNDER THE BAS - 33

	June 30, 2017 Taka	June 30, 2016 Taka
The Computation of EPS is given below :		
(a) Surplus for the year attributable to shareholders (Net Profit After Tax)	Tk. (26,819,629)	Tk. 32,416,118
(b) Weighted average number of shares outstanding duning the year	32,491,162	Tk. 32,491,162
	Tk.(0.83)	1.00

29 RELATED PARTY TRANSACTIONS - DISCLOSURE UNDER THE BAS - 24

The company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The nature of transactions and their total value is shown below.

Name of Parties	Nature of Transactions	2016-2017 Taka	2015-2016 Taka
(a) Toyo Composite Knit Garments Ltd.	Sales	-	-
(b) Tallu Spinning Mills Ltd.	Purchase	-	-
(c) Pure Cotton Knitwears Ltd.	Sales	-	-
(d) Knit & Knitwears Ltd.	Sales	-	-

30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES UNDER BAS 32"FINANCIAL INSTRUMENTS : DISCLOSURES AND PRESENTATION"

Set out below is a year end balance of carrying amounts (book values) of all financial assets and liabilities (financial instruments) :

(Amount in Taka)

Particulars	Interest bearing		Non Interest bearing	Total
	Maturity within one year	Maturity after one year		
Financial Assets				
Long-Term Security Deposits	—	—	1,806,390	1,806,390
Trade Receivables	—	—	216,000,996	216,000,996
Cash and Cash Equivalents	—	—	33,494,399	33,494,399
	—	—	**251,301,785**	**251,301,785**
Financial Liabilities				
Long-Term Loans	3,681,642	—	—	3,681,642
Short-Term Loans	55,334,651	—	—	55,334,651
Trade Creditors	30,927,855	—	—	30,927,855
Other Current Liabilites	—	—	71,211,694	71,211,694
	(89,944,148)	—	**(71,211,694)**	**(161,155,842)**
Net Financial Assets/(Liabilities)	**(89,944,148)**	—	**180,090,091**	**90,145,943**

Carrying Amount (Book Values)

The basis of carrying amounts have been stated in accounting policies.

Fair Value

Management believe that the fair value of all financial assets and liabilities approximate their carrying value.

Market Value

As the said Financial Instruments are not traded on organised markets in standardised form, market value is not available.

Interest Rate Risk Exposure

The company's management believe that there was no significant concertration on credit risk in trade debotors. The company monitors its exposure to credit risk on an ongoing basis. Trade debotors are evaluated for recoverability.

Foreign Currency Risk

The company is subject to significant foreign currency fluctuations as the local currency (Taka) varies with US dollars and other foreign currencies.

31 STOCK OF GOODS, WIP AND CONSUMPTION OF YARN DURING THE FINANCIAL YEAR 2016-2017

QUANTITY ANALYSED IN KGS

Opening FG Fabrics	Opening WIP Fabrics	Opening FG Garments	Opening WIP Garments	Yarn Consumed	Total
26,584	29,015	17,397	5,680	887,145	965,821

Quantity Used	Sales	Closing FG Fabrics	Closing WIP Fabrics	Closing FG Garments	Closing WIP Garments	Wastage
965,821	831,271	51,356	12,783	10,584	4925	5.68%

32 PERCENTAGE OF MATERIALS CONSUMED TO TOTAL CONSUMPTION DURING THE YEAR

Materials Consumed	Amount (Taka)	% of Total	Source
Cotton Yarn	207,592,030	85.46%	Imported/Local
Dyes & Chemicals	27,255,852	11.22%	Imported/Local
Spares, Stores & Accessories	7,351,309	3.03%	Imported/Local
Packing Materials	716,237	0.29%	Imported/Local
Total	**242,915,428**	**100.00%**	

33 PRODUCTION OF GOODS AND RECONCILIATION WITH STOCKS

Product Category Fabrics	Opening Stock (Kg.) 01-07-2016	Production During the Year (Kg.)	Quantity Sold (Kg.)	Quantity Issued for Garments (Kg.)	Closing Stock (Kg.) 30-06-2017
Single Jersy & pique	9,074	490,214	422,643	65,214	11,431
Interlock plain & Drop Needle	9,660	173,214	119,420	36,524	26,930
Rib Plain & Lycra	7,850	211,097	184,404	21,548	12,995
Total	**26,584**	**874,525**	**726,467**	**123,286**	**51,356**

Product Category Garments	Opening Stock (Pcs.) 01-07-2016	Production During the Year (Pcs.)	Sales During the Year (Pcs.)	Closing Stock (Pcs.) 30-06-2017
Tee Shirts	193,085	212,124	314,413	90,796
Total	**193,085**	**212,124**	**314,413**	**90,796**

34 PRODUCTION CAPACITY AND UTILISATION

Product Category	Installed Capacity (Kg.)	Actual Production (Kg.)	Capacity Utilization %
Single Jersey & Pique	1,024,000	422,643	47.87%
Interlock Plain & Drop Needle	535,000	119,420	32.38%
Rib Plain & Lycra	550,000	184,404	38.38%
Total	**2,109,000**	**726,467**	**39.54%**

35 PAYMENT OF REMUNERATION/PERQUISITIES TO DIRECTORS AND OFFICERS

During the year under review :

a) No compensation was allowed to the Managing Director of the company.

b) Board Meeting attendance fee of Tk. 16,000 was paid to the Directors of the company.

c) No amount of money was expenses by the company for compensating any member of the Board for special service rendered.

e) No amount other than salaries, allowances and festival bonus was paid to the officers of the company.

36 CAPITAL EXPENDITURE COMMITMENT

a) There was capital expenditure contracted but not incurred or provided for at 30th June, 2017.

b) There was no material capital expenditure authorised by the Board but not contracted for at 30th June, 2017.

37 UNAVAILED CREDIT FACILITIES

There was no credit facility available to the company under any contract but not availed of as on 30th June, 2017 other than bank credit facility and trade credit available in the ordinary course of business.

38 CONTINGENT LIABILITY

Contingent liability of the company was TK. 1.77 million as on 30th June, 2017 in respect of letter of credits outstanding. There was no sums except above for which the company is contingently liable as on the Balance Sheet date.

39 CLAIMS NOT ACKNOWLEDGED

There was no claim against the company not acknowledged as debt as on the Balance Sheet date.

40 AMOUNT DUE BY DIRECTORS / OFFICERS/ ASSOCIATED UNDERTAKINGS

There was no amount due by the Directors (Including Managing Director), Managing Agents, Managers and Officers of the company and any of them severally or jointly with any other person and no amount was due by associated undertakings.

41 FOREIGN EXCHANGE EARNINGS

a) During the year under review, the amount of foreign exchange earned on account of export was equivalent to Tk. 378,308,731 on C & F basis.

b) No amount of foreign exchange except above was earned on account of royalty, technical and professional advisory, interest, dividend or other income during the year.

42 VALUE OF IMPORTS AT C & F BASIS

During the year under review, company`s total value of imports in respect of cotton yarn, dyes & chemicals stands at US$ 30,87,936.91 on C & F basis.

43 FOREIGN CURRENCY EXPENSES AND REMITTANCES

a) There was no other expenses incurred in foreign exchange on account of royalty, technical expert and professional advisory fee, interest etc. during the year under review,

b) There are no non-resident shareholders of the company and as such no remittance of dividend in foreign exchange has been made.

44 COMMISSION, BROKERAGE OR DISCOUNT AGAINST SALES

a) There was no brokerage or discount against sales during 2016-2017

b) No commission was paid to sales agents during 2016-2017

45 APPROPRIATION DURING THE YEAR

In accordance with BAS - 1 "Presentation of Financial Statements," the appropriations for the year have been reflected in the "Statement of Changes in Equity".

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

AMAR STOCK

SCHEDULE OF FIXED ASSETS ON 30-06-2017

(MKDL KNITTING & DYEING)

SCHEDULE-A

		COST					DEPRECIATION					
SL.No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR	Revaluation Surplus 30-06-16	TOTAL AS ON 30-06-17	Rate	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17	Historical Value 30.06.17	Revaluation Surplus 30.06.17	WDV 30-06-17
1	Building & Civil Works	61,186,235	-	54,673,616	115,859,851	5%	38,202,414	3,882,872	42,085,286	21,834,630	51,939,935	73,774,565
2	Plant & Machinery	260,002,990	-	120,154,767	380,157,757	10%	213,738,639	16,641,912	230,380,551	41,637,916	108,139,290	149,777,206
3	Office Equipment (A)	5,077,115	-	471,900	5,549,015	10%	3,940,953	160,806	4,101,759	1,022,546	424,710	1,447,256
4	Furniture & Fixture (A)	3,602,355	-	(459,371)	3,142,984	10%	2,657,297	48,568	2,705,865	850,552	(413,433)	437,119
5	Vehicles -2 Nos	7,523,640	-	4,003,520	11,527,160	20%	7,012,976	902,836	7,915,812	408,532	3,202,816	3,611,348
6	Motor Car Parado (A)	14,000,000	-	-	14,000,000	20%	7,280,000	1,344,000	8,624,000	5,376,000	-	5,376,000
Grand Total Tk. 2016		**351,392,335**		**178,844,432**	**530,236,767**		**272,832,279**	**22,980,994**	**295,813,273**	**71,130,176**	**163,293,619**	**234,423,494**

Charged to:

Factory Expenses:	21,427,620
Admin Expenses:	1,553,375
	22,980,995

MITHUN KNITTING & DYEING (CEPZ) LTD.

SCHEDULE OF FIXED ASSETS ON 30-06-17

Revalued Asset Schedule

		COST					DEPRECIATION					
SL.No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR		TOTAL AS ON 30-06-17	Rate	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17			WDV 30-06-17
1	Building & Civil Works	54,673,616	-		54,673,616	5%	-	2,733,681	2,733,681			51,939,935
2	Plant & Machinery	120,154,767	-		120,154,767	10%	-	12,015,477	12,015,477			108,139,290
3	Office Equipment (A)	471,900	-		471,900	10%	-	47,190	47,190			424,710
4	Furniture & Fixture (A)	(459,370)	-		(459,370)	10%	-	(45,937)	(45,937)			(413,433)
5	Vehicles -2 Nos	4,003,520	-		4,003,520	20%	-	800,704	800,704			3,202,816
Grand Total Tk. 2016		**178,844,433**	**-**		**178,844,433**		**-**	15,551,115	**15,551,115**			**163,293,319**

Report of Auditors' to the Shareholders

We have audited the accompanying Financial Statements of **Toyo Composite Knit Garments Limited** which comprise the Statement of Financial Position as at 30 June 2017, the 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 notes.

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), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statement, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the entity's preparation and fair presentation of the Financial Statement in order to design audit procedure 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 Statement present fairly in all material respects Financial Position of the company's as at 30 June, 2017 and its financial performance and its cash flow for the year then ended in accordance with Bangladesh Financial Reporting Standard and comply with the Companies Act 1994, the securities and Exchange Rules 1987 and others applicable laws and regulation. We also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by Toyo Composite Knit Garments Limited so far as it appeared from our examination of those books;

(iii) The company Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income together with the annexed notes and its Statement of Cash Flows detail with by this report are in agreement with the books of accounts and returns;

(iv) The expenditure incurred and payments made were for the purposes of the Company's business.

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Rupayan Karim Tower
Level-7, Suite # 7A
80, Kakrial, Dhaka-1000
25 November, 2017

Toyo Composite Knit Garments Limited

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2017

PARTICULARS	Notes	June 30, 2017 Taka	June 30, 2016 Taka
NON-CURRENT ASSETS		18,638,667	21,918,461
		18,638,667	**21,918,461**
Fixed Assets (Garments Division)			
CURRENT ASSETS		**151,663,198**	**193,892,339**
Inventories		41,408,290	92,616,907
Export Bills Receivable		56,054,263	63,048,264
Advances, Deposits & Prepayments		28,126,222	23,239,626
Cash and Cash Equivalents		26,074,423	14,987,542
TOTAL ASSETS		**170,301,865**	**215,810,800**
SHAREHOLDERS' EQUIT Y AND LIABILITIES			
SHAREHOLDERS' EQUIT Y			
Share Capital		75,000,000	75,000,000
Retained Earnings		67,044,024	81,433,557
Tex Holiday Reserve		2,981,261	2,981,261
Revaluation Surplus		11,844,011	14,011,829
TOTAL EQUITY		**156,869,296**	**173,426,647**
NON-CURRENT LIABILITIES		-	-
Long Term Loan from BASIC Bank (Secured)		-	-
CURRENT LIABILITIES		**13,432,569**	**42,384,153**
Un-paid Import Bills (Secured)		1,815,150	15,198,571
Liabilities Against Bill Purchase (Secured)		354,021	7,907,032
Liabilities For Goods And Expenses (Unsecured)		2,176,992	9,740,634
Income Tax Payable		9,086,406	9,537,916
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**170,301,865**	**215,810,800**
Net Asset Value Per Share		**209.16**	**231.24**

Md. Rafiqul Haque
Managing Director

Md. Mahbub-Ul Haque
Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

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

Dhaka
25 November, 2017

TOYO COMPOSITE KNIT GARMENTS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2017

PARTICULARS		June 30, 2017 Taka	June 30, 2016 Taka
SALES		**90,210,730**	**242,381,686**
Less : Cost of Goods Sold		98,185,400	205,031,478
GROSS PROFIT		**(7,974,670)**	**37,350,208**
Less :	Administrative Expenses	4,578,557	6,058,823
	Selling and Distribution Expenses	3,172,421	8,200,006
	Financial Expenses	831,703	2,394,018
		8,582,681	**16,652,847**
OPERATING PROFIT		**(16,557,351)**	**20,697,361**
Add : Non Operating Income		-	-
		(16,557,351)	**20,697,361**
Net Profit Before Tax			
Less : Tax Expenses		-	4,139,472
Net Profit After Tax		**(16,557,351)**	**16,557,889**
(Transferred to The Statement of Changes in Equity)			
Earnings Per Share		**22.08**	**22.08**

Md. Rafiqul Haque
Managing Director

Md. Mahbub-Ul Haque
Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

This is the statement of Profit or Loss and Other Comprehensive Income referred to in our report of even date.

Dhaka
25 November, 2017

TOYO COMPOSITE KNIT GARMENTS LIMITED

STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30TH JUNE, 2017

	June 30, 2017 Taka	June 30, 2016 Taka
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and Others	97,204,731	259,084,783
Payment for Cost and Expenses	(84,834,637)	(252,124,603)
Payment for Financial Expenses	(831,703)	(2,394,018)
Income Tax Paid /Deducted	(451,510)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	**11,086,881**	**4,566,162**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	-	-
NET CASH USED/PROVIDED BY INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Loan Increase/(Decrease)	-	-
Short Term Loan Increase/(Decrease)	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
Increase/(Decrease) in Cash and Cash Equivalents	11,086,881	4,566,162
Cash and Cash Equivalents on Opening	14,987,542	10,421,380
Cash and Cash Equivalents on Closing	**26,074,423**	**14,987,542**
Net Operationg Cash Flow Per Share	**14.78**	**6.09**

The annexed Nots form an Integra Part of this Statement

Md. Rafiqul Haque
Managing Director

Md. Mahbub-Ul Haque
Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

This is the Cash Flow statement referred to in our report of even date.

Dhaka

25 November, 2017

Toyo Composite Knit Garments Limited

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2017

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 16	75,000,000	2,981,261	14,011,829	81,433,557	173,426,647
Net Profit After Tax	-	-	-	(16,557,351)	(16,557,351)
Prior year Adjustment	-	-	-	-	-
Revaluation Surplus	-	-	(2,167,818)	2,167,818	-
Balance as on June 30, 17	**75,000,000**	**2,981,261**	**11,844,011**	**67,044,024**	**156,869,296**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2016

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 15	75,000,000	2,981,261	-	67044659	145,025,920
Net Profit After Tax	-	-	-	16557889	16,557,889
Prior year Adjustment				(2168991)	(2,168,991)
Revaluation Surplus	-	-	14,011,829	-	14,011,829
Balance as on June 30, 16	**75,000,000**	**2,981,261**	**14,011,829**	**81,433,557**	**173,426,647**

Md. Rafiqul Haque
Managing Director

Md. Mahbub-Ul Haque
Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

This is the Statement of Changes in Equity referred to in our report of even date.

Dhaka
25 November, 2017

SCHEDULE OF FIXED ASSETS ON 30-06-2017

TOYO COMPOSITE KNITE GARMENTS LTD.

SCHEDULE-B

SL.No.	DESCRIPTION	COST: OPENING 01-07-16	COST: ADDITION DURING THE YEAR	COST: Revaluation Surplus 30-06-16	COST: TOTAL AS ON 30-06-17	Rate	DEPRECIATION: AS ON 01-07-16	DEPRECIATION: DURING THE YEAR	DEPRECIATION: TOTAL AS ON 30-06-17	WDV 30-06-17
1	Plant & Machinery	24,059,519	-	12,483,572	36,543,091	15%	18,257,197	2,742,884	21,000,081	15,543,010
2	Office Equipment (A)	893,873	-	114,115	1,007,988	15%	624,921	57,460	682,381	325,607
3	Furniture & Fixture (A)	3,982,435	-	(1,320,882)	2,661,553	10%	2,502,053	15,950	2,518,003	143,550
4	Others (A)	2,032,300	-	2,735,024	4,767,324	15%	1,677,324	463,500	2,140,824	2,626,500
Grand Total Tk. 2017		**30,968,127**	**-**	**14,011,829**	**44,979,956**		**23,061,495**	3,279,794	**26,341,289**	**18,638,667**

Charged to:

Factory Expenses:	2,742,884
Admin Expenses:	536,910
	3,279,794

TOYO COMPOSITE KNITE GARMENTS LTD.

SCHEDULE OF FIXED ASSETS ON 30-06-17

Revalued Asset Schedule

SL.No.	DESCRIPTION	COST: OPENING 01-07-16	COST: ADDITION DURING THE YEAR		COST: TOTAL AS ON 30-06-16	Rate	DEPRECIATION: AS ON 01-07-16	DEPRECIATION: DURING THE YEAR	DEPRECIATION: TOTAL AS ON 30-06-16	WDV 30-06-17
1	Plant & Machinery	12,483,572	-		12,483,572	15%		1,872,536	1,872,536	10,611,036
2	Office Equipment (A)	114,115	-		114,115	15%		17,117	17,117	96,998
3	Furniture & Fixture (A)	(1,320,882)	-		(1,320,882)	10%		(132,088)	(132,088)	(1,188,794)
4	Others (A)	2,735,024	-		2,735,024	15%		410,254	410,254	2,324,770
Grand Total Tk. 2017		**14,011,829**			**14,011,829**			**2,167,818**	**2,167,818**	**11,844,011**

Report of Auditors' to the Shareholders

We have audited the accompanying Financial Statements of **Pure Cotton Knitwear's Limited** which comprise the Statement of Financial Position as at 30 June 2017, the 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 notes.

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), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statement, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the entity's preparation and fair presentation of the Financial Statement in order to design audit procedure 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 Statement present fairly in all material respects Financial Position of the company's as at 30 June, 2017 and its financial performance and its cash flow for the year then ended in accordance with Bangladesh Financial Reporting Standard and comply with the Companies Act 1994, the securities and Exchange Rules 1987 and others applicable laws and regulation. We also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by Pure Cotton Knitwears Limited so far as it appeared from our examination of those books;

(iii) the company Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income together with the annexed notes and its Statement of Cash Flows detail with by this report are in agreement with the books of accounts and returns;

(iv) the expenditure incurred and payments made were for the purposes of the Company's business.

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Rupayan Karim Tower
Level-7, Suite # 7A
80, Kakrial, Dhaka-1000
25 November, 2017

PURE COTTON KNITWEARS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2017

PARTICULARS	June 30, 2017 Taka	June 30, 2016 Taka
NON-CURRENT ASSETS	**16,812,364**	**19,769,869**
Fixed Assets (Garments Division)	16,812,364	19,769,869
CURRENT ASSETS	**91,371,966**	**114,666,533**
Inventories	19,562,064	46,385,274
Export Bills Receivable	52,524,184	54,371,395
Advances, Deposits & Prepayments	18,824,464	11,549,751
Cash and Cash Equivalents	461,254	2,360,113
TOTAL ASSETS	**108,184,330**	**134,436,402**
SHAREHOLDERS' EQUIT Y AND LIABILITIES		
SHAREHOLDERS' EQUIT Y		
Share Capital	35,000,000	35,000,000
Retained Earnings	48,120,973	62,283,597
Tax holiday Reserve	2,814,545	2,814,545
Reserve And Surplus	12,251,570	14,421,145
TOTAL EQUITY	**98,187,088**	**114,519,287**
NON-CURRENT LIABILITIES		
Long Term Loan from BASIC Bank (Secured)	-	-
CURRENT LIABILITIES	**9,997,242**	**19,917,116**
Un-paid Import Bills (Secured)	250,000	4,166,548
Liabilities Against Bill Purchase (Secured)	-	-
Liabilities For Goods And Expenses (Unsecured)	1,075,020	7,078,346
Income Tax Payable	8,672,222	8,672,222
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**108,184,330**	**134,436,402**
Net Asset Value Per Share	**280.53**	**327.20**

Md. Rafiqul Haque
Chairman

Md. Mahbub-Ul Haque
Managing Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

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

Dhaka
25 November, 2017

PURE COTTON KNIWEARS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2017

PARTICULARS		June 30, 2017 Taka	June 30, 2016 Taka
SALES		40,015,478	114,844,898
Less : Cost of Goods Sold		53,181,325	81,754,338
GROSS PROFIT		**(13,165,847)**	**33,090,560**
Less :	Administrative Expenses	1,061,330	874,185
	Selling and Distribution Expenses	1,548,501	5,113,998
	Financial Expenses	556,521	978,949
		3,166,352	**6,967,132**
OPERATING PROFIT		**(16,332,199)**	**26,123,428**
Add : Non Operating Income		-	60,000
Net Profit Before Tax		**(16,332,199)**	**26,183,428**
Less : Tax Expenses		(16,332,199)	26,183,428
Net Profit After Tax		-	5,236,686
(Transferred to The Statement of Changes in Equity)		**(16,332,199)**	**20,946,742**
Earnings Per Share		**(46.66)**	**59.85**

Md. Rafiqul Haque
Chairman

Md. Mahbub-Ul Haque
Managing Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

This is the statement of Profit or Loss and Other Comprehensive Income referred to in our report of even date.

Dhaka
25 November, 2017

PURE COTTON KNIWEARS LIMITED

STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2017

	June 30, 2017 Taka	June 30, 2016 Taka
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover and Others	41,862,689	97,499,076
Payment for Cost and Expenses	(43,205,027)	(94,860,722)
Payment for Financial Expenses	(556,521)	(978,949)
Income Tax Paid /Deducted	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	**(1,898,859)**	**1,659,405**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	-	-
NET CASH USED/PROVIDED BY INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Loan Increase/(Decrease)	-	-
Short Term Loan Increase/(Decrease)	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
Increase/(Decrease) in Cash and Cash Equivalents	(1,898,859)	1,659,405
Cash and Cash Equivalents on Opening	2,360,113	700,708
Cash and Cash Equivalents on Closing	**461,254**	**2,360,113**
Net Operationg Cash Flow Per Share	**5.43**	**4.74**

Md. Rafiqul Haque
Chairman

Md. Mahbub-Ul Haque
Managing Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

This is the Cash Flow statement referred to in our report of even date.

Dhaka

25 November, 2017

PURE COTTON KNIWEARS LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2017

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 16	35,000,000	2,814,545	14,421,145	62,283,597	114,519,287
Net Profit After Tax	-	-	-	(16,332,199)	(16,332,199
Revaluation Surplus		-	(2,169,575)	2,169,575	-
Balance as on June 30, 17	**35,000,000**	**2,814,545**	**12,251,570**	**48,120,973**	**98,187,088**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2016

Particulars	Share Capital	Tax-Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 15	35,000,000	2,814,545	-	41,336,855	79,151,400
Net Profit After Tax	-	-	-	20,946,742	20,946,742
Revaluation Surplus		-	14,421,145	-	14,421,145
Balance as on June 30, 16	**35,000,000**	**2,814,545**	**14,421,145**	**62,283,597**	**114,519,287**

Md. Rafiqul Haque
Chairman

Md. Mahbub-Ul Haque
Managing Director

S.M. Shahid-ul-Arafin
Company Secretary

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

This is the Statement of Changes in Equity referred to in our report of even date.
Dhaka
25 November, 2017

SCHEDULE OF FIXED ASSETS ON 30-06-2017

PURE COMPOSITE KNITWEARS LTD.

SCHEDULE-C

		COST					DEPRECIATION			
SL. No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR	Revaluation Surplus 30-06-16	Total As on 30-06-17	RATE	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17	WDV 30-06-17
1	PLANT & MACHINERY	29,559,601	-	14,297,127	43,856,728	15%	24,629,426	2,884,095	27,513,521	16,343,207
2	OFFICE EQUIPMENTS (A)	507,628	-	252,092	759,720	15%	376,653	57,460	434,113	325,607
3	FURNITURE & FIXURES (A)	783,832	-	(128,074)	655,758	10%	496,258	15,950	512,208	143,550
	Total	30,851,061	-	14,421,145	45,272,206		25,502,337	2,957,505	28,459,842	16,812,364

Charged To:

Factory Expenses	2,884,095
Admin Expenses	73,410
	2,957,505

(PURE CONTTON KNITWEARS LTD.)
SCHEDULE OF FIXED ASSETS ON 30-06-2017
Revalued Asset Schedule

SCHEDULE-C

		COST					DEPRECIATION			
SL. No.	DESCRIPTION	OPENING 01-07-16	ADDITION DURING THE YEAR	Revaluation Surplus 30-06-16	Total As on 30-06-17	RATE	AS ON 01-07-16	DURING THE YEAR	TOTAL AS ON 30-06-17	WDV 30-06-17
1	PLANT & MACHINERY	14,297,127	-		14,297,127	15%	-	2,144,569	2,144,569	12,152,558
2	OFFICE EQUIPMENTS (A)	252,092	-		252,092	15%	-	37,814	37,814	214,278
3	FURNITURE & FIXURES (A)	(128,074)	-		(128,074)	10%	-	(12,807)	(12,807)	(115,267)
	Total	14,421,145	-	-	14,421,145		-	2,169,575	2,169,575	12,251,570

MITHUN KNITTING & DYEING (CEPZ) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2017

Cash & Cash Equivalents :	Mithun Kinitting & Dyeing (CEPZ) Ltd.	Toyo Composite Knit Garments Ltd.	Pure Cotton Knitwears Ltd.	Total (Tk.)
Cash in Hand	**2,479,984**	**127,052**	**52,596**	**2,659,632**
Cash at Bank (B) :				
A/C Dhaka Bank-1483	389	-	-	389
Basic CD A/C No. 0910-01-115	1,353,839	-	-	1,353,839
Basic DFC A/C No. 0911-17-4274	800,675	-	-	800,675
Basic DFC A/C No. 0911-17-239	28,736,131	-	-	28,736,131
Basic Marging DFC A/C No. 0911-17-3508	13,600	-	-	13,600
Basic RQ A/C No. 11-13-0022	62,651	-	-	62,651
Basic CEPZ A/C No. 2510-01-153	2,274	-	-	2,274
DBBL CD A/C No. 188.110.4738	4,856	-	-	4,856
BO Account	40,000	-	-	40,000
UCBL CD A/C No. 1100099181	-	-	242	242
UCBL Margin A/C No. 1184000000423	-	-	-	-
Prime Bank Ltd. (RQ) 70002002	-	-	406,527	406,527
Prime Bank Ltd. (CD) 90000688	-	-	202	202
Basic Bank Ltd. 0910-01-0002008	-	-	1,687	1,687
Basic Bank CD A/C No. 091-01-719	-	31,081	-	31,081
Basic Bank DFC A/C No.	-	25,729,750	-	25,729,750
Basic Bank RQ A/C No. 0911-09 000023	-	108,850	-	108,850
UCBL 000111100100722	-	88	-	88
Janata Bank Ltd. 70342	-	73,422	-	73,422
Brac Bank Ltd. C/D A/C No. 1513-34194001	-	4,180	-	4,180
Total Cash at Bank :	**31,014,415**	**25,947,371**	**408,658**	**57,370,444**
Total Cash and Cash Equivalent	**33,494,399**	**26,074,423**	**461,254**	**60,030,076**

Notes

Notes

AMAR STOCK

Notes

Notes

AMAR STOCK

PROXY FORM

The Director
Mithun Knitting and Dyeing (CEPZ) Limited
Chuadanga

Folio No. _____

I / We, _____ of _____

_____

_____ being a member of Mithun Knitting and Dyeing (CEPZ) Ltd.

do hereby appoint Mr. /Mrs. _____

_____ of _____

or failing him / her / Mr. / Mrs. _____

of _____ as my proxy to attend and vote for me and on my behalf at the 26th Annual General Meeting of the company to be held on the 30th December 2017 and at any adjournment there of.

As witness my hand this _____ day of _____ 2017

Signed by the said Mr. / Mrs. _____

Revenue stamp

Signature of the Proxy	**Signature of the Witness**	**Signature of the Shareholder**
Folio/Bo No. _____ (if any)		Folio/Bo No. _____

Note :
1. A shareholder entitled to vote at the above meeting may apoint a proxy.
2. The instrument of appointing a proxy shall be deposited at the Registered Office of the company not less than 48 (Forty Eight) hours before the time of holding the meeting.

MITHUN KNITTING AND DYEING (CEPZ) LTD.
CHUADANGA

ATTENDANCE SLIP

Please complete this attendance slip & hand it over at the entrance of the Hall.
I hereby record my attendance at the 26th Annual General Meeting being held on the 30th December 2017 at Chuadanga.

Name of Member / Proxy _____

Register Folio/Bo No. _____

_____
Signature

SMARTSTOCK

MITHUN KNITTING & DYEING (CEPZ) LTD.

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Gulshan- 1(Gulshan Avenue)
Dhaka- 1212, Bangladesh
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Mithun Knitting and Dyeing Ltd.
Plot No.44-46, Sector-4,
Chittagong Export
Processing Zone,
Bangladesh

Toyo Composite Knit Garments Ltd.
Sarder Complex, 1, South
Kamalapur, Dhaka,
Bangladesh

Pure Cotton Knit wear Ltd.
Sarder Complex, 1, South
Kamalapur, Dhaka,
Bangladesh

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